

United Nations Capacity Development Programme on International Tax Cooperation



Progress Report

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A more recent area of work focuses on protecting and broadening tax base of developing countries. The project is expected to provide concrete input to the third International Conference on Financing for Development mandated by General Assembly resolution 68/204 and thus to the new post-2015 financing strategy, in the area of domestic resource mobilization. The project will draw upon and complement, from a capacity-development angle, the work of the Subcommittee on Base Erosion and Profit Shifting (BEPS), as well as the work of the OECD project on BEPS, as appropriate.

FfDO is also carrying out capacity-development activities in the area of tax administration, which are undertaken jointly with the Inter-American Center for

the UN Handbook, which lend themselves to more in-depth hands-on analysis and which were subject of particular interest among developing countries during the launch and presentation of the UN Handbook.

In separate but related development, CIAT is currently translating the UN Handbook into Spanish.

Negotiation of Tax Treaties

ect on BEPS. e papers will also serve the purpose of translating the selected BEPS material into basic terms

the project is expected to provide concrete input in order to enable developing countries to better evaluate the third Conference on Financing for Development at it from their own perspectives. mandated by General Assembly resolution 68/204 and the first workshop (New York, 4 June 2014), which thus to the new post-2015 financing strategy, in the area organised in cooperation with the OECD, will provide of domestic resource mobilization. It will draw upon and a broad overview and update on the UN and OECD complement from a capacity-development angle the work in this area and then work of the Subcommittee on Base Erosion and Profit Shifting (BEPS), as well as the work of the OECD project on BEPS, as appropriate, with a specific focus on developing countries. The final outcome of the project will be a UN handbook, comprising a collection of papers.

UN Papers on Selected Topics in Protecting and Broadening the Tax Base of Developing Countries

- **An Overview of Major Issues in Protecting the Tax Base of Developing Countries**
by Hugh Ault and Brian Arnold
- **The Taxation of Income from Services**
by Brian Arnold
- **Tax Incentives and Tax Base Protection Issues**
by Eric Zolt
- **Taxation of Capital Gains**
by Wei Cui
- **Preventing Tax Treaty Abuse**
by Graeme Cooper
- **Neutralizing Effects of Hybrid Mismatch Arrangements**
by Peter Harris
- **Limiting Interest Deductions and Other Financial Payments**
by Peter Barnes
- **Preventing Artificial Avoidance of PE Status**
by Adolfo Jimenez
- **Protecting the Tax Base in the Digital Economy**
by Jinyan Li
- **Transparency and Disclosure**
by Diane Ring

the papers will be developed by a group of experts taking into account feedback received from developing countries during several capacity development events. The papers will scope/diagnose the current situation in developing countries in relation to each topic, using an analytical framework based on the existing literature and materials developed, inter alia within the OECD project

The meeting featured interactive and vibrant discussion among all participants. Many practical suggestions were made on how to improve the materials and make them more relevant to the realities of developing countries. South-South sharing aspect emerged very prominently at the meeting. All participants expressed their great interest in further work on the Course and recommended demand in their regions for the UN capacity development activities in the area of transfer pricing. In follow-up a 1-day technical meeting was held in New York on 11 April, 2014 to review the Course module on “Transfer pricing methods”.

As the next step, a 2-day technical meeting is planned in the fall 2014 to review further modules of the Course.

Tax Administration

