Issue: International Tax Regime Distorts MNE Business Decisions

- Obstacles
- Disparities
- Inadequacies

Q: “Tax Allocation Model 2.0”? “Fairness”

Resolving Obstacles
- Local source?
  - Unlimited Taxation
  - DTR under Dutch-style ‘tax exemption’

Resolving Disparities
- Approximation of Laws
  - Taxable Unit = MNE Group
  - Taxable Base = Economic Rent
  - Tax Allocation:
    - Payroll FA
      (if rate harmonization)
    or:
    - Turnover FA

Resolving Inadequacies

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