DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (International Taxation)

Academic Year: 2023-2024

First Semester Repeat Examination (June, 2024)

Paper II - 1.1.2. Scope of Tax Treaties

1.1.3. Scope of Tax Treaties
(Batches : 2021-2023 & 2022-2024)

Duration of the Examination: 2 ½ hours **Total Marks : 70 marks**

INSTRUCTIONS TO CANDIDATES

- **a) Read the instructions carefully and adhere to the same.**
- **b) Please mention your DDE ID No., date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.**
- **c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.**
- **d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.**
- **e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.**
- **f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.**
- **g) Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

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1) Linklaters is an LLP based in State A. State A treats Linklaters as a fiscally transparent entity i.e., the income is taxed in the hands of its partners and not LLP. Linklaters provided legal advice to companies in State B on their projects related to State B and received consultancy fees in their bank account in State A. The advisory was online and no partner or personnel of Linklaters ever came to State B. Under the domestic laws of State B LLP is considered as a company and profits thereof are taxed based on ‘significant economic presence’ (akin to India) even if no PE is formed.

In this context, answer the following questions:

A. Does it make a difference if, Linklaters is a partnership for State A and company for State B and if there are any tax implications on it as a 'person'? **(25 marks)**

B. Briefly discuss 'liable to tax' for the purposes of availing tax treaty benefits. **(25 marks)**

2) Examine and state the correctness or otherwise of the following statement in the context of international tax treaties between the countries "Providing assistance in the collection of the fair and legitimate share of tax by the countries involved is the sole objective of tax treaties entered into between countries. **(20 marks)**

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