**End Report IRSES, International Tax Coordination (ITC) – Publishable Summary**

As a result of globalization and the increasing interdependence of national economies, new possibilities and risks related to **cross-border taxation** arise for investors and governments. To minimize the risks and to support the possibilities, alternatives to national fiscal sovereignty are required comprising various forms of **tax coordination on a bilateral or supra-national level**. The primary object of the IRSES-programme was to provide answers to specific issues raised in the scientific and political debate on international tax coordination within an area in which countries are striving for economic integration. The partners of the joint exchange programme have already done research on the topic of international tax coordination but there has always been a limited regional focus. The joint exchange programme helped to extend the scope of research activities and include so-called “third country” aspects. As far as International Tax Coordination is concerned, analyses of national tax law in comparison with foreign tax law are inevitable. Due to this international relevance, it is of immense importance from a European perspective to cooperate with third countries. The studies enabled the researchers to learn about the differences and to develop international acceptable suggestions for solving conflicts in international tax law. This multinational project dealt with **global challenges** in international trade and the results of the project were and will be of **mutual benefit** for all participants. In this field it is especially important to further develop human resources, because this area is strongly influencing international trade and is often used to implement particular trade policies. **Double taxation** in direct and indirect taxation is **harmful for international trade** and research activities in this area are necessary to develop solutions for these global problems. Also research in the field of corporate tax consolidation and EU tax coordination is of high international importance and therefore involved substantial scientific value for each partner country. The partnership’s contribution to the area of collaboration has manifested in the research results that serve as a **basis for any future political developments** in order to eliminate the above mentioned problems in international trade.

****The **improvement of international cooperation** in tax law research was vital, to make the European Union a competitive, global player. Especially within the European Union tax policy is a topic of public concern and of particular interest for the society. Well-founded research in this area is essential for establishing future-oriented tax treaties not only between the Member States of the European Union but also with third countries. Especially in the field of indirect taxation the development of a tax treaty model is vital to eliminate double taxation in context with third countries. The analysis of the legal framework in Austria, Sweden, Australia and Chile helped to find good solutions for tax obstacles in International tax law. Furthermore it enabled to learn about problematic areas in other jurisdictions in order to avoid them when implementing new measures in Europe. For these reasons the elaboration of the tax law framework in the third countries fully benefits the European Union (and vice versa as well). Fostering this project was of **major importance for all member states of the European Union** and therefore a step forward in developing a **European Research Area**. When coping with current problems and inequalities related to international and European tax law, new ways to tackle these problems have to be taken into consideration to **further develop existing measures to combat double taxation**, involuntary double non-taxation and further issues concerning the allocation of taxing rights in the field of direct and indirect taxation. Thus, the research in course of the IRSES project was **essential for European policy** **makers** to be able to have an overview about the legal instruments available to them and will help in order to develop an EU foreign policy in the area of taxes and beyond.

The **overall topic of international tax coordination** was split up into four work packages:

* Assignment of Taxing Rights and Taxing Powers
* Corporate Tax Consolidation Regimes for Multijurisdictional Companies in a Single Market
* EU Tax Coordination and Third Countries
* VAT and Consumption Taxes and Double (Non-)Taxation - Issues, Consequences, and Possible Solutions

The **major scientific highlights** can be summarised in keywords as follows:

* Major differences regarding the taxable events when comparing VAT law between the EU and Chile (e.g. more leeway for different interpretations on basis of the VAT directive compared to the “stricter” approach in Chile)
* Current VAT-regimes partially taxing supplies of intermediary services bear the risk of overtaxing business borrowers and lenders and individual depositors
* Further steps in international cooperation may be most effectively taken at the tax policy level
* Major differences regarding tax policy of OECD States and developing countries (e.g. immediate changes in the tax policy were noticed after Chile became an OECD Member Country)
* Comprehensive Study on possible ways to distinguish Debt and Equity (e.g. the detailed Australian rules provide a good example of the fact that it is indeed possible to introduce statutory definitions to facilitate the categorisation of debt and equity in the EU as well)
* Recently introduced Australian Carbon Tax as an example for environmental tax schemes (e.g. compared to Emission trading Schemes)

****Overall, the major benefit of the IRSES project has been the possibility to exchange ideas among tax academics from different jurisdictions. As there were several activities where the seconded researchers were able to meet experts affiliated to their host institution, the research stays were a great opportunity to get in touch with scholars one would not be able to talk to at the home institutions. Discussion rounds, workshops as well as informal talks were very fruitful for the research undertaken during and after the research stay. Also each researcher could establish an own network and integrate in the international tax community.