Table of Contents

Editors		V					
Contribu	utors	vii					
Preface	ators along confirmations.	XXV					
CHAPTER							
The Belt	t and Road Initiative: Will Tax Be a Facturator or a Barrier?						
Jeffrey C	Dwens	3					
4		2					
1	Introduction The Date of The Table 1971	3					
2	The Belt and Road: The Tax Dimension	4					
3	Tax Levels, Structures and Tax Administrations Diverge	5					
4	The Role of Tax Certainty in Promoting FDI along the BRI	5 7					
5	Multilateral Cooperative Compliance: Relevance for BRI						
6	Potential Tax Parriers and Suggested Approaches						
7 Conclusion							
Appendi	Appendix I: A Mutilateral Tax Treaty for the Belt and Road Initiative (BRI)						
CHAPTER	2.						
	PS: China's Proposal for International Tax Reform from the						
	tive of the Belt and Road Initiative						
	Cao Mingxing (Bristar)						
1	Introduction	35					
1 2	BEPS: Financial and Fiscal Crisis, Predicament of Globalization and the	53					
2	Advancement and Limitations of the Policy Response of International						
	Taxation	36					
3		50					
Э	Neo-BEPS: The Belt and Road Initiative, Neo-Globalization, Policy						
	Response of International Taxation, China's Version 2.0 and Its	277					
	Forecasting	37					

CHAPTER	3							
Researc	h on the I	nternational Taxation Issues under the Belt and Road						
		rison of Corporate Income Tax Laws and Tax Treaties						
Wenjing		Anni concerni de de de anticono de la constante de anticono de la constante de anticono de anticono de la constante del constante de la constante del constante de la constante del	39					
1	Introduct	ion	40					
2		Basic Situations of Countries along the Belt and Road 40						
3 Comparison of Corporate Income Tax Laws of Countries along the								
	Belt and 1		42					
	3.1	Nominal Corporate Income Tax Rates	42					
	3.2	Anti-Avoidance Provisions in Corporate Income Tax Laws	43					
4		son of Chinese Bilateral Tax Treaties with Countries along the						
	Belt and l		44					
	4.1	Permanent Establishments	44					
	4.2	Limited Tax Rates for Passive Income	45					
		4.2.1 Limited Tax Rates for Dividends	45					
		4.2.2 Limited Tax Rates for Interest	45					
		4.2.3 Limited Tax Rates for Royalties	45					
	4.3	Tax Sparing Provisions	46					
5		onal Tax Challenges under the Belt and Road Initiative	46					
	5.1	Conflicts under the Three Legal Systems	46					
	5.2	Different Coordination Objectives under the Silk Road						
		Economic Belt and the 21st Century Maritime Silk Road	47					
	5.3	Cooperation under the BEPS Initiative	47					
_	2							
CHAPTER								
		x Issues in the Main Belt and Road Countries and						
		ese Outbound Foreign Direct Investment	A					
Yang He	2 & Ying S	haokai	49					
1	Introducti	ion	40					
2			49					
_	Economic Development and Industry Structure in the Main Belt and Road Countries							
3		ies in the Main Belt and Road Countries	50					
4	Conclusio		51					
Reference)11	53					
Reference	.00		53					
CHAPTER	5							
		ment under Chinese Tax Treaties with Belt and Road						
		putes Regarding Their Application						
Cui Xiac		parter regulating their rippinettion	55					
And the second s	, -0		JJ					
1	Introducti	ion	56					
2	Preferenti	al Treatment under Tax Treaties	56					
	2.1	Interest Article in Tax Treaties	58					

	2.2	Dividends Article in Tax Treaties	59				
	2.3	Royalties Article in Tax Treaties	61				
3		of the OECD/G20 BEPS Project on the Application of					
		itial Treatment under Tax Treaties	62				
	3.1	Provisions on Treaty Shopping under BEPS Action 6	63				
	3.2	The Connotation and Application Requirements of the					
		LOB Rules	64				
	3.3	Connotation and Application Requirements of the PPT Rules	65				
	3.4	Suggestions for Balancing Compliance with the BEPS Project					
		and Access to Treaty Benefits	66				
4	Empirica	al Analysis of the Preferential Tax Treaties Used by Chinese					
-		lobal Enterprises	69				
	4.1	Case of Chinese Unicom Red Chip Company: Dividend					
		Discount	69				
		4.1.1 Facts of the Case	69				
		4.1.2 Analysis of the Legal Issues	70				
	4.2	Case of Huaxin Cement Limited Company	71				
		4.2.1 Facts of the Case	71				
-0		4.2.2 Analysis of the Legal Problems Involved	72				
OF	4.3	Case of Jerry Petroleum Company	74				
		4.3.1 Facts of the Case	74				
,		4.3.2 Analysis of the Legal Issues Involved	75				
5	Solution	to Address Disputes Regarding Tax Treaties Benefits	75				
	5.1	Local Relief in the Host Country as the Main Solution	76				
	5.2	Diplomatic Protection as Auxiliary Solution	76				
	5.3	MAP Between Contracting Countries	77				
6	Conclus	- N	80				
Снарте	r 6						
Going-	Global En	terprises: Tax Planning for Cross-Border Earnings in Belt and					
	Countries	100 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0					
Cao M	ingxing &	Liu Qichao	83				
			-				
1	Introdu		84				
2		w Opportunity for Chinese Going-Global Enterprises to Invest	0.000				
	Abroad	Against the Background of the Belt and Road Initiative	84				
	2.1	General Performance of Chinese Going-Global Investment	84				
	2.2	Major Investment Destinations and Industrial Models of	3210				
		Going-Global Enterprises along the Belt and Road	85				
3		Comparison of the Tax Rates in Key Destinations for Investment by					
	0	Global Enterprises along the Belt and Road	88				
	3.1	Comparison of Corporate Income Tax Rates	88				
	3.2	Comparison of Tax Rates in Chinese Tax Treaties with Key	1000046				
		Investment Destinations	89				

4	Three Tax Planning Approaches for Going Global Enterprises								
	Regarding Cross-Border Earnings Against the Background of the Belt								
	and Road	l Initiative			90				
	4.1 The Legal Issues of International Tax Planning for								
		Cross-Borde	er Iı	ncome	90				
	4.2			nning Approaches for Going Global Enterprises	70				
				oss-Border Earnings	92				
				Income from Foreign Operations: General	<i>) tu</i>				
				cting and Sub-Contracting of Construction					
		Pro			93				
				Income from Foreign Investment in High-,	,,				
		Med	liur	n- and Low-Tax Jurisdictions	95				
				Income from Foreign Investment: Intangible	23				
		Ass			98				
		4.2.	3.1	Software Sales and Licensing	99				
				Setting up Foreign Subsidiaries for Intangible	,,,				
				Assets	101				
5	Conclusio	on.			102				
					102				
CHAPTER	7								
Internat	ional Tax	Coordinatio	n u	nder the Belt and Road Initiative					
		Hongyu Lai			105				
1	Introducti			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	106				
2	Basic Eco	nomic Circu	mst -	ances of Countries along the Belt and Road	106				
	2.1	Population :			107				
	2.2	Economy Le			108				
	2.3			rade and Investment	109				
	2.4								
	Road Chinese Bilateral Tax Treaties with Countries along the Belt and Road 10								
3	Chinese Bilateral Tax Treaties with Countries along the Belt and Road								
4	International Tax Proposals to Boost Implementation of the Belt and								
	Road Initi		0000000000		111				
	4.1	Internationa	al T	ax Rules Should Be Top-Level Designed					
	2 20			and Road Initiative	111				
	4.2		eaty	Network Should Be Improved on a Timely					
		Basis			111				
				Outward-Oriented Economic Development					
				emented in China	112				
	4.4			ation Mechanism for the Cross-Border					
		Economic C	oor	eration Zone Should Be Explored	113				

Снартен	1 8	in and Tay Operations in Five Central Asian Countries	
Analysi	s of Finan	cial and Tax Operations in Five Central Asian Countries	115
Wei To	ng, ne Lei	& Yaqiong Tian	
1	The Refo	rm of Public Finance Systems and Policy Changes of the	
1		tral Asian Countries	116
	1.1	Kazakhstan	116
	1.2	Uzbekistan	117
	1.3	Kyrgyzstan	117
	1.4	Tajikistan	118
	1.5	Turkmenistan	119
2	Financia	l State of the Five Central Asian Countries	119
-	2.1	Kazakhstan	120
	2.2	Uzbekistan	121
	2.3	Kyrgyzstan	124
	2.4	Tajikistan	126
	2.5	Turkmenistan	129
3	Fiscal Co	omparison Between the Five Central Asian Countries and	
		conomies of the World	131
70%	3.1	The Size of Fiscal Revenue and Expenditure	131
	3.2	The Proportion of Fiscal Revenue and Expenditure in GDP	132
,	3.3	Comparison of Per Capita Fiscal Revenue and Expenditure	134
Refere	nces		135
Снарте	R 9	1	
The Ro	ole of Bord	ler Crossing Procedures in the Transportation of Goods	
		ilk Road: The Impact of Technical and Administrative	
	ements		127
Jasmii	ı Kollmanı	n	137
1	Introduc	otion	138
1		t One Road Initiative: Transport Aspects	139
2	2.1	The Silk Road Economic Belt: The Initiative	139
	2.2	Transport by Road	140
2		ional Organizations Promoting Road Transport along the Silk	
3	Road	Ional Organizations Fromoting Road Transport dis-16	142
	3.1	International Road Transport Union	143
	3.2	The UN Economic and Social Commission for Asia and the	
	3.4	Pacific	146
	2 2	The UN Economic Commission for Europe	148
	3.3 3.4	Central Asia Regional Economic Cooperation Programme	151
4	Cross D	order Trade and Customs Issues along the Silk Road	152
4	4.1	Trade Facilitation Agreements	153
	7.1	4.1.1 Shanghai Cooperation Organization Agreement on	
		Facilitation of International Road Transport	153
		I definition of international front frampore	1100000000

		4.1.2 Basic Multilateral Agreement on International				3.4	Insurance Undertakings	210
		Transport for the Development of the Transport				3.5	Independent Agent	211
		Corridor Europe-Caucasus-Asia	154			3.6	Separate Entity	211
	4.2	Customs Agreements	155		4		rtation: Article 8 of the OECD and UN Models	212
		4.2.1 TIR Convention	155			4.1	General Approach	212
		4.2.2 Economic Cooperation Organization Transit	105			4.2	Taxation of the Leasing of Vessels, Vehicles and Containers	213
		Transport Framework Agreement	157			4.3	Land Traffic	213
		4.2.3 Eurasian Economic Union	159			4.4	Further Modifications Found in Article 8 of Chinese	
	4.3	Convention on the Contract for the International Carriage	137				Treaties with Belt and Road Countries	218
		of Goods by Road	160		5	Dividen	ds: Article 10 of the OECD and UN Models	218
	4.4	Bilateral Agreements Facilitating International Trade and	100		5	5.1	General Taxing Rights	218
		Customs along the Silk Road	161			5.2	Definition of Dividends	220
5	Tacklir	ng Bottlenecks along the Silk Road	162			5.3	PE Provision	220
	5.1	Current Status of Border Crossings Efficiency	162			5.4	Further Modifications Found in Article 10 of Chinese	
	5.2	Recommendations for Trade Facilitation	165			9.2	Treaties with Belt and Road Countries	221
6	Conclu		166			5.5	Non-Tax BRI Treaties	221
			100		6		Article 11 of the OECD and UN Models	222
Снарт	TER 10				U	6.1	General Taxing Rights	222
Trans	fer Pricing	g Issues Related to the One-Belt-One-Road Project			-0	6.2	Definition of Interest	223
Raffa	ele Petruzz	zi, Mirna Solange Screpante, Claire (Xue) Peng, Norbert			OF	6.3	PE Provision	223
Roller	· & Vladim	iir Tyutyuryukov	169	l , c		6.4	Determining the Source	223
		p 380 B	109	1 A	7	6.5	Arm's Length Interest Rate	224
1	Introdu		169	OOK		6.6	Further Modifications Found in Article 11 of Chinese	
2	Relevai	nt Areas of Study	172			0.0	Treaties with Belt and Road Countries	225
	2.1	Manufacturing Activities	172		7	Povaltie	s: Article 12 of the OECD and UN Models	220
	2.2	Services and Financial Transactions	175		1	7.1	General Taxing Rights	226
	2.3	Intangible Property	178			7.1	Mutual Agreement on Application	227
	2.4	Cost Contribution Arrangements	180			7.3	Definition of Royalties	227
	2.5	Documentation	184			7.3 7.4	PE Provision	228
	2.6	Advance Pricing Arrangements	187			7.4	Determining the Source	228
3	Conclus	sion and Proposals	191			7.5 7.6	Arm's Length Royalties Rate	229
			171			7.0	Further Modifications Found in Article 12 of Chinese	has has 3
Снарт		Y				1.1	Treaties with Belt and Road Countries	220
Тах Т	reaties Ber	tween Belt and Road Countries			0	0 :- 1		229
		ndi, David Orzechowski & Vladimir Tyutyuryukov	197		8		Gains: Article 13 of the OECD and UN Models	229
			157			8.1	General Taxing Rights	229
1	Introdu		199			8.2	Taxing the Alienation of PE Property	230
2	Residen	ncy: Article 4 of the OECD and UN Models	201			8.3	Taxing the Alienation of Vessels and Vehicles	230
	2.1	General Residency Criteria	201			8.4	Taxing the Alienation of Shares	230
	2.2	Tiebreaker: Individuals	203			8.5	Taxing Rights in Other Cases	232
	2.3	Tiebreaker: Persons Other than Individuals	203		9		from Employment: Article 15 of the OECD and UN Models	232
3	Perman	ent Establishment: Article 5 of the OECD and UN Models	205			9.1	Article 15 of the OECD and UN Models	232
	3.1	Fixed Place of Business Permanent Establishment	205			9.2	Article 15(1) and (2) of Chinese Tax Treaties	232
	3.2	Specific Activity Exemptions	208			9.3	Article 15(3) of Chinese Tax Treaties with Belt and Road	
	3.3	Agency PE	209				Countries	233
		1970 N	207		10	Director	rs' Fees: Article 16 of the OECD and UN Models	234

11		Articles: Article 23 of the OECD and UN Models	235		4	A Comprehensive Multilateral Treaty for VAT? Or Mere Soft Law	
	11.1	Article 23A and 23B of the OECD and UN Models	235				282
	11.2	Application of the Method Articles in China	235				
	11.3	Taxes Payable under Chinese Tax Treaties	237		Снарте	R 13	
	11.4	Indirect Tax Credit	237		Asia: G	lobal Tax Policy Post-BEPS and the Perils of the Silk Road	
12	Conclus		254		Romero	J.S. Tavares & Jeffrey Owens	285
	12.1	Tax Treaty Design Questions	254				
	12.2	Suggestions	255		1		286
	12.3	Harmonization of Construction PE Timeframe	255			1.1 Investment Climate	286
	12.4	Inclusion of Deemed PE for Insurance Undertakings	256			1.2 Consequences of BEPS Measures	287
	12.5	Treatment of Oil and Gas Transportation by Pipeline	257		2	Navigating Asia Through BEPS Minimum Standards and	
	12.6	Special Provision on Interest Income	257			A NEW PRODUCTION OF THE PRODUCT OF T	293
	12.7	A Common Approach to Anti-Treaty Shopping	257			2.1 Policy Choices Underlying Joint Enforcement of BEPS	
0	4.0					Actions: Digital Economy Ring-Fencing Versus Permanent	
Снарте						DEPARTMENT OF THE PROPERTY OF	293
VAIC	hallenges	in the Belt and Road Initiative				2.1.1 A New Nexus in the Form of a Significant Economic	
Ұшпуа	Shved & I	Karoline Spies	259				297
1	VAT ac	a 'Good Tax'				2.1.2 A Withholding Tax on Certain Types of Digital	
1.	1.1		260		~0	Transactions	297
	1.2	The Character and Importance of VAT	260	A	VO A	2.1.3 An 'Equalization Levy'	297
	1.3	Neutrality	262	AIC	5	2.2 The Effectiveness of New Standards for Interest	
2		Implementing the Destination Principle	263			Deductibility and Hybrid Mismatches	300
4		t and Road Initiative and VAT	264		3	Equity Considerations	304
	2.1 2.2	VAT Transport	264		4	Conclusion	305
	2.3	VAT Transactions in the Belt and Road Initiative	265				
	2.5	VAT Challenges in the Belt and Road Initiative and	1 1 1 m		Снарте		
		Solutions Thereto	265			ng a Positive Tax Climate for Complex Multijurisdictional Investment	
2.3.1 Double Taxation (or Non-Taxation)			266		Project		
		2.3.2 Lack of Dispute Resolution Mechanism	267.		Jonath	an Leigh Pemberton & Alicja Majdanska	307
		2.3.3 Disproportional Documentary Requirements	268			T. in a discretization	207
3	Policelina	2.3.4 Irrecoverable Input VAT	268		1	Introduction	307
Э		Harmonization: The EAEU Treaty	270		2	Cooperative Compliance as a Way to Improve Tax Compliance and Business Confidence Domestically	309
	3.1	Historical Background	270				309
	3.2	The EAEU and VAT	273			2.1 The Concept of Cooperative Compliance2.2 Essential Features of Cooperative Compliance	310
	3.3	Scope	273		2		510
	3.4	Supply of Goods	274		3	Multilateral Cooperative Compliance: From Domestic Relationship to	313
		3.4.1 Place of Taxation	274		4	Cross-Border Cooperation	313
		3.4.2 Export of Goods	274		4	A Potential of Multilateral Cooperative Compliance for the OBOR	214
		3.4.3 Import of Goods	275		-	Initiative	314
		3.4.4 Practice	277		5	JITSIC as a Model?	316
	3.5	Supply of Services and Works	279		6	Conclusion	317
		3.5.1 Place of Taxation	279		Index		319
		3.5.2 Documentary Requirements	280		muex		317
		3.5.3 Practice	281				
	3.6	Conclusion	282				