

PRIVATE AND PUBLIC DISPUTE RESOLUTION IN INTERNATIONAL TAXATION

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ABSTRACT

An inevitable byproduct of the globalization of economic activities has been the increased attention to international dispute resolution. International arbitration, mediation, conciliation as well as traditional cross border litigation proceedings are now relatively common. One subset of international disputes that has not received much attention, however, is the resolution of international tax disputes.

This essay is intended to shed some light on international tax dispute resolution. The essay is divided into three principal parts. The first part describes how private and public international tax disputes arise and explains briefly how they are commonly resolved. The second major part of the essay then focuses specifically on a relatively new area of international tax dispute resolution: arbitration of international tax disputes. The second part also describes and compares the most important forms of international tax dispute resolution arbitration now in use, including specifically the EU's arbitration rules, the OECD's Model Arbitration Rules, and the arbitration provisions included in some of the more recent bilateral tax treaties to which the U.S. is a party. The third part of the essay concludes with an analysis of the existing arbitration rules and suggestions for how they can be improved.

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