



PREFACE

The complexity of international taxation of multinational enterprises is evident to anybody engaged in advising, tax planning and litigation with respect to such cases. The international business community is faced with tax laws and tax treaties of very different natures, with the effect that strong efforts are required to achieve a tax neutral income and to avoid problems and sanctions by local tax authorities.

International Tax Planning for MNCs aims to provide readers with a basic knowledge of the tools currently used by multinational enterprises to benefit from the opportunities and overcome the problems created by the expansion of the market and globalization of economic activities. The purpose of the book is to give readers a brief idea on various international tax planning models and strategies in practice.

The book highlights various ways to reduce the tax burden on cross-border transactions and entities. In particular, the book discusses what considerations should be involved in deciding holding company location, whether to choose a branch or subsidiary, how to manage the Intellectual property rights from creation to migration, how to minimize tax liabilities for globally mobile employees etc.

Also, the book discusses in detail the various tax planning models for manufacturing, retail and distribution activities to ensure supply chain is tax efficient across the globe. Further, the book highlights the various types and models of hybrid financial instruments and hybrid entities for undertaking tax-efficient offshore financing. Also, use of tax havens and various offshore structures used in tax havens are discussed.

The book also contains reported cases of international tax planning undertaken by many large groups to reduce their effective tax rates. Real life practice and structures of international tax planning are also demonstrated at various places using recent judicial decisions.

The book is largely based on materials gathered from a wide range of books, journals and articles on the subject. It also makes extensive use of the various OECD reports and studies. Many (but not all) of these sources are included in references list at the end of the book. I wish to thank their authors for their contribution to the subject and dedicate this book to them.

The book examines international tax principles primarily from the view point of multinational group of companies. Planning techniques and models are described in a neutral and concise manner, without taking into account any specific jurisdiction.

The book is intended to be of use both to taxpayers and their advisers in developing their strategies, and to governments and tax authorities in formulating their tax policies. The book is a sort of an essential reference manual intended to benefit everybody associated with the field of cross border tax planning.

I hope that this book proves that international taxation is a fascinating subject and a charming practice area.

I would be glad to receive your feedback, queries and suggestions on the book at ca.guptarohit@gmail.com and will attempt to incorporate the suggestions in the subsequent edition.

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