

School of Accounting and Commercial Law

# TAXN 303 INTERNATIONAL TAXATION 1

Trimester 1, 2016

## COURSE OUTLINE

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### Prescription

An introduction to the taxation of cross-border transactions in New Zealand.

### Course Learning Objectives

By the end of this course, students should be able to:

- a) Explain how New Zealand residents will be taxed in New Zealand on income earned outside New Zealand;
- b) Explain how non-residents will be taxed in New Zealand on income derived from New Zealand sources;
- c) Explain and critique the tax policies behind New Zealand's international tax regime;
- d) Discuss contemporary international tax issues at an advanced level;
- e) Discuss, orally and in writing, alternative interpretations of the tax law on key international tax issues;
- f) Identify international tax ramifications of general commercial events.

### Course Content

Details of the lecture programme are provided in a table at the end of this document. Some topics may be addressed in a different week from that shown in the table. The lecturers will provide further information.

### Trimester Dates

Teaching Period: Monday 29<sup>th</sup> February – Friday 3<sup>rd</sup> June

Study Period: Monday 6<sup>th</sup> June – Thursday 9<sup>th</sup> June

Examination Period: Friday 10<sup>th</sup> June – Wednesday 29<sup>th</sup> June (inclusive)

### Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 11<sup>th</sup> March 2016.
2. The standard last date for withdrawal from this course is Friday 13<sup>th</sup> May 2016. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks or [online](#).

## Names and Contact Details

### Course Coordinator &

*Lecturer:* Assoc Professor Andrew Smith RH 620 463-6707  
[andrew.smith@vuw.ac.nz](mailto:andrew.smith@vuw.ac.nz)  
Office hours: To be advised

*Lecturer:* Assoc Professor David White RH 703 463-5705  
[david.white@vuw.ac.nz](mailto:david.white@vuw.ac.nz)  
Office hours: To be advised

*Course Administrator:* Lee Vassiliadis RH 708 463-5383  
[lee.vassiliadis@vuw.ac.nz](mailto:lee.vassiliadis@vuw.ac.nz)  
Office hours: Monday-Friday 8.30am-5pm  
(Office is closed: 10.30-10.45am and 3.30-3.45pm.)

**Please email all questions to the course administrator in the first instance**, identifying in the heading of the email that it is a TAXN 303 inquiry to prevent confusion with emails about other TAXN courses being taught in the same trimester. Where the administrator cannot answer the question, she will bring the e-mail to the attention of the relevant lecturer. Students should not copy the lecturer in to messages to the course administrator.

All email communications from students to VUW staff are expected to be professional and courteous in nature using your name as registered by the University. Emails that are anonymous or written using pseudonyms or false names will not be answered.

## Class Times and Room Numbers

Tuesday 1.40 pm – 2.30 pm

Thursday 1.40 pm – 2.30 pm

Government Buildings, GB LT 4, Pipitea Campus

## Course Delivery

### IMPORTANT NOTICE

Tuition in this course is provided by lectures and tutorials, which form an integral whole. The course assessment is based on the assumption that students have attended all lectures and tutorials. Students who do not attend all lectures and tutorials will be at a disadvantage.

No suggested solutions to tutorial questions are provided on *Blackboard* or elsewhere. Therefore, course members need to attend the tutorials to ensure that they get the full benefit of the discussion and debate on the subject material.

There are **9** tutorials of 50 minutes each. Tutorial times and locations are listed on the online *Blackboard* system (<http://blackboard.vuw.ac.nz>). See also under *Tutorials* below.

## Readings

The following textbook and materials are required for this course:

1. Vosslander *et al.*, *New Zealand Taxation 2016: Principles, Cases and Questions*, Thomson Reuters, Wellington, 2016. (The 2015 edition of this text will suffice for this year's course.)
2. *New Zealand Taxation 2016 Legislation Handbook*, Thomson Reuters, Wellington, 2016. Alternatively you can use the *CCH New Zealand Income Tax Legislation 2016*. (The 2015 editions of these texts will suffice for this year's course.)
3. Handouts distributed in lectures and/or posted on *Blackboard*.

Note: The first and second texts listed above will also be used in other TAXN courses this trimester. The Thomson Reuters publications can also be purchased as a set as a slightly discounted price.

You will be permitted to take the income tax legislation listed into the mid-trimester test and final examination, and are strongly recommended to do so. If you wish to use your tax legislation in the mid-trimester test and final exam, please note:

1. It will be checked at the beginning of the mid-trimester test and exam.
2. If it contains notes of any kind, it cannot be used in the test or exam. Only emphasis marks by a highlighter pen or by underlining are permitted.
3. The indexing by tabs whether by use of "Post-it" notes or any other means is prohibited.
4. If you do not have legislation to use in the test or exam because your copy did not meet the above conditions or you forgot to bring it to the test or exam, you will **not** be able to borrow a replacement copy from the examiners or to share a copy with another student.

The following books provide background reading for this course:

1. Arnold, B.J. and M.J. McIntyre, *International Tax Primer*, 2002, Kluwer Law International, 2nd edition. One copy is held on closed reserve and one is available for 3-day issue in the Commerce Library in RWW. (Call mark is K4542 A752 I61 2002)
2. Kevin Holmes, *International Tax Policy and Double Tax Treaties: An Introduction to Principles and Application*, IBFD Publications, Amsterdam, 2014, second revised edition. This book is held on closed reserve in the Commerce Library. (Call mark is K4475.4 H751 I 2014 2e)
3. Barry Larking (editor), *International Tax Glossary*, Revised 5<sup>th</sup> edition, IBFD Publications, Amsterdam, 2005. This book is held in the Commerce Library in RWW as a reference book. (Call mark is K4459.3 I61 5th)

## Mandatory Course Requirements

In addition to obtaining an overall course mark of 50% or better, students must

- Undertake a tutorial presentation on the assigned date so that students can develop oral presentation and teamwork skills in relation to the course learning objectives;
- Prepare and submit **at least 5** out of the **7** bullet-point summaries for the weeks in which you are not presenting at the tutorial incorporating your answers to *all* questions set in that tutorial so that they have identified the key issues in the questions and have undertaken sufficient preparation to contribute to tutorial discussions;

- Attend and participate in **at least 7** of the **9** tutorials as attendance of students is necessary to gain an understanding of appropriate answers to tutorial questions and to facilitate tutorial discussions;
- Obtain a mark of at least 50% in either the Mid-Trimester Test or Final Exam to demonstrate they are able to pass at least one of the controlled assessments.

Note: These mandatory requirements for bullet point summary submission and tutorial attendance have been set to make allowance for students who are affected by illness or unexpected emergencies during the trimester. They should NOT be interpreted as the minimum number necessary or recommended to ensure a pass in the course.

If you cannot complete an assignment or sit a test or examination, refer to:

[www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

### Expected Workload

You should expect to spend on average 150 hours studying over the whole course, which is broken down as follows:

- 24 hours in scheduled lectures;
- 9 hours of tutorial classes;
- 36 hours for background reading outside classes;
- 46 hours for tutorial preparation;
- 35 hours in preparing for both the test and the examination.

### Assessment

The Assessment Handbook will apply to all VUW courses see:

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

To pass this course, you must obtain a weighted average mark of 50% or more from the 3 pieces of assessment in the course as shown below:

	<i>Percentage of final grade</i>	<i>Date</i>
Tutorial Presentation	10%	
Mid-Trimester Test (60 minutes)	25%	<b>Friday 15 April at 5.30pm</b>
Final Examination (2 hours) (both closed book)	65%	During mid-year examination period Actual date and time to be advised during the course.

In addition to obtaining a weighted-average mark of 50% or more from these three pieces of assessment, you must also meet the *Mandatory Course Requirements* (see above). *If you obtain a weighted-average mark of 50% or more but fail to meet the Mandatory Course Requirements, you will **fail** the course and be given a 'K' grade.*

If your performance is affected by sickness or other personal difficulties (e.g. bereavement of a close relative) you should contact the Course Coordinator as soon as possible. You must not delay this until the end of the course or when final results are posted. In case of sickness, it is essential that you see a registered medical practitioner as soon as possible while you are sick and obtain a medical certificate that certifies that in the opinion of the doctor you are sick and the extent of disability suffered by you during the period of sickness.

## Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the following period:

Friday 10<sup>th</sup> June – Wednesday 29<sup>th</sup> June (inclusive).

## Penalties

Any bullet point summary submitted by a student in this course that contains evidence of plagiarism will be subject to disciplinary procedures and penalties as outlined in the general information link set out below in this Course Outline.

## Group Work

Participating in group work is an important component of this course. The content and expectation of group work for tutorials is explained under *Tutorials* below.

### *Tutorials:*

There are nine tutorial classes scheduled in this course, all of which you are strongly advised to attend and actively participate in. You need to fully prepare answers to the tutorial questions beforehand so that you can knowledgeably contribute to the tutorial discussions.

Tutorial questions are posted on *Blackboard* at least one week before the relevant tutorial. Written answers to tutorial questions are *not* posted on *Blackboard* or otherwise distributed.

Tutorials are scheduled in the following weeks:

<i>Tutorial</i>	<i>Week beginning</i>
Tutorial 1 Mandatory to attend	14 March
Tutorial 2 (AS)	21 and 28 March
Tutorial 3 (AS)	4 April
<b>Mid-Trimester Test</b>	<b>Friday 15 April at 5.30 pm</b>
Tutorial 4 (AS)	18 April
Tutorial 5 (AS)	2 May
Tutorial 6 (DW)	9 May
Tutorial 7 (DW)	16 May
Tutorial 8 (DW)	23 May
Tutorial 9 (DW)	30 May

Tutorial sign up instructions for ‘MyAllocator’ can be found on Blackboard under ‘Tutorials’.

Places in tutorials are allocated on a “first come, first served” basis. **Please note that due to the number of enrolments in this course only a limited number of tutorials will be offered. Please select your time carefully to avoid clashes with other commitments.**

### *1. Tutorial presentations*

Tutorials require you to actively participate and contribute; otherwise, you will not meet the Mandatory Course Requirements (see above).

At your first tutorial, tutors will outline their expectations of your presentations and your bullet-point summary solutions (see below). You will also have an opportunity to exchange email addresses, telephone numbers and other contact details with other students in your tutorial for the purpose of planning your presentations. The success of your tutorial presentations depends on you getting together with the other student(s) in your group before the presentation to plan the content and how the presentation will be run. Hence, it is important that the contact details you give your co-presenter are current and accurate.

Tutorials 2 to 9 are conducted as follows: Generally 2 students (depending on the size of the tutorial) will be required to lead the discussion on the topic nominated for the tutorial. Over 8 tutorials each student will have led one tutorial.

For the tutorial in which you are giving a presentation, you must prepare in electronic form your presentation points (in MS Word, PowerPoint, PDF, or an equivalent format that can be printed out) and e-mail them to the lecturer/tutor listed against the tutorial in the last column of the table on page 8 of this course outline (Andrew Smith at [andrew.smith@vuw.ac.nz](mailto:andrew.smith@vuw.ac.nz) or David White at [david.white@vuw.ac.nz](mailto:david.white@vuw.ac.nz)) **before 5pm** on the day before your presentation. Your tutorial presentation contributes to 10% of your final mark for the course. In determining the mark for your presentation, your tutor will take into account:

- The quality of preparation and coordination with the other presenter(s) in your group;
- The technical proficiency of your research, identification of issues and discussion of the better arguments for taking a tax position;
- The quality of your presentation both oral and visual; *and*
- Your facilitation of discussion with other students, including responding to questions, and your ability to debate your view convincingly.

If you are unhappy with your mark, you must first discuss, and attempt to resolve, the matter with your tutor before the following tutorial.

If you are unable to attend your designated tutorial in a particular week, you can attend another tutorial on a one-off basis provided there is spare seating in the room. Students cannot switch tutorials on a regular basis.

## ***2. Tutorial participation and bullet-point summaries***

For *each* tutorial in which you are *not* giving a presentation, you must prepare in electronic form a bullet-point summary solution to the tutorial questions and send it to the assignment folder on *Blackboard* **before 5pm** on the Friday prior to the week of the tutorial. Late summaries will *not* be accepted. You should submit your summary as either a MS Word or .pdf file - please do not paste your answers into the dialogue box on *Blackboard* as there are IT compatibility issues that can make it difficult for your tutor to subsequently view it.

Your bullet point summaries must be written in comprehensible and legible English. *They must also be your own work - group submissions are not permitted.* Bullet point summaries that contain evidence of plagiarism will be subject to the University's disciplinary procedures.

To assist your participation in the tutorials, you should bring to the tutorial a hard copy of your bullet-point summary solution for use at the tutorial. This will also enable you to make corrections to your bullet point summaries.

No suggested solutions to tutorial questions are provided on *Blackboard* or elsewhere, or distributed by tutors. Therefore, you need to attend the tutorials to ensure that you get the full benefit of the discussion and debate on the subject material.

Your tutorial participation and bullet-point summary solutions are part of the *Mandatory Course Requirements* (see above).

### **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool that compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

### **Materials and Equipment**

Most course materials can be downloaded online from *Blackboard*. The course lecturers do not hold spare copies of any course materials in their offices. If you are having any trouble obtaining course materials, please contact the Course Administrator, who is available Monday to Friday between 8.30am-5.00pm.

Electronic calculators and non-electronic foreign language dictionaries may be used in both the test and final examination. Calculators must be battery powered and silent in operation. Calculators with alphanumeric keyboards and programming functions are not permitted. Mobile phones are prohibited. No electronic device may connect to the Internet. If you are in doubt, check with the Course Administrator.

### **Student feedback**

Student feedback on University courses may be found at:

[www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php)

### **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

### **Communication of Additional Information**

This Course Outline, along with other information and materials relating to the course, is available on *Blackboard*. You are expected to have access to *Blackboard* to participate in this course. All announcements and notices are posted in the *Announcements* section of *Blackboard*. If you have problems accessing *Blackboard*, you should contact Student Computing Services or the Course Administrator.

### **Link to general information**

For general information about course-related matters, go to:

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

### **Note to Students**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential and the outcome will not affect your grade for the course.

## TAXN 303 LECTURE PROGRAMME

Week No:	Week Beginning	Topic		Lecturer	Tutorial
1	29 February	Introduction Principles of Residency and Source		AS	
2	7 March	Relief of Double Taxation		AS	
3	14 March	Taxation of Non-Residents		AS	<b>1 Mandatory to attend</b>
4	21 March*	Double Tax Agreements		AS	2 (AS)
5	28 March**	Transfer Pricing		AS	
6	4 April			AS	3 (AS)
7	11 April			AS	
<i>Mid-Trimester Test - Friday 15 April @ 5.30pm</i>					
8	18 April	International tax policy		DW	4 (AS)
<i>Mid-trimester break - 25April – 29 April</i>					
9	2 May	Thin Capitalisation Controlled Foreign Companies (CFCs)		DW	5 (AS)
10	9 May	Foreign Investment Funds (FIFs)		DW	6 (DW)
11	16 May			DW	7 (DW)
12	23 May			DW	8 (DW)
13	30 May	Revision		DW	9 (DW)

Staff: AS = Associate Professor Andrew Smith; DW = Associate Professor David White.

Note: The timings of the lecture topics in the above table are approximate and there may be some slight variations between specific lectures.

\* Teaching will be scheduled only on 21-23 March this week due to Easter break.

\*\* Teaching will be scheduled only on 31 March and 1 April this week due to Easter break.