THE CORIT POINT OF VIEW

Volume 2 November 2015



Editorial

Dear reader,

Welcome to the second edition of The CORIT Point of View. The publication is not a newsletter in its traditional sense but contains academic tax knowledge as well as other information about the many activities of CORIT.

The ambition of The CORIT Point of View is to keep you informed on recent and future activities within CORIT by providing overview and easy access to a selection of recent publications. You can find the articles simply by clicking the below titles . The content is made available on an ongoing basis via our webpages:

www.corit-advisory.com and via our LinkedIn groups CORIT Academic and CORIT Advisory.

Before we present the productions of CORIT network, we find it most relevant to take a glance at the current international tax landscape. The most notable event is the finalization of the OECD work on the BEPS project on 3 October 2015. What remains now is to see how States will actually use the recommendations in their domestic practices. We are certain that the BEPS project will ultimately lead to increased burdens in terms of compliance, increased risk of double taxation and increased legal uncertainty.

Consequently, we also experience an increased focus on Tax Risk Management and tax policy and tax strategy initiatives within MNE's.

Since the last edition of this publication the direct application of the EU State Aid Rules by the European Commission on advantageous tax regimes in certain European countries has become even more relevant. For Starbucks and Fiat the consequences are already significant. This tendency may lead to harmonization through the back door.

As also mentioned last year the EU Ban on Non-Audit Tax Services to certain companies of public interest (PIEs) is moving closer. This initiative is said to cause important changes to the tax service industry. We expect that this initiative will lead the way for more room in the market place for independent tax service providers.

All of the above tendencies confirms the true dedication at CORIT to international tax as primary area of interest and specialization.

Finally, we welcome any comments and business proposals.

Without further ado please enjoy the newsletter.

Jakob Bundgaard

Upcoming events

CORIT Seminar on International Group Taxation for inhouse tax teams, CFOs etc.:

22 January 2016, 9-12
28 January 2016, 9-12
3 February 2016, 9-12

NB: Limited seats are available and the seminar includes a fee.

Sign up by contacting Louise Fjord Kjærsgaard: lfk@corit.dk



Team developments

We are very proud that CORIT has been strengthened in 2015 with the appointment of Christian Rossing Plesner, Anne Katrine Føgh Michaels and Magnus Vagtborg.

Christian Plesner Rossing

Christian Plesner Rossing has joined our team as a tecnical advisor on transfer pricing. To strengthen our focus on transfer pricing.

Christian is broadly respected for his knowledge in transfer pricing. He holds a Ph.D. in transfer pricing.

Anne Katrine Føgh Michaels

Anne Katrine Føgh Michaels has joined the team as senior counsel. Katrine is a seasoned advisor within transfer pricing and international tax, with more than 15 years of experience primarily from a big 4 accounting firm. Katrine possesses significant experience and technical knowledge and is broadly respected for her knowledge within transfer pric-ing. Moreover, she possesses vast experience in international tax, tax compliance and M&A.

Katrine holds a master degree in law and a LLM in international tax.

Magnus Vagtborg

Magnus Vagtborg, has joined our team as a senior advisor.

Magnus generally advises on all elements relating to international global mobility taxation and associated fields of secondment and expatriation.

In addition he provides advice on International hiring-out of labour, hydrocarbon taxation, entry/exit-taxation, compliance, payroll and tax returns for individuals as well as structure of assignments, BIK and incentives.

We consider the competences of Christian, Katrine, and Magnus an excellent match to our existing team and hope you will give them a warm welcome.

New partner

Katja Dyppel Weber

It is with great pride we announce that our team is strengthened by the appointment of Katja Dyppel Weber to Associate partner as of 1 July 2015.

Katja possesses significant technical competences and is broadly respected for her knowledge within international tax, corporate tax, financial instruments, hydrocarbon taxation, M&A, and anti-abuse legislation. Katja has been an important part of the firm since the establishment. Katja holds a master degree in commercial law and business administration and a Ph.D. degree on the basis of a thesis on financial instruments. In 2014 Katja was admitted to Talent 100 in Denmark and she was recently appointed associate professor at CBS.

We look forward to offer Katja's services to existing and new clients in her new capacity.

News

Ranking of our transfer pricing offering

In our second year of offering a full transfer pricing service, CORIT Advisory is now a Tier 2 transfer pricing firm according to World Transfer Pricing 2016. We consider this to confirm the increased emphasis in our practice on transfer pricing related matters.

Christian Plesner Rossing wins price in Canada

Christian Plesner Rossing co-authored a paper that was awarded Emerald's *Highly Commended Paper* Award. The paper reviews the transfer pricing literature in the accounting and economics domain. Christian recieved this award at the Emerald Award Reception in Vancouver, Canada, earlier this year.

CORIT ADVISORY
INDEPENDENT TAX CONSULTING



Board member of Danish association on EU tax law

CORIT Advisory has taken seat on the board of directors of the recently established association for EU tax law (http://www.eu-skatteret.dk/). The association aims at increasing the dialogue between interested parties on EU tax law matters. The first meeting to be held is on 21 January 2016. Jakob Bundgaard will present a lec-ture on EU tax law as part of Danish tax law for about 25 years. Sign up for this new initiative at http://www.eu-skatteret.dk/

International Fiscal Association Nordic Conference 2016

Jakob Bundgaard will participate on the panal discussion on *Corporate Residency in the Nordic Countries* and *Recent legislative developments – an increased risk for double taxation?* The conference will take place on the 20 and 21 April 2016 in Berlin, Germany.

The designer of the CORIT design wins two Grand Prix

The designer of the CORIT design achieved the greatest honour within the creative industry, by winning two Cannes Lions Grand Prix in the categories *Promo and Activation* and *Design.*

Festschrift

Jakob Bundgaard has co–edited and authored the festschrift in celebration of the 50th anniversary of the Danish association under the *International Fiscal Association.* CORIT members Jakob Bundgaard, Anders Nørgaard Laursen and Peter Koerver Schmidt along with other leading experts in tax law has produced a festschrift that focuses on tax avoidance. The festschrift is avaliable at (http://www.extuto.com/).

Kluwer International Tax Blog

CORIT Advisory has been invited as blogger on international tax law at Kluwer International Tax Blog. In 2015 we have published the below blog posts:

The Danish Group Taxation Regime and EU Law – Clarification under way?

How will the EU Auditor Independence Reform impact the European tax services market?

How Should EU Member States Implement the Recommendations Following from the OECD BEPS Project? – A Comment to the Recently Published Discussion Draft on Action 3.

Debating Taxation of MNEs – On the use of Legal Facts in the current Debate and Non-legal Obligations .

CORIT ACADEMIC
TAX RESEARCH FOR THE BUSINESS COMMUNITY

Alignment in International Tax Law – Are we heading towards Revival of the CCCTB Proposal?

Effective Tax Rates in Multinationals and Domestic Firms.

Darwin & Corporate Taxation – Has the Evolution of the Economy Killed the Basis for Corporate Taxation?

CORIT introduces Value Chain Analysis

In a post-BEPS environment, the concept of value chain analysis has become pivotal. OECD has introduced the value chain analysis as a key basis for setting and documenting transfer prices in accordance with the arm's-length standard.

CORIT Advisory is working intensively with the application of different tools for conducting value chain analyses in the - often complex - value chains of multinationals.

Specifically, we believe that multinationals, due to BEPS and in general, need to re-assess their approach to transfer pricing and related documentation. Much of today's transfer pricing documentation materials are creating benefit for both in-house tax and transfer pricing specialists managing tax risks, as well as the subsequent compliance exercise for explaining the value chain to global tax authorities.

For some MNEs, this can seem as the perfect way for exposing material



weaknesses in their transfer pricing approach. However, to us it is a way of ensuring that multinationals' own understanding of its value chain for transfer pricing purposes as well as subsequent discussion with tax authorities (based on documentation provided) can depart from an objective and detailed presentation of the value chain. We believe that going forward multinationals will benefit much from a transfer pricing approach based on transparency and substance. Our solutions for value chain analysis is meant as a step in that direction, ensuring that the transfer pricing exercise in the future – whether involving tax authorities or not - can be based on a clear and detailed fact patterns about the value chain.

Publications

Books

Immaterialretlig crossover - Dansk immaterialret IV, 1. ed. 2015.

International skatteret – I et dansk perspektiv, 1. ed. 2015.

Articles

International skatteret 2014-2015

Arbejdsudleje – Regelkollission, overgang i skattepligt og indeholdelsesforpligtelse.

Genoptagelse efter C-48/13, Nordea Bank Danmark – styresignal i høring.

Fra Symmetri i Kulbrinteskatteloven til Symmetri i Kursgevinstloven.

Corporate Bonds in Denmark.

Nye OECD-retningslinjer for transfer pricing dokumentation.

Når multinationale selskaber skal betale en fair andel i skat.

Sambeskatning og udnyttelse af underskud pa tværs af grænser – Kommissionen mod Storbritannien C-172/13.

Taxation of Various Crowdfunding Alternatives.

OECD's Modeloverenskomst og FN's Modeloverenskomst – en sammenligning.

Ensretning i den internationale skatteret – Om muligheden for indførelse af CCCTB i lyset af Luxleaks.

Transfer Pricing Knowledge Management Systems.

Festschrift

Den evige udfordring — omga else og misbrug i skatteretten. The festschrift is avaliable at (http://www.extuto.com/).

Presentations

OECD's BEPS-projekt – EU som med - eller modspiller?

Høring om dobbeltbeskatningsoverenskomster, Folketingets Skatteudvalg 29 April 2015

Koncernseminar 2015

Den internationale omga elsesklausul

Empirical Research Findings in International Transfer Pricing

Ensretning i den internationale skatteret

Action Plan on Corporate Taxation

Work in progress

Financial Innovation – The Role of Taxes (eds. Bundgaard & Dyppel Weber). The book will be available on our website.

A monograph on Taxation of Oil & Gas in Denmark (Bundgaard & Dyppel Weber). Expected in 2016.

Jakob Bundgaard has finalised the draft manuscript for a treatise on Hybrid Financial Instruments in 2015(English). The book is expected to be released in 2016.



Upcoming Research Project on Taxation and the Digital Economy

CORIT members Katja Dyppel Weber and Peter Koerver Schmidt are currently in the process of preparing a research project titled "The Digital Economy – Implications and Challenges in International Tax Law". The overall objective of this research project is to analyse some of the significant tax law challenges caused by the evolving digital economy and identify possible solutions. The research project will focus on the following four areas:

- Permanent Establishments and the digital economy,
- The application of anti-avoidance rules versus the use of tax legislation to attract investment in new digital technologies,
- The sharing economy and its inherent tax challenges, and
- Classification of income from new business models.

The research project will be anchored at the Law Department of Copenhagen Business School. Currently, external funding is being applied for.

Discussion paper

Report on "Tax Avoidance Revisited"

CORIT members Jakob Bundgaard and Peter Koerver Schmidt has conducted a report on tax avoidance "Tax Avoidance Revisited – Exploring the Boundaries of Anti-Avoidance Rules in the EU BEPS Context". The report forms part of the discussions at next year's conference organized by the European Association of Tax Law Professors (EATLP), which will take place at the Max Planck Institute (Ludwig Maximilian University of Munich, Germany).

Other activities

Christian Plesner Rossing was speaker at the academic panel discussion: University of San Diego 3rd Transfer Pricing Symposium,
San Diego, USA. April 24-25, 2015.

Further, Christian was speaker at Økonomiforum: 'Trends in Finance' conference, Copenhagen, Denmark. June 17, 2015.

Jakob Bundgaard was speaker at Folketingets Skatteudvalg 29 April 2015, in a public hearing on double tax treaties.

Apart from the daily advisory services of CORIT Advisory we arrange a host of tax events. We consider the events successful and will expand the activities during 2016. Examples of our activities include the annual well visited International group taxation seminars during the early months of the year. Moreover, we have hosted a number of tailormade tax training sessions for the tax departments of MNEs. We have initiated a number of discussion on tax matters (technical matters, Oil & Gas specifics etc.), where numerous in-house tax specialists attended. We continue to do so and welcome any suggestions on new events. Knowledge sharing is deeply rooted in the CORIT idea.

Thank you all for a splendid 2015!

Jakob Bundgaard
jb@corit.dk

Katja Dyppel Weber
kdw@corit.dk

Michael Tell
mt@corit.dk

Peter Koerver Schmidt
pks@corit.dk

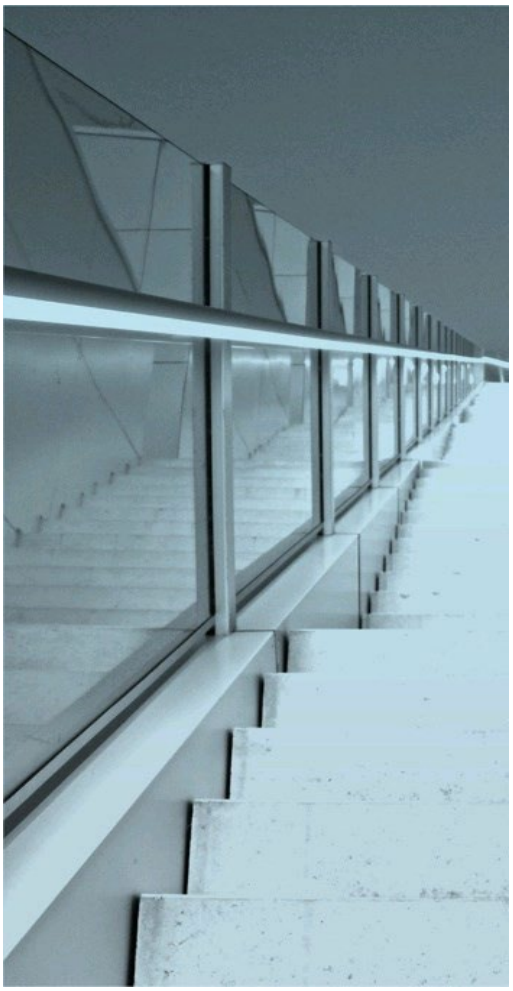
Anders Nørgaard Laursen
anl@corit.dk

Christian Plesner Rossing
cpr@corit.dk

Anne Katrine Føgh Michaels
kfm@corit.dk

Magnus Vagtborg
mv@corit.dk

Louise Fjord Kjærsgaard
lfk@corit.dk



Contact us:

Give us a call for further information about the CORIT Point of View or our tax consulting services.

CORIT Advisory
Lyngby Hovedgade 17, 2nd. floor.
DK-2800 Kongens Lyngby
CVR.-no.: 34085307

E-mail: corit@corit.dk
Phone: +45 40 42 22 84
www.corit-advisory.com

About CORIT Advisory and CORIT Academic

CORIT Advisory is a boutique firm specializing in international tax. Our finest ambition is to assist businesses address, manage and mitigate tax risks in a rapidly changing global environment. We offer a unique combination of practical and applicable tax advisory services with the knowledge and insight of academia. CORIT Advisory assists domestic and foreign corporations (including MNEs), private equity funds and investment banks.

CORIT Advisory provides high quality services within a specified area of expertise. Our areas of expertise fall within certain specified categories: international corporate tax, corporate finance & financial instruments, strategic tax advice and tax policy, tax controversy, private equity and energy (oil & gas). Our tax advisory services are based on a thorough business and framework understanding, a true advisory approach (Not a sales agenda), relentless focus on quality and technical competences, independence and a truly international perspective. Our services comprise: tax planning, tax policy & strategies, tax risk mitigation, day to day managing of uncertainties, project consultancy (short or long term), reviews, opinions, rulings, controversy and reputational issues.

CORIT Academic is an independent non-profit think tank in the northern part of Europe and has been admitted to the OECD Network for Tax Research. Members and the network of CORIT Academic include scholars and practitioners from different parts of the world. CORIT Academic is cross-disciplinary by nature and thus encompasses the research areas of international tax law, tax policy and tax management. The main objectives are to provide research of a high international standard which focuses on the problems and issues within the field of taxation faced by policymakers and businesses in an international set-ting.

The CORIT Group seeks to obtain impact on international matters through involvement at universities, in international organisations such as OECD, IFA and EATLP. Moreover, we aim at working with leading companies and organisations.