

IV. Equalisation Levy

Illustrations of
“Thinking inside the Box”

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Traffic Rules

Conventional Horse Carriage



Initial Design of a Motor Car -
Remix of a Horse Carriage



Motorised Car manufacturers replaced the horse by a motor-engine. Everything else was kept similar to a horse carriage. They could not think “Out of Box”. Initially several car manufacturers went insolvent.

Modern Driverless Car



Over the "to be thinking" was changed, car design has changed significantly.

An Aircraft



With advancing technology, amount of transport has changed significantly.

From Horse Cart to Car, Car to Plane

**All are vehicles, but the RULES of
traffic management are different.**

Aircraft Control Tower



Can the Pilot ask:



Outcome of applying road traffic rules to aircrafts

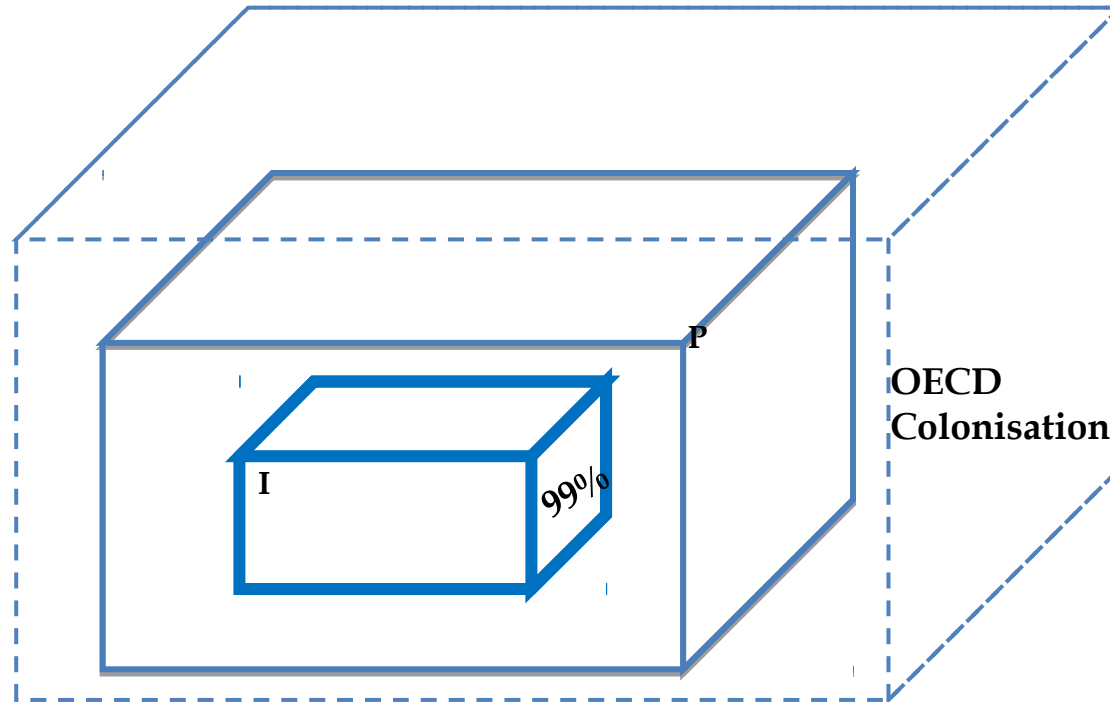


If E-Commerce taxation stays within OECD parameters – this will happen. PE & old rules of international taxation are like – Road Traffic Rules. E-Commerce taxation rules should be like Air-craft Traffic Control (ATC).

Road Traffic Rules are valid for cars etc. & invalid for aircraft.

Rules must change as technologies change.

Boxes within Legal Field



Box 1 – 99% of the tax professionals & administrators interpret law, the written words.

Box 2 – Rare persons look at a macro level – the Constitution, Jurisprudence etc. Even late Mr. Palkhivala did not look at International Taxation.

Box 3 – International Taxation – bound by OECD & UN Models, etc.

Come up & above OECD & UN Models

Come out of ALL the 3 Boxes.

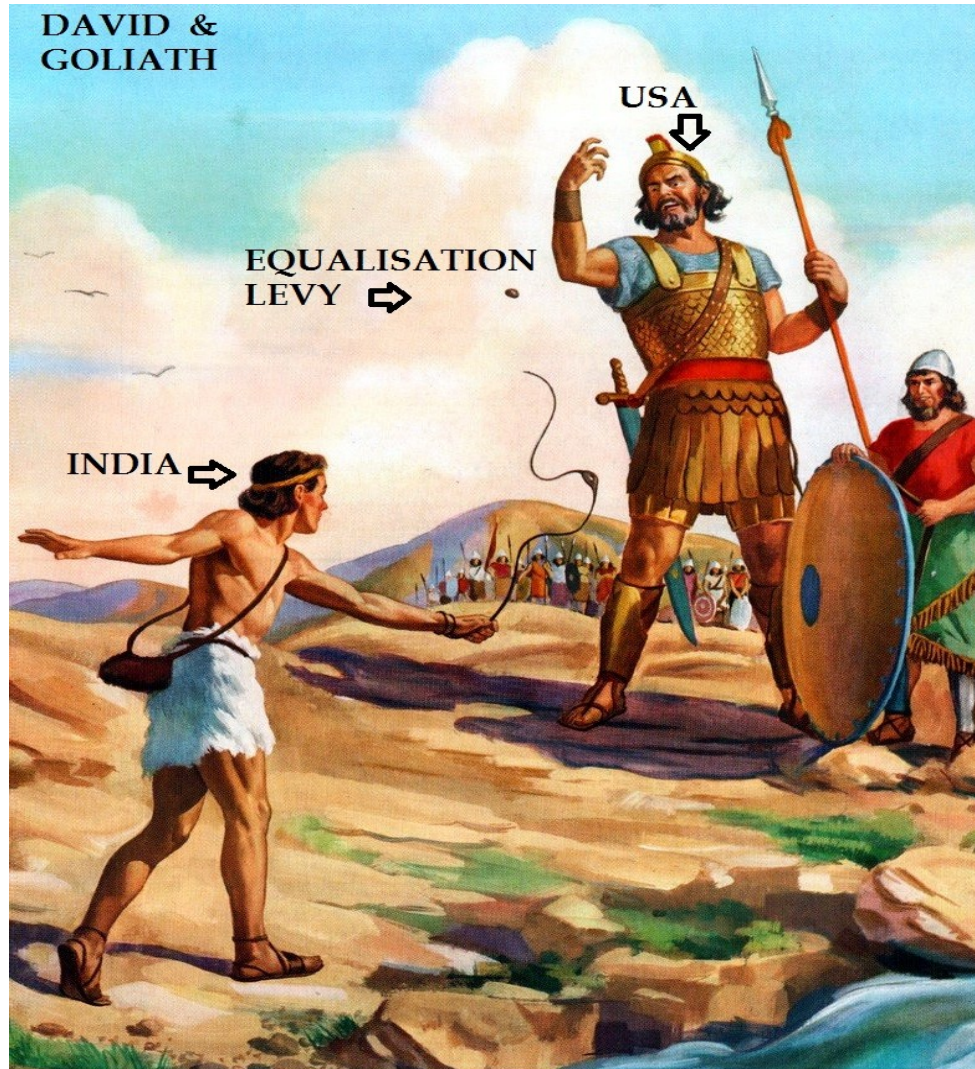
**Consider what is “Fair &
Just” for all.**

**There are people who won't come out of
the Boxes.**

**And there are people ready to come out
of all boxes.**

The 1st category will criticise the 2nd.

David Vs. Goliath



Disruptive Technologies

Avalanche of changes.

David Vs. Goliath is an old story.

Today there are 15 Davids.

**There are more than 15 nations
preparing their own tax laws for
taxing NR E-Commerce Service
Provider.**