

International Tax Compliance

(Operating abroad and India considerations)



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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



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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