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.)’.

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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,
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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.

Vienna, August 2017

Ina Kerschner
Maryte Somare