Overview and Learning Objectives
This intermediate-level course provides participants with an in-depth insight into the tax treaty issues related to cross-border e-commerce and the digital economy. Participants in the course will gain a thorough understanding of the most important issues of direct and indirect taxation of e-commerce transactions and enterprises in the various countries involved.

E-commerce is becoming increasingly popular and gains more and more importance. E-commerce also creates new challenges and opportunities for states to raise tax revenue. This applies especially to cross-border e-commerce transactions. Over the last years, international organizations such as the OECD and the European Union have studied the tax implications of e-commerce with respect to corporate income tax, withholding taxes and value added tax and have published a number of reports.

The current OECD/G20 initiative relating to Base Erosion and Profit Shifting (BEPS) also focuses on the digital economy. In September 2014, the OECD issued a Report to identify the reasons for BEPS in the digital economy and tackle the related tax issues. Participants will obtain knowledge of this Report as well as the Report of the European Commission Expert Group on Taxation of the Digital Economy. The course will address the practical implications of the reports including their effect on domestic tax systems and tax treaties.

The following topics will be addressed during the course:

- Tax treaty characterization of different types of e-commerce transactions
- Which state is or which states are entitled to tax the income or profits from e-commerce transactions?
- What are the relevant transfer pricing issues concerning the digital economy?
- What are the key features of BEPS in the digital economy? How can the arising tax opportunities be addressed?
- Which state or which states may levy VAT on e-commerce transactions?

Who Should Attend?
The course is ideal for in-house tax managers, tax advisers and government officials working with enterprises or individuals involved in e-commerce.

Course Level and Prerequisites
This is an intermediate-level course. Participants should be familiar with the basic tax treaty concepts and the domestic law of at least one country, in particular as it relates to cross-border situations.
Day 1

08.30 – 09.00   Registration

09:00 – 09:20   Welcome and IBFD Overview

09.20 – 11:00   International Taxation of Digital Products and Services

- Country practices in direct taxes
- Country practices in indirect taxes
- Basic principles of international taxation of cross-border income
  - business profits
  - royalties
  - income from services

11.00 – 11.20   Break – Refreshments

11:20 – 12:45   E-Commerce Taxation Issues and Treaty Characterization

- Different types of e-commerce activities
- Characteristic of the different types
- Classification of the income for each type

12:45 – 14:00   Lunch

14:00 – 15:20   E-Commerce Taxation Issues and Treaty Characterization  (continued)

15.20 – 15.40   Break – Refreshments

15:40 – 17:00   Case Study on Treaty Characterization
Day 2

09:00 – 11:00  Permanent Establishment Concept in E-Commerce and the Digital Economy

- Basic rule PE
- Services PE
- Agency PE
- Artificial avoidance of PE status

11:00 – 11:20  Break – Refreshments

11:20 – 12:45  Transfer Pricing and Profit Attribution Issues Related to E-Commerce and the Digital Economy

- The role of intangibles
- Business risks
- Recharacterization of transactions
- The use and valuation of customers’ data in digital economy
- Profit attribution in global value chains

12:45 – 14:00  Lunch

14:00 – 15:20  BEPS and the Digital Economy

- Key features and new business models in the digital economy
- Identifying opportunities for BEPS
- Typical tax planning structures

15:20 – 15:40  Break – Refreshments

15:40 – 17:00  Tackling BEPS in the Digital Economy

- Harmful tax practices and IP regimes
- Treaty abuse, base erosion, hybrid mismatch arrangements, controlled foreign company rules (CFC) and income from the digital economy
Day 3

09:00 – 11:00  **Tackling BEPS in the Digital Economy** (continued)

11:00 – 11:20  Break – Refreshments

11:20 – 12:45  **Case Study on BEPS in the Digital Economy**

12:45 – 14:00  Lunch

14:00 – 15:30  **VAT Aspects of E-Commerce and the Digital Economy**

- Place of supply
- Reverse charge mechanism
- Administrative obligations
- New developments

15.30 – 15.50  Break – Refreshments

15:50 – 17:00  **Case Study on VAT Aspects of E-Commerce and the Digital Economy**