

Series Editor's Preface

The postgraduate program in International Tax Law at WU (Vienna University of Economics and Business) is available either as a one-year full-time or a two-year part-time program. Students attend not only a vast number of courses, for which they prepare papers and case studies, and sit numerous examinations, but they also write their Master's theses. These theses are a prerequisite for the academic degree 'Master of Laws (LL.M.)'.

The program follows a scheme under which the Master's theses of one particular program all look at various aspects of the same general topic. The previous general topics were 'Electronic Commerce and Taxation' (1999/2000 full-time program), 'Partnerships in International Tax Law' (2000/2001 full-time program), 'Transfer Pricing' (1999/2001 part-time program), 'Exemption and Credit Methods in Tax Treaties' (2001/2002 full-time program), 'Permanent Establishments in International Tax Law' (2002/2003 full-time program), 'Non-discrimination Provisions in Tax Treaties' (2001/2003 part-time program), 'Triangular Cases' (2003/2004 full-time program), 'Tax Treaty Policy and Development' (2004/2005 full-time program), 'Source versus Residence in International Tax Law' (2003/2005 part-time program), 'The Relevance of WTO Law for Tax Matters' (2005/2006 full-time program), 'Conflicts of Qualification in Tax Treaty Law' (2006/2007 full-time program), 'Taxation of Artistes and Sportsmen in International Tax Law' (2005/2007 part-time program), 'Fundamental Issues and Practical Problems in Tax Treaty Interpretation' (2007/2008 full-time program), 'Dual Residence in Tax Treaty Law and EC Law' (2008/2009 full-time program), 'Taxation of Employment Income in International Tax Law' (2007/2009 part-time program), 'The EU's External Dimension in Direct Tax Matters' (2009/2010 full-time program), 'History of Tax Treaties' (2010/2011 full-time program), 'Permanent Establishments in International and EU Tax Law' (2009/2011 part-time program), 'International Group Financing and Taxes' (2011/2012 full-time program), 'Limits to Tax Planning' (2011/2013 part-time program), 'Exchange of Information for Tax Purposes' (2012/2013 full-time program), 'Tax Policy Challenges in the 21st Century' (2013/2014 full-time program), 'Global Trends in VAT/GST' (2013/2015 part-time program), 'Non-Discrimination in European and Tax Treaty Law: Open Issues and Recent Challenges' (2014/2015 full-time program) and 'Preventing Treaty Abuse' (2015/2016 full-time program). The respective Master's theses were published in edited volumes. The general topic for the 2016/2017 full-time program was "Taxation in a Global Digital Economy".

A common subject not only encourages students to discuss their theses with one another, but also permits supervision of the students in accompanying courses. Eric Robert and Dimitra Koulouri introduced the students to the subject matter at the beginning of the program. Ina Kerschner and Maryte Somare held seminars in which the structure of the papers and the preliminary results were critically analyzed. It was with great commitment that Ms Kerschner and Ms Somare supported the students who were preparing their Master's theses. Their numerous suggestions helped to improve the quality of the Master's theses and, as a consequence, the quality of the present volume. In my function both as the scientific director of the postgraduate program and the editor of this series I would not only like to thank those two colleagues for their excellent engagement and efforts but also to express my gratitude to them.

I am also grateful to the students themselves. They pursued the program with great enthusiasm. This postgraduate program not only gave them the opportunity to talk to academics and scientifically qualified interns from all over the world and to acquire a wealth of knowledge, but they also learned to tackle and solve complex issues using a structured approach. The Master's theses now available bear witness to this. I hope that the results of these papers will both influence the scientific discussion and be of use to tax practitioners.

Vienna, August 2017

Michael Lang

Editors' Preface

The present volume of the 'Series on International Tax Law' comprises the Master's theses of the full-time students attending the 2016–17 class of the postgraduate LL.M. program 'International Tax Law' at WU (Vienna University of Economics and Business). The general topic this year was 'Taxation in a Global Digital Economy'. This topic is progressively gaining importance due to the digitalization of business processes and upheaval of new digital business models. These changes can only be placed next to Gutenberg's introduction of the mechanical moveable type printing starting the printing revolution, which can be regarded as the most important invention of the second millennium. Within the 15th century, this new way of spreading information – including revolutionary ideas – has certainly altered society and resulted in a rapid change of political and religious dogmas. Likewise, digitalization is set to transform the ways information is received and economic value is created. This process has already posed significant challenges and, due to its transformative nature will continue to challenge national and international tax systems engineered in the beginning of 1920s when the economy rather relied on physical presence and physical production factors.

Against this background, a comprehensive analysis of the issues related to 'Taxation in a Global Digital Economy' proves to be of utmost importance. To date, neither the OECD nor the European Union have undertaken initiatives to substantially reform the current taxation framework so that national tax authorities can withstand the challenges arising from the dematerialization and digitalization of economies. The current position of international and European Union policy makers is limited to the observation as to whether the results of the anti-avoidance measures elaborated within the BEPS Project and a set of enhanced tax transparency measures will provide a sufficient response to the challenges posed by the digitalization of the economy. Should these measures fail to provide sufficient response, new initiatives are to be expected after 2020.

While we are waiting for 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, providing practical guidance and enabling an in-depth analysis of specific aspects of the general topic, it was decided to focus on five key areas of interest: (i) International Tax Policy, (ii) Tax Treaty Law, (iii) Transfer Pricing, (iv) Indirect Taxation Issues,

and (v) EU Law. On that basis, the students were assigned to 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.

Beyond question, those topics required the students to confront themselves with a huge challenge. Some students had to deal with problems that have not yet been extensively discussed in academia and thus they had to be creative by corroborating their conclusions from the existing academic literature and their experience. Others were faced with the challenge of analysing issues that have already been extensively discussed and providing their own insights on these topics. All of them have managed this challenging task with excellence, and it was our pleasure to provide these talented students with critical support in their research endeavors. At the end of this process, we would like to thank all of the students for their commitment and congratulate them on the successful completion of their studies.

In addition, we would like to express our sincere gratitude to the Linde Publishing House for the opportunity to publish this volume. Having Linde as a partner provides the professional cooperation needed to make a project such as the one at hand a success. Sincere thanks are also given to Ms Jenny Hill, who contributed to the completion of this book by revising the Master's theses from a linguistic point of view. Finally, we would like to thank Ms Barbara Ender-Rochowansky for the continuous organizational support.

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*Ina Kerschner
Maryte Somare*