Summary

This intermediate-level course provides participants with the essentials of international taxation. Participants of the course will gain a thorough understanding of the main issues involved in the application of income tax treaties, with a specific focus on treaties entered into by countries in the Middle East and North Africa. The course will also provide an introduction to international tax planning.

Overview and Learning Objectives

The course covers the fundamentals of tax treaties, the residence and permanent establishment (PE) concepts, attribution of profits to PEs and various types of passive income and employment income, with a specific focus on treaties entered into by countries in the Middle East and North Africa. In addition, the course provides an introduction to basic tax planning structures and anti-avoidance rules.

Prior to the course, each participant will be given access to a tailored documentation platform which provides them with additional pre-reading material and supplementary material (e.g. legal documentation, case law and related articles/literature). During the course, participants will be provided with a course binder containing documents relevant to the course.

This is an interactive course with a maximum of 60 participants. During the three-day classroom training, case studies will be discussed to enable participants to gain confidence in applying the skills acquired during the course.

Who Should Attend?

The course is suitable for practitioners in tax advisory firms, tax specialists in commerce and industry, and government officials.

Course Level and Prerequisites

This is an intermediate-level course. Participants will be expected to have a working knowledge of the tax system of at least one country and to be familiar with the principles of tax treaties.
Day 1

09.00 - 10.40  **Introduction and Residence**
- Recap key points concerning fundamentals of tax treaties
- The concept of residence in domestic law and bilateral tax treaties
  - individuals
  - corporations
- Dual residence issues
- Treaty tiebreaker rules
- Recent OECD developments and their relevance

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  **Permanent Establishment (PE) Concept**
- Basic rule PE
- Construction site PE
- Agency PE
- Auxiliary and preparatory activities
- Services PE
- Recent OECD developments and their relevance

12.45 - 14.00  Lunch

14.00 - 15.40  **Business Profits Taxation**
- How does a tax treaty deal with active business income?
- Relationships between treaty articles
- Allocation of business profits
- Determination of a PE’s profits
  - arm's length principle
  - allocation of expenses
- Recent OECD developments and their relevance

15.40 - 16.00  Break – Refreshments

16.00 - 17.00  **Case Study**
Day 2

09.00 - 11.00  Taxation of Investment Income
- Dividends, interest, capital gains
- Treaty distributive rules
- Beneficial ownership requirements
- Recent OECD developments

11.00 - 11.20  Break – Refreshments

11.20 - 12.45  Immovable Property Taxation
- Income from immovable property
- Alienation of immovable property
- Real estate companies
- Practical examples

12.45 - 14.00  Lunch

14.00 - 15.40  Taxation of Payments for Technology
- Characterization of payments for technology for treaty purposes
- Royalty v. business profits v. management/technical fees v. capital gains
- Various treaty distributive rules
- Recent OECD updates and their relevance
- Recent international case law examples and their relevance

15.40 - 16.00  Break – Refreshments

16.00 - 17.00  Case Study
Day 3

09.00 - 10.40 Employment Income

- Taxation of dependent personal services
- General rules
- International hiring-out of labour
- Directors’ fees
- Artistes and sportsmen
- Pensions

10.40 - 11.00 Break – Refreshments

11.00 - 12.45 Basic Tax Planning

- Fundamentals of international tax planning
- Types of international tax planning
- Tax planning for holding activities
- Tax planning for financing activities
- Tax planning for manufacturing and distribution activities

12.45 - 14.00 Lunch

14.00 - 15.40 Anti-Avoidance Rules

- Domestic anti-avoidance rules
- Treaty anti-avoidance rules
- Limitation of benefits (LOB) clauses
- Practical examples from treaties

15.40 - 16.00 Break – Refreshments

16.00 - 17.00 Case Study