

SERBIA: TAX

BDK Tax: ABA's Tax Conference in London, 11-12 April 2013

Associates at BDK Tax, Tanja Vasić and Miloš Krstić, attended the 13th Annual ABA's Conference: "Tax Planning Strategies, U.S. and Europe" which took place in London from 11-12 April 2013.

Presentations covered many hot topics in international taxation such as Debt Equity Characterization and Interest Allocation Issues, Meaning of the Beneficial Owner Today, Recent Cross-Border Mergers & Acquisitions and Restructuring Transactions, the Service PE and Transfer Pricing.

The main focus of the conference was the [OECD's Base Erosion and Profit Shifting report](#) (BEPS) and the "key pressure areas" of international taxation that were identified as the weakest spots of the modern system of international taxation. BEPS pointed out 6 main areas of taxation that require action of national legislators and relevant international institutions: (i) international mismatches in entity and instrument characterization (including hybrid mismatches and tax arbitrage), (ii) application of treaty concepts to profits derived from the delivery of digital goods and services, (iii) tax treatment of related party debt-financing, captive insurance and other intra-group financial transactions, (iv) transfer pricing – in particular shifting of risks and intangibles, artificial ownership of assets between the entities of the same group, and transactions between related entities that rarely occur between independent entities, (v) effectiveness of anti-avoidance rules such as GAARs, CFC regimes, thin capitalization rules, treaty shopping etc, and (vi) availability of tax preferential regimes.