


Educational Institution  
"Belarus State Economic University"

APPROVED

Rector of the Educational Institution  
"Belarus State Economic University"

  
V. Shutsilin

" 4 "  2021 г.

Registration No. 4749-21

## International Taxation

The curriculum of the Higher Educational Institution  
in the academic discipline for the speciality  
1-25 80 02 "World Economy"

**COMPILERS:**

Loukianova I.A., associate professor of the department of taxes and taxation of the Educational Institution "Belarus State Economic University", candidate of economic sciences, associate professor.

**RECENTS:**

Melnikova N.A., Deputy Head of the Department of Financial and Banking Economics of Belarusian State University, Candidate of Economic Sciences, Associate Professor;

Verezubova T.A., Professor of the Department of Finance and Financial Management of Educational Institution "Belarus State Economic University", Doctor of Economic Sciences .

**RECOMMENDED FOR APPROVAL:**

Department of Taxes and Taxation of the Educational Institution "Belarus State Economic University"  
(Minutes No. 9 of 25.03.2021);

Scientific-Methodical Council of the institution of education "Belarus State Economic University"

(Minutes No \_\_\_ of \_\_\_\_\_ 2021).

### **Explanatory note**

The syllabus of the training discipline "*International Taxation*" on specialty 1-25 80 02 «World Economy», profile «Financial Support of Business in the International Economics», was prepared in accordance with the educational standard of the specialty.

*The subject matter of the discipline "International Taxation"* is the study of the basics of tax management of companies located in different jurisdictions.

*This course aims* is to form a conceptual apparatus in the field of International Taxation, a set of knowledge on tax planning, tax calculation and managerial decision-making in the field of taxation, international tax planning and transfer pricing skills of undergraduates.

In order to implement the goals set in the course the basic models of tax systems of foreign countries are considered, the norms of international tax law governing the operations of TNCs, in a globalized market are studied. The analysis of agreements on avoidance of double taxation and tax evasion. Approaches to international tax planning and transfer pricing are analyzed to provide students with an understanding of the general principles of taxation from a multidisciplinary perspective: legal, political, social and economic. The course will conclude by looking at principles of sub-national and international taxation.

#### ***The objectives of the course are:***

- teaching undergraduates the basic conceptual apparatus of international business taxation;
- Acquisition of skills to analyze international and national norms in the field of taxation, as well as their interaction;
- study of the legal regulation of the taxation of international transactions;
- study of international tax planning methods;
- Practical skills in assessing the quality of transfer pricing;
- working out ways to assess the risks associated with the taxation of international business.

#### ***As a result of the study of this discipline students should:***

##### ***Know:***

- The specifics of the application of double taxation treaties in the activities of transnational companies;
- Fundamentals of international tax planning;
- Mechanism of optimization of tax liabilities taking into account the specifics of the status of "permanent establishment" in the legislation of different countries;
- Fundamentals of International Tax Payment Management.

##### ***To be able to:***

- To understand the provisions of model and bilateral agreements on avoidance of double taxation in the activities of transnational companies, to analyze the mechanisms of optimization of tax liabilities taking into account the specifics of the status of "permanent establishment" in the legislation of different countries

- Advise subjects on international tax planning and transfer pricing;
- Analyze the tax situation of the international holding company, the level of tax burden and the effectiveness of the tax and accounting policies applied;
- Evaluate tax bases in transfer pricing;

*Be familiar with:*

- Identify the financial risks of applying different models of international tax planning;

*To have:*

- skills in international tax planning and transfer pricing,
- Analyze the tax situation,
- determine the financial risks of applying different models of international taxation.

### ***Intended learning outcomes***

A student who has successfully completed this subject will:

- Have an advanced and integrated understanding of the policies underlying Australia's rules for taxing international transactions
- Have a detailed knowledge of the foundational principles of law applicable to the taxation of inbound and outbound transactions
- Be able to critically examine, analyse, interpret and assess the effectiveness of Australia's rules for the taxation of inbound and outbound transactions
- Be an engaged participant in the debate on the principles of international taxation and international tax avoidance
- Have a sophisticated appreciation of the international tax policy issues
- Have an understanding of the competing policy issues of deriving an appropriate amount of tax from cross-border transactions without impeding international trade and investment
- Have the cognitive and technical skills to generate critical and creative ideas relating to the taxation of cross-border transactions, and to critically evaluate policy issues
- Have the skills to independently examine, research and analyse current and emerging legal issues relating on international taxation
- Have the oral and written communication skills to articulate and convey complex information regarding international taxation to specialist and non-specialist audiences.

In accordance with the syllabus for the specialty 1-25 80 02 «World Economy» provides: total hours for academic discipline -108, of which the total academic hours - 48, including 28 hours - lectures, 20 hours - workshops. The form of control – exam. The assessment – 3 credit.

## TRAINING CONTENT

### **Topic 1. Principles of international taxation**

Basic principles of international tax law A Jurisdiction to tax, including limits to tax jurisdiction arising from public international law, and crossborder enforcement of taxes. Concepts of source and situs; use of residence, domicile and citizenship as connecting factors The issue of qualification and international tax. The history of international tax law. Work under the League of Nations. Work of the G20 and OECD. Work of the UN Group of Experts. European Union law and international tax. EU law and double taxation conventions. Analysis of tax systems of foreign countries. Types of models of tax systems: Eurocontinental, Anglo-Saxon, Latin American. The main components of the structure of tax payments in foreign countries. The concept of tax competition. Prospects for the development of local freedoms in the framework of existing international agreements. Fair and unfair tax competition. Tax harmonization and unification: advantages and disadvantages in modern conditions.

**Topic 2. Rules for determining residence and source** Causes of international double taxation. Conflicts of residence and source. Conflicting definitions of connecting factors. Other causes of international double taxation (including particular issues for using citizenship as a connecting factor for taxation). MNCs in a globalized market. The economic essence of globalization and internationalization of business. Problems of shifting the tax burden and regions within MNCs.

**Topic 3. Domestic rules for the taxation of residents' foreign income (foreign income tax offsets, accruals taxation of foreign income and exemption of foreign income)**

Practice in determining the source of income and gains. Tax issues arising from a change of residence/citizenship

**Topic 4. Domestic rules for the taxation of non-residents' Belarusian source income (business income, interest, dividends and royalties).** Double tax treaties. Continuity in the application of international tax agreements in the Republic of Belarus. The structure of agreements. Experience in applying treaties with different partner countries. Notion of place of origin of profit in double taxation treaties. Prospects for cross-country profit distribution based on negotiations between tax offices.

**Topic 5. Introduction to tax treaties** The general aspects of the OECD Model Double Taxation Convention (policy, background and development), of the scope of the Model and the general definitions it employs, and of tax treaty interpretation. Next, the treaty attribution rules are analysed

with regard to business and professional income (Art. 7), transportation income (Art. 8), real property income (Art. 6), dividends (Art. 10), interest (Art. 11), royalties (Art. 12) and capital gains (Art. 13). Subsequently, after the intermediate exam, attention is focused on the treaty attribution rules with respect to services, including employment and pension income (Art. 15 through 20), other income (Art. 21) capital (Art. 22) and double taxation relief (Art. 23A-B). The course is concluded by discussions of the technically complex subjects such as e-commerce, beneficial ownership & international tax avoidance, partnerships, triangular cases, financial instruments and international trade dispute resolution in tax matters and by a detailed discussion of tax treaty policy issues. Teaching is offered in different forms. The core of the instruction is formed by lectures, which focus on the basic rules of the various treaty provisions, and on their operation and application. In addition there are workshops where the subject matter of the lectures will be further discussed by the Teaching Assistants (TAs) through cases.

Double taxation conventions (DTCs), focusing on the current version of the OECD Model Tax Convention (MTC). Methods of relief from international double taxation. Relief by credit – including indirect/underlying credit and tax sparing credit. Relief by exemption – including participation exemption. Practical difficulties in applying relief by credit and relief by exemption. Relief by exemption and relief by credit compared: capital import neutrality vs. capital export neutrality. Other methods of relief from international double taxation – relief by deduction of foreign tax; relief by deferral Offshore zones in the organization of international holdings. The main features of the legislation of offshore zones. Prospects for future development. Offshore duty in the Republic of Belarus.

**Topic 6. Permanent establishment.** The status of "permanent establishment" - prospects for the development of the legal framework. Tax status of permanent establishment. Perspectives of application of double taxation avoidance agreements. Qualification of permanent establishment in different jurisdictions. Differences between local legislation and treaty provisions.

**Topic 7.** Introduction to thin capitalization rules International tax planning. The main approaches to the organization of tax planning in the context of functioning in different Structural schemes and models for the implementation of the tax planning process. Limitation of the expenses for tax aims. Thin capitalisation legislation and DTCs. BEPS Action 4: Interest Deductions

**Topic 8. BEPS** BEPS Action 1-15: Making dispute resolution mechanisms more effective 15: Developing a multilateral instrument to modify bilateral tax treaties The application of DTCs to electronic commerce. The work of the OECD Taxation Advisory Group . E-commerce and permanent establishments . The digital economy. Tax challenges of the digital economy. VAT/GST issues . Nexus issues Definition of permanent establishments. The

work of the Platform for Collaboration on Tax. The work of the UN Committee of Experts on International Cooperation in Tax Matters

***Topic 9. Transfer pricing.***

An overview of the history and current practice of transfer pricing. The course combines theoretical and practical approaches, using examples and case studies to illustrate the key concepts learnt. The theoretical framework follows primarily the recommendations of the OECD Transfer Pricing Guidelines for Multinational Enterprises and the US regulations, with some additional concepts drawn from the legislation of other countries. The examples and case studies are taken from the practitioners' experience and case law. The program tries to emphasize the multidisciplinary nature of transfer pricing and draws from the fields of taxation, economics, accounting, business management and law to provide the students with the basic knowledge required to understand advanced transfer pricing problems. Transfer pricing - definitions of different jurisdictions. Possibilities of transfer pricing in economic unions. Limits of use of transfer prices in Belarusian tax legislation: customs duties and income tax. Transfer pricing and thin capitalisation rules. Various approaches to the determination of profits of branches and associated enterprises. Unitary taxation/global formulary apportionment. Arm's length approaches. State practice with respect to transfer pricing. Consideration of examples of domestic transfer pricing legislation. Transfer pricing and DTCs. Advanced pricing agreements. The OECD Transfer Pricing Guidelines. Transfer pricing methodologies.

***Topic 10. "Google" tax.*** the concepts and principles of value added tax. Students will learn about the most important value added tax issues, which anyone dealing with value added tax in the European Union is confronted with and needs to master. While VAT originally was only an EU type of tax (conceived in the 1960s) in later decades many countries have adopted this ingenious type

**STUDY AND METHODOLOGICAL MAP OF THE TRAINING DISCIPLINE "" FULL-TIME FORM OF  
HIGHER EDUCATION 1-25 80 02 «World Economy», profile «Financial Support of Business in the  
International Economics»,**

№	Section, topic	Number of class hours				Other	Control
		Lectures	Workshop	Guided student self-study			
				Lectures	Workshops		
1	2	3	4	5	6	7	8
1	Principles of international taxation	-	2	2	-	[ 2-7 ]	Tests
2	Rules for determining residence and source	-	-	2	2	[2-5]	Control poll
3	Domestic rules for the taxation of residents' foreign income (foreign income tax offsets, accruals taxation of foreign income and exemption of foreign income)	2	1	2	2	[5,6,9]	Control work.
4	Domestic rules for the taxation of non-residents' Belarusian source income (business income, interest, dividends and royalties)	2	1	2	2	[5,6,9]	Tests
5	Introduction to tax treaties	2	-	2	2	[2,6,7, 10]	Tests
6	Permanent establishment	-	1	2		[4,5, 10]	Control work.
7	Introduction to thin capitalization rules.	-	-	2	2	[1,2,7]	Control poll
8	BEPS	2	1	2		[ 8 , 9 ]	Control poll
9	Transfer pricing	-	-	2	2	[2, 7,9 ]	Tests.
10	"Google" tax	2	-		2	[1]	Control work.
	<b>Total:</b>	<b>10</b>	<b>6</b>	<b>18</b>	<b>14</b>		<b>Exam</b>
				<b>48</b>			



## **INFORMATION AND METHODOLOGICAL PART**

### ***Methodological recommendations for the organization of independent work of undergraduates in the discipline***

#### ***"International Taxation "***

In mastering the knowledge of an academic discipline, an important stage is the independent work of undergraduates. Independent work of undergraduates is a type of learning activities of students in the process of mastering educational programs of higher education, carried out independently outside the classroom (in the library, research laboratory, at home, etc.) with the use of various teaching tools and information sources.

The main directions of the graduate student's independent work are:

- Initial detailed acquaintance with the program of academic discipline;
- familiarization with the list of recommended literature on the discipline as a whole and its sections, its availability in the library and other available sources, the study of the necessary literature on the topic, the selection of additional literature;
- studying and expanding the lecture material of the teacher at the expense of special literature, consultations;
- preparation for practical (seminar) classes according to specially designed plans with the study of basic and additional literature;
- preparation for diagnostic forms of control (tests, problem solving, control works, etc.);
- preparation for credit.

## Literature

### Basic:

1. Богатырева, В. В. Налоги и налогообложение : практикум : учебное пособие для студентов учреждений высшего образования по специальностям "Финансы и кредит", "Бухгалтерский учет, анализ и аудит", "Экономика и управление на предприятии" / В. В. Богатырева, С. Н. Костюкова ; Белорусский гос. ун-т. - Минск : БГУ, 2018. - 130, [1] с. : ил.
2. Налоги и налогообложение : учебник для студентов учреждений высшего образования по группе специальностей "Экономика и управление" / [Е. Ф. Киреева и др.] ; под ред. Е. Ф. Киреевой. - Минск : БГЭУ, 2019. - 438, [1] с. : ил. - (Учебник БГЭУ).

### Additional:

3. Артемьев, А. А. Гармонизация налогового и таможенного регулирования в ЕАЭС : монография / А. А. Артемьев, М. Р. Пинская, А. В. Тихонова ; под ред. А.А. Артемьева ; ФГОБУВО "Финансовый ун-т при Правительстве Рос. Федерации". – М. : Прометей, 2020. - 167, [1] с. : ил.
4. Международное налогообложение: размывание налоговой базы с использованием офшоров : монография / под ред. М. Р. Пинской. — М. : ИНФРА-М, 2020. — 192 с. — (Научная мысль). - ISBN 978-5-16-010812-4. - Текст : электронный. - URL: <https://znanium.com/catalog/product/1043088> (дата обращения: 08.04.2021). – Режим доступа: по подписке.
5. Устойчивое развитие налоговой системы Российской Федерации в условиях глобальных изменений : монография / [Л. М. Архипцева и др. ; под общ. ред. Л. И. Гончаренко] ; Фин. ун-т при Правительстве Рос. Федерации. – М. : Дашков и К, 2017. - 581 с. : ил.
6. Филиппович, Е. С. Налогообложение внешнеэкономической деятельности и его администрирование : практикум / Е. С. Филиппович. - Минск : БГАТУ, 2020. - 130, [1] с. : ил.
7. Britain's Tax System / Foreign & Commonwealth Office. - London : [s. n., 1997]. - 16, [1] с.
8. Churchill, W. S. The World Crisis / W. S. Churchill. — Санкт-Петербург : Лань, 2019. — ISBN 978-5-507-44142-6. — Текст : электронный // Лань : электронно-библиотечная система. — URL:

<https://e.lanbook.com/book/115234> (дата обращения: 08.04.2021). — Режим доступа: для авториз. пользователей.

9. Eskeland, G. S. Taxing bads by taxing goods: Pollution control with presumptive charges / G. S. Eskeland, S. Devarajan. - Washington : The WorldBank, 1996. - 61 p. - (Directions in Development).
10. Inventory of taxes levied in the Member States of the European Communities. - 14th ed. - Brussels : ECSC-EES-EAEC, 1991. - 725 p.
11. Tax Planning Strategies : tax savings opportunities for individuals and families / [managing editor L. O'Brien]. - Chicago : A WoltersKluwer Company, 2005. - 164 p.

## PROTOCOL OF THE COORDINATION

Name of the training discipline, with which approval required	Chair	Suggestions about changes in the content of the curriculum institutions of higher discipline education	The decision taken by the department that developed the curriculum (indicating the date and protocol numbers)
<i>International Competition</i>		<i>James TurbanGV</i>	<i>29.03.21</i>

## ADDITIONS AND AMENDMENTS TO THE SYLLABUS

for \_\_\_\_ / \_\_\_\_ academic year

№ n/a	Additions and amendments	The foundation

The syllabus was revised and approved at the meeting of the department  
\_\_\_\_\_ (Minutes No. \_\_\_\_ of \_\_\_\_ 20\_\_)  
(name of department)

**Head of Department**

\_\_\_\_\_  
(academic degree, academic title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(Full name)

**APPROVED**

**Dean of Faculty**

\_\_\_\_\_  
(academic degree, academic title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(Full name)

**Dean of Faculty**

\_\_\_\_\_  
(academic degree, academic title)

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(signature)

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(Full name)