

Abstract

This diploma thesis deals with the issue of double taxation and focuses primarily on its international form. In this thesis, double taxation is presented along with its consequences as a negative phenomenon that must be faced. The first chapter of this work explains double taxation in general terms and presents the division of double taxation into international and national. Furthermore, this chapter presents individual measures and methods to avoid international double taxation, and at the same time, space is devoted to explaining the key concept of tax domicile.

The next chapter discusses how the national regulation of the Czech Republic deals with the given issue. The main attention is therefore paid to Act No. 586/1992 Coll., on income taxes, and Act No. 280/2009 Coll., Tax Code. Attention is paid to the question of tax jurisdiction, which is regulated by the Income Tax Act and special attention is paid to the concept of a permanent establishment.

The third chapter is mainly devoted to double taxation treaties and OECD and UN model treaties. The work presents here the division of double taxation treaties and further focuses on their characteristics, purpose and application. Regarding the OECD model, its role and structure are presented here as well as the issue of its legal bindingness. In the case of the UN model, the relationship to the OECD model is mentioned here, and a recent initiative at the UN legislative level is highlighted. The chapter also includes the presentation of the historical development of these instruments.

The following chapter is devoted to BEPS, which he describes as a very current negative phenomenon. This phenomenon shows the imperfections and loopholes of the international tax system, which are then abused to reduce and avoid tax liabilities. The first presented solution to this phenomenon is the BEPS action plan together with the subsequent multilateral instrument MLI. The BEPS Action Plan offers several so-called Actions that need to be implemented in individual double taxation treaties in order for them to properly fulfill their function of suppressing BEPS. The chapter subsequently also mentions the EU's solution to the given problem and presents the key DAC and ATAD directives in this regard.

The last chapter contains a model example, with which the author wants to demonstrate to the reader the application of double taxation treaties in practice. This example deals with the taxation of dividends paid to a Czech citizen by an American company. In addition to the double taxation treaty, the necessity of applying the W-8BEN form is also addressed here.

At the very end of this thesis, the author offers a final summary of this work and mentions his view on the effectiveness of individual measures and methods to avoid double taxation.