IBFD Online Course: Double Taxation Relief

Learning objectives
- Understand the policy objectives of double tax relief (DTR)
- Know which sources of law on double tax relief may be relevant in a specific situation
- Be able to apply the various mechanisms of double tax relief
- Appreciate the many complexities of double tax relief and be able to anticipate the issues that may arise in specific situations
- Understand why double tax relief is often not fully effective in practice
- Be able to interpret and apply treaty provisions on double tax relief, in particular in the context of their interaction with domestic law

Pre-requisites
This course is highly recommended for participants who have a basic knowledge of DTR and who now need to develop a better understanding of this topic. It is also suitable for those with more experience who have already encountered specific issues with DTR and who wish to refresh or consolidate their understanding of the topic.

Study time
Audio lessons: 4 hours 45 mins
Self study: 5 hours 45 mins
Further reading (optional): 42 hours 30 mins
Extra: 15 min video interview with international tax expert

Advanced preparation
No advanced preparation is necessary, although participants with very little experience of international tax law would find it useful to take the course “Fundamentals of International Tax Law” beforehand. All required study material is provided in the online course.

Course program

<table>
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<tr>
<th>Lessons</th>
<th>Topics Covered</th>
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| **Lesson 1:** Introduction |  - Recap of the framework of international tax law  
  - Recap of fundamental concepts  
  - Recap of basic principles of DTR methods |
| **Lesson 2a:** Exemption |  - Conditions for the exemption  
  - The computation of the exemption  
  - The participation exemption for dividends |
| **Lesson 2b:** Credit – creditable amount |  - Dividends - indirect tax credit  
  - Tax sparing credit controversy  
  - Minimum foreign tax rule  
  - Anti-avoidance rules |
| **Lesson 2c:** Credit – credit limits and excess credits |  - Credit limitations  
  - Excess credits |
| **Lesson 2d:** Deduction |  - Deduction method  
  - Availability of the deduction method  
  - Disadvantages and advantages of the deduction method |
| **Lesson 3a:** Income computation |  - Which states’ rules apply?  
  - Allocation of expenses  
    - Expenses relating to specific income  
    - General and overhead expenses  
    - Personal allowances and deductions |
### Lesson 3b: Losses
- Are foreign losses deductible?
- How to deal with losses:
  - Foreign losses under the exemption method
  - Domestic losses under the exemption method
  - Foreign losses under the credit method
  - Domestic losses under the credit method
- Set-off against which income?

### Lesson 4: Revision Quiz
- Reinforce key concepts

### Lesson 5a: Legal basis of DTR
- Legal bases for double tax relief
  - Domestic law
  - Treaties
  - EU law
- Relationship between domestic law and treaties
- EU law
  - Directives
  - Case law

### Lesson 5b: Persons eligible for DTR
- Which persons can claim double taxation relief?
- Permanent establishments

### Lesson 5c: Foreign income eligible for DTR
- Where to find source rules
- What is the source of income?
  - Domestic law
  - US re-sourcing rule
  - Treaties
- Allocation of deductions
- Foreign exchange results

### Lesson 5d: Taxes eligible for DTR
- Relief from which domestic taxes?
- Relief for which types of foreign tax?
- Where is the foreign tax levied?

### Lesson 6: Revision Quiz
- Reinforce key concepts

### Lesson 7a: Problem areas
- The person entitled to DTR
  - Hybrid entities, partnerships
- The timing of DTR
  - Stock options
  - Exit taxes
- The characterization of income and DTR
  - Conflicts of qualification

### Further reading
- Additional (optional) reading material related to this course

**Also included in this course:** Prof. dr Stef van Weeghel, professor of international tax law at the law faculty of the University of Amsterdam and tax partner with PricewaterhouseCoopers, discusses:
- The importance of double tax relief in practice
- The impact of practical difficulties
- The possibility of double non-taxation
- Problems in obtaining double tax relief and the usefulness of treaties

**How to register:**
To register for an IBFD online course, please visit [www.ibfd.org](http://www.ibfd.org) or contact [onlinecourses@ibfd.org](mailto:onlinecourses@ibfd.org)