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- Digital issailor.
 UN releases the 2021 edition of its transfer pricing manual, with new material on several important topics. Concentrix case decided by the Dehi High Court, on the "most favoured concentration of in-depth analysis of Pillar One today: Amount 8.

HAPPY FRIDAY!

It's Cook vs. Zuck, the Oscars don't know how to end; and in Korea, the Lee family has to pay the Monet!

Hungary claims sovereignty, but France & Germany acquiesce; the UN goes manual; India wonders if 'is' includes 'will be'; Euromoney has the right purpose; Bolivia joins the club; and Biden spends trillions again!

But the scariest headline I read this week is this: "Deodorant sales fall at Unilever as consumers abandon personal hygiene in lockdown!"

Have a great weekend! Steve

THIS WEEK'S PODCAST
(For ITB video subscribers, please log in to access the video and documents/reports)

- Digital taxetion
 Un transfer pricing manual
 Un transfer pricing manual
 Concentric case (MFN clause)
 Pillar One: Amount B (Part 1)
 Asia Pacific
 India
 UK
 Americas
 Bolivia, US

ITB series on Pillar One

- Scope (Part 1, 2.8.3) TIB (22, 22.48.6.5 Feb 2021)

 Nous: TIB (19 Feb 2021)

 Nous: TIB (19 Feb 2021)

 Tax base determinations (Part 1.8.2) TIB (26 Feb 4.5 Mar 2021)

 Tax base determinations (Part 1.8.2) TIB (12.8.19 Mar 2021)

 Froff allocation (Part 1.8.2) TIB (12.8.19 Mar 2021)

 Elimination of double baselion (Part 1.8.2) TIB (16.8.23 Apr 2021)

 Amount (Part 1.9.1) TIB (9.4.9.2.19 Mar 2021)

 Amount (Part 1.9.1) TIB (9.4.9.2.19 Mar 2021)

ITB series on Pillar Two

- 1. GloBE rules

 Scope TRE (9 Oct 2020)
 Calculating the ETR (Part 1.6.2)—TIB (16.8.23 Oct 2020)
 Calculating the ETR (Part 1.6.2)—TIB (16.8.23 Oct 2020)
 Calculating the ETR (Part 1.6.2)—TIB (16.8.23 Oct 2020)
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WORTH READING

Elisa Casi-Eberhard, Xiao Chen, Mark D. Orlic and Christoph Spengel
'One Directive, Several Transpositions: A Cross-Country Evaluation of the National
Implementation of DAG.
World Tax Journal, IBFD, 2021 (Volume 13), No. 1 (subscription service)

Annalise Foong
"International Tax Reform: A Solution in Search of a Problem"
Daily Tax Report: International, Bloomberg BNA, 28 April 2021 (subscription service)

INTERNATIONAL TAX QUIZ

THIS WEEK'S NEW QUIZ THIS WEEK'S NEW QUIZ

XCo, a company resident in X, is the parent of a group which carries on a famous restaurant business in X.

XCo plans to use X-Sub (a newly formed X subsidiary) to open a branch of the restaurant in Z city in country Y for a period of one month, during the Olympic Games in Z city. At the end of the Games, the restaurant will close, and X-Sub will be liquidated. X-Sub will pay XCo arm's length fees for the provision of knowhow and the right to use the restaurant's name in Z city. Also, a number of XCo chafs and other restaurant staff will be seconded to X-Sub for the one month, in return for an arm's length fee which is paid to XCo.

The X/V treaty is identical to the 2017 OECD model treaty

Will the X/Y treaty allow Y to levy income tax on XCo or X-Sub?

LAST WEEK'S QUESTION

ACo, a company resident in A, owns and operates a gold mine in A.

Under the B income tax law, all resident companies, and non-resident companies which operate in B via a branch, are subject to a 30% tax rate or their staxable profits (i.e., after deducting expenses)—subject to new exception. That opening component companies which conduct mining operations in B – such companies are subject to income tax at the rate of 25% expelled to their goods making eventue (i.e., no deductions (i.e., no fedications).

In ACo's case, the B income tax it pays at the 20% rate applied to gross mining revenue, significantly exceeds the B income tax it would pay if it were subject to the "30% on taxable profits" regime.

The A/R treaty is identical to the 2017 OFCD model treaty

ACo asks you whether it can use Art. 7(1) to claim deductions in computing B income tax.

LAST WEEK'S ANSWER

Although ACo's gold mine would constitute a PE in 8, ACo's B taxation will be governed by Art 6, and not by Art 7. see Art. 7(4). Art. 6 does not provide any limitation in regard to the Bixaction. In particular, Art. 6 does not provide any limitation in regard to the Bixaction. In particular, Art. 6 does not prevent B from its poid mine. Thus, the short answer to ACo's question is that Art. 7(1) cannot be used to client declarations in compliaght B 8 flactions tax.

However, as ACo's gold mine would constitute a PE in B, Art. 24(3) is relevant: see para. 9 of OECD Comm. on Art. 5.

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AT 42(3) requires the 3b bastalin of ACo's PE is not "hess favourably levies" than the bastalon levied on B-resident enterprises carrying on the same activities. Under the B is miscred to the same activation of the same activation of the same activation of the same activation of the sable to a 30% is not rate on its broadle profile (i.e., after deducting expenses). As AT. and on the same activation of the s









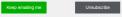






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