



## **ITRAF CONFERENCE**

### **International Taxation in the Digital Era**

#### **Two-day Conference**

#### **Bangalore**

**August 2 - 3 2019,**

#### **1. Welcome to ITRAF**

I welcome one and all who have decided to come to this conference on international taxation. This is a great opportunity for us all, based in Bangalore, to listen to top researchers in the country on this topic in its various aspects. I thank you all very much appreciating this large audience that has grown over the last four years of ITRAF's existence, through its steadily expanding annual conferences.

Based on its research, ITRAF has already produced three volumes of collected papers and a fourth one will be edited based on this conference. These edited volumes also have had increasing success with a widening readership.

Last year ITRAF held one-day conference in Amsterdam in collaboration with Forum for Economic and Fiscal Policy (FEFP), and this year with Advance Diploma of International Taxation (ADIT).

We have given you a description of ITRAF, its objectives, approach and its structure. It also provides you with our website which is regularly updated. Please look at the handout, and also at the website when time permits.

#### **2. Conference**

The 2-day conference covers a wide array of topics. I do not want to take the thunder away from the speakers by revealing the details of their interesting analyses and meaningful conclusions. Nevertheless, let me give you a hint of their coverage.

First, I am satisfied to say that this year we have analysts not only from Bangalore but seven researchers have flown in from Delhi and one from Hyderabad. I am happy at ITRAF's lengthening reach across the country.

## **Day 1**

We begin with the imminent and immediate issue of angel taxation, a solitary tax prevalent only in India as Mr. Krishnan points out. He elaborates in some detail the emergence of the concept, initial implementation of the tax, its multiple changes in structure through notifications since its inception, finally arriving at his significant conclusions.

After this, we move on to a collection of presentations on the taxation of the digital economy. To begin, Alok Prasanna and Vinti Agarwal point to particularly peculiar features of business models in the digital economy, the role of the OECD in setting the tone of an international agenda, and various unilateral measures taken by India. They make pertinent suggestions for the way forward. Suranjali Tandon examines the economic impact of digitisation and unilateral country decisions to tax it in the context of BEPS. Reflecting the dispersion of their structures across the world, she ponders the future of international tax rules.

Shikha Mehra and Rohit Roy take up the particular case of block chain and bitcoin, showing us how this newly emergent phenomenon is working and some of the possible deleterious effects including data identity theft. On that basis, they bring to us what the modern identity is.

The final presentation in this field is K R Sekar and Krupa Venkatesh who illuminated us with many interesting judicial cases in the direct tax and indirect tax areas.

The presentations will be followed by a panel discussion in lessons learnt from digital economy challenges.

That will end our first day.

## **Day 2**

We will spend tomorrow on issues of capital taxation that India has been grappling with, both from a taxpayer and administration perspective.

We will begin with two presentations on GAAR. Saurav Bhattacharya presents a sequel so to speak that followed India's GAAR legislation. He focuses on the current law and his interesting analysis points to the slow progress of GAAR with a continuation of a surfeit of SAAR's that make compliance difficult. He ends with the heavy reporting requirements, and asks several rhetorical questions to the government.

The second presentation on GAAR is by PVSS Prasad. He examines the promise of "abuse of law" and "tainted elements". He takes up judicial precedents and ends by contemplating whether even legitimate tax planning can survive under the prevailing regime.

The GAAR presentations will be followed by a presentation on exchange of information and international tax transparency from the point of view of a tax administration. The presentation will be made Navneet Manohar reflecting his experience with G20 and BEPS automatic exchange of financial account information agenda, and an international common reporting standard. Interestingly, earlier speakers already would have pointed out the compliance burden on the private productive sector of the international imposition of these standards.

K R Girish will follow with the OECD versus UN model conventions on residence versus source based taxation. He will connect it to the tax challenges of the digital economy contained in Action 1 of BEPS Report. He ends with anti-abuse provisions in the Indian tax framework.

N Nigam continues with the source – residence them in the context of capital gains taxation. He provides examples of from Indian DTAA's and assesses the Principal Purpose Test (PPT) rule in tax treaties in the post- BEPS era. He concludes by

analysing the role of the Indian GAAR and DTAA's on capital gains disputes, pointing towards overlaps and inevitable problems of interpretation.

The final presentation by Mukesh Bhutani and Ashrita Prasad Kotha is in the related area of Place of Effective Management (POEM). Very interestingly they decode a company's residence and point to the importance of the residence rule under POEM. They examine POEM as a tie breaker before and after the advent of the multilateral instrument of MLI under BEPS Action 15, and take up case studies of India, Mauritius, Netherlands, South Africa, and the USA, thus providing us a rich variation in India's experience with several countries.

Day 2 ends with a panel on lessons, followed by high tea and walk about to get to know one another. I would in particular like to know who would be interested in pursuing research with ITRAF. In that case, do approach me.