

TAXATION II

GRADO EN DERECHO / BACHELOR OF LAWS

Professor: **GIULIO ALLEVATO**

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Degree course: THIRD

Semester: 2º

Category: COMPULSORY

Number of credits: 6.0

Language: English

PREREQUISITES

Having passed Public International Law, EU Law and Taxation I.

SUBJECT DESCRIPTION

The subject of the Course is the illustration of the international tax legal framework, the rationale of its norms, and the main challenges international tax policy-makers and legislatures are currently facing in order to keep the path with the unprecedented economic globalization and technological development.

Part I will illustrate the international dimension of tax policy and the main sources of International Tax Law.

Part II will discuss the tax treatment of the various types of cross-border income under tax treaty law, and, where applicable, EU law.

Part III will illustrate the challenges posed to the current international tax legal framework by the rise of the Digital Economy and by multinational enterprises' base erosion and profit shifting techniques, and the unilateral and multilateral responses to them. Finally, the risks and opportunities related to the use of new technologies not just by the businesses but also by the Tax Authorities, and the potential tax scenario arising from Artificial Intelligence will be discussed.

This course forms part of the European Module "*Liability of Robots: A European Vision for a New Legal Regime*", a IE University undertaking supported by the prestigious Jean Monnet Programme of the European Commission.

OBJECTIVES AND SKILLS

The main objective of the Course is to provide the students with an in-depth knowledge of the architecture, the rationale and the functioning of the international tax legal framework, and an overview and an understanding of the main tax issues and opportunities related to the development of new business models and the rise of Digital Economy and Artificial Intelligence.

Upon completion of this course, participants will acquire:

- the ability to understand the policy rationale and the functioning of the international tax laws;
- appropriate skills (e.g.: specific language, commonly used acronyms, etc.) related to the practice of international tax law.

METHODOLOGY

Each session of the Course will include a theoretical introduction, comments on real tax cases and open discussion with the students.

Home study and homework will be necessary for the proper follow up of the lessons.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	40.0 %	60 hours
Discussions	20.0 %	30 hours
Exercises	10.0 %	15 hours
Group work	10.0 %	15 hours
Other individual studying	20.0 %	30 hours
TOTAL	100.0 %	150 hours

PROGRAM

PART I

INTERNATIONAL TAX POLICY AND INTERNATIONAL TAX LAW

SESSION 1

Introduction to the Course

SESSION 2

International Tax Law: basic concepts and paradigms

SESSION 3

International tax planning and domestic anti-avoidance legislation

SESSIONS 4 - 5

Tax Treaty Law

SESSION 6

Tax Treaties – The Main Features

SESSION 7

Income from Immovable Property

SESSION 8

Tax Treaties – The Scope of Application

PART II

TYPES OF CROSS-BORDER INCOME AND DTT/EU TAX TREATMENT

SESSIONS 9 - 10

Personal Income

SESSION 11

International Exchange of Information and Dispute Resolution

SESSION 12

Tax aspects of wealth management

SESSION 13

Mid-term Exam

SESSIONS 14 - 15

Business Profits

SESSIONS 16 - 17

Cross-border financial income: double tax treaty and EU law

SESSION 18

The non-discrimination principle under DTT and EU law

SESSION 19

Transfer Pricing and the Arm's Length Standard

SESSION 20

The EU CCCTB Project

PART III

TAXATION IN THE DIGITAL ECONOMY AGE AND A GLANCE TO THE FUTURE

SESSIONS 21 - 22

MNEs' business models and "BEPS" in the current tax legal framework

SESSION 23

G20/OECD BEPS Project and the Multilateral Instrument ("MLI"), and the EU

SESSIONS 24 - 25

Designing and managing a tax-aligned global supply-chain

SESSION 26

Taxation of the sharing economy

SESSION 27

VAT and e-commerce

SESSION 28

A glance to the (near) tax future

SESSIONS 29 - 30

Final Exam

BIBLIOGRAPHY

Compulsory materials:

OECD, *Model Tax Convention on Income and on Capital*, OECD Publishing, Paris (November 2017), available at [oecd.org](https://www.oecd-ilibrary.org/taxation/model-tax-convention-on-income-and-on-capital-condensed-version_20745419) (specifically https://www.oecd-ilibrary.org/taxation/model-tax-convention-on-income-and-on-capital-condensed-version_20745419) or [ibfd.org](http://www.ibfd.org) (specifically http://www.ibfd.org/lib.unibocconi.it/collections/ttmodel/printversion/pdf/tt_o2_02_eng_2017_mo.pdf?print=yes).

Only pages 25-52 will be needed.

Multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting, (2016), (available at <http://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf>).

Apart of that, lecture notes and several articles from academic journals will be used as well. All of them will be accessible through the Campus on line.

Recommended manuals:

C. Garbarino, *Judicial Interpretation of Tax Treaties*, Edward Elgar Publishing (2016).

Hugh J. Ault, Brian J. Arnold, *Comparative Income Taxation: A Structural Analysis*, Wolters Kluwer, 3rd edition (2010).

EVALUATION CRITERIA

Each student has four attempts over two consecutive academic years to pass this course. Dates and location of the final exam will be posted in advance and will not be changed. Students must attend at least 70% of the Course's sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in the Course again the following academic year).

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the Course.

Grades: From 0 to 10 (scoring 5 or more will be needed to pass the Course).

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- the retakes will consist on a comprehensive exam. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- the exam will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained on the second and fourth attempts is 8 out of 10.
- the third attempt will require the student to complete:
 1. a written assignment or a written comment on a case; and
 2. a final exam.

This is also applicable to students who do not have required attendance, e.g. sickness.

Dates and location of the retakes will be posted in advance and will not be changed.

Criteria	Percentage	Comments
Class Participation + Group Presentation	25 %	

Mid-term Exam	25 %	The Mid-term Exam will be comprised of multiple-choice questions and open-essay questions
Final Exam	50 %	The Final Exam will be comprised of multiple-choice questions and open-essay questions

PROFESSOR BIO

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Giulio Allevato is Professor of Tax Law at IE University Law School. He is also Affiliate Professor of Tax&Law at SDA Bocconi School of Management in Milan. Before joining IE University, he was Hauser Global Fellow at New York University (NYU) School of Law, where he was affiliated to the Graduate Tax Program faculty, and Lecturer of Tax Law at SDA Bocconi School of Management. In the past, he has also been Ernst Mach Scholar at the Institute for Austrian and International Tax Law of the Vienna University of Economics and Business (WU). He regularly teaches at undergraduate and post-graduate programs and conducts research and training projects with important national and multinational enterprises and has published on various taxation topics in international journals. His main areas of research are related to International Taxation, International Finance, Corporate Taxation, Taxation of the Digital Economy businesses and Tax Risk Management. He holds a PhD in International Law & Economics from Università Bocconi and an International Tax LL.M. from the University of Michigan Law School. He also practices as a certified international tax attorney, and assists many national and multinational enterprises with complex corporate tax issues.

OTHER INFORMATION

Office hours: every Wednesday from 18.00-19.00 (upon student request via email)

CODE OF CONDUCT IN CLASS

1. **Be on time:** : Students arriving more than 5 minutes late will be marked as “Absent”.

Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).

2. **If applicable, bring your name card and strictly follow the seating chart.** It helps faculty members and fellow students learn your names.

3. **Do not leave the room during the lecture:** Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”.

Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).

4. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class.

If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".

5. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".

6. No cellular phones: IE University implements a "Phone-free Classroom" policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. Escalation policy: 1/3/5. Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as "Absent." IE University implements an "escalation policy": The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.