



Determining the source of income from use or transfer of Intellectual Property ('IP') is a complex issue. Controversy often arises where the income would be taxable - in the state of owner of IP, in the state in which IP is used, in the state in which IP is registered or based on some other criteria. Countries often try to codify in the domestic tax law, source rule for taxation of income from use of IP ('royalty'). Mostly, the tax convention between the resident country and * Hiren Shah: Hiren has experience of over 17 years and specializes in domestic and international tax. He has experience on contract structuring and cross-border tax issues. He has advised domestic companies and multinationals on complex tax issues and helped clients in developing appropriate strategies for international tax planning & restructuring. He has also supported clients on