



# UN Capacity Development Programme in International Tax Cooperation and Joint UN-ITC Project

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UN-DESA – Financing for Development Office

<http://www.un.org/esa/ffd/>

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# UN Capacity Development Programme in International Tax Cooperation

**New programme**

**Under responsibility of the Financing for  
Development Office (FfDO)**

**Focusing on the work of the UN  
Committee of Experts**

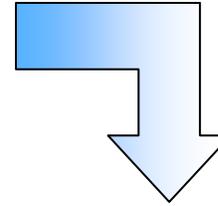
**Limited resources**

**Focusing on work with partners**

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# FfDO Capacity Development Programme

ECOSOC Resolution 2012/33



Recognized the work of the Financing for Development Office in developing, within its mandate, a capacity development programme in international tax cooperation

To strengthen the capacity of the Ministries of Finance and the National Tax Authorities in developing countries to develop more effective and efficient tax systems

Requested the Office, in partnership with other stakeholders, to continue its work in this area



# Choosing Priorities



**Comparative Advantage**



FfDO's unique expertise derived from the work of the Committee of Experts and FfDO itself in its capacity as Secretariat to the Committee



**Committee's Current Work**



2011 Update of the UN Model Double Taxation Convention between Developed and Developing Countries

Practical Manual on Transfer Pricing for Developing Countries

# Expected Outcomes



**Expected  
Outcomes**

**Strengthen capacity to interpret,  
administer and negotiate tax treaties**

**Strengthen capacity to identify and  
effectively address transfer pricing issues**

**Strengthen capacity to optimize tax  
administration and collection procedures**

# Strengthen Capacity to Negotiate, Administer and Interpret Tax Treaties

**Publishing and distributing the UN Model  
Raising awareness of UN Model**



**Developing capacity development tools  
Organizing capacity building events**



**Provide technical advice and support activities aimed at  
implementing and/or interpreting UN Model based treaties**

# Strengthen Capacity to Identify and Address Transfer Pricing Issues

**Finalizing, publishing and distributing the UN Practical Manual on Transfer Pricing**



**Developing capacity development tools  
Organizing capacity building events**



**Provide technical advice and support activities in the transfer pricing area, making full use of the UN Practical Manual on TP**

# Collaboration with Partners



# Capacity Development Initiatives on Tax Treaties

Basic



Practical



Demand-driven



Focused on developing countries' positions, priority areas and interest



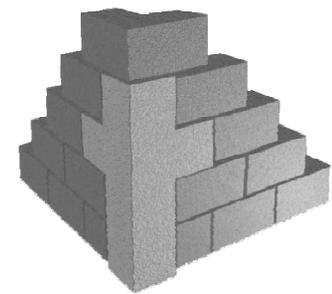
# UN Course on Tax Treaties

Aims at increasing **awareness** by Ministries of Finance and National Tax Authorities in developing countries of the **UN Model** and its **2011 update**



Covers the **fundamentals of tax treaties** to enable participants to subsequently take advantage of more targeted initiatives aimed at strengthening their capacity to negotiate and/or administer and interpret tax treaties

Missing cornerstone to **support developing countries** with less experience in tax treaties to **benefit from more advanced capacity building tools and courses**, which are currently already available/will be made available

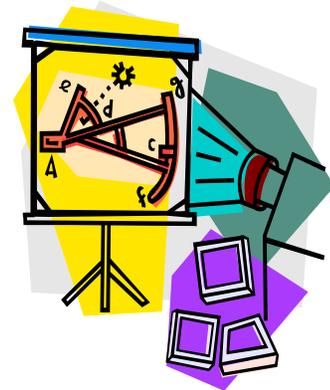


# UN Course on Tax Treaties

Will comprise a full set of training materials, including **PowerPoint presentations** and **accompanying text**

Will include **practical examples** and comprehensive **case studies** dealing with the Articles of the UN Model

To be used both for capacity development initiatives addressed to **groups of officials** from National Tax Authorities and/or Ministries of Finance and for the purposes of **train-the-trainer programs**.



# UN Course on Tax Treaties

**FfDO/UN-DESA**

**External Consultants  
+ FfDO/UN-DESA**

**Committee of Experts  
+ FfDO/UN-DESA**



To ensure that materials are developed in a consistent way

**Authoring**

To ensure that materials adequately reflect the positions, priority areas and interest of developing countries

# UN Course on Tax Treaties

Technical review by UN Committee Members



Geneva – 12-13 October 2012

Rome – 26-27 January 2013



New York – Q2/Q3 2013

# UN Course on Tax Treaties

1<sup>st</sup> Pilot Training Seminar  
Planned for the end of 2013



3-4 Day Live Course

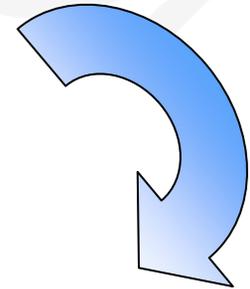
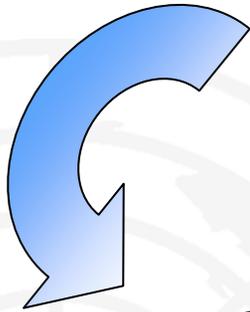
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# Next Steps

Two more advanced tracks

Tax Treaty  
Negotiation

Tax Treaty  
Administration



# Joint UN-ITC Project

*“Strengthening the capacity of Ministries of Finance and National Tax Authorities in developing countries to effectively negotiate, interpret and administer tax treaties”*

**Objective:** to develop a comprehensive set of capacity development tools to be used in developing countries, which are:



- **demand driven;**
- reflect adequately **needs** and **level of development** of these countries; and
- **not a duplication** of any existing and freely available tools.

# 2-Phase 2-Track Project

	TT NEGOTIATION	TT ADMINISTRATION
Ph. 1	Examine the existing situation and take stock of the available capacity-development tools and determine the skill gaps and challenges in tax treaty <b>negotiation</b>	Examine the existing situation and take stock of the available capacity-development tools and determine the skill gaps and challenges in tax treaty <b>administration</b>
Ph. 2	Develop capacity-development tools to address the skill gaps and challenges in tax treaty <b>negotiation</b> identified during phase 1	Develop capacity-development tools to address the skill gaps and challenges in tax treaty <b>administration</b> identified during phase 1

# Phase 1- Rome Meetings

	TT NEGOTIATION	TT ADMINISTRATION
Ph. 1	Examine the existing situation and take stock of the available capacity-development tools and determine the skill gaps and challenges in tax treaty <b>negotiation</b>	Examine the existing situation and take stock of the available capacity-development tools and determine the skill gaps and challenges in tax treaty <b>administration</b>
Ph. 2	Develop capacity-development tools to address the skill gaps and challenges in tax treaty <b>negotiation</b> identified during phase 1	Develop capacity-development tools to address the skill gaps and challenges in tax treaty <b>administration</b> identified during phase 1

## Phase 2 – TT Administration Track

8-10 papers will be developed by experts on selected issues in the administration of tax treaties taking into account the outcome of Rome meeting

Potential authors identified and pre-commitment secured

Technical advisory



Hugh Ault



Brian Arnold

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# Papers on TT Administration

## ***Overview of Major Issues***

**Brian Arnold**, Professor of Law Emeritus -University of Western Ontario, Canada

## ***Taxation of Residents on Foreign Source Income***

**Peter Harris**, University of Cambridge, United Kingdom

## ***Taxation of Non-residents***

**Colin Campbell**, Western University, London, Canada

## ***Persons Qualifying for the Benefits of Tax Treaties***

**Joanna Wheeler**, Senior Principal, International Bureau of Fiscal Documentation (IBFD), The Netherlands

## ***Taxation of Non-residents on Business Profits***

**Jinyan Li**, Professor of Tax Law, Osgoode Hall Law School, York University, Canada

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# Papers on TT Administration (cont'd)

## ***Taxation of Non-resident Service Providers***

**Ariane Pickering**, Former Chief Tax Treaty Negotiator, Australian Department of the Treasury, Australia

## ***Investment Income and Capital Gains***

**Jan de Goede**, Senior Principal, International Bureau of Fiscal Documentation (IBFD), The Netherlands

## ***Improper Use of Tax Treaties, Tax Avoidance and Tax Evasion***

**Philip Baker**, QC, Gray's Inn Tax Chambers, United Kingdom

## ***Dispute Resolution and Mutual Agreement Procedure***

**Hugh Ault**, Professor Emeritus, Boston College Law School, USA

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# Phase 2 – TT Negotiation Track

5 papers will be developed by experts on the following topics, taking into account the outcome of Rome meeting

Why Negotiate Tax Treaties?

Designing a Developing Country Treaty Model

Preparing for Tax Treaty Negotiation

How to Conduct Tax Treaty Negotiation?

Post-Negotiation Activities



Armando Lara Yaffar



Lise-Lott Kana



Ron van der Merwe

**Steering Group**



Odd Hengsle



Ariane Pickering

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## **Phase 2 – Concluding Seminar**

**Concluding 2-day seminar with participation of 20 representatives of developing countries (New York, May 2013)**

**Draft papers to be presented by authors for discussion and comments**

**Back-to-back with an official meeting of ECOSOC on international tax cooperation**

**Participants will be able to attend both meeting**

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## Phase 2 – Publication on TT Administration

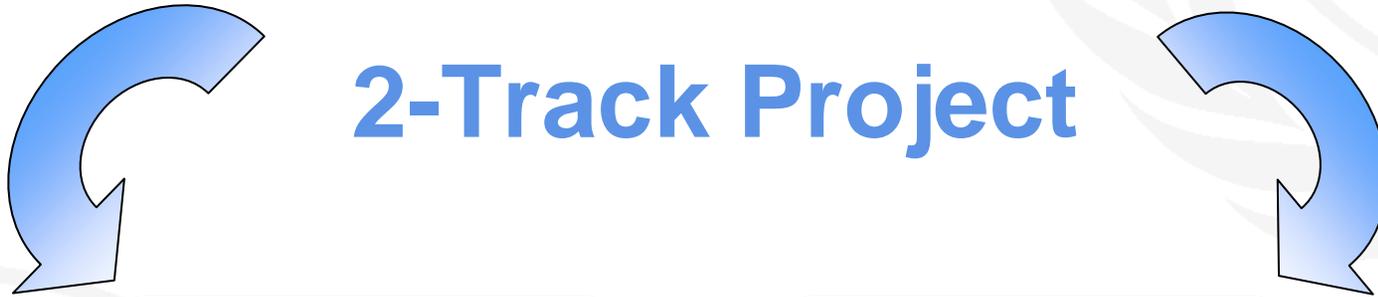
Papers revised taking into account the outcome of May meeting

Revised papers will comprise a publication on “*Selected Issues in the Administration of Tax Treaties for Developing Countries*”



# Rome Meetings

## 2-Track Project



Tax Treaty  
Negotiation

Tax Treaty  
Administration

**Phase 1**



Examine the existing situation and take stock of the available capacity-development tools and determine the skill gaps and challenges in tax treaty **negotiation** and **administration**



# Rome Meetings - Day 1

	<b>Tax Treaty Negotiation</b>	<b>Tax Treaty Administration</b>
<b>9:30-10:20</b>	<b>Opening Session</b>	
<b>10:20-11:35</b>	<b>Why to Negotiate Tax Treaties?</b>	<b>Overview of Major Issues</b>
<b>11:35-11:50</b>	<b><i>Coffee Break</i></b>	
<b>11:50-1:15</b>	<b>Designing a Developing Country Treaty Model</b>	<b>Taxation of Non-residents</b>
<b>1:15-2:45</b>	<b><i>Lunch</i></b>	
<b>2:45-3:45</b>	<b>Preparing for Tax Treaty Negotiation</b>	<b>Persons Qualifying for the Benefits of Tax Treaties</b>
<b>3:45-4:00</b>	<b><i>Coffee Break</i></b>	
<b>4:00-5:00</b>	<b>Preparing for Tax Treaty Negotiation (continued)</b>	<b>Taxation of Residents on Foreign Source Income</b>
<b>5:00-5:30</b>	<b>Sharing Regional Experiences and Perspectives</b>	

# Rome Meetings - Day 2

	<b>Tax Treaty Negotiation</b>	<b>Tax Treaty Administration</b>
<b>9:30-10:45</b>	<b>How to Conduct Tax Treaty Negotiation?</b>	<b>Taxation of Non-residents on Business Profits</b>
<b>10:45-11:00</b>	<b><i>Coffee Break</i></b>	
<b>11:00-12:00</b>	<b>Post-Negotiation Activities</b>	<b>Taxation of Non-resident Service Providers</b>
<b>12:00-1:00</b>	<b>Analysis of Existing Background/ Training resources</b>	<b>Investment Income and Capital Gains</b>
<b>1:00-2:30</b>	<b><i>Lunch</i></b>	
<b>2:45-3:45</b>	<b>Sharing Experiences on the Relationship between Domestic Tax Legislation and Tax Treaties</b>	
<b>3:45-4:00</b>	<b><i>Coffee Break</i></b>	
<b>4:00-5:15</b>	<b>Sharing Experiences on Improper Use of Tax Treaties, Tax Avoidance and Tax Evasion</b>	
<b>5:15</b>	<b>Closing Remarks</b>	

# Meeting on TT Negotiation



Lise-Lott Kana



Armando Lara Yaffar



Ron van der Merwe

## Lead Discussants



Wolfgang Lasars



David Partington



Odd Hengsle



Ariane Pickering

# Meeting on TT Administration



**Mansor Hassan**



**Hugh Ault**



**Jinyan Li**



**Ariane Pickering**



**Jan de Goede**



**Joanna Wheeler**

## Lead Discussants

# Joint Sessions



**Miguel Pecho**



**Mansor Hassan**



**Elizabeth Storbeck**

**Sharing Regional Experiences  
and Perspectives**

**DAY 1**

**Sharing Experiences on the Relationship between  
Domestic Tax Legislation and Tax Treaties**

**DAY 2**

**Sharing Experiences on Improper Use of Tax  
Treaties, Tax Avoidance and Tax Evasion**



**Hugh Ault**



**Thank you**

**[TaxffdCapDev@un.org](mailto:TaxffdCapDev@un.org)**

**<http://www.un.org/esa/ffd/>**