International Tax

Accounting & Finance

How cross-border profit is taxed, and the concepts involved.

The governing concepts.

Concepts

- Residence — taxed on worldwide income
- Source — taxed where income arises
- Permanent establishment — a taxable presence
- Withholding tax on cross-border payments

Mechanisms

- Double tax treaties allocate rights
- Foreign tax credit relieves double taxation
- Transfer pricing rules police intra-group prices
- Global minimum tax rules on large groups

Educational reference. This is a fast-moving area; treaty networks and minimum-tax rules change materially year to year.