

BEPS and Indian Tax Policy, Practice and Compliance

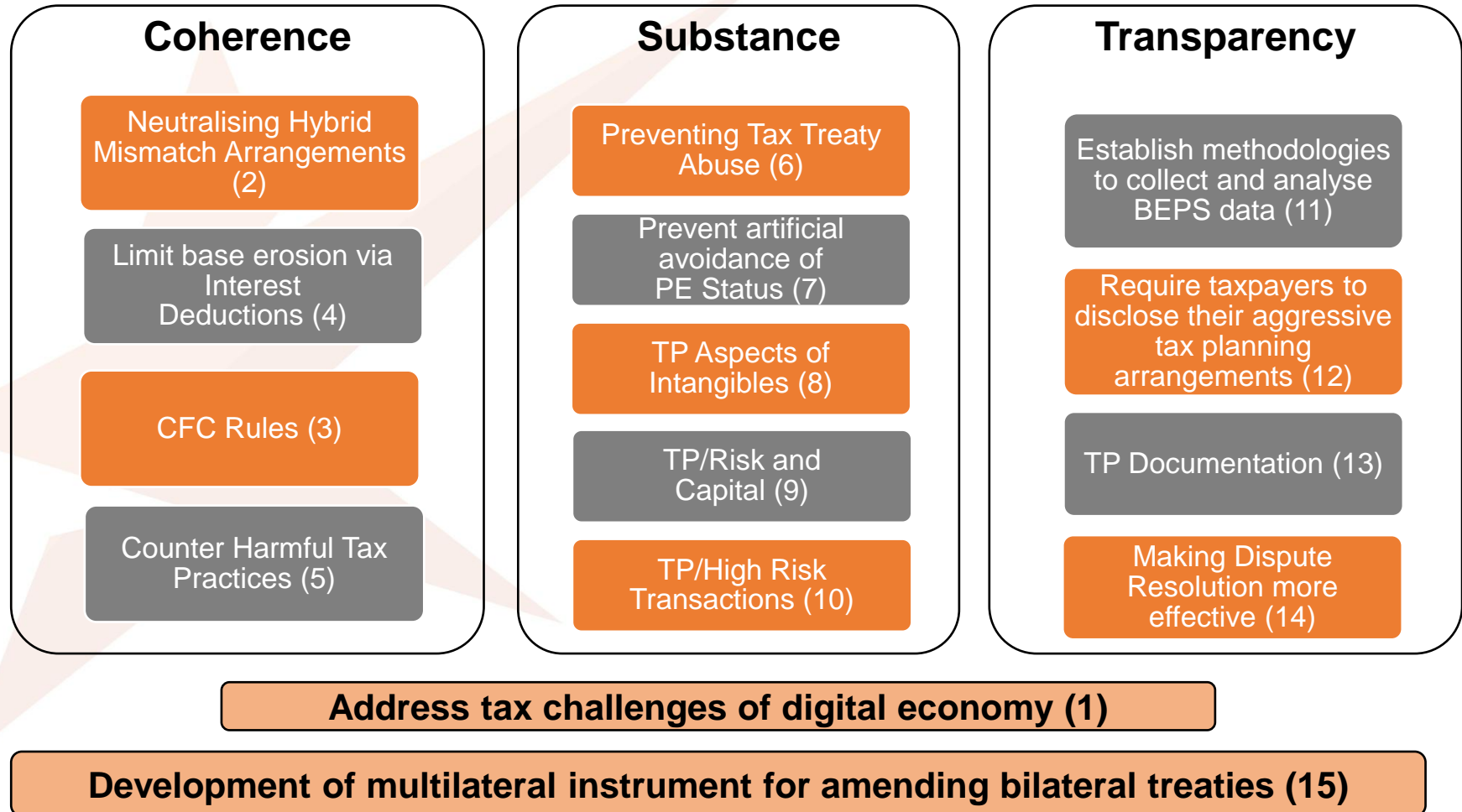
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The Context



Impact of BEPS Measures

- **Digital Economy related measures**

- Introduction of the Equalisation levy- is the timing right?
- Does the solution lie in the realm of indirect tax?
- Challenges posed by Equalisation levy- is the scope likely to be widened?

- **Treaty Abuse**

- Relevance of changes to the preamble? Will this influence judicial thinking?
- The Principal Purpose Test **OR** the Simplified LOB?
- Overlap between GAAR and Treaty abuse provisions in the MLI- potential for conflict?

Impact of BEPS Measures

- **Transfer Pricing**

- Compliance Burden of Country-by-country Reporting – practical challenges?
- Confidentiality concerns on CbCR and potential solutions

- **Dispute Resolution**

- Impact of BEPS on cross-border disputes
- Will recourse to MAP become more common?
- How will the existing MAP framework deal with the impact of BEPS measures?
- Binding Arbitration in tax treaties – faster dispute resolution for taxpayers *v.* impact on state sovereignty

Impact of BEPS Measures

- **Multilateral Instrument**

- India's implementation of MLI- what to expect?
 - Will there be treaties not covered by the MLI?
 - Specific opt outs/ reservations by India?
- Impact of MLI provisions on Dual Resident companies
 - Will the Indian POEM Rules impact treaty availability?
 - FTC in the absence of treaties applying to dual-resident companies – impact on outbound structures

What next- BEPS Measures on the Anvil?

- **Introduction of a CFC Regime**
 - Does POEM preclude CFC?
- **Limiting base erosion through interest payments**
- **Disclosure of aggressive arrangements**

Impact on tax litigation in India

- **Judiciary's reaction to BEPS concerns and measures**
- **Greater convergence in tax jurisprudence?**
- **Role of foreign decisions in India and vice versa**

Thank You



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