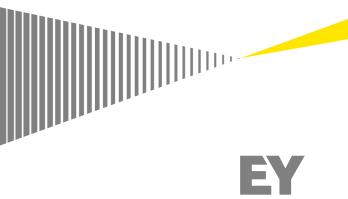
#### International Tax Compliance (Operating abroad and India considerations)



Building a better working world

Julia Shanahan – Columbia University Roshan Samuel – Ernst & Young Bob Lammey – Ernst & Young

June, 2019

### International business trends (impacting higher ed)

- OECD influence (e.g., BEPS)
- Permanent establishment (PE)
- Independent contractor vs employee classification
- VAT/GST and India

## **OECD** and the BEPS initiative





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# **BEPS impact on PE**

- Article 7 proposes substantial changes to what constitutes an agency PE and creates stricter requirements to meet exclusions.
- The goal is to ensure where an agent's activities in a country are meant to regularly enter into contracts to be performed by a foreign entity, that entity will be considered to have a PE "unless the intermediary is performing these activities in the course of an independent business."
- The changes will also limit the use of a number of exceptions that are of a "preparatory or auxiliary nature and will ensure that it is not possible to take advantage of these exceptions by the fragmentation of a cohesive operating business into several small operations."

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#### Title search: International Tax Compliance

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First appeared as part of the conference materials for the 7<sup>th</sup> Annual Higher Education Taxation Institute session "International Tax Compliance"