

Problems with Permanent Establishments

- Problems in Determining Permanent Establishment on the basis of Article 5 (1)

OECD MC -

The expression “PE” originates from the 19th century and, thus, is as old as the history of double tax treaties itself. Despite of its long history, the concept keeps on being one of the most discussed issues of international taxation. The current essay seeks for the discussion of the common problems in determining the so-called “general rule-PE” in international tax law practice on the basis of the OECD Model Convention. The author has unraveled the wording of Article 5 (1) and thereafter combined it with several States’ domestic law as well as their court cases and. Therefore, the paper serves to be a good basis for a brief introduction of the problems in interpreting the same provision from the point of view of various States.