Overview and Learning Objectives

This course is aimed at analysing the fundamentals of international tax planning in a structured and consistent manner, deepening the knowledge of tax planning techniques of the participants. Although the course will focus on practical cases, domestic legislation will not be addressed in specific detail.

The course starts by introducing some key concepts in international tax planning. It deals with several emerging themes and provides an overview of anti-avoidance rules and other measures aimed to tackle aggressive tax planning structures. Further, the course provides participants with an overview of basic corporate financing options. By means of an extensive illustration of tax structures involving the use of finance companies, branches, tax consolidation and hybrid entities, it also provides the tools for participants to optimize the financing of a corporation. The use of financial instruments for corporate financing purposes, such as hybrid, derivative and other innovative instruments, will be addressed as well. Moreover, the course will illustrate how these building blocks may be put together to finance cross-border acquisitions and to optimally structure holding activities. Furthermore, the course will cover tax planning techniques and trends for manufacturing and selling activities of multinational enterprises. It will finish with an introduction to the tax planning related to R&D activities and intangibles, including the recent international developments in this area.

This is an interactive course with a maximum of 32 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 who may have less familiarity with international tax planning techniques and want to deepen their knowledge in this field.

Course Level and Prerequisites

This is an intermediate-level course, intended to provide participants with an introduction to international tax planning tools. Participants should be familiar with the domestic tax 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 - 10.40  Key Concepts and Emerging Issues in International Tax Planning

- Fundamentals of international tax planning
  - tax planning, tax avoidance and tax evasion
  - goals and objectives of international tax planning
  - types of international tax planning
- Emerging themes: Aggressive tax planning and countermeasures
  - anti-avoidance rules: treaty and EU aspects
  - concept of “beneficial owner”
  - recent OECD developments
  - current approaches adopted by emerging economies

10.40 - 11.00  Break – Refreshments
11.00 - 12.45  Key Concepts and Emerging Issues in International Tax Planning (continued)
12.45 - 14.00  Lunch
14.00 - 15.40  Tax Planning for Holding Activities

- Goals and objectives of a holding company
- Use of holding companies
- Taxation of dividends and capital gains
- Taxation of interest and royalties
- Withholding taxes: Treaty and EU aspects
- Selection of a holding company location
- Overview of common holding companies locations

15.40 - 16.00  Break – Refreshments
16.00 - 17.00  Tax Planning for Holding Activities (continued)
Day 2

09.00 - 10.40  Hybrid Instruments

- Introduction
- Hybrid financial instruments as a corporate financing tool
- Advantages of hybrid financial instruments
  - regulatory, accounting and tax aspects
- Tax treaty aspects
- Hybrid instruments and tax planning

10.40 - 11.00  Break – Refreshments

11.00 - 11.45  Hybrid Instruments (continued)

11.45 - 12.45  Derivatives

- Introduction
- Characterization and timing issues
- Accounting treatment
- Tax treaty aspects
- Derivatives and tax planning

12.45 - 14.00  Lunch

14.00 - 15.20  Derivatives (continued)

15.20 - 15.40  Break – Refreshments

15.40 - 17.00  Case Study
Day 3

09.00 - 10.40  Tax Planning for Financing Activities
- Debt vs equity
- Back-to-back arrangements
- Use of finance companies
- Use of branch, hybrid entity and fiscal unity models
- Relevant treaty and EU provisions
- Case studies and examples

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  Tax Planning for Financing Activities (continued)

12.45 - 14.00  Lunch

14.00 - 15.20  Tax Planning for Cross-Border Acquisitions
- Types of acquisitions
- Leverage buyouts and the role of private equity
- Acquisition essentials and objectives
- Debt financing and debt push-down
- Use of hybrid instruments and hybrid entities
- Double dips
- Anti-avoidance rules
- Case studies

15.20 - 15.40  Break – Refreshments

15.40 - 17.00  Tax Planning for Cross-Border Acquisitions (continued)
Day 4

09.00 - 10.40  Tax Planning for Manufacturing and Selling Activities

- Introduction
- The development of alternative forms of manufacturing
- Contract and toll manufacturing within a group
- Conventional distribution models
- Limited risk distributorships
- Commissionaires
- Arm’s length consideration in conversion
- Arm’s length pricing for limited risk entities
- Other tax issues
- Examples

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  Tax Planning for Manufacturing and Selling Activities (continued)

12.45 - 14.00  Lunch

14.00 - 15.40  Permanent Establishments and Business Restructuring

- Importance of PEs in supply chain restructuring
- Fixed place of business PEs
- Agency PEs
- Recent OECD discussion draft on PEs
- Practical examples and recent case law
- Agency PE – is there anything to attribute?

15.40 - 16.00  Break – Refreshments

16.00 - 17.00  Case Study
Day 5

09.00 - 10.40  Tax Planning for Research and Development Activities and Intangibles

- An overview of IP Models
  - conventional royalty model
  - cost sharing model
  - principal model
- Tax issues under the conventional royalty model
- Tax treaty treatment of payments for technology
- Domestic incentives for the creation of intellectual property
- Migration of intangible property – Special regimes for IP income
- Practical examples

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  Transfer Pricing and Other Aspects of Intangibles Tax Planning

- Contract R&D
- Principal model
- Cost contribution agreements
- Intangibles definitions (legal, accounting and tax)
  - manufacturing and marketing intangibles
- Ownership and entitlement to intangibles related returns
- Transfer vs use
- Valuation approaches and transfer pricing methods
- Further OECD developments concerning intangibles
- Selected case law examples
- Case studies

12.45 - 14.00  Lunch

14.00 - 15.40  Transfer Pricing and Other Aspects of Intangibles Tax Planning (continued)

15.40 - 16.00  Break – Refreshments

16.00 - 17.00  Transfer Pricing and Other Aspects of Intangibles Tax Planning (continued)