TABL 2756
INTERNATIONAL BUSINESS TAXATION

Course Outline
Semester 1, 2016

Part A: Course-Specific Information

Please consult Part B for key information on Business School policies (including those on plagiarism and special consideration), student responsibilities and student support services.
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PART A: COURSE-SPECIFIC INFORMATION

1  STAFF CONTACT DETAILS

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Email</th>
<th>Room</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer-in-charge</td>
<td>John Taylor</td>
<td><a href="mailto:c.taylor@unsw.edu.au">c.taylor@unsw.edu.au</a></td>
<td>Quad 2060</td>
<td>93853292</td>
</tr>
<tr>
<td>Lecturer</td>
<td>Kathrin Bain</td>
<td><a href="mailto:k.bain@unsw.edu.au">k.bain@unsw.edu.au</a></td>
<td>Quad 2066</td>
<td>93859541</td>
</tr>
</tbody>
</table>

Consultation by appointment.

2  COURSE DETAILS

2.1 Teaching Times and Locations
This course is taught in weekly 3 hour seminars in Chemical Science M11 on Wednesdays from 9am to 12.00 noon.

2.2 Units of Credit
The course is worth 6 units of credit. Depending on enrolments this course may be taught in parallel to both undergraduate and postgraduate students but with different assessment tasks.

2.3 Summary of Course
In the world economy barriers to international direct investment are rapidly falling. Of the remaining barriers some of the most significant are differences in legal and tax systems and inadequate co-ordination of different tax systems. This course discusses principles relevant to international taxation and uses Australian international tax rules to highlight international tax issues and policy choices. Special emphasis is given to practical tax issues associated with international direct investments.

2.4 Course Aims and Relationship to Other Courses
This course aims to:
1. Provide students with an overview of principles of Australian International Business Taxation
2. Develop students’ written and oral presentation skill in applying Australian International Business Taxation principles in the context of particular fact situations
3. Develop students’ ability to research issues relating to Australian International Business Taxation
4. Develop students’ teamwork and negotiating skills
5. Illustrate some of the considerations relevant to international tax planning
6. Challenge students to think of alternative approaches to structuring international transactions
7. Challenge students to think critically about the design of Australian International Business Taxation rules
2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. ‘be an effective team player’). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. ‘participate collaboratively and responsibly in teams’).

For more information on the Undergraduate Program Learning Goals and Outcomes, see Part B of the course outline.

### Business Undergraduate Program Learning Goals and Outcomes

1. **Knowledge**: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.
   You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. **Critical thinking and problem solving**: Our graduates will be critical thinkers and effective problem solvers.
   You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. **Communication**: Our graduates will be effective professional communicators.
   You should be able to:
   - a. Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
   - b. Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. **Teamwork**: Our graduates will be effective team participants.
   You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team’s processes and ability to achieve outcomes.

5. **Ethical, social and environmental responsibility**: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.
   You should be able to:
   - a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
   - b. Identify social and cultural implications of business situations.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):
### Program Learning Goals and Outcomes

This course helps you to achieve the following learning goals for all Business undergraduate students:

**Knowledge**
- Identify key international business taxation issues in a given fact situation.
- Compare the Australian approach to selected international business taxation design issues with that taken in other OECD countries.

**Critical thinking and problem solving**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through oral and written presentations.
- Identify different outcomes that result when different international tax planning strategies are used.

**Written communication**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through written presentations.

**Oral communication**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through written presentations.

**Teamwork**
- Develop your teamwork and negotiating skills by working as a team in discussions with another team in attempting to resolve an international tax problem.

**Ethical, environmental and sustainability responsibility**
- Identify different outcomes that result when different international tax planning strategies are used.

**Social and cultural awareness**
- Identify features of other countries tax systems and tax culture relevant to international tax planning.

### Course Learning Outcomes

On successful completion of the course, you should be able to:

**Knowledge**

- Identify key international business taxation issues in a given fact situation.
- Compare the Australian approach to selected international business taxation design issues with that taken in other OECD countries.

**Critical thinking and problem solving**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through oral and written presentations.
- Identify different outcomes that result when different international tax planning strategies are used.

**Written communication**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through written presentations.

**Oral communication**
- Locate and use resources that will assist you in developing a response to international business taxation issues.
- Explain your response to international business taxation issues through written presentations.

**Teamwork**
- Develop your teamwork and negotiating skills by working as a team in discussions with another team in attempting to resolve an international tax problem.

**Ethical, environmental and sustainability responsibility**
- Identify different outcomes that result when different international tax planning strategies are used.

**Social and cultural awareness**
- Identify features of other countries tax systems and tax culture relevant to international tax planning.

### Course Assessment Item

This learning outcome will be assessed in the following items:

1. **Knowledge**
   - Report of simulation game
   - Tax planning assignment
   - In class case studies
   - Final exam

2. **Critical thinking and problem solving**
   - Participation in simulation game
   - Report of simulation game
   - Tax planning assignment (including participation in online game)
   - In class case studies
   - Final exam

3a. **Written communication**
   - Report of simulation game
   - Tax planning assignment
   - In class case studies
   - Final exam

3b. **Oral communication**
   - Participation in simulation game
   - Responses to questions contained in case studies discussed in class

4. **Teamwork**
   - Report of participation in simulation game.
   - Active participation in simulation game.

5a. **Ethical, environmental and sustainability responsibility**
   - Tax planning assignment
   - In class case studies

5b. **Social and cultural awareness**
   - Tax planning assignment
LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy of teaching and learning underpinning this course is one of problem based learning. Students will be encouraged to apply international tax law principles in the context of case studies, simulation games and a tax planning assignment. The aim is to promote deep learning by examining alternative approaches to achieving outcomes in particular fact situations. Students will be encouraged to read widely and think critically about Australia’s approaches to the design of its international tax law.

3.2 Learning Activities and Teaching Strategies

The course will be conducted by weekly 3 hour classes. One focus of the course is on principles applicable to the income taxation of international transactions. Emphasis will be placed on taxation principles relevant to international direct investment. At relevant points a comparison will be made with the legislation of other jurisdictions as other possible responses to these issues. Another focus of the course is on international tax planning. Here the course examines general principles and objectives of international tax planning. Students are then required to apply these general principles to hypothetical fact situations involving Australia and other specific jurisdictions.

The classes on principles of international income taxation will be a blend of lecturer presentations, case study discussions and simulation games. Written materials will be placed on Moodle. Students will be required to read the materials on Moodle before the class in which those materials are discussed. The materials on Moodle will often contain problems and discussion questions. Students are required to attempt the problems and discussion questions before the class in which those materials are discussed. Lecturer presentations will be supplemented by in class discussion of these questions and problems.

Students will develop an understanding of general principles of international tax planning through participation in the on-line game Adventures In International Tax Planning. Part of the game will involve links to discussions of international tax planning strategies.

The application of general principles of international tax planning to specific fact situations will be assessed through the international tax planning assignment completed by students.

4 ASSESSMENT

4.1 Formal Requirements

To complete and pass the course a student is required to:

(i) attend a minimum of 80% of classes held in all parts of the course;

(ii) complete all the written assignments which have been allocated to that student by the lecturer;
(iii) actively participate in the simulation game;

(iv) obtain an overall mark which will entitle the student to the grade of pass in accordance with general university guidelines.

### 4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Course Learning Outcomes assessed</th>
<th>Business School Program Learning Goals And Outcomes Assessed</th>
<th>Length</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active participation in simulation game</td>
<td>10%</td>
<td>1, 2, 3, 4, 6</td>
<td>1,2,3b,4</td>
<td>Participation in one of three games of 45 minutes duration</td>
<td>Week 5 class for first Simulation game. Week 7 class for second simulation game. Week 9 class for third simulation game.</td>
</tr>
<tr>
<td>Report of simulation game</td>
<td>15%</td>
<td>1, 2, 3, 4, 5</td>
<td>1,2,3a, 4</td>
<td>1,000 words</td>
<td>Week 7 class for students in first game. Week 9 class for students in second game. Week 11 class for students in the third game.</td>
</tr>
<tr>
<td>Tax Planning Assignment</td>
<td>30% of which 5% will be allocated to social and cultural understanding</td>
<td>1, 2, 3, 4</td>
<td>1,2,3a,3b, 5a, 5b</td>
<td>3,000 words</td>
<td>End of Week 13 for written submission.</td>
</tr>
<tr>
<td>Participation in on-line game</td>
<td>5%</td>
<td>1,2,5</td>
<td>1,2,5a,5b</td>
<td>N/A</td>
<td>Weeks 3 to 10</td>
</tr>
<tr>
<td>General class participation</td>
<td>10%</td>
<td>1, 4, and 5</td>
<td>1, 2, 3b, 5a</td>
<td>N/A</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Final Examination</td>
<td>30%</td>
<td>1, 3, 4</td>
<td>1, 2 and 3a</td>
<td>Two problem questions.</td>
<td>At a date during the UNSW s1 Examination period</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

business.unsw.edu.au
CRICOS Code 00098G
To assist in achieving Course Aims 1, 2, 3, 4 and 5, you will be required to actively participate in one of three simulation games and to write a 'blow by blow' description of the game which includes your critical reflections on your group's teamwork in preparing for and participating in the game and on the learning processes involved in the game. The international tax planning simulation games which will be held in Weeks 5, 7, and 9. You will be assigned to one of six teams and to one of these games in the Week 1 class. For those participating in the Week 5 game your report is due in Week 7. For those participating in the Week 7 game your report is due in Week 9. For those participating in the Week 9 game your report is due in Week 11. Further details on the international tax planning simulation game are provided on. Your report is worth 15 marks and your active participation in the game is worth 10 marks.

To assist in achieving Course Aims 1, 2, 3, 5, and 6, you will be required to write a Tax planning assignment due in the Week 12 class. The assignment is set out on Moodle. To assist you in completing the Tax Planning Assignment from Week 3 to Week 10 you will be required to participate in the online game *Adventures In International Tax Planning*. The link to the game will be on Moodle. The written assignment will be worth (30 marks) and participation in the on-line game will be worth (5 marks).

To assist in achieving Course Aims 1, 2, 5, and 7, you will be required to undertake an end of session take-home examination worth 30 marks. Students will be required to answer two problem questions from a total of four questions in the final examination. The problem questions in the examination will be selected from problem questions discussed in classes. Each question will be worth 15 marks. The take-home exam will be held in the University Examination period.

Participation in class discussions will be worth 10 marks. To assist in achieving Course Aims 1, 2, 6, and 7, you will be required to participate in class discussions. Marks will be awarded for participation not for mere attendance. Each student will be advised of that student's mark for participation in the previous seminar discussion before the date of the next seminar discussion. Each student's mark for participation in seminar discussions will be the average of that student's marks for participation throughout the semester.

Information about the format, style, presentation guidelines and referencing requirements for the written assignments in this course will be placed on Moodle.

Grade descriptors for this course will be placed on Moodle.

### 4.3 Assessment Format

Details of the three Simulation Games, of the International Tax Planning Assignment and the link to the online game *Adventures in International Tax Planning* will be placed on Moodle.
4.4 Assignment Submission Procedure

All assignments to be submitted in electronic form via Turnitin on Moodle. Submission links are contained on Moodle. Do not submit a hard copy of any assignments. Attempts to submit hard copies of assignments will not be accepted.

4.5 Late Submission

If for good reason you are unable to submit your assignment on time send a detailed explanation to John Taylor by e-mail to c.taylor@unsw.edu.au. You will be advised by e-mail of whether an extension has been granted or whether another form of assessment has been set depending on the circumstances. All medically based requests must be supported by a medical certificate. If you submit your assignment late without having first requested an extension or a form of alternative assessment then no marks will be awarded for the assignment unless there are medical grounds for the late submission or where the late submission was due to exceptional circumstances beyond your control. Where the late submission is due to medical grounds or exceptional circumstances you should notify John Taylor by e-mail at c.taylor@unsw.edu.au as soon as possible after the due date for submission of the assignment.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

5 COURSE RESOURCES

Texts

The latest available edition of *Income Tax Legislation*, ATP or *Australian Income Tax Legislation*, CCH is a prescribed text for all parts of the course. It is available on-line via either the CCH Tax Library or the ATP Taxpoint both of which are available via the UNSW Library Website at no charge to UNSW students.

Students will also need to refer to the Australian Treasury Website which contains a list of Australian Income Tax Treaties with hypertext links to texts of each treaty. The relevant URL is


Other than tax legislation, there is no prescribed text for this course. Materials will be distributed to students throughout the course. Students will find the following generally useful for reference:

(i) *Overview of Australian International Taxation*

Either

Or


(ii) *More Detailed Discussion Of Australian International Taxation*


(ii) *International Tax Planning, Design and Country Comparisons*

*CCH International Master Tax Guide* are generally useful and are available on-line via the CCH database on the UNSW Library Website

R Rohatgi, *Basic International Taxation*, Kluwer, 2002, chapter 7 on basic principles of international tax planning is recommended for Part II.

H J Ault and B J Arnold, *Comparative Income Taxation: A Structural Analysis*, Kluwer, latest edition is recommended on the features of the international tax system of selected other OECD countries.


**Moodle**

Reading lists for further reading in relation to the various components of the subject will be made available Moodle. The reading list will be added to progressively throughout the session.

A list of tax related internet sites will be made available via Moodle. These will be added to throughout the session. Students are encouraged to advise the lecturer of new sites that they find so they can be added to the list of tax related sites.

Notes and Power Point Slides on various topics dealt with in the subject will be made available via Moodle.

The on-line game *Adventures In International Tax Planning* will be accessible via Moodle. Part of the game will contain links to discussions of international tax planning strategies.

**Internet Sites**


Treasury: [www.treasury.gov.au](http://www.treasury.gov.au) (good for Exposure Drafts on reform proposals also the Table on Australian Taxation Agreements contains links to the actual treaties)


Board of Taxation: [www.taxboard.gov.au](http://www.taxboard.gov.au) (major reports on particular topics)
On-Line Databases
The following databases can be accessed via the UNSW Library Web Site:

Checkpoint (Contains ATRs, Legislation, Rulings, Commentary, Australian Tax Handbook, Weekly Tax Bulletin)

IBFD Database (Details of the database will be provided in class.)
Lexis Nexis Database (the Tax Analysts international database contains full text of all double tax treaties entered into in the 20th and 21st centuries).

6 COURSE EVALUATION AND DEVELOPMENT
Each year feedback is sought from students about the courses offered in the School and continual improvements are made based on this feedback. In this course, we will seek your feedback through a mid-semester survey and through UNSW’s Course and Teaching Evaluation Improvement (CATEI) Process. As a result of this feedback, in relation to previous years a third simulation game has been introduced and the structure of the simulation games has been changed. Also the weight of the various components of assessment has been varied as has the order of presentation of topics with more time being devoted to topics and student in-class presentations of their tax planning papers being removed. This year in response to student feedback requesting greater interest in international tax planning participation in the on-line game Adventures In International Tax Planning has been added to the course.

7 COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Class Date</th>
<th>Seminar Content/Topic</th>
<th>Other activities/ Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>9th March</td>
<td>Corporate residency (cont); Taxation Of Inbound Investment – policy basis of withholding taxes; Source rules for business profits</td>
<td>Corporate residence case study</td>
</tr>
<tr>
<td>3</td>
<td>16th March</td>
<td>Taxation Of Inbound Investment – Source rules for passive income and property</td>
<td>Case studies on source rules for business profits</td>
</tr>
<tr>
<td>4</td>
<td>23rd March</td>
<td>Taxation Of Inbound Investment – taxing non-resident capital gains Taxation Of Outbound Investment – Unilateral Relief Against International Juridical Double Taxation;</td>
<td>Case study on source rules for dividends</td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td>Topic</td>
<td>Class Type</td>
</tr>
<tr>
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<td>------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>6th April</td>
<td>Taxation Of Outbound Investment – Interaction Of FTC And Exemption System; Australia’s FITO system</td>
<td>First Simulation Game</td>
</tr>
<tr>
<td>6</td>
<td>13th April</td>
<td>Deferral – CFC rules</td>
<td>Case study on interaction of CFC rules, exemptions and dividend imputation system</td>
</tr>
<tr>
<td>7</td>
<td>20th April</td>
<td>Transfer Pricing</td>
<td>Second Simulation Game</td>
</tr>
<tr>
<td>8</td>
<td>27th April</td>
<td>Transfer Pricing</td>
<td>Case Study on CFC Rules</td>
</tr>
<tr>
<td>9</td>
<td>4th May</td>
<td>Thin Capitalisation</td>
<td>Third Simulation Game</td>
</tr>
<tr>
<td>10</td>
<td>11th May</td>
<td>No class</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>18th May</td>
<td>General Principles of International Tax Planning – Debrief on on-line game</td>
<td>Case Study on Transfer Pricing</td>
</tr>
<tr>
<td>12</td>
<td>25th May</td>
<td>Double Tax Treaties – The Major Models</td>
<td>Case Study on Thin Capitalisation</td>
</tr>
<tr>
<td>13</td>
<td>2nd June</td>
<td>Double Tax Treaties – Australia’s Treaties</td>
<td>Case Study on Double Tax Treaties</td>
</tr>
</tbody>
</table>