

## Free Legal English Lesson #1

### Topic: Tax dispute resolution

#### **1. Read a note about a new directive on tax dispute resolution and complete the text with the verbs in brackets in correct forms.**

### Fair Taxation: New EU-wide system to resolve tax disputes between Member States applies from today

Brussels, 1 July 2019

**New EU rules come into force today to ensure quicker and more effective resolution of tax disputes between Member States, making life easier and offering much more tax certainty for businesses and individuals experiencing double taxation issues.**

The eagerly awaited new system a).....(help) to find solutions for tax disputes between Member States that can arise from the interpretation and application of international agreements and conventions providing for the elimination of double taxation. Estimates b).....(show) that 2000 such disputes c).....(currently / pend) in the EU, out of which around 900 d).....(be) over 2 years old.

The mechanism e).....(ensure) that businesses and citizens can resolve disputes related to tax treaties more swiftly and effectively, in particular those related to double taxation - a major obstacle for businesses and individuals that creates uncertainty, unnecessary costs and cash-flow problems. At the same time, the new directive f)..... (introduce) more transparency around tax disputes in the EU.

[...]

Double taxation g).....(occur) when two or more countries claim the right to tax the same income or profits of a company or person. This can, for example, arise from a mismatch between national rules of different jurisdictions or divergent interpretations of the same provision in a bilateral tax treaty. Until now, there h).....(be/ only) a multilateral convention that i).....(give) tax authorities the possibility to submit a dispute to arbitration, but without any means for the taxpayer to trigger this process himself. Neither are tax authorities currently required to reach a final agreement.

Source: [https://europa.eu/rapid/press-release\\_IP-19-3377\\_en.htm](https://europa.eu/rapid/press-release_IP-19-3377_en.htm)

**2. Watch a conversation with Mark Vanasse, National Leader of Tax Resolution Service PWC Canada.**

**Youtube - Tax Dispute Resolution - A conversation with Marc Vanasse, Link:**  
**<https://www.youtube.com/watch?v=qHMydqrGjbs>**

**3. Are these sentences true or false based on the conversation with Mark Vanasse?**

- a. Tax environment today, although not easy, is not as challenging as it was before.

true / false

- b. The economic downturn took place in 2008-2009.

true/false

- c. The government is obliged to raise taxes.

true/false

- d. Corporations often want to litigate the issues raised in their tax assessment.

true/false

- e. The PWC team comprises of people who previously worked as officials.

true/false

**4. Translate these sentences into English using vocabulary from the Youtube video:**

- a. Zadania przydzielane młodym prawnikom w działach podatkowych są czasochłonne.

.....

- b. Musimy się upewnić, że obie strony podpisały umowę.

.....

- c. Moje główne obszary zainteresowań to prawo podatkowe i prawo handlowe.

.....

- d. Złożenie deklaracji podatkowej jest bez wątpienia obowiązkiem każdego podatnika.

.....

- e. Zachęca się państwa Członkowskie Unii Europejskiej do wspierania wspólnego podejścia w zakresie spraw podatkowych.

.....

**5. Read an extract from the Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union. Fill in the blanks with the correct words from the box:**

**directive, capital, arise, Member States, scope, double taxation, disputes**

*Article 1*

**Subject matter and ..... (1)**

This .....(2) lays down rules on a mechanism to resolve disputes between .....(3) when those disputes .....(4) from the interpretation and application of agreements and conventions that provide for the elimination of ..... (5) of income and, where applicable, .....(6). It also lays down the rights and obligations of the affected persons when such .....(7) arise. For the purposes of this Directive, the matter giving rise to such disputes is referred to as a ‘question in dispute’.  
[...]

**paragraph, authority, period, delay, proceedings, acceptance, justification, extended, raise, evidence**

*Article 4*

**Mutual agreement procedure**

1. Where the competent authorities of the Member States concerned accept a complaint, they shall endeavour to .....(8) the question in dispute by mutual agreement within 2 years, starting from the last notification of a decision of one of the Member States on the .....(9) of the complaint.

The period of 2 years referred to in the first subparagraph may be .....(10) by up to 1 year at the request of a competent .....(11) of a Member State concerned to all of the other competent authorities of the Member States concerned, if the requesting competent authority provides written .....(12).

2. Once the competent authorities of the Member States have reached an agreement as to how to resolve the question in dispute within the period provided for in .....(13) 1, the competent authority of each of the Member States concerned shall, without delay, notify this agreement to the affected person, as a decision that is binding on the authority and .....(14) by the affected person, subject to the affected person accepting the decision and renouncing the right to any other remedy, where applicable. Where .....(15) regarding such other remedies have already commenced, the decision shall only become binding and enforceable once the affected person has provided .....(16) to the competent authorities of the Member States concerned that action has been taken to terminate those proceedings. Such evidence shall be provided not later than 60 days from the date on which such decision was notified to the affected person. The decision shall then be implemented without .....(17), irrespective of any time limits prescribed by the national law of the Member States concerned.

3. Where the competent authorities of the Member States concerned have not reached an agreement on how to resolve the question in dispute within the .....(18) provided for in paragraph 1, the competent authority of each of the Member States concerned shall inform the affected person indicating the general reasons for the failure to reach agreement.

## **GLOSSARY**

### **Conversation with Mark Vanassee:**

**competitive** – konkurencyjny

**profitable** – opłacalny, rentowny, zyskowy

**to hire** – zatrudniać

**regulatory** – regulacyjny

**economic** – gospodarczy, ekonomiczny

**to overlook** – przeoczyć

**to face challenges** – mierzyć się z wyzwaniami / stać w obliczu wyzwań

**without a doubt** – bez wątplenia

**enterprise** - przedsiębiorstwo

**economic downturn** – recesja gospodarcza / spowolnienie gospodarcze

**turbulent** – burzliwy

**revenue** – przychód

**to be under pressure** – być pod presją

**time-consuming** – czasochłonny

**core** (adj) – podstawowy, kluczowy, główny

**to litigate** – procesować się, kwestionować

**external** – zewnętrzny

**service provider** – usługodawca, dostawca usług

**insights** – spostrzeżenia, przemyslenia

**to resolve a dispute** – rozwiązywać spór

**to elevate sth** – poprawić coś

**to comprise of** – składać się z

**CRA, Canada Revenue Agency** – kanadyjski urząd podatkowy

**approach** – podejście, koncepcja

**to ensure** – upewnić się

### **Council Directive:**

**subject matter** – przedmiot

**scope** – zakres

**directive** – dyrektywa

**arise from** – powstawać z

**Member States** – Państwa Członkowskie

**double taxation** – podwójne opodatkowanie

**where applicable** – w stosownych przypadkach

**to lay down** – tutaj: określać, ustalać

**for the purposes of sth** – do celów / dla celów czegoś

**dispute** – spór

**to raise** – podnosić

**complaint** – skarga

**to endeavour** – starać się, usiłować

**to resolve the question in dispute** – rozstrzygnąć kwestię sporną

**mutual agreement** – wzajemne porozumienie

**notification** – powiadomienie

**authority** – organ (władzy)

**without delay** – niezwłocznie

**binding** – wiążący

**enforceable** – możliwy do wyegzekwowania

**to renounce** – zrzekać się

**to terminale** – zakończyć

**proceeding** – postępowanie

**to indicate** – wskazać

## ANSWER KEY

### Exercise 1

- a. will help, b. show, c. are currently pending, d. are, e. will ensure, f. introduces, g. occurs, h. has only been, i. gives

### Exercise 3

- a. false, b. true, c. false, d. false, e. true

### Exercise 4 – przykładowe tłumaczenia

- a. Tasks assigned to young lawyers in tax departments are time-consuming.
- b. We must ensure that both parties signed the contract.
- c. My core areas of interest are tax law and commercial law.
- d. Submitting a tax declaration is without a doubt an obligation of each taxpayer.
- e. Member States of the European Union are encouraged to support a common approach regarding tax cases.

### Exercise 5

1. scope, 2. directive, 3. Member States, 4. arise, 5. double taxation, 6. capital, 7. disputes, 8. raise, 9. acceptance, 10. extended, 11. authority, 12. justification, 13. paragraph, 14. enforceable, 15. proceedings, 16. evidence, 17. delay, 18. period