

INTERNATIONAL TAXATION & DIGITAL ECONOMY

Responsible Faculty Instructor:

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Credits: 4

Credits Type:

Cross-registration: None

Pre-requisites: Law of Taxation

COURSE DESCRIPTION (COURSE VISION):

This course examines the evolving framework of international taxation with a specific focus on the **digital economy**. It situates traditional principles of tax jurisdiction (source, residence, and permanent establishment) within the global shift caused by **digitalisation and cross-border data flows**.

Students will critically engage with the **OECD/G20 Base Erosion and Profit Shifting (BEPS) 2.0 Project**, analysing **Pillar One** (profit allocation and nexus rules) and **Pillar Two** (global minimum tax). Special attention will be given to the perspectives of developing countries, including India's policy responses (such as the **Equalisation Levy** and approach to the Inclusive Framework).

The course combines theory, case law, policy documents, and simulations to help students evaluate the **tensions between national tax sovereignty and international cooperation**, and to anticipate how digitalisation will reshape the future of global tax rules.

TEACHING METHODOLOGY:

- **Lectures & Discussions:** Core conceptual grounding and critical debates.
- **Case Studies:** Case studies of recent international tax disputes and mechanisms like MAP and arbitration, alongside OECD/G20 BEPS implementation challenges.
- **Interactive Tasks:** Group presentations on evolving digital tax measures (e.g., DSTs, GloBE rules).
- **Research-Based Learning:** Application of OECD/UN model conventions and academic critiques.

INTENDED LEARNING OUTCOMES:

By the end of the course, students will be able to:

1. Explain the fundamentals of international taxation and its challenges in the digital age.
2. Analyse **double taxation treaties** and relief mechanisms.
3. Critically evaluate the OECD/G20 BEPS 2.0 two-pillar framework.
4. Apply **anti-avoidance rules** (GAAR/SAAR, CbCR, transfer pricing) to practical scenarios.

5. Assess the global minimum tax and its implications for both developed and developing countries.
6. Explore **India's role** in shaping and contesting digital tax norms.
7. Anticipate **future directions** in international tax law, including debates on fairness, sovereignty, and inclusivity.

READING LIST (upto 10 select readings):

1. Reuven S. Avi-Yonah, *Advanced Introduction to International Tax Law* (2nd ed., Edward Elgar, 2019).
2. Roy Rohatgi, *Basic Concepts of International Taxation*, IBFD (2018).
3. OECD, *Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy*(2021).
4. OECD, *Tax Challenges Arising from Digitalisation – Pillar One & Pillar Two Blueprints* (2020).
5. OECD, *Commentary to the Global Anti-Base Erosion (GloBE) Model Rules* (2022).
6. Leopoldo Parada, *The OECD Global Tax Deal and Developing Countries* (Caribbean Tax Law Journal, 2023).
7. Michael Devereux, *International Tax Competition and Coordination with a Global Minimum Tax* (National Tax Journal, 2022).
8. Rohit Roy & Amrisha Tripathi, *The Effect of OECD Pillar Two on Tax Incentives in Developing Countries: An Indian Perspective* (2023).
9. Wei Cui, *The Digital Services Tax: A Conceptual Defence* (Tax Law Review, 2019).
10. Allison Christians, *BEPS and the New International Tax Order* (BYU Law Review, 2016).

WEEKLY READING PLAN (WEEKLY OUTLINE):

A weekly plan is provided below:

| MODULES | WEEK(S) |
|--|----------------|
| MODULE 1: FUNDAMENTALS OF INTERNATIONAL TAXATION Residence vs. source taxation, permanent establishment, challenges of digitalisation. | 1-2 |
| MODULE 2: DOUBLE TAXATION AND TREATIES Causes of double taxation; treaty relief mechanisms; OECD & UN Models. | 3 |
| MODULE 3: BEPS ORIGINS AND TRANSITION TO BEPS 2.0 From BEPS 1.0 to BEPS 2.0; rationale for reform. | 4-5 |
| MODULE 4: BEPS 2.0 – PILLAR ONE Nexus rules; Amounts A, B, C; impact on market jurisdictions. | 6-8 |
| MODULE 5: BEPS 2.0 – PILLAR TWO Nexus rules; Amounts A, B, C; impact on market jurisdictions. | 9-11 |
| MODULE 6: ANTI-AVOIDANCE, TRANSFER PRICING & CBCR GAAR, SAAR, treaty shopping, transfer pricing adjustments, transparency. | 12-13 |
| REVISION WEEK | Week 14 |