

1. Income derived by residents from services country

2. Income derived by nonresidents from services performed in or used in your country

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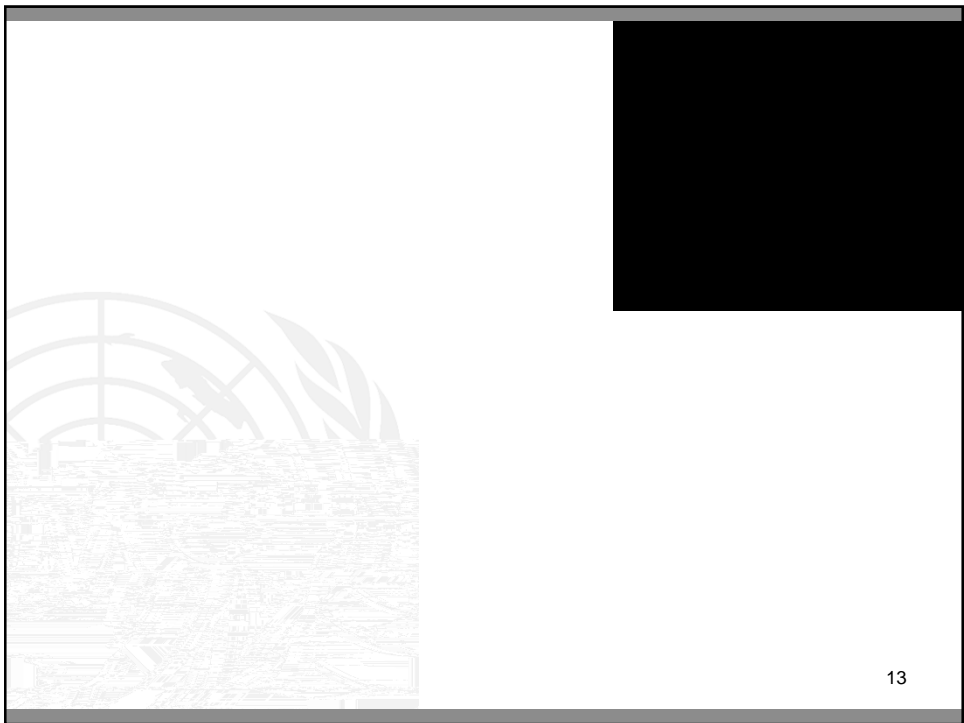


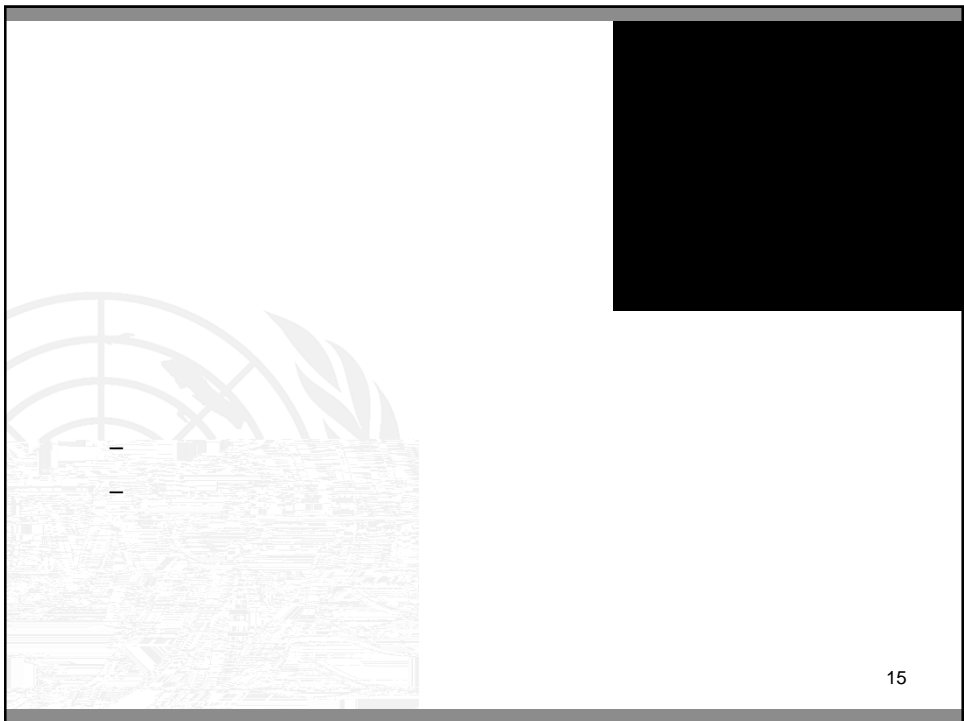
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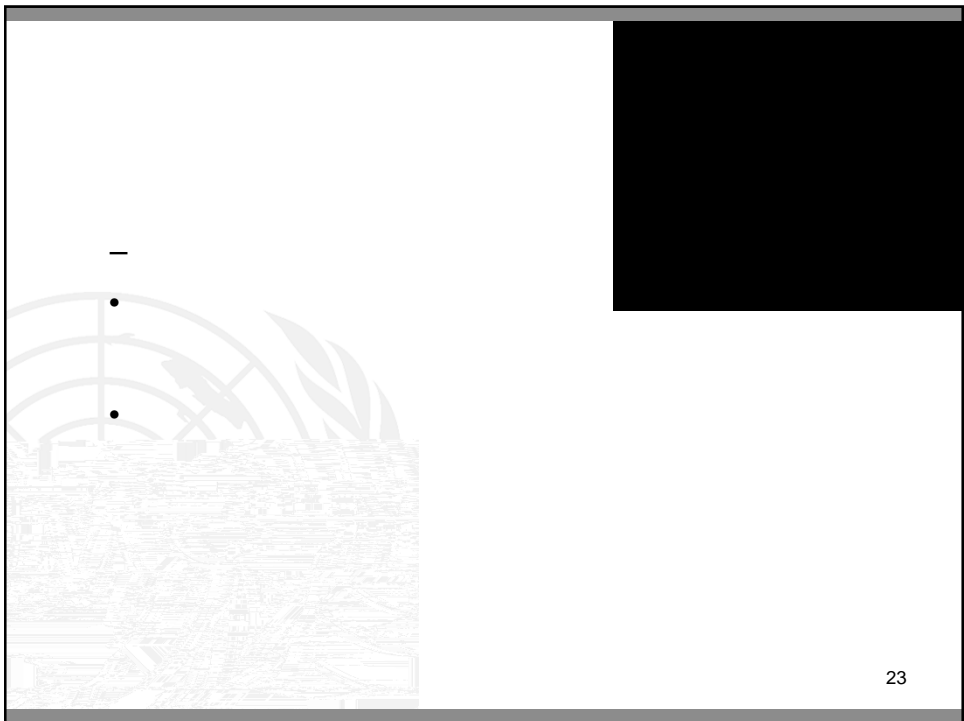
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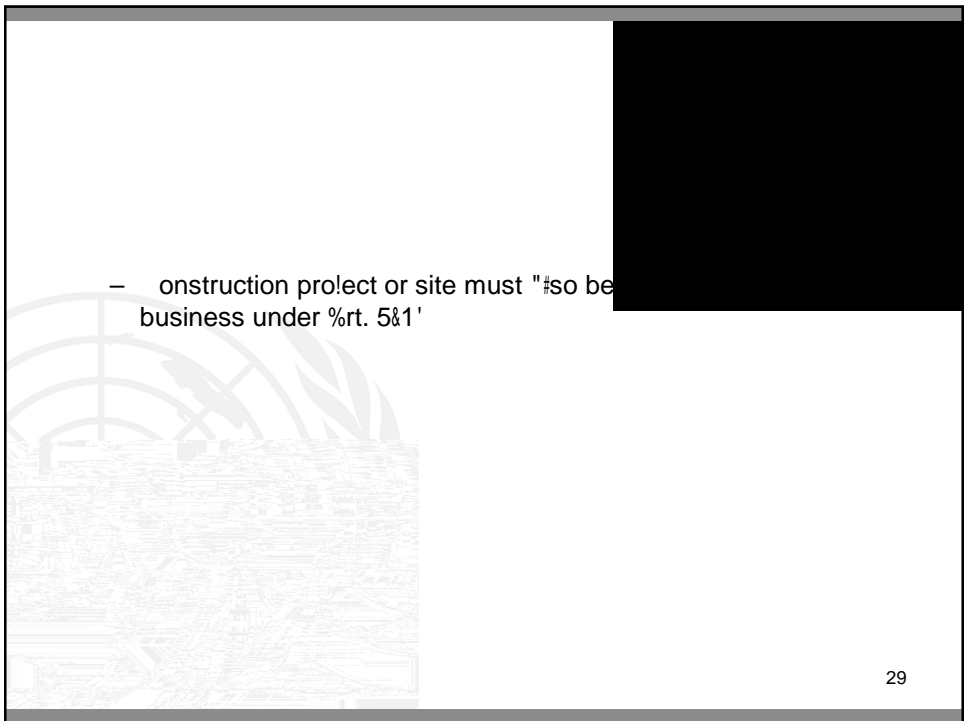










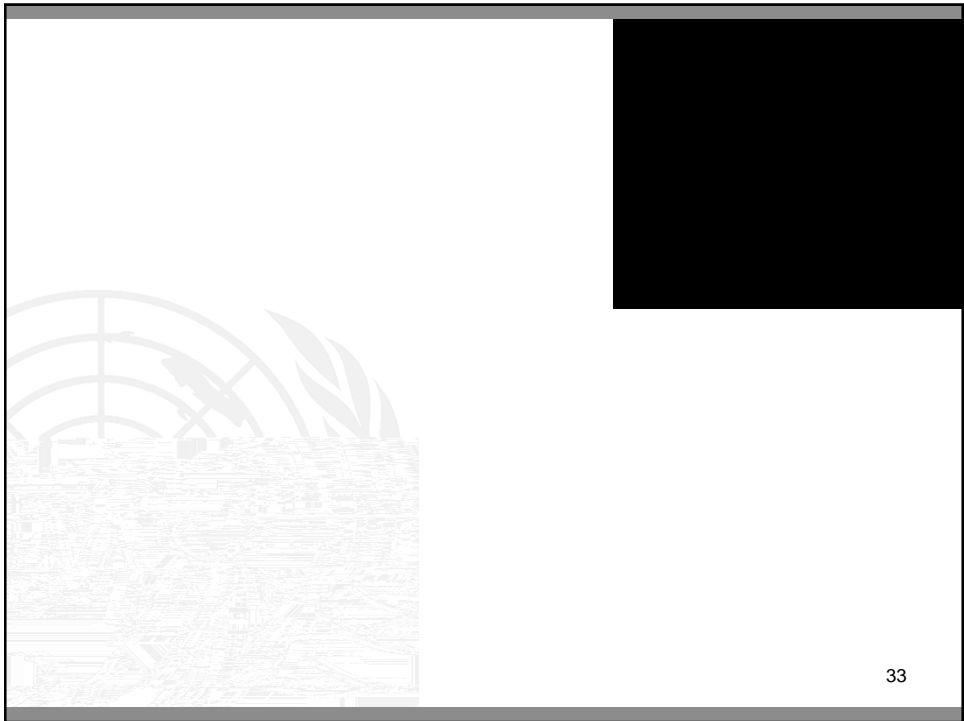
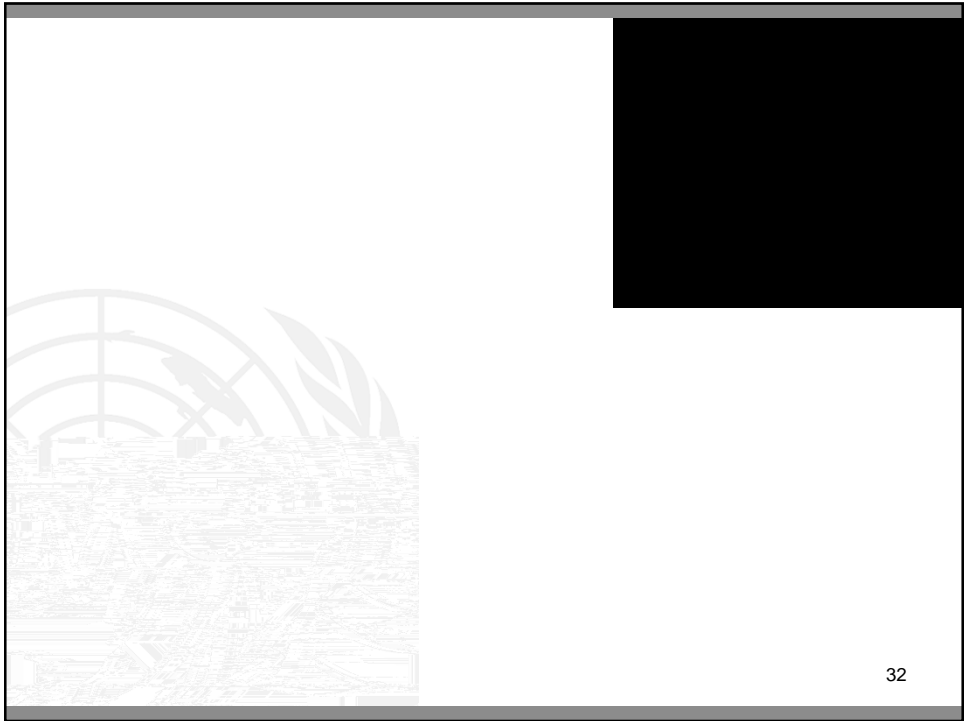


- (total) gross revenue from foreign services
- (total) net income from foreign services
- Income from services provided to resident nonresidents

30

- (types of services
- (total) amounts paid to nonresidents for services
- (total) net income from services performed by nonresidents and tax collected
- (total) tax collected on payments to nonresidents for services
- , residence of nonresident service providers
- (restrictions) tax resident nonresidents

31



- - + "t income from services does your co
" #o * r "te .
- - + "t p "yments for services "re deductib#e .
- 0o * does t+e country in * +ic+ t+e nonresident service provider
is resident t "\$ t+e p "yments .
- - + "t #imit "tions do your country's t "\$ tre " ties impose on
t "\$ "tion of income from services .
- , e# "ted2p " rty service tr "ns " ctions

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- 3 "ry * i# be deductib#e
- Impose ob#i) "tion to * it++o#d t"\$ on nonresident employer

36

- If not4 nonresidents m"y try to "void 56 or fi\$ed b"se t+rou)+ commission"ire "rr"n)ements4 movin)

- Your country may not be able to tax under domestic law or treaty if nonresident employer does not have 56 or fixed base in your country
- Section 7 domestic law voidance rules that apply for purposes of your tax treaties

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- amounts may be deductible in your country's tax base
- Section 7 amounts should be subject to ordinary tax
- so tax treaties should contain Art. 16 of OECD Model. Art. 16 of / 6 8 OECD applies only to directors'

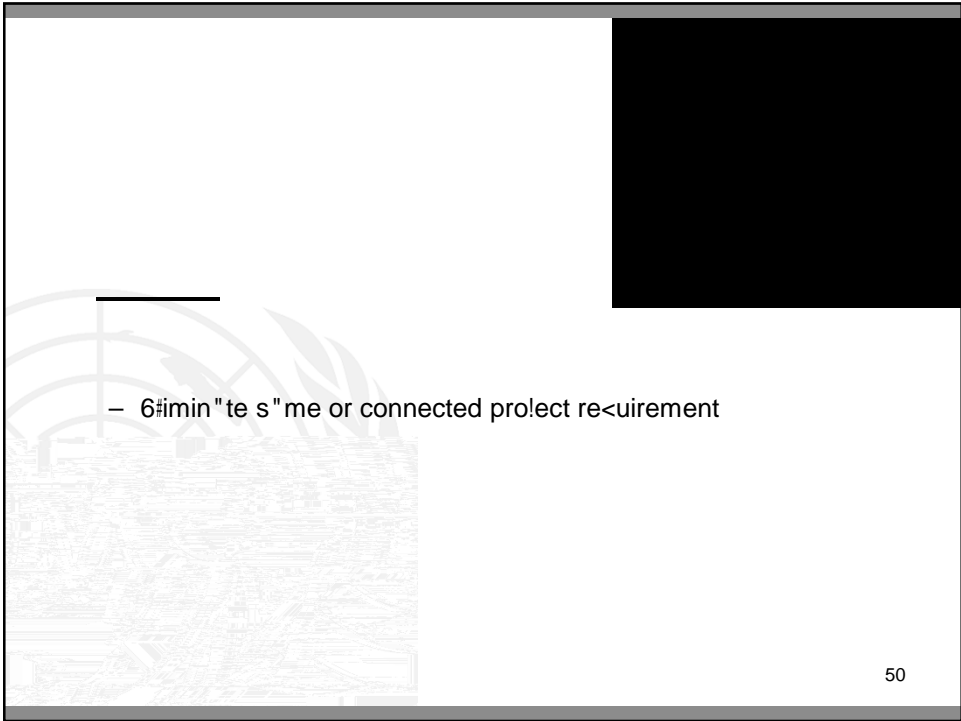
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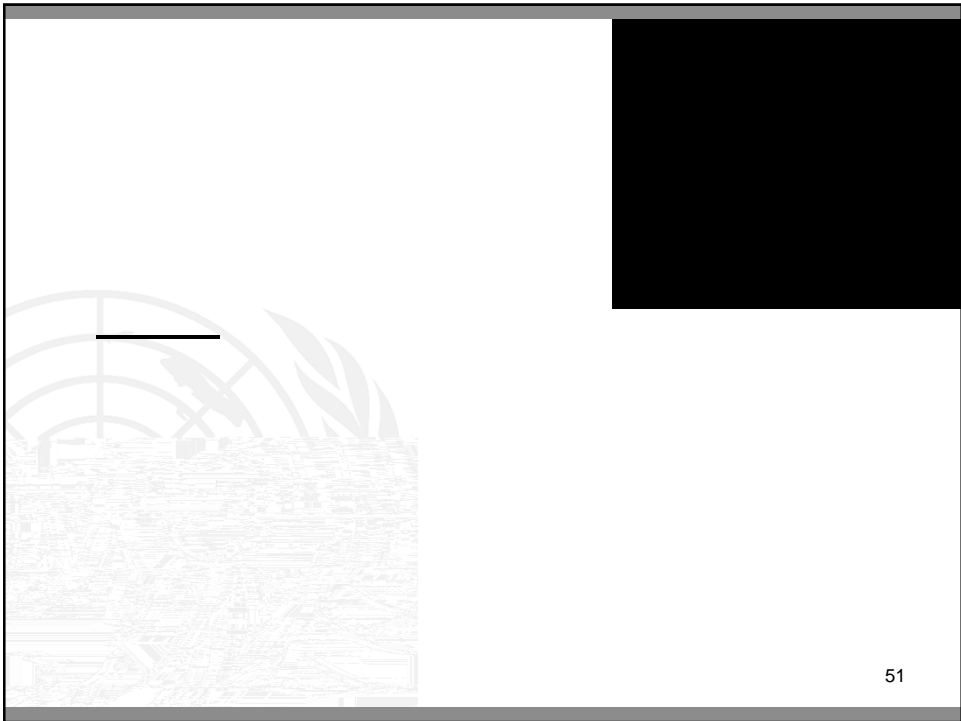






– 6#imin"te s" me or connected prolect re<uirement

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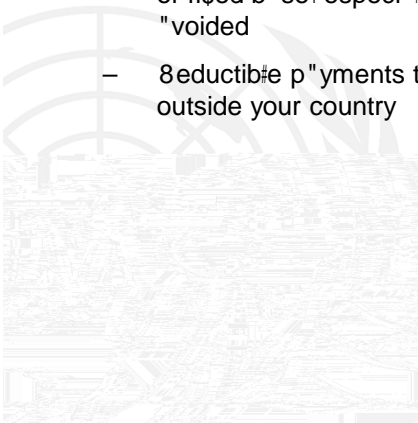


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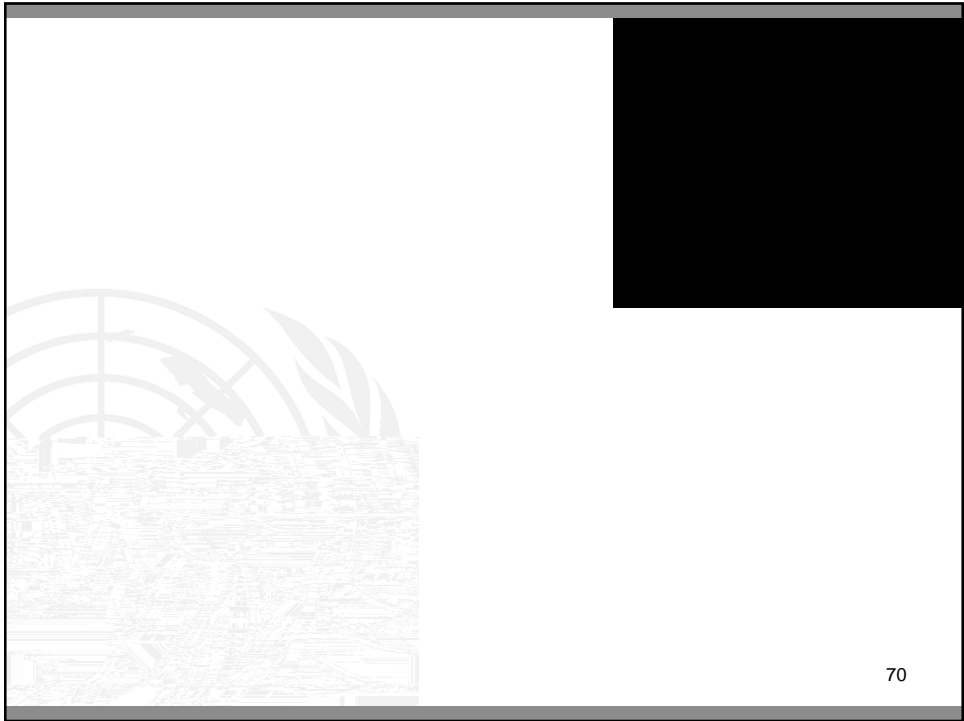
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- 5erformed in your country by nonresident
or fi\$ed b" se4 especi"#y if 56 or fi\$ed b"
"voided
 - 8eductib#e p"yments to nonresidents for services performed
outside your country
- 



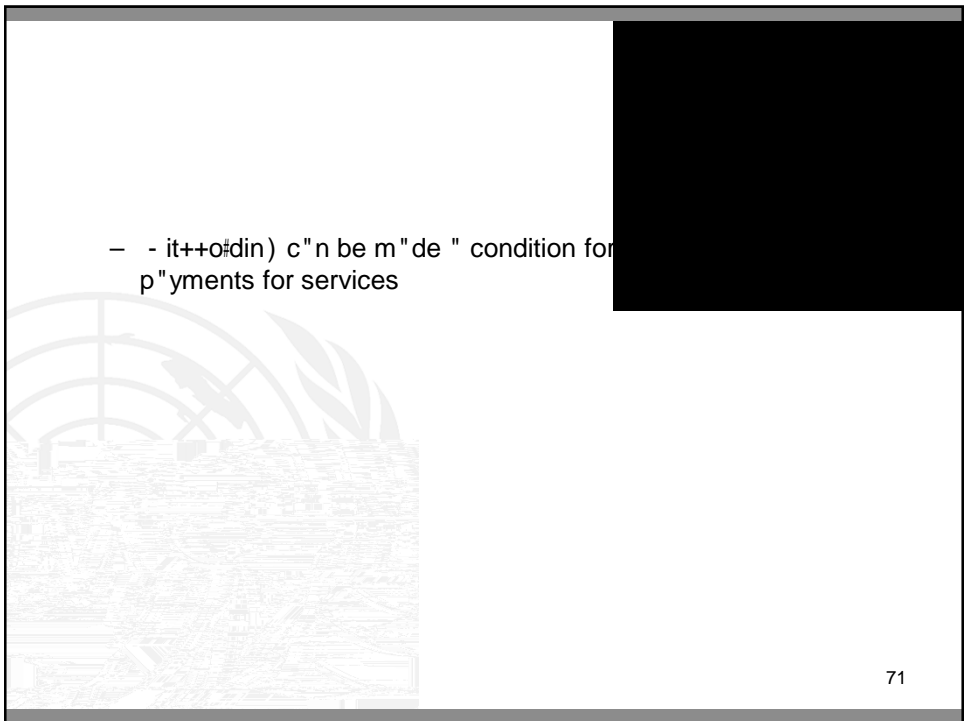








70



- it+o:idin) c"n be m" de " condition for p"yments for services

71

- - "t p"yments s+ou#d be subject to t"\$
- - "t r"te of t"\$ s+ou#d be "pp#ied.
- - "t persons s+ou#d be re<uired to *it++o#d.
- 3+ou#d t+e *it++o#din) t"\$ be fin"# or provision"#.

- Adjustments in price pursuant to transfer pricing rules
- Deductions claimed for services on an accrual basis &or deduction condition on it+ordin)

74

1. ; onresident entertainers and athletes
2. ; onresident employees
3. ; onresident directors and top-level managers of resident companies
4. ; onresidents who provide managerial, technical and consulting services

75

- Provision of *it+o#din) m"y be re<uired

- / n#y if p"yments "re deductib#e
- / n#y p"yments to re#"ted p"rties
- / n#y fees for tec+nic"# services

76

- Consider %rt. 24&4' of : ; >ode#

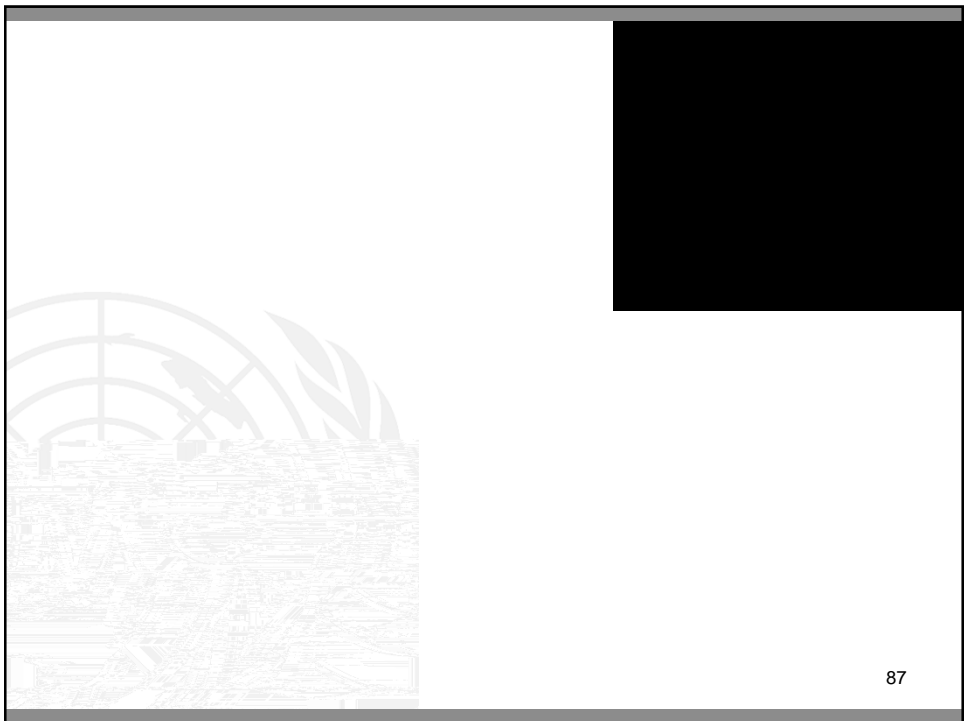
- Consider *+et+er *it+o#din) t"\$ *ou#d be " vio#"tion of t+e C%(3

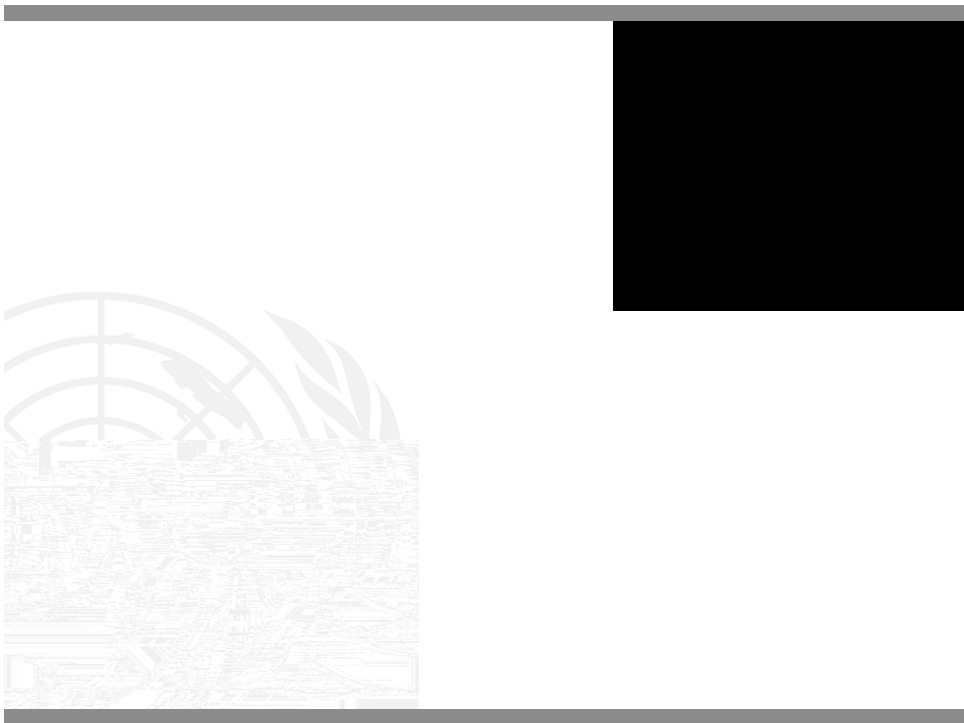
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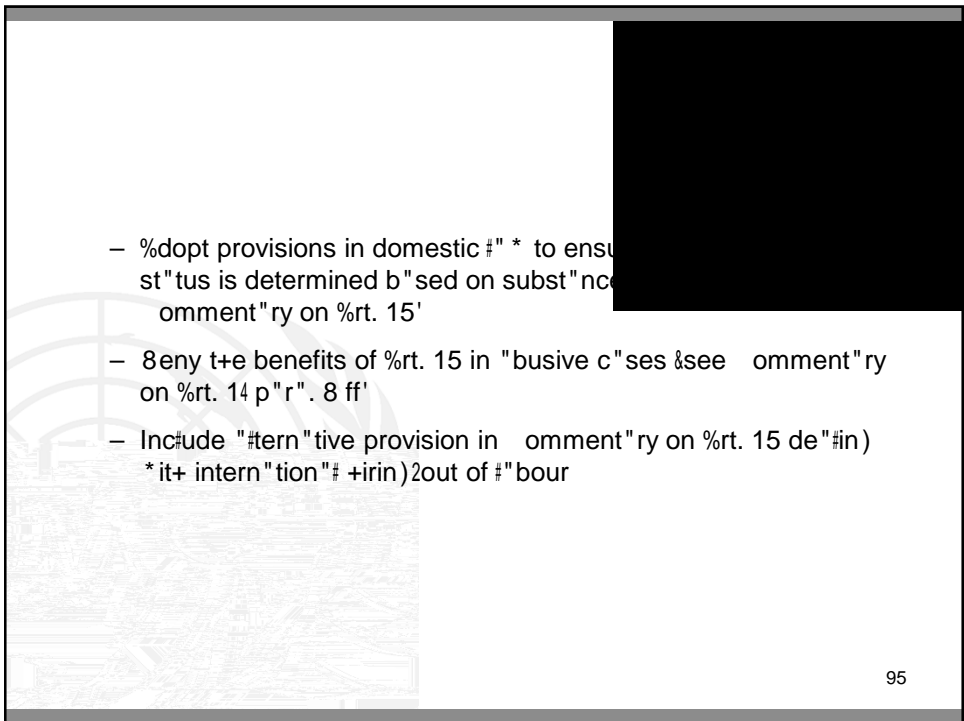
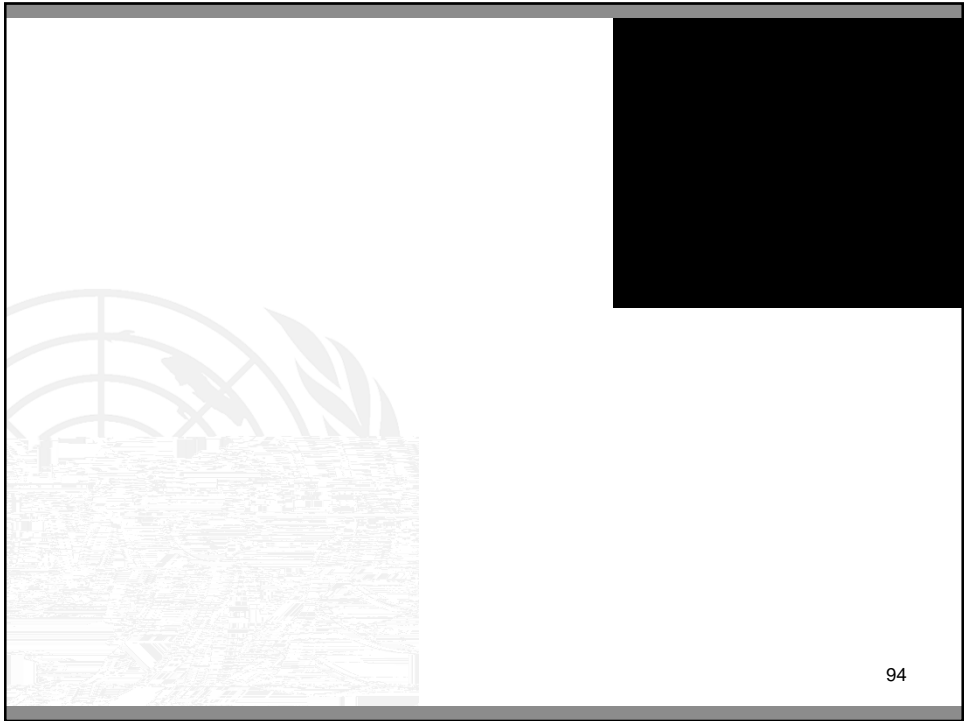












- dopt provisions in domestic # * to ensu
st"tus is determined b"sed on subst"nce
omment"ry on %rt. 15'
- 8eny t+e benefits of %rt. 15 in "busive c"ses &see ommen"ry
on %rt. 14 p"r". 8 ff'
- Inc:ude "#tern"tive provision in ommen"ry on %rt. 15 de"#in)
* it+ intern"tion"# +irin)2out of #"bour

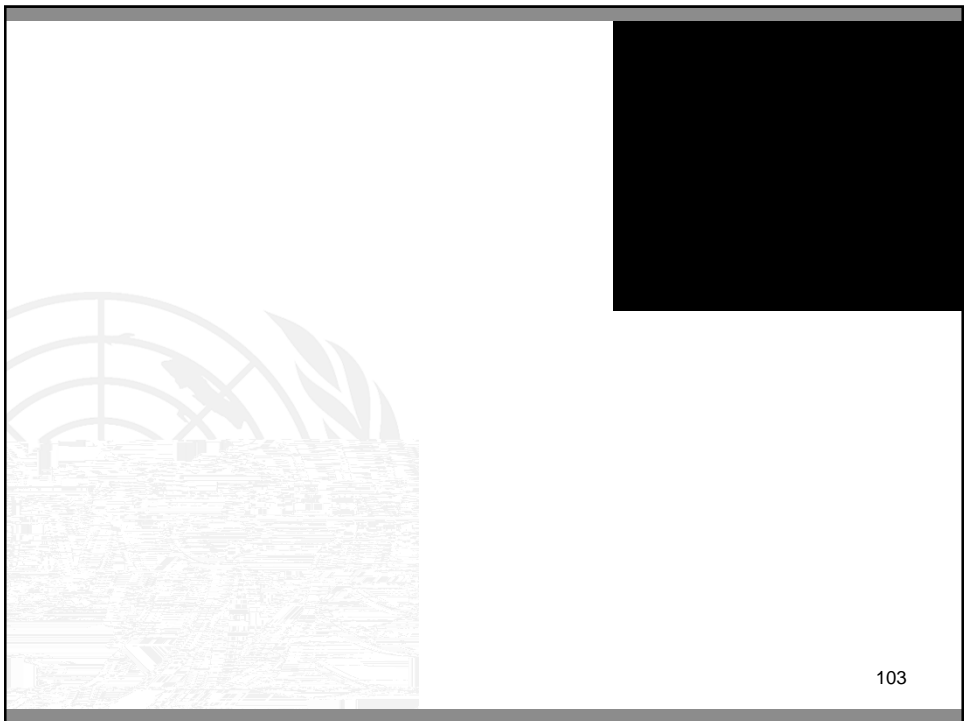
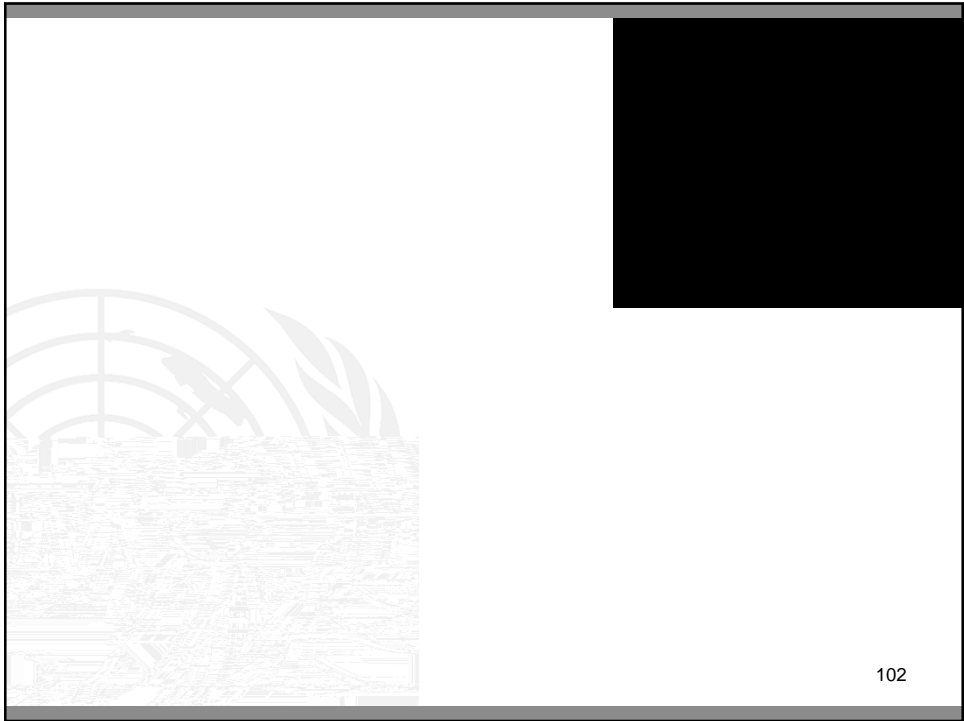
- Ensure that your treaties or your domestic law prevent the artificial avoidance of (Article 56 of the Charter) mention of activities or the use of related entities
- If your country accedes to the payments for services performed outside your country, your treaties must contain specific provisions (Article 6) your country to do so
- ; e) oti"te for no* er time t+res+o#ds for services "nd construction in %rt. 5&3'

98

- Consider (Article 6) the scope of the effective 9653 proposals
- Be sure to consider the impact on the distribution of profits under Article 7
- Article 5&5' * i# be revised "s p"rt of the 9653 project
- Adopt revised version of Article 5&5' * +en "v"i#"b#e

99





- (+e resident t"\$p"yer
- (+e t"\$ "ut+orities of ot+er countries * it
+"s t"\$ tre"ties or (16%\$
- 5ub#ic inform"tion
- "n be provided in t"\$ return or sep"r"te inform"tion return

104

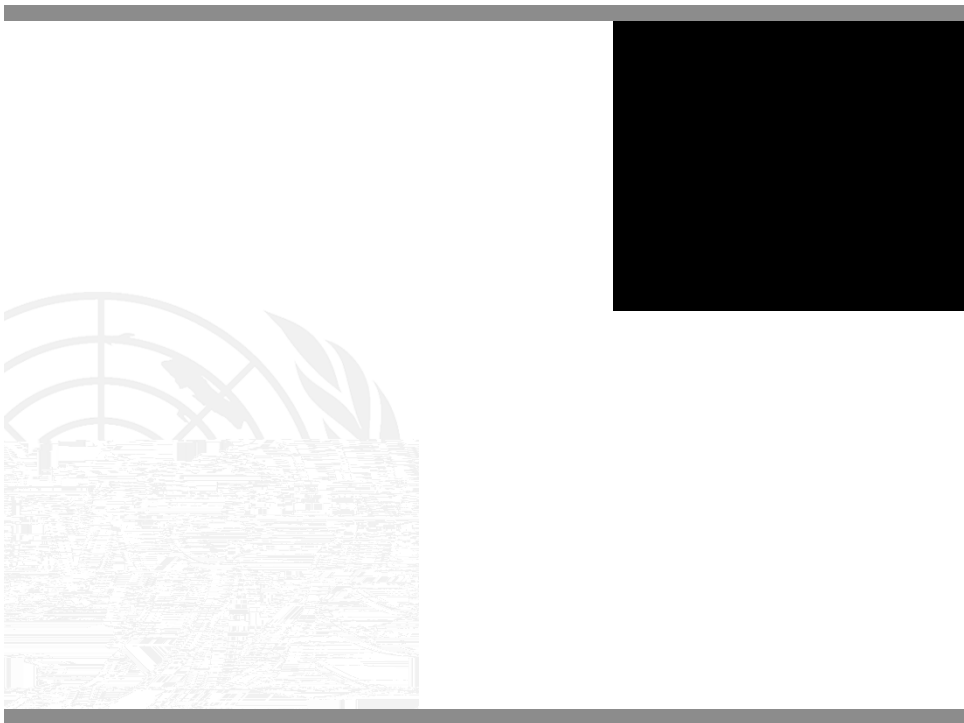
- (+e nonresident service provider
- % #oc"# represent"tive or ")ent of t+e no
provider
- 5ersons m"?in) p"yments to t+e nonresident
- (+e t"\$ "ut+orities of ot+er countries * it+ * +ic+ your country
+"s t"\$ tre"ties or (16%\$
- 5ub#ic inform"tion

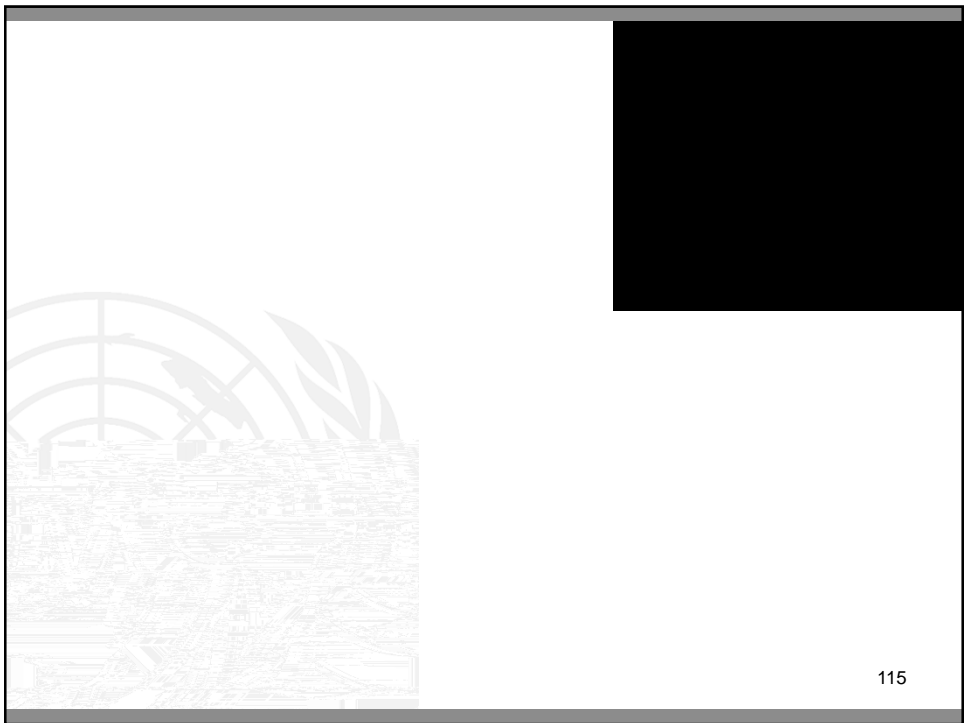
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- (" returns
- Dis" re<uirements
- 9business re)istr"tion re<uirements
- %pp#ic"tions for t"\$p"yer identific"tion numbers
- 5"yers
- 5ub#ic inform"tion &e.)4 entert"iners'

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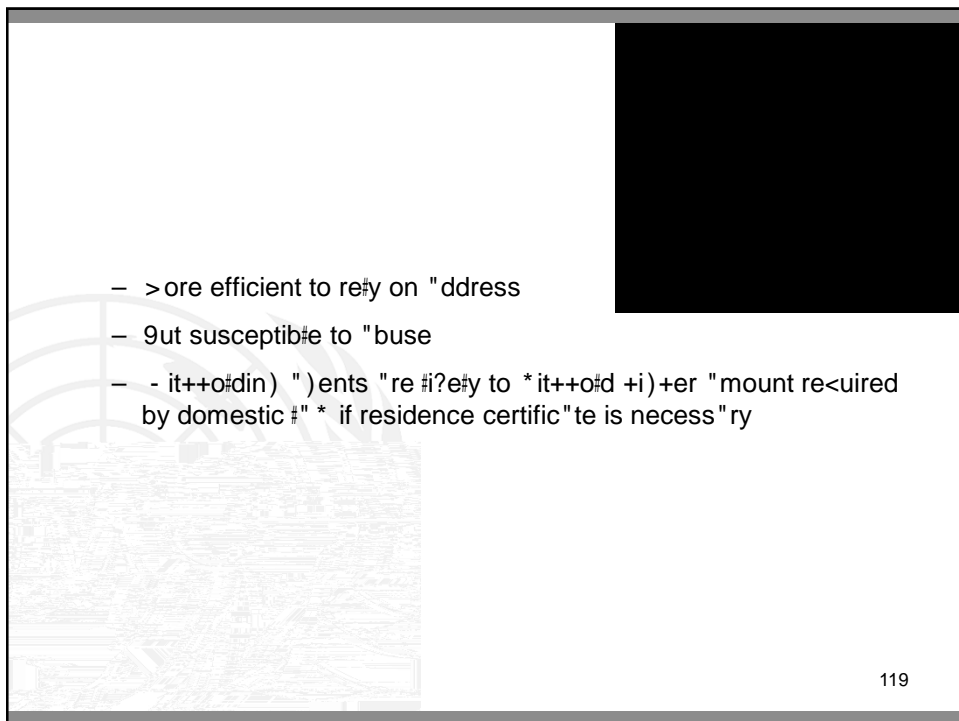






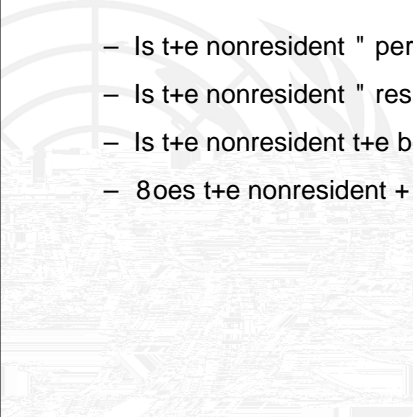


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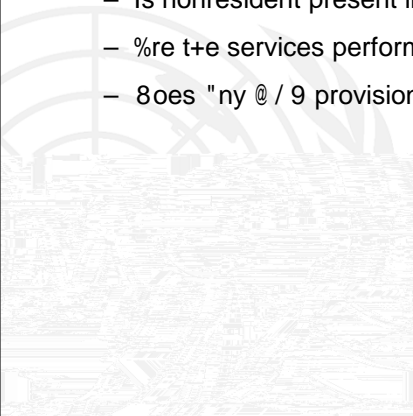


- >ore efficient to rely on "ddress
- 9ut susceptible to "buse
- - it++o:din) ")ents "re #i?e#y to * it++o:d +i)+er "mount re<uired by domestic # " * if residence certfic"te is necess"ry

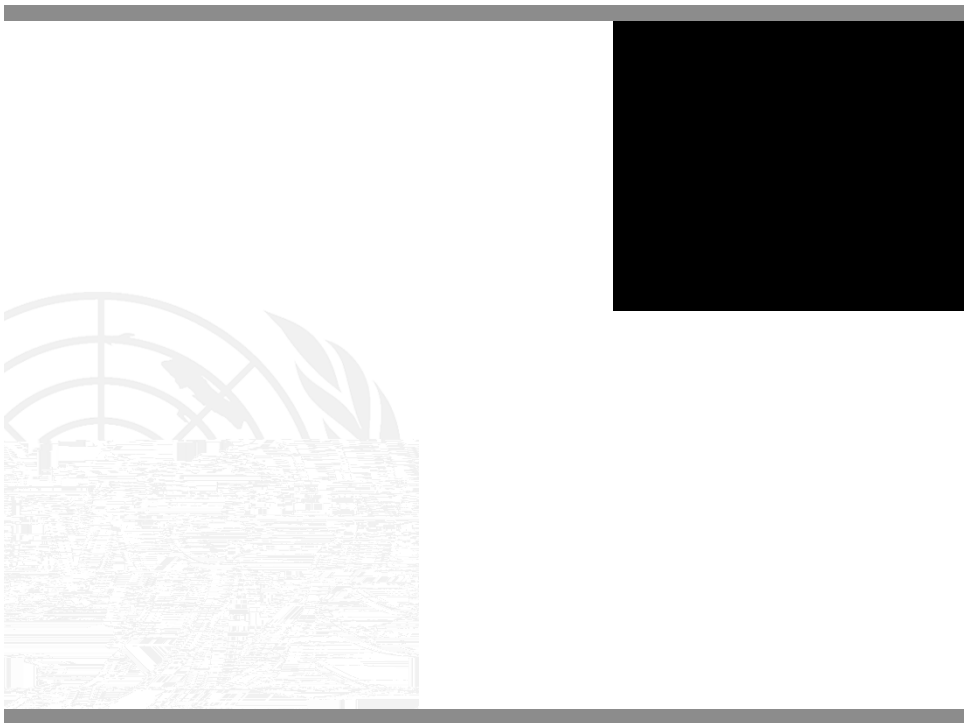
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- 
- Is t+e nonresident " person .
 - Is t+e nonresident " resident of t+e country .
 - Is t+e nonresident t+e benefici"# o * ner of t+e o * ner .
 - 8oes t+e nonresident + "ve " 56 or fi\$ed b"se in t+e country .

122

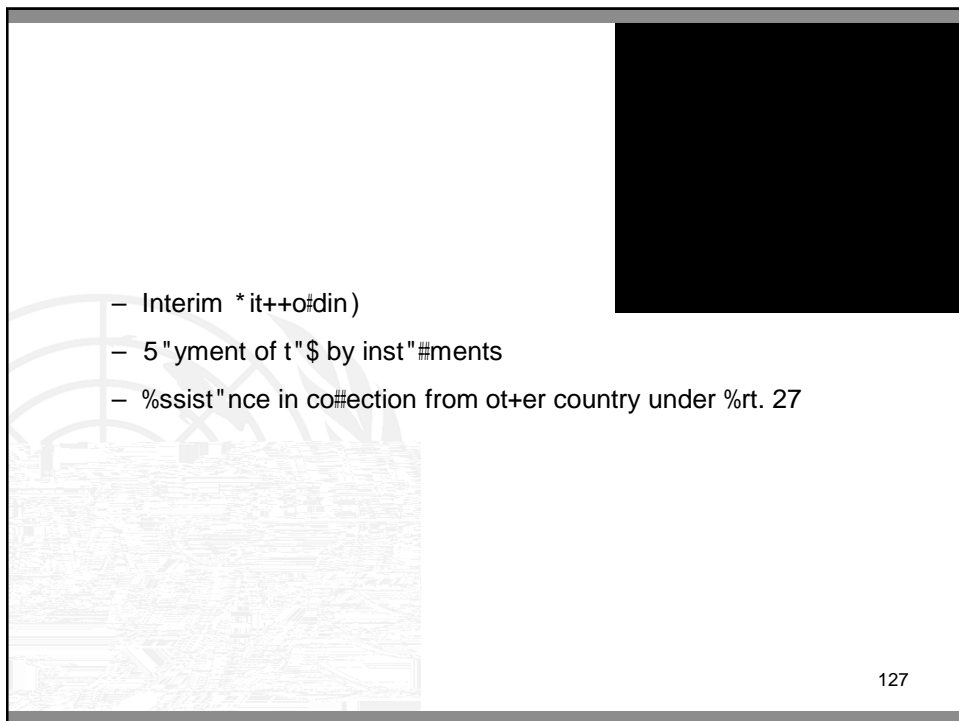
- 
- Is nonresident present in your country fo
 - %re t+e services performed in your country .
 - 8oes "ny @ / 9 provision "pp#y .

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- Interim * it++o#din)
- 5 "yment of t"\$ by inst"#ments
- %ssist"nce in co#ection from ot+er country under %rt. 27

127

- (relationships don't specify +o* *it++o#din) t
- ; o #imit on source country t"\$"tion of services4 but *i# be #imited for fees for tec+nic"# services
- Imposed on residents "nd nonresidents *it+ " 56 or fi\$ed b"se so *it++o#din) c"n be enforced

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