

ASPECTS OF INTERNATIONAL TAXATION FOR DEVELOPING COUNTRIES

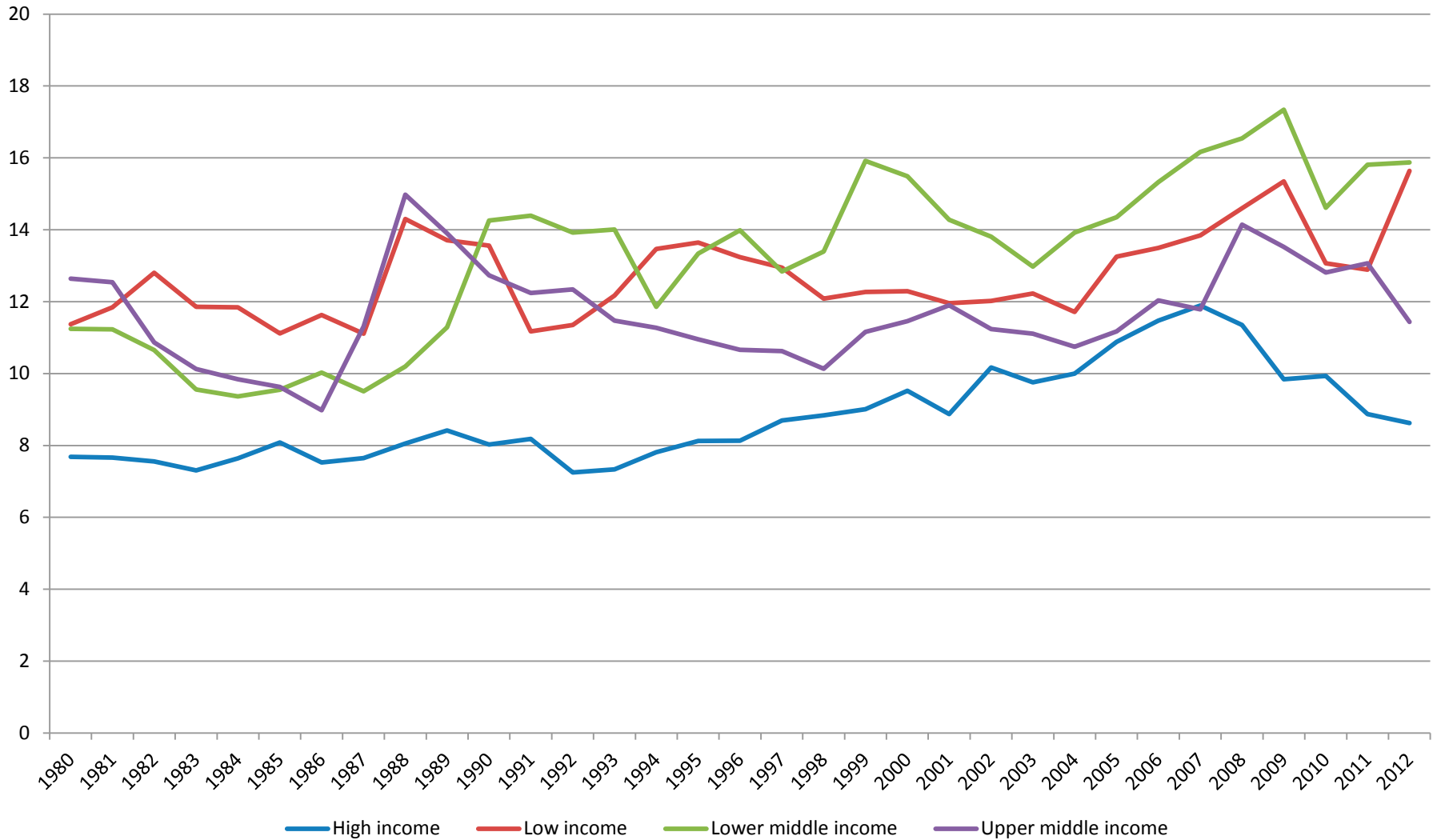


Michael Keen

International Monetary Fund

The 5th IMF-Japan High-Level Tax Conference for Asian
Countries Tokyo, April 21, 2014

CIT is more important in DCs



Four key issues

Issues that recur in IMF technical assistance:

- Treaty shopping
 - What is the benefit of signing a bilateral tax treaty?
- Interest deductions
 - Case for more extensive use of thin cap rules

- Indirect transfers of interest
 - Especially but not only in the extractives
- Arms length pricing
 - Capacity is an issue...
 -but also need clearer, more applicable (flexible?) guidance and rule

Forthcoming IMF Board Paper