



QUESTIONNAIRE ON THE TAXATION OF INCOME FROM SERVICES

This questionnaire should be completed by participants in United Nations capacity development programs on protecting the tax base of developing countries in advance of these programs. The purpose of the questionnaire is to provide participants with an opportunity to focus on the rules in their country's domestic law and tax treaties. The questionnaire is also intended to provide basic information about a country's rules to the participants from other countries and to the facilitators.

I. Residents of your country earning income from services performed outside your country			
		Yes	No
1.	Does your country tax its residents generally on income earned outside your country? If no, proceed to question 6.	<input type="checkbox"/>	<input type="checkbox"/>
2.	If the answer to question 1 is yes, does your country tax its residents on income from services performed outside your country? If no, proceed to question 5. If yes, complete the following:	<input type="checkbox"/>	<input type="checkbox"/>
	(a) From all services	<input type="checkbox"/>	<input type="checkbox"/>
	(b) From certain services	<input type="checkbox"/>	<input type="checkbox"/>
	(c) Which services?		
	Click here to enter text.		
3.	If your country taxes all or some income from services performed outside your country, how does your country provide relief from international double taxation of the income?		
	(a) By providing a credit for foreign tax on the income	<input type="checkbox"/>	<input type="checkbox"/>
	(b) By some other mechanism	<input type="checkbox"/>	<input type="checkbox"/>
4.	If your country provides a credit against your country's tax for foreign taxes on income from services earned by a resident of your country in the foreign country:		
	(a) Is the credit limited to your country's tax on the foreign income?	<input type="checkbox"/>	<input type="checkbox"/>
	(b) Are any expenses incurred by the resident to earn the foreign income deducted in calculating the limitation (i.e. your country's tax on the net foreign income)?	<input type="checkbox"/>	<input type="checkbox"/>
5.	If income from services performed outside your country is exempt from tax, are there any provisions in your law to prevent the deduction of any expenses incurred by the resident to earn the foreign income against your country's tax base?	<input type="checkbox"/>	<input type="checkbox"/>
6.	If the answer to question 1 is no, does your country tax any income from services performed outside your country?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) Which services?		
	Click here to enter text.		
	CFC rules are rules under which certain income earned by foreign corporations controlled by residents of your country is taxed by your country to the controlling shareholders resident in your country as the income is earned by the foreign corporation (i.e., without any dividend being paid by the foreign corporation to its shareholders). For example, a resident of your country sets up a company in a tax haven and uses that company to provide services in your country.		
7.	Does your country have controlled foreign corporation (CFC) rules? If the answer is yes, complete questions 8 and 9.	<input type="checkbox"/>	<input type="checkbox"/>
8.	Do the CFC rules apply to income earned by a CFC from services?	<input type="checkbox"/>	<input type="checkbox"/>
9.	Do the CFC rules apply to income earned by a CFC from services performed in your country that is not taxable by your country?	<input type="checkbox"/>	<input type="checkbox"/>

II. Non-residents of your country earning income from services in your country			
		Yes	No
1.	Does your country tax non-residents on income from services? If yes, complete the following:	<input type="checkbox"/>	<input type="checkbox"/>
	(a) Does your country tax income from services performed by non-residents in your country?	<input type="checkbox"/>	<input type="checkbox"/>
	(b) Does your country tax income from services performed by non-residents that are consumed or used in your country?	<input type="checkbox"/>	<input type="checkbox"/>
	(c) Does your country tax income from services performed by non-residents that are paid for by residents of your country or by non-residents with a permanent establishment or fixed base in your country?	<input type="checkbox"/>	<input type="checkbox"/>
2.	Under what conditions are non-residents subject to tax in your country on income from services?		
	(a) Only income from services performed through a permanent establishment or fixed base in your country	<input type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> If the concept of a permanent establishment or fixed base is used in your domestic law, how is a permanent establishment or fixed base defined? 		
	Click here to enter text.		
	(b) Or does your country use some other threshold for taxing non-residents on income from services?		
	<ul style="list-style-type: none"> A minimum monetary amount 	<input type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> A time threshold 	<input type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> Only income from businesses 	<input type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> Other; Please specify below: 	<input type="checkbox"/>	<input type="checkbox"/>
	Click here to enter text.		
	(c) How is the income of a non-resident calculated?		
	Click here to enter text.		
	(d) Does such income include income earned outside your country?	<input type="checkbox"/>	<input type="checkbox"/>
	(e) Does such income include income from services derived by a non-resident that are not connected to the permanent establishment or fixed base?	<input type="checkbox"/>	<input type="checkbox"/>
	(f) Are all expenses incurred in earning the income deductible?	<input type="checkbox"/>	<input type="checkbox"/>
3.	Are your country's rules for taxing non-residents on income from services different for different types of services?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If the answer to question 3 is yes, please describe briefly how the rules differ for different types of services, such as employment services, professional services and business services (entertainment and athletic services, construction, insurance, etc.).		
	Click here to enter text.		
5.	Does your country have special rules for the taxation of income from services provided by non-residents to related residents (e.g. transfer pricing rules)?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) If yes, which rules?		
	Click here to enter text.		

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6.	Does your country impose a withholding tax on payments for services to non-residents? If yes, please complete the following:	<input type="checkbox"/>	<input type="checkbox"/>
	(a) What payments are subject to withholding tax?		
	Click here to enter text.		
	(b) What is the rate of withholding? Does it apply to payments for all types of services or do different rates apply?		
	Click here to enter text.		
	(c) Are any deductions allowed in determining the amount of the payments subject to withholding tax?		
	Click here to enter text.		
	(d) Is the full amount paid or only some percentage of that amount subject to withholding tax?		
	Click here to enter text.		
	(e) What persons are subject to the obligation to withhold (e.g. legal entities, individuals)?		
	Click here to enter text.		
	(f) What are the consequences if they fail to withhold the appropriate amount?		
	Click here to enter text.		
	(g) Is withholding tax imposed on payments in reimbursement of expenses?	<input type="checkbox"/>	<input type="checkbox"/>
	(h) Does your country allow non-residents to file an election to pay tax on their net income from services and claim a refund of any excess tax withheld?	<input type="checkbox"/>	<input type="checkbox"/>
	(i) In what circumstances, if any, do non-residents pass the withholding tax on to the person paying for the service by grossing up the amount charged to reflect the tax?		
	Click here to enter text.		
III. The taxation of income from services under your countries' tax treaties			
		Yes	No
1.	How many tax treaties does your country have?		
	Click here to enter text.		
2.	Please provide a list of the countries with which your country has tax treaties?		
	Click here to enter text.		
3.	Are your tax treaties based on the UN Model Convention or the OECD Model Convention?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) UN Model	<input type="checkbox"/>	<input type="checkbox"/>
	(b) OECD Model	<input type="checkbox"/>	<input type="checkbox"/>
	(c) Both UN and OECD Models	<input type="checkbox"/>	<input type="checkbox"/>
	(d) Other Model(s); please specify:	<input type="checkbox"/>	<input type="checkbox"/>
	Click here to enter text.		

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4.	Do your tax treaties contain provisions dealing with the taxation of income from services that are different from the provisions in the UN or OECD Models? ¹	<input type="checkbox"/>	<input type="checkbox"/>
	(a) If yes, please explain the reasons for the differences:		
	Click here to enter text.		
5.	Does the article in your tax treaties dealing with royalties include payments for technical services or technical assistance?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) If yes, which treaties?		
	Click here to enter text.		
6.	Do your tax treaties contain special provision(s) dealing with fees for managerial, technical and consultancy services? If so, please include the text of such provision(s) from your most recent treaty here below:	<input type="checkbox"/>	<input type="checkbox"/>
	Click here to enter text.		
IV. Information reporting			
		Yes	No
1.	What information, if any, does your country require taxpayers to provide with respect to income from services?		
	Click here to enter text.		
2.	Is the information required to be provided in the annual tax return or by filing other forms?	<input type="checkbox"/>	<input type="checkbox"/>
3.	Are persons other than taxpayers required to provide information concerning payments for services? If yes, please complete the following:	<input type="checkbox"/>	<input type="checkbox"/>
	(a) What persons?		
	Click here to enter text.		
	(b) What information?		
	Click here to enter text.		
4.	Is any information required to be provided with respect to related party services (i.e. services provided by a resident of your country to a related non-resident or services provided by a non-resident to a related person resident in your country)?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) If so, what persons are required to provide information?		
	Click here to enter text.		
	(b) What information are they required to provide?		
	Click here to enter text.		
5.	If your country imposes a withholding tax on payments for services to non-residents, what information, if any, is the person obliged to withhold required to provide?		
	Click here to enter text.		
V. Tax administration			
1.	What, if any, tools or mechanisms does your country use to identify non-residents who are earning income from services taxable under your countries domestic law?		
	Click here to enter text.		
2.	What, if any, tools or mechanisms does your country use to identify persons who are paying non-residents for services that are subject to withholding tax under your countries domestic law?		
	Click here to enter text.		

¹ In particular, Article 5 and 7 (Business Profits), Article 8 (International Transportation), Article 14 (Professional and other Independent Services), Articles 15 (Employment), Article 16 (Directors' Fees and Remuneration of Top-Level Managerial Officials), Article 17 (Artistes and Sportspersons), Article 18 (Pensions), Article 19 (Government Service).

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3.	Does your country have any methods for assessing the risk of tax evasion or tax avoidance with respect to income from services, especially services provided between related parties?	<input type="checkbox"/>	<input type="checkbox"/>
	(a) If yes, please describe briefly:		
	Click here to enter text.		
4.	How does your country deal with income from services earned by non-residents that is taxable under your domestic law but exempt from tax under the provisions of a tax treaty?		
	(a) Do you impose your tax and require the non-resident to apply for a refund?	<input type="checkbox"/>	<input type="checkbox"/>
	(b) Do you grant the exemption directly?	<input type="checkbox"/>	<input type="checkbox"/>
	(c) Do you allow persons with an obligation to withhold tax from payments to non-residents to reduce the withholding because of treaty reductions or exemptions?	<input type="checkbox"/>	<input type="checkbox"/>
	(d) Do you have any mechanisms to ensure that the non-residents are really entitled to the treaty exemptions that are claimed?	<input type="checkbox"/>	<input type="checkbox"/>

