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Book Review

Reviewed Book: The International Taxation System (Editors: Andrew Lymer, John Hasseldine)

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The international taxation system was organized in 15 chapters from tax writers and contributors from all over the world donations. It is mainly aimed at collecting lectures from postdoctoral students who already have a clear knowledge of the universal taxing concepts and integrates them to tackle the problems faced by international transactions. The book's value lies in the unique mix of writers and perspectives aimed at rectifying the heavy emphasis of other publications. The book seeks to bring a more balanced international approach by drawing on contributions of a variety of regimes.

The editors recognize that the concept of international tax is fundamentally a misnomer as congruence between domestic taxation and the tax of cross-border transactions. The need for such a collection of information is, however, justified by the role of domestic taxation as a key determinant in affecting international trade planning, cross-border investment and persons working abroad. I see the issue of international taxation as a product of jurisdictional and territorial problems while domestic systems try to combat commodities and capital inflows and outflows.

It introduces the book in three sections, with the book structure similar to a conventional model of creation, display and contrast. Part 1 offers an introduction to both the history and essence of taxes and underlines such current problems. Part 2 focuses on certain particular problems that are present in international taxation, while Part 3 gives a detailed comparative study of certain specific taxation areas. Although the book is the paper cornerstone of this work, supplementary resources on the book are available on the related website, including more chapters. Such a system is almost de rigueur as a publicity tactic for electronic textbooks. Part 1 of the book explains both national and international company taxes in its historical context. The paper written by William D. Samson traces the roots of the old Taxes before 3300 BC and introduces a potted history of taxation in various countries and cultures over the ages. It follows the ways of land tax to levy tax on property and income, with early export duties on commodities in the form of tariffs and duty charges.

This analysis is in line with the analysis of the development of international business taxation carried out by Paul Hewitt, Andrew Lymer and Lynne Oates, which can be traced to early Roman-time cross-border businesses and which flourished during the European imperial period. The paper highlights the international trade explosion following the Second World War and the related move to international agreements to tackle the consequent legal and fiscal problems.

The other papers in Part 1 examine the current situation and address future problems. Marika Toumi highlights the challenge from harmful tax practices and Simon James looks to the future international tax environments. She looks at the challenge to e-commerce and the internet. Each paper identifies the problems faced by existing tax authorities. But there are no audacious forecasts for the future, perhaps because of natural caution or possibly a sign of uncertain times.

Neil Warren exposes the tax-what-you-can-system (TWYC) when looking at alternative tax bases, but eventually rejects the system as not a tolerable alternative. Marika Toumi stresses the need for multilateral approaches to international taxation rather than bilateral or unilateral approaches, but he identifies international agencies' focus as being moving away from this objective. Simon James looks at other forms of the future shape and social, techniques, economic and political determinants in the international tax environment, but considers that tax systems cannot easily be categorized or predicted as complex systems.

Part 2 of the book deals with some of the mechanisms in which international transactions are usually taxed and exempt from dual-tax taxation, both unilaterally and bilateralized, including, among other things, the taxation treaties, foreign tax credit or transfer pricing. The analysis of the controlled laws of external companies (though described briefly in part 1) is not included. Walter O'Connor examines the purpose of these treaties, their interactions with domestic law and the specific clauses in model agreements, and their effectivity, although the first part of the book has documented both the history and the necessity of double tax treaties. Robert Rickets then analyzes the key domestic cures for the reduction of dual taxation, foreign tax credit systems, in detail. An assessment of the typical features of these systems is supplemented by extensive numerical examples. Jamie Elliot and Clive Emmanuel are then succinctly covered by international transfer pricing.

It describes the need for transfers, lists the methods employed and takes into account the usage of advanced price agreements. The list of extensive references will also be useful for readers for further reading including useful website addresses and other chapters too. Kevin Holmes takes account of fiscal problems related to the cross-border transfer of technology or intellectual property. The conception and the translation pattern of intellectual property and the model contract clauses (both OECD and UN models) that are used to deal with such transactions. Peggy White provides a case study on taxing non-resident persons, which illustrates the workings of foreign tax treaties based on US rules.

The contribution by Amin Mawani completes the present part of the book foreign tax credit systems, which focuses on the taxation and maximization of tax benefits in the circumstances of employees' pay for individuals working in foreign countries. He examines alternative wages and the tax implications and examines the problems in developing a wage and other benefit package. The costs and other considerations of the employer are also considered for completeness.

Part 3 of this book is intended in the fields of company taxation, compliance costs and fiscal rulings to provide some international comparative analysis. By announcing a recent US decision to end the classic system of taxation, Lynne Oates talks about alternate models for the taxation of businesses and shareholder's currency to relieve dual taxation.

A growing research in this area, both domestic and international, underlines the recognition of the importance of compliance costs as elements that affect tax compliance. Jeff Pope stresses this. The degree of certainty in the tax system is important for compliance costs, and Adrian Sawyer's international comparison of the development and operations of the ruling systems examines the role of binding rulings in ensuring this certainty.

The chapters in the set seek to address the variety of problems facing tax managers and decision makers today in improving foreign taxes and the plenty of complicated issues. In delivering this book the production and execution of modern international taxation procedure follows the charter it sets for itself admirably. The potential course of foreign taxes is a further issue, but considering the dramatic shifts in fiscal economic conditions, not least due to technical developments and globalization, this appears to be an issue that only a few to talk on.

REFERENCE

Andrew Lymer and John Hasseldine (2003). The International Taxation System. **: https://www.springerprofessional.de/en/the-international-taxation system.** Accessed at 9/11/2020, 1:32 AM.