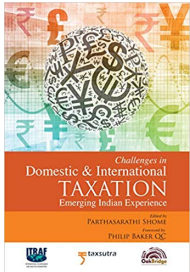


Taxsutra Book Review: ‘Challenges in Domestic and International Taxation – Emerging Indian Experience’ edited by Parthasarathi Shome

Nov 23, 2018



The OECD BEPS project has rapidly moved to the implementation phase, leaving a fundamentally changed landscape in its wake. India is not immune to these changes but has rather welcomed many of them with open arms. Several such changes have been discussed in the 3rd edition of ITRAF's (International Tax Research and Analysis Foundation) publication '**Challenges in Domestic and International Taxation – Emerging Indian Experience**', with the India-specific focus. Renowned international tax expert, Mr. Philip Baker (QC), has very aptly summarized the importance of this publication in the Foreword, as he expresses - *"It is absolutely grand to see a collection of essays on the Indian perspective in international tax developments rounded off with a chapter on taxpayers' rights."*

The book which is **edited by Dr. Parthasarathi Shome** contains a collection of rich investigations and associated policy recommendations by ITRAF researchers completed during the period 2017-18. The volume spans over 9 chapters and runs over 300 pages. The book begins with an overview of tax policy changes in India, wherein Dr. Parthasarathi Shome discusses the eight cannons of a good tax system, while deliberating on the contours and conflicts in Tax Design. He examines the prevailing structures of both direct and indirect tax systems in India. The next chapter by Mr. KR Girish discusses philanthropy and charitable contributions and the Indian tax system. He elaborates upon modus operandi used by so-called charitable institutions to aid tax evasion, crime and money laundering. Mr. Girish highlights some of the most commonly detected schemes/methods used for abuse of charities, viz. registered NGOs using tax dodging schemes to the personal advantage of its organizers/directors; making of tax-sheltered donations; salaried employees positioned as volunteer workers; manipulating the value of donated assets in books, etc.



One of the hotly debated tax reforms is addressing the tax challenges of the digitalized economy which is yet to reach consensus among countries. Mr. KR Sekar summarizes the current position of the debate in the European Union and the OECD, and also discusses the UK government position papers on taxation of the digital economy. He further examines international and Indian jurisprudence on taxation of intellectual property and also the legislative changes introduced by India such as the introduction of the Equalisation Levy in 2006 which was further amended in

2018.

In chapter 5, Indraneel Roy Chaudhury and Saurav Bhattacharya, elaborate upon India's previous experience with tax treaties, including their incorporation into domestic law, and then discusses India's position on the MLI. On dual resident entities, the authors highlight the difference between India's POEM test and parameters laid down by OECD commentary for determining residence. The authors wonder how the gap will be addressed by competent authorities. Chapter 6 by Dr Rohit Roy focuses on the implementation of the minimum standards through the MLI. The next two chapters by KR Sekar and N Meyyappan explain how cryptocurrencies are generated and discuss related Indian tax issues. The final chapter by Padamchand Khincha, Neha Khincha and Priya Kothari discusses taxpayers' rights in the international exchange of information. The authors urge that *"It is important to consciously explore and lay out taxpayer rights and the attitude of taxpayers and tax advisors towards the subject of taxpayer rights."* In this regard, Philip Baker QC (in his Foreword) quips that *"Many people believe that protection of taxpayers' rights was the 16th, missing Action Point in the BEPS Project"*.



Anyone who is aboard the BEPS Express wouldn't want to miss adding this insightful & useful resource to their library. Go, grab your copy now!!