

# Vienna LL.M. News

LL.M.

INTERNATIONAL  
TAX LAW  
VIENNA



Stephen E. Shay



Jonathan Hare



Panel discussion

## KLAUS VOGEL LECTURE 2017

### Stephen E. Shay on Competition and Coordination in International Taxation

Stephen E. Shay delivered the Klaus Vogel Lecture 2017 addressing the issue of competition and coordination in international taxation. Prof. Shay commenced the lecture by emphasizing the role of ongoing globalization in today's world and its tax ramifications. With the rise of China and India as internationally important markets and the creation of a single market by the EU, tax competition for real investment and for revenue drastically increased. The effects of this tax competition are debated, and there does not appear to be clear agreement on its impact on "real activity". Further, Prof. Shay examined the issue of "enabled" tax avoidance. He highlighted that coordinated international responses to this issue are weak or limited, particularly when public pressure is not applied consistently against it. In the last part of the lecture, Mr. Shay discussed the need for updating the residence-source income division. He stressed that the rise of digital economy should not be treated as a new and separate problem, but rather as a reason to revisit the rules for the allocation of profits.

#### Comments

As a follow-up to the lecture by Prof. Shay, additional comments were presented by Jonathan Hare (PwC UK). He mentioned the CC(C)TB proposal as one of the most important topics in recent years in the EU and indicated that two pillars on which this new tool should be based are coordination and cooperation. With regard to the latter one, he mentioned aspects such as state aid, the sovereignty of EU Member States in direct taxation as well as the fundamental freedoms, which have to be considered together as the interplay between them might lead to unnecessary issues. As regards tax

sovereignty, for example, the requirement for "unanimity" for passing EU Directives regarding direct tax matters often acts as a road block and, for this reason, the Enhanced Cooperation Procedure may play a bigger role. For example, as Member States transpose the Anti Tax Avoidance Directives, they will have to reckon with possible risks of the incompatibility of some measures, such as the CFC rules, with the fundamental freedoms (e.g. as interpreted in the Cadbury Schweppes case). Mr. Hare also referred to the digital economy and the related problems which are faced by modern day tax legislators. In particular, he was referring to the EU reports in this regard pointing out that if the Union is not able to find a suitable solution for everyone in the long run, unilateral measures should be the way to go. As a summary, Mr. Hare indicated that coordination in tax, used as a tool in the fight against unfair competition, combined with good tax policy are desired these days. He also concluded with a remark along the lines of: The measures to counteract BEPS were put forward in a rapid amount of time; albeit impressive, this increases the risk of double taxation, which would be the antithesis of good policy in this case.

#### Discussion

The presentations were followed by a panel discussion, bringing together Prof. Shay with Prof. Michael Lang, Prof. Jürgen Lüdicke and Jonathan Hare, which further discussed the ideas of the presentations. The panel of experts indicated that the EU laws stemming from the BEPS initiative might need modifications in the near future also due to the fact that digital economy will be growing in significance in the coming years.

# Alumni

The key conclusion drawn during the Klaus Vogel Lecture 2017 was that tax law will need coordination in the years to come. After the surprisingly rapid pace with which BEPS measures have been proposed, it will be important to follow how they are being implemented and to take the time to return attention to some of the fundamental principles that were set aside during the BEPS Project, such as source and residence, which is all the more important in light of the problems posed by the digital economy.

The next Klaus Vogel Lecture is scheduled on September 14, 2018. Please save the date!

## LL.M. GRADUATES AS SPEAKERS AND PANELISTS AT THE IOTA FORUM ON BEPS

The Intra-European Organisation of Tax Administrations (IOTA) Forum aims at providing an overview of the way tax administrations operate in the aftermath of BEPS. Its purpose is to exchange experiences on the implementation of individual measures. The following four minimum standards under the BEPS Action Plan are the focus of the Forum: harmful tax practices, tax treaty abuse, country-by-country reporting and dispute resolution.



Eva Frehner and Kristian Olenik (on her left)

Tax officials from many different countries (going beyond the Member states of the EU or OECD) attended the recent Forum in Bern, hosted by the Federal Tax Administration of Switzerland (FTA). The group comprised senior tax officials of the IOTA dealing primarily with the implementation of the BEPS Action Plan.

Both Eva and Kristian were invited as speakers and panelists at the Forum. Kristian presented the engagement of the FTA with the business community in order to provide tax certainty, reduce the administrative burden and create a level

playing field in the post BEPS environment. Eva represented the Business community and gave a presentation about the administrative burden arising from the new reporting and documentation requirements (BEPS Action 13). The LL.M. in International Tax Law from the WU Wien gave us the opportunity to develop a modern, cutting-edge and truly practical understanding of international taxation and its newest developments, e.g. the OECD work on BEPS. Such competences were essential to our roles at the conference.

Eva Frehner (Switzerland/Czech Republic, FT 2010/2011)  
Kristian Olenik (Switzerland, FT 2010/2011)



Raffaele Petruzzi, Danny Septriadi, Alfred Storck

## LL.M. GRADUATES ATTENDED THE WU TRANSFER PRICING CENTER COURSE IN SINGAPORE

Along with my colleagues from DDTC (Danny Darussalam Tax Center), a tax consulting firm based in Jakarta, Indonesia, I attended the joint program of the WU Transfer Pricing Center & Singapore Tax Academy which was held in September 2017 in Singapore. Aside from the course, some DDTC Tax Professionals including myself and WU speakers Prof. Alfred Storck and Dr. Raffaele Petruzzi gathered for reunion over a buffet dinner. Prof. Storck was one of my teachers when I studied in the LL.M Program in Vienna. In the past our company has sponsored 6 professionals of DDTC to attend the Vienna LL.M program. This is DDTC' form of commitment to always increase the capacity of its tax professionals. These are the successful candidates: Deborah (FT 2012/2013), Yusuf Wangko Ngantung (FT 2013/2014), Christian Ganda Tobing (FT 2013/2014), Romi Irawan (FT 2015/2016), and Untoro Sejati (FT 2016/2017).

Danny Septriadi (Indonesia, FT 2004/2005)

# Alumni

## A REAL BOOST IN YOUR CAREER

Having completed a Bachelor of Laws degree at the National University of Athens, Greece and a Postgraduate Certificate in Greek Tax Law at the Athens University of Economics and Business, a specialised LL.M. in International Tax Law was a one-way street. The LL.M. equipped me with sufficient theoretical and technical knowledge and gave me an overview of the international aspects of tax law, absolutely necessary nowadays within the framework of the increased globalisation of tax systems. It is a real boost and competitive advantage in my career that allows me to make choices out of a big range of opportunities and has provided me with smooth access into the professional market. In particular, I have had the opportunity to work in law firms and in the International Tax Services department of PwC

in Athens. In my case, this is even more profound, since, after gaining significant professional experience in the private sector, I was appointed, in January 2016, as Head of the Office of the Governor of the Independent Authority for Public Revenues (former General Secretariat for Public Revenues of the Ministry of Finance, Greece). The skills and knowledge that I acquired in Vienna have proved highly applicable in practice and essential in the execution of my current professional tasks. I should say that the LL.M. is one of the most valuable assets of my Curriculum Vitae.



Nicolas Lytras

**Nicolas Lytras (Greece, FT 2008/2009)**

## ALUMNI ONLINE DATABASE

We wish to provide an essential aid in maintaining and strengthening relationships among former students of the LL.M. International Tax Law programme. It could further increase the value of your LL.M. degree, and you could also reap the benefits of participating in it by taking advantage of the services that it offers exclusively to alumni members, including invitations to special networking or professional events and reunions.

Please access the Alumni section of the LL.M. website and update your personal data. It will help you to keep in touch and will offer great opportunities to network with other graduates – from 61 different countries.

**If you have lost your login data, please approach Barbara Ender via email at [b.ender@wt-akademie.at](mailto:b.ender@wt-akademie.at)**





# Alumni



The full-time graduates



Nga Nguyen, part-time graduate 2017

## ACADEMIC CEREMONY

The academic ceremony for the full-time 2016/2017 and part-time 2015/2017 class was hosted by Mr. Häupl, the Mayor and Governor of Vienna. It took place in the wonderful ceremonial hall of the Vienna City Hall. The LL.M. global family is growing. As of June 2017, the network consists of nearly 700 graduates from 61 different countries.

## MASTER THESES 2015/2017 – LIMITING BASE EROSION

“Limiting Base Erosion”, the general topic for the master theses of the part-time LL.M. program 2015/2017, has been one of the most controversial topics in international tax law ever since the initiation of the OECD BEPS Project in 2013. Even though the final reports of the 15 BEPS Actions were released by the OECD in as early as October 2015,

the question as to how to effectively target base erosion practices still has not lost any of its topicality. Following the efforts of the OECD in developing a new international tax environment, the focus of attention has now partly shifted to the OECD Member countries that have to properly implement the OECD recommendations in their domestic laws as well as in their tax treaty practice. In this respect, a comprehensive analysis in the literature of all the issues related to base erosion proves to be of the utmost importance in order to provide practical guidance to the Member countries during that the process of implementation. The aim of this book is to take up and deal with selected issues in depth. Hence, the general topic of this book was subdivided into four key areas of interest: (i) Limiting base erosion by neutralizing the effects of hybrid mismatch arrangements, (ii) Limiting base erosion by strengthening CFC rules, (iii) Measures against base erosion via interest deductions and other financial payments and (iv) Limiting base erosion by improving transfer pricing rules. On that basis, 27 concrete topics were chosen in order to address the four key areas of interest from different viewpoints. With this book, the authors and editors hope to contribute to the discussion on the selected issues of base erosion and the challenges they present.



## MASTER THESES 2016/2017 – TAXATION IN A GLOBAL DIGITAL ECONOMY

“Taxation in a Global Digital Economy”, the general Master theses topic of the full-time LL.M. program 2016/2017, is certainly one of the most challenging topics in international tax law. However, in the course of the BEPS Report on Action 1, it was concluded that there was no instantaneous need for specific rules to address base erosion and profit shifting (BEPS) made possible by the digitalization of enterprises and new digital businesses. At the same time, it was acknowledged that general measures may not suffice with the assessment of results to begin in 2020. While awaiting possible fundamental reforms of the tax framework, it is time to discuss anti-BEPS measures bearing in mind the peculiar features of the digital economy such as increased mobility, no need for physical presence, and dematerialization. With a view of developing academic insights as well as providing practical guidance on specific aspects of the general topic, it was decided to focus on five key areas of interest: International Tax Policy, Tax Treaty Law, Transfer Pricing, Indirect Taxation Issues, and EU Law. On that basis, the LL.M. students were assigned 21 concrete topics that allowed them to thoroughly analyze the respective issues at stake and address the five key areas of interest from various viewpoints.

## IMPRINT

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