

# TAXATION OF NON- RESIDENT SERVICE PROVIDERS

Capacity Building on Tax Treaty Administration

Rome, 28-29 January 2013

Ariane Pickering

# Source taxation under UN Model

- Articles 5 & 7 Business Profits
  - Exemption
  - Profits attributable to fixed place of business PE
  - Profits attributable to construction site PE
    - Site lasts more than 6 months
  - Profits attributable to deemed service PE
    - Activities > 183 days in any 12 mth period
    - Activities 'of that nature'
    - Same or connected project

Source

# Sourcetaxation under UN Model

- Article 14 Independent Person a Services
  - Exemption
  - Unlimited if attributable to a fixed base
  - Unlimited if derived from activities from stay of 183+ days
  - (occasionally) Unlimited if above a monetary threshold

# Source taxation under UN Model

- Article 15 Dependent Personal Services
  - Unlimited if derived from employment exercised in country
  - However, exemption

# Source taxation under UN Model

- Article 16 – Directors & top level Managers
  - Unlimited if paying company is a resident
- Article 17 – Artistes and Sports persons
  - Unlimited if activities exercised .5353 0 TD 0 T53 0 TD

# Sourcetaxation under UN Model

- Students
  - Exemption of foreign maintenance and education payments

# Other common treaty provisions

- Article 12 Royalties (Technical Services)



Relevant factors for