



UN Capacity Development Programme on International Tax Cooperation

UN Course on Double Tax Treaties *Selected Issues on Taxation of Services* Panama City, Panama, 1-3 June 2015

PROGRAMME

The course will be held over 3 days, between **9:00 am** and **5:00 pm**, with a lunch break from 12:30 to 2:00 pm and a 15-minute coffee break both in the morning and in the afternoon.

Day 1

Opening of the Course

Introduction to Tax Treaties

- Object, nature and types of tax treaties
- UN and OECD Models
 - UN and OECD work on tax treaties
 - Overview of articles in the UN and OECD Models
- Interaction between treaty articles
- Relationship between tax treaties and domestic law
- Interpretation of tax treaties
- Scope of application of tax treaties
 - Persons and taxes covered
 - Definition of resident
- Case study

Day 2

Definition of Permanent Establishment

- The permanent establishment (PE) concept and its function
- Fixed place of business PE
- Deemed services PE
- Deemed agency PE
- Exclusions for preparatory or auxiliary activities
- Special rules
- Case study

Day 2 (continued)

Taxation of Business Profits

- PE vs. subsidiary
- Attribution of profits to a PE
- Application of the arm's length principle to PEs
- Limited force of attraction in the UN Model
- Expenses and payments
- Special issues

Day 3

Taxation of Services

- PE rules for services
- Independent personal services
 - Types of services/activities
 - Fixed base
 - Presence test
- Dependent personal services
 - Employment
 - Basic rule
 - Exception: conditions
- Directors' fees and remuneration of top-level managers
- Artistes and sportspersons
- Government service
- Students
- Case study