

LITIGATION, ARBITRATION AND MEDIATION IN INTERNATIONAL TAX DISPUTES: AN ASSESSMENT OF WHETHER THIS RESULTS IN COMPETITIVE OR COLLABORATIVE RELATIONS

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ABSTRACT

While unresolved tax treaty disputes have long been a problem in the international tax arena, the last decade has witnessed an exponential rise in the number of these controversies. A “perfect storm” is predicted to be brewing in this area, due in no small part to new global tax initiatives recently introduced by the Organisation for Economic Cooperation and Development’s Base Erosion and Profit Shifting Project. The negative effects of such unresolved disputes include a lack of confidence in the integrity of the international tax system, and the imposition of a barrier to global development and trade.

This is therefore a critical time to evaluate the application of various procedures to resolve these disputes. This article will analyse recent developments in the international tax landscape with regards to the dispute resolution avenues of litigation, arbitration and mediation, and assess whether these avenues lead to competitive or collaborative relations going forward.

KEYWORDS: *international taxation, mutual agreement procedure, litigation, arbitration, mediation*

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