

IFA 75th Annual Congress Cancun, Mexico

Subject 2

Good faith in domestic and international tax law

Chair: Hon. Marshall Rothstein, CC, KC (Canada)

Short description

Good faith is a fundamental legal principle in international law and most domestic legal systems worldwide, both civil and common law. The meaning of good faith varies across different contexts and jurisdictions, which can be a challenge in the international context where consistency is desirable. In the domestic tax context, good faith can be relevant to the relationship between taxpayers and tax authorities. In the international tax context, the good faith principle applies to dealings between contracting States, in particular to tax treaties and their interpretation. It is similarly relevant to dealings between taxpayers and the tax authority of a contracting State. This panel will explore various issues, focusing on the history and foundation of the principle of good faith in the international context; the application of this principle in the tax treaty context, including potential remedies for breaches; and the application of this principle against the background of selected current issues in international tax practice and illustrated by specific case studies.