Overview and Learning Objectives
This intermediate-level course provides participants with an in-depth understanding of the current discussions around hybrid mismatches in international tax planning. Participants of the course will gain a thorough understanding of the main issues involved in hybrid mismatches and be given the opportunity to discuss their concerns and potential responses.

The G20 economies, through the work of the OECD as well as the European Union, have identified base erosion and profit shifting (BEPS) as a serious risk to tax revenues, tax sovereignty and tax fairness internationally. One of the key pressure areas identified is the use of hybrid mismatches in entity and instrument characterization and their use in international tax planning. Many tax professionals have asked themselves and their colleagues what the work of these international organizations means for their businesses and the businesses of their clients. This course is designed to facilitate such a discussion in a safe environment and explore appropriate responses and potential solutions in an objective manner.

This is an interactive course with a maximum of 30 participants. Prior to the course, participants will be given access to a 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.

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 basic knowledge of the tax system of at least one country.
Hybrid Mismatches in International Tax Planning

Amsterdam, 22 - 23 May 2014

08.30 - 09.00 Registration
09.00 - 09.20 Welcome and IBFD Overview
09.20 - 10.40 Hybrid Mismatches in Tax Planning
  • What are hybrid mismatches?
  • Types of hybrid mismatches
  • The significance of hybrid mismatches
  • Current OECD work on hybrid mismatches
  • Other current developments on hybrid mismatches
10.40 - 11.00 Break – refreshments
11.00 - 12.45 Tax Structuring through Hybrid Entities
  • What are hybrid entities?
  • Different types of entities and their tax treatment
  • US check-the-box regulations
  • Hybrid entities in tax planning
  • Different responses to hybrid entity mismatches
    – examples of domestic law responses to hybrid entity mismatches
    – other applicable anti-avoidance rules
    – international trend in responses to hybrid entity mismatches
  • OECD Partnership report and hybrid entities
  • Examples of actual treaty responses to hybrid entity mismatches
  • Potential problems to the proposed solutions
  • Practical examples
12.45 - 14.00 Lunch
14.00 - 15.20 Tax Structuring through Hybrid Entities (continued)
15.20 - 15.40 Break – refreshments
15.40 - 17.00 Case Study on Hybrid Entities
Day 2

09.00 - 10.40 Hybrid Financial Instruments
- Characteristics of conventional debt and equity instruments
- Basic types of hybrid financial instruments
- Hybrid financial instruments as a corporate financing tool
- Hybrid financial instruments as investment products
- Some practical examples

10.40 - 11.00 Break – refreshments

11.00 - 12.45 Hybrid Instruments in Tax Planning
- Characterization of hybrid instruments under domestic law
  - Implementation of the IAS principles to issuers and holders under IAS 32 and IAS 39
  - Classification under domestic tax rules: legal form v. economic substance
  - Specific debt-equity tests
  - Examples of country approaches
- Hybrid instruments as a tax planning tool
- Treaty characterization of hybrid financial instruments
- Examples of domestic law responses to hybrid instrument mismatches
- International trend in responses to hybrid instrument mismatches
- Other applicable anti-avoidance rules

12.45 - 14.00 Lunch

14.00 - 15.20 Hybrid Instruments in Tax Planning (continued)

15.20 - 15.40 Break – refreshments

15.40 - 17.00 Case Study on Hybrid Instruments