



# BACKGROUND NOTE

## **IOTA Digital Workshop** **“Practical Application of Double Taxation Avoidance Conventions: Tax Residency Issues”**

**10 - 11 December 2025**  
**Digital Event via Microsoft Teams**

### **BACKGROUND**

In today's global economy, people and businesses often operate across borders, which makes determining tax residency more important than ever. Tax residency decides which country has the right to tax income and ensures that tax treaty benefits are applied correctly. Accurate and consistent residency verification is essential for both effective administration and fair taxation.

At the same time, many tax authorities are moving from paper-based certificates to digital solutions. Electronic signatures, QR codes, digital seals, and secure verification systems can streamline processes and enhance their reliability. However, these changes also bring challenges, such as legal recognition, building trust, and ensuring certificates can be verified across borders. Some countries have fully adopted digital tools, while others still rely on traditional verification methods. These differences can affect how the provisions of tax treaties are applied, delay withholding tax relief, and make it harder for tax authorities to detect and prevent the potential abuse. Understanding these practical differences is key to improving consistency and reliability in tax residency procedures.

These operational challenges are connected to broader international developments. The OECD's Model Tax Convention (especially Article 4) continues to guide tax residency rules, while the OECD's digital agenda encourages the use of trusted electronic documentation and interoperability standards. In the EU, the [FASTER Directive](#) proposes a common electronic tax residence certificate (eTRC) and faster withholding tax relief procedures. These international initiatives provide important context for how residency procedures may evolve in the coming years.

The upcoming IOTA Digital Workshop aims to raise awareness and promote the implementation of good practices applied by IOTA Member States in the establishment and verification of tax residency, and in the use of documentation issued in the application of Double Taxation Avoidance Conventions (DTACs). It will provide a platform for sharing experiences, discussing practical solutions, and exploring ways to align national procedures with new international standards, helping ensure tax residency verification is accurate, reliable, and efficient.

### **OBJECTIVES**

More specifically, this workshop will focus on:

- Sharing best practices to ensure consistent and accurate application of provisions regulating tax residency issues under Double Taxation Avoidance Conventions.
- Provide information on forms and data sources used by tax administrations in establishing tax residency and applying tax treaties.

- Understand how tax residence certificates are issued and verified, including digital tools and secure verification methods.
- Identify practical steps to improve reliability, trust, and efficiency in tax residency verification procedures.

## EXPECTED OUTCOMES

The expected outcomes of this Digital Workshop are:

- A clearer understanding of how different tax administrations operate and where processes could be aligned.
- Better insight into how the emerging international standards (OECD and EU) may shape the future of tax residency documentation.
- Practical ideas and solutions for improving residency determination procedures, including forms, data sources, and verification methods.
- Strengthened knowledge-sharing and cooperation to support the correct use of double taxation treaties in a digital environment.

## METHODOLOGIES

The event will be delivered through a combination of **presentations, Q & A, interactive polls and group discussions**. The **presentations** will explore different approaches used by tax administrations in determining tax residency, issuing and verifying tax residence certificates, and applying Double Taxation Avoidance Conventions (DTACs), highlighting practical experiences and lessons learned. The attendees will have the opportunity to raise questions and explore the topic further during the **Q&A sessions**.

The **group discussion sessions** will offer an opportunity for the participants to share their approaches on:

**Day 1 – Country Experiences in Applying specific provisions of Double Taxation Avoidance Conventions concerning tax residence verification; and**

**Day 2 – Advancing Electronic Tax Residence Certificates: Technology and Best Practices.**

There is **no limit** to the number of participants who can attend the Digital Workshop, and the intention is for all participants to be able to take part in the Group Discussion Session if they wish. If any participants are willing to assume the role of Moderator/Chairperson or Note-Taker in one of the group discussion sessions, they can indicate this in the registration form. A full briefing will be provided to moderators and note-takers prior to the start of the IOTA event.

All sessions of the Digital Workshop will be conducted via the Microsoft Teams platform. **Instructions** are provided on how to join and participate in the event using the Microsoft Teams platform. There will also be an opportunity for delegates to test their connection 30 minutes prior to the start of the event's sessions.

The Digital Workshop will be recorded and will be available after the event on the IOTA website (only for registered users) to watch on demand.

## TARGET AUDIENCE

The target audience is IOTA member Tax Administration officials who are involved in the process of **determining tax residency, issuing and verifying tax residence certificates, and applying relevant provisions of Double Taxation Avoidance Conventions (DTACs)**.

## REQUIRED INPUT

Please note that it is not possible to provide any interpretation facilities at this event, and IOTA expects that all participants will have **sufficient language skills** for active participation in English.