



UN Workshop on Practical Issues in Protecting the Tax Base of Developing Countries

Addis Ababa, 7-10 November 2017

PROVISIONAL AGENDA

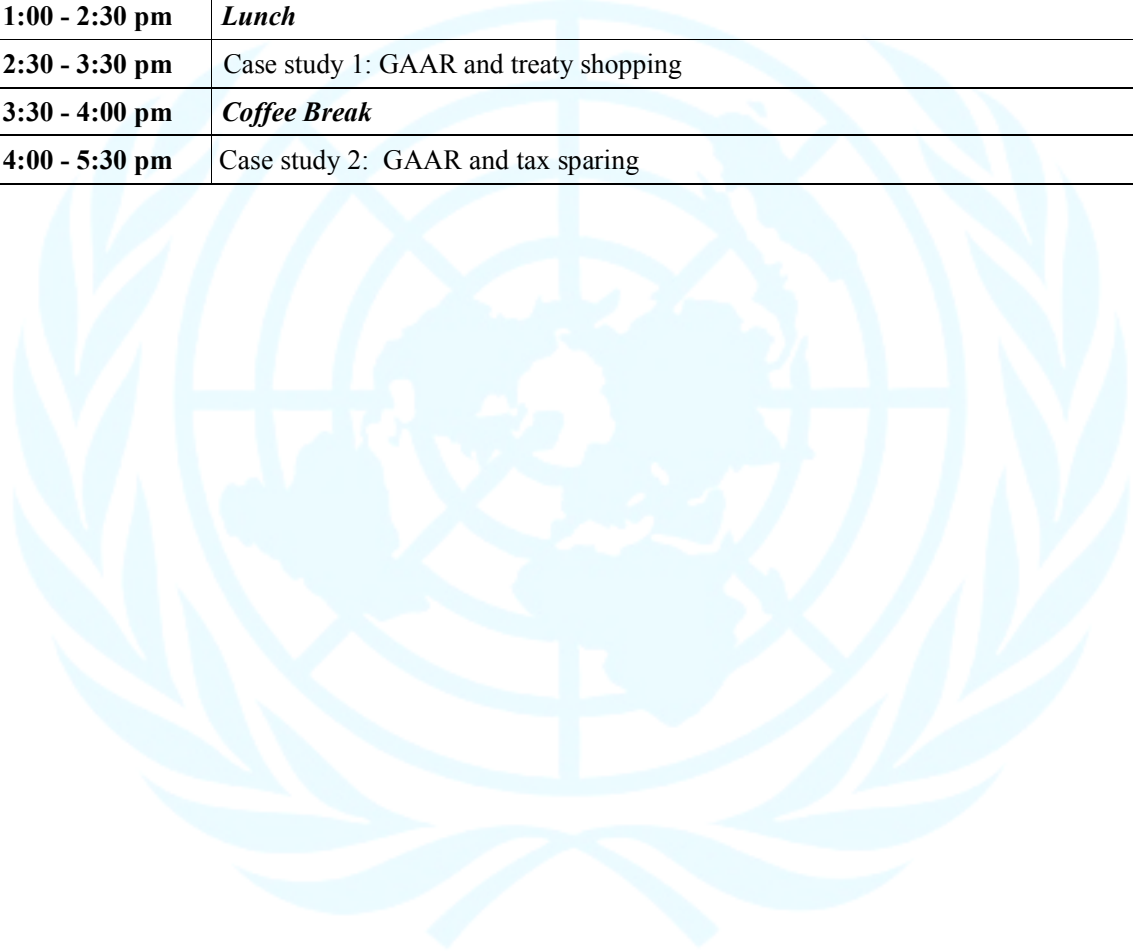
TUESDAY, 7 NOVEMBER 2017	
OPENING AND INTRODUCTION	
10:00 - 10:15 am	<i>Opening ceremony</i> (UN, ECA, Government of Italy)
10:15 - 10:30 am	<i>Introduction</i> <ul style="list-style-type: none"> – United Nations work on base protection for developing countries – United Nations work on the practical portfolios
PRACTICAL PORTFOLIOS: RENTS AND ROYALTIES (BRIAN ARNOLD AND JACQUES SASSEVILLE)	
10:30 - 11:15 am	<i>Overview of the base erosion issues related to rents and royalties: practical example</i>
11:15 - 11:45 am	<i>Coffee Break</i>
11:45 am - 1:00 pm	<i>Analysis of the tax treatment of rent and royalties under domestic law</i> <ul style="list-style-type: none"> – Introduction and basic concepts – Taxation of residents and non-residents on rent and royalty income – Treatment of rent and royalty expenses under domestic law – Transfer pricing issues related to rents and royalties – Information concerning rent and royalty income and payments
1:00 - 2:30 pm	<i>Lunch</i>
2:30 - 3:30 pm	<i>Analysis of the treatment of rent and royalty payments under the provisions of tax treaties</i> <ul style="list-style-type: none"> – Provisions of the UN and OECD models dealing with the taxation of rents and royalties – Provisions of the UN and OECD models that are relevant to the question of deductions for rent and royalty payments – Other bilateral treaty provisions that deal with rents and royalties
3:30 - 4:00 pm	<i>Coffee Break</i>
4:00 - 5:30 pm	<i>Characterization issues under domestic law and treaties</i> <ul style="list-style-type: none"> – Distinction between rents and payments for services – Distinction between royalties and payments for services – Treatment of payments for software – Treatment of various digital economy payments – Treatment of broadcasting payments

WEDNESDAY, 8 NOVEMBER 2017	
PRACTICAL PORTFOLIOS: RENT AND ROYALTIES (BRIAN ARNOLD AND JACQUES SASSEVILLE)	
10:00 - 11:15 am	<p><i>Risks of base erosion with respect to rent and royalty payments and possible countermeasures</i></p> <ul style="list-style-type: none"> – Introduction – Excessive deductions for rent and royalty payments by residents – Deductions for rents and royalties paid by residents to earn exempt or preferentially taxed income – Deductions for rents and royalties paid by non-residents that are taxable on a net basis – Transfers of locally developed intellectual property to non-residents – Non-residents earning rents and royalties from resident consumers
11:15 - 11:45 am	<i>Coffee Break</i>
11:45 am - 1:00 pm	<p><i>Major design elements in drafting domestic legislation to counter base erosion with respect to payments of rent and royalties</i></p> <ul style="list-style-type: none"> – Introduction – Restrictions on the deduction of rents and royalties paid to non-residents – Withholding taxes on rent and royalties – Rent and royalty expenses incurred by residents to earn exempt or preferentially taxed income – Research and development costs – Sample withholding tax provision – Administrative aspects related to the taxation and deductibility of rents and royalties
1:00 - 2:30 pm	<i>Lunch</i>
2:30 - 3:30 pm	<p><i>Negotiation of tax treaties to prevent base erosion with respect to base-eroding payments of rent and royalties</i></p> <ul style="list-style-type: none"> – Introduction – Preserving domestic law restrictions on the deduction of rent or royalties paid to non-residents – Preserving domestic law restrictions on the deduction of rent or royalties by non-residents carrying on business in the country through a PE – Rent and royalties paid to a PE in a third State – Elimination of double taxation issues
3:30 - 4:00 pm	<i>Coffee Break</i>
4:00 - 5:30 pm	<p><i>Negotiation of tax treaties to prevent base erosion with respect to base-eroding payments of rent and royalties (cont.)</i></p> <ul style="list-style-type: none"> – Withholding tax on rent for immovable property – Withholding tax on royalties <ul style="list-style-type: none"> ○ the definition of royalties ○ the treatment of payments for the use of equipment ○ rate of tax allowed by treaty

THURSDAY, 9 NOVEMBER 2017

GENERAL ANTI-AVOIDANCE RULES (GAARS) IN PRACTICE (BRIAN ARNOLD AND JACQUES SASSEVILLE)

10:00 - 11:15 am	<ul style="list-style-type: none">• Is a domestic GAAR necessary?• Main features of a GAAR• Comparison between different domestic GAARs• GAARs and tax treaties• Administrative aspects related to the application of a GAAR
11:15 - 11:45 am	<i>Coffee Break</i>
11:45 am - 1:00 pm	Analysis of two court decisions dealing with the application of a GAAR
1:00 - 2:30 pm	<i>Lunch</i>
2:30 - 3:30 pm	Case study 1: GAAR and treaty shopping
3:30 - 4:00 pm	<i>Coffee Break</i>
4:00 - 5:30 pm	Case study 2: GAAR and tax sparing



FRIDAY, 10 NOVEMBER 2017

DOMESTIC RESOURCE MOBILIZATION AND TAX BASE PROTECTION

PROSPECTS FOR ENVIRONMENTAL TAXATION IN DEVELOPING COUNTRIES

10:00 - 11:45 am	<p><i>The Benefits of a Carbon Tax</i> (Ms. Susanne Åkerfeldt)</p> <ul style="list-style-type: none">• A cost-effective tool to help countries deliver on the Paris Climate Agreement• Carbon taxes as a means to mobilize domestic resources• The administrative costs of carbon taxes• A step-by-step approach in introducing carbon taxes• The experience of Sweden <p><i>Environmental Fiscal Reform in South Africa</i> (Ms. Sharlin Hemraj)</p> <ul style="list-style-type: none">• Environmental fiscal reform in South Africa<ul style="list-style-type: none">○ Addressing market failures○ Tax design considerations• Overview of the tax system• Revenue analysis of environmental tax instruments• Proposed carbon tax design <p><i>Interactive Discussion among Participants and Panellists</i></p>
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EXTRACTIVE INDUSTRIES TAXATION

11:45 – 1:00 pm	<p><i>The UN Handbook on the Taxation of Extractive Industries in Developing Countries</i> (Mr. Ignatius Mvula)</p> <ul style="list-style-type: none">• The role of taxation of extractive industries in resource-rich countries• Extractive industries taxation and domestic resource mobilization• The role of the UN Handbook on Selected Issues for Taxation of the Extractive Industries in assisting developing countries <p><i>Extractive Industries Taxation Issues Related to Double Tax Treaties</i> (Mr. Jacques Sasseville)</p> <ul style="list-style-type: none">• Coverage of exploration activities and activities on the continental shelf• Application of Art. 6 and 7 in the case of mining and oil and gas extraction• PE issues related to the exploration and extraction of natural resources <p><i>Interactive Discussion among Participants and Panellists</i></p>
1:00 – 2:30 pm	<i>Lunch</i>
2:30 – 4:00 pm	Evaluation, feedback and closing remarks