

Taking International Taxation in Stride — Indian Perspective and Opportunities for CAs

India has been recently witnessing major structural reforms in the recent past like implementation of Goods and Services Tax, Ind-AS, Insolvency & Bankruptcy Code and Real Estate Regulation law. As far as tax laws are concerned, there has been a consensus amongst both developed and developing countries for a need to look at the existing tax laws to avoid shifting of profits to tax havens/low tax jurisdictions thereby weakening of the country tax base. The major concern of the regulators has been tax avoidance. While tax planning is considered to be legitimate, tax avoidance is often perceived to be cause of loss of a fair share of revenue for the regulators.

To counter such practices and in wake of the growing public outcry against aggressive tax planning by some multinationals, the OECD and G20 countries have developed an Inclusive Framework on BEPS (Base Erosion and Profit Shifting) which allows interested countries and jurisdictions to work with OECD and G20 members on developing standards on BEPS related issues and reviewing and monitoring the implementation of the whole BEPS Package. The Inclusive Framework on BEPS brings together over 100 countries and jurisdictions to collaborate on the implementation of the OECD/ G20 Base Erosion and Profit Shifting (BEPS) Package

Implementation of BEPS Action plans apparently seems to be a one stop solution to strengthen the new forms of cross border transactions. Since the complexities involved in international taxation pose diverse challenges, every development taking place in the area opens up plethora of discussions, deliberations and debates amongst the authorities, the tax experts, industry representatives, etc.

India too is committed towards the implementation of BEPS and thus has brought sweeping changes in the Indian tax laws. India started with an Equalization levy for transactions related to ecommerce and a Country by Country Reporting. Signing of Multilateral Instrument and Implementation of GAAR were some of the further steps taken by the Indian Revenue authorities to protect its tax base. The recent Finance Bill has also made amendments to capture transactions in the digital economy.

Apart from the series of amendments to plug the leakage in the tax base, it is also important that India ensures certainty in taxation to attract and retain foreign investments. As per reports, CBDT has signed 200 APAs which strengthens the Government's resolve

of fostering a non-adversarial tax regime. A revised Safe Harbour regime was also announced to try to get greater certainty in regard to the transfer pricing. It has contributed significantly towards improving the ease of doing business in India.

It is rightly said "Changes bring opportunity". Multinationals operating in India on one hand have to assess and implement the changes in Indian law and on the other hand be attentive of the legislative developments taking place in India as also in jurisdictions where they operate. This has widened the scope of practice in the area of international taxation thereby creating significant opportunities for tax professionals.

To assist our members to build the capacities in the area of international taxation, the ICAI has a dedicated Committee on International Taxation which has been conducting a certificate course on International Taxation for its members since 2009. In the year 2016, with the approval from Ministry of Corporate Affairs it has started conducting a Diploma Course in International Taxation. Till date more than 2500 members have been trained through ICAI's course in International Taxation. This course provides an important platform for our members to interact and learn from experts in the field. Apart from the same, the Committee has been frequently organizing webcasts, seminars and conferences on various important issues in International Taxation. Also, mailers and e-newsletters are regularly sent to members in respect of latest developments in International taxation. Representations are being made to tax authorities regularly with regard to issues related to international taxation faced by our members and their clients. Important technical publications on subjects of International Taxation like *Royalty and Fees for Technical services*, *Transfer Pricing Audit*, *Expat Taxation*, *Aspect of International Taxation*, etc. are also updated on regular basis and are available for free download from the ICAI's website.

Our members have accredited themselves very favourably in this very important area of practice and are dominant in any forum of international tax professionals. However, as we move into newer areas of Action Plan of BEPS, it will require our members to further prepare to embrace new challenges. Let's take note of the famous quote by Joshua Marine that *'Challenges are what make life interesting. Overcoming them is what makes life meaningful'*. ■

Editorial Board ICAI – Partner in Nation Building