

International Tax Programme 2010

Week 1 (10th – 15th May 2010) – led by Leiden International Tax Centre, Leiden University

Date	TOPIC	DESCRIPTION
10May	Key Concepts of international taxation and of tax treaties	<p>To bring participants to the same level, there will a quick introduction through the concepts of international taxation and tax treaties. To further aid understanding in this topic, an analysis of the 2008 OECD Model Convention Commentary will be carried out.</p> <p>Topics:</p> <ul style="list-style-type: none"> • Introduction to taxation of cross-border income and methods of double taxation relief • Various methods to relieve juridical double taxation – operation and advantages & disadvantages • Types of relief offered • Interaction between distributive articles and double taxation relief provisions • Detailed analyses of key concepts “residence” and “source”, changes in 2008 OECD Model Convention Commentary update on “tie-breaker” rule and analysis of impact on “loser”state in triangular situations • Impact of significant case laws • Practical difficulties in application of the “residence” concept to hybrid entities and Collective Investment Vehicles
11May	Business profits taxation under tax treaties	<p>The concept of “Permanent Establishment” (PE) is one of the most important issues in international double tax treaty law. This section aims to explain the concept of PE and the practical difficulties in application.</p> <p>Topics:</p> <ul style="list-style-type: none"> • Contents and application of the distributive rules of OECD Model Article 7 • Main rule and exception if business is conducted through a PE • Concept of PE – physical PE, project PE, agency PE • Practical difficulties in application of Articles 5 & 7

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		<ul style="list-style-type: none"> • Analysis of OECD suggestions to 2008 Commentary for a “Service PE” • Special attention on income attribution to Project PEs and Agency PEs
12May	Investment Income – Dividends, interest & royalties as well as immovable property income	<p>Tax treaty rules on investment income vary with the nature of investment. The taxation of investment income gives rise to numerous interpretation and practical issues, the most important ones of which will be examined in this subject.</p> <p>Topics:</p> <ul style="list-style-type: none"> • Definitions of dividends, interest and royalties • Differences in domestic and treaty law qualifications • Dual source issues with respect to interest income • Concept of “beneficial owner” clause, in light of recent case laws • With respect to immoveable property, developments in application of Articles 6 & 13 and practical difficulties in tax treaty application due to interaction of Articles 6,7 & 21
13May	Income from employment, stock options, pensions, etc under tax treaties	<p>With increasing number of companies adopting a global approach to grow their business and the mobility of labour, the OECD Model Articles 15 through 20, will be closely discussed in this section. Understanding will be further reinforced through case studies.</p> <p>Topics:</p> <ul style="list-style-type: none"> • Main rules in Article 15 and practical difficulties in interpretation and application • Analysis of situations such as international hiring out of labour, residence of employer • Interaction between domestic tax law and a tax treaty, complications posed by dual residence issues of employers, employers who are tax exempt or hybrid entities • Rules on remuneration of directors, artistes and sportsmen and pensions • Treaty issues in stock options and OECD approaches to cross-border taxation of sotck options

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14May	Complex issues regarding on tax treaty interpretations and application – triangular cases	<p>This section sets out to analyse the interaction between domestic tax law and tax treaty and elaborate on key issues.</p> <p>Topics:</p> <ul style="list-style-type: none">• Different domestic and treaty law definitions of key terms (residence, PE, item of income), When and how restrictive effects of tax treaties affect core notions of a tax treaty's distributive rules• Triangular situations involving 3 or more states, complex triangular and quadrangular cases due to dual residence companies and PEs• Discussion of impact of non-discrimination clauses of OECD Article 24 on triangular and quadrangular situations
15May (AM)	Round-up session for week 1	Discussion and round-up

Week 2 (17-21 May 2010) – led by International Accounting Firms (Deloitte, EY, KPMG & PwC)

DAY	TOPIC	DESCRIPTION
17 & 18 May	Supply Chain Management (1 ½ days)	<p>As companies globalise and set up operations in different jurisdictions because of their comparative advantages, the tax implications that can arise from managing operations across borders are significant issues for companies to consider. This segment takes participants through the complex cross-border issues in supply chain management and practical steps that may be taken to address these issues.</p> <p>Topics include:</p> <ul style="list-style-type: none"> • PE risks issues associated with supply chain structures, e.g. toll manufacturing, contract manufacturing, commissionaires, liaison offices, source-country goods storage • Legal form and economic substance in applying PE definitions • Principal / Hubco selection considerations • Conversion related considerations (e.g. converting full-fledged manufacturing to stripped/toll manufacturing – transfer pricing and deemed IP transfer issues) • Planning involving IP rights (ownership, cost sharing arrangements, IP holding location considerations, migration, royalty planning, etc.) • Headquarter services, charge-out of management fee considerations • Indirect tax implications – VAT/GST registration, customs duties, free trade agreements • Transfer Pricing Implications and Considerations • Selected Parent company jurisdiction’s international tax rules affecting SCM tax structure (e.g. CFC rules, IP migration specific tax rules) • Special look at SCM structures in Asia Pacific and drill down on selected Asian countries e.g. India, China, Korea, Japan
18 & 19 May	Cross-Border Restructuring and Mergers & Acquisitions (1 ½ days)	<p>This segment provides practical insights into tax considerations arising from cross-border restructuring and M&A:</p> <ul style="list-style-type: none"> • In-depth analysis of key tax implications arising from cross-border M&A transactions and application of tax treaty provisions • Interaction of domestic tax rules with tax treaty provisions

Week 2 (17-21 May 2010) – led by International Accounting Firms (Deloitte, EY, KPMG & PwC)

DAY	TOPIC	DESCRIPTION
		<ul style="list-style-type: none"> • Options for local consolidation (Post Merger Integration) – mergers, amalgamations, asset transfers, tax consolidation, domestic tax implications • Debt pushdown planning • Benefits and key considerations in using Holding Companies • Funding aspects and tax efficient financing (e.g. special financing regimes, interest withholding tax) • Thin Capitalisation and related issues • Impact of home country CFC rules • Common and innovative structures for M&A deals and anti-avoidance issues, including indirect taxes • Treaty shopping challenges and the need for substance • Exit / Disposition related planning • Seller and Buyer side tax considerations – practical aspects of bridging the gap • Special look at M&A transactions involving targets in selected countries (e.g. India, China, Korea) and case studies
20May	Capital Markets, Private Equity and Real Estate (1 day)	<p>Capital flows to locations that yield the best returns but ensuring that returns are not eroded on account of unforeseen tax issues will be the focus of this segment:</p> <ul style="list-style-type: none"> • Tax issues specific to financial institutions and asset management concerns • Private Equity and Real Estate Fund investments in Asian Assets • Special tax considerations that apply for these Funds • Tax issues of investors (tax exempts, taxables, institutionals, high net worth individuals) and its impact on the fund vehicle, holding company and local asset holding company structuring • Locating fund vehicles, setting up holding companies, planning for exit • Residence issues for fund vehicle and investors • Sovereign wealth fund specific tax considerations (e.g. tax exemption under tax treaties) • Real estate investment and development related local tax and tax treaty considerations

Week 2 (17-21 May 2010) – led by International Accounting Firms (Deloitte, EY, KPMG & PwC)

DAY	TOPIC	DESCRIPTION
		<ul style="list-style-type: none"> • Onshore SPC and REIT review and planning • Asset management structure tax issues (e.g. PE in the country where the asset is located, local withholding tax issues on management fees) • Anti-avoidance Issues • Specific case studies illustrating the tax lifecycle of a private equity/real estate fund investment and exit
21May (AM)	Complex Cross Border Planning (1/2 day)	<p>This is a forward looking segment looking at emerging tax issues in the context of global financial and investment trends:</p> <ul style="list-style-type: none"> • Global trends on tax planning environment • Advanced planning using Dual residence, Hybrid entities, Hybrid instruments, Usufructs, etc.
(PM)	Round-up Session (1/2 day)	

**(Course outline is subject to further refinements)*