



MALTA
INSTITUTE
OF TAXATION

MIT COURSE ON TAXATION
2025-2026 MODULE C ASSIGNMENT PAPER

INSTRUCTIONS:

1. The student is required to submit the answer in one document in PDF format
2. Please include the provided index no on the front cover of your document
3. Word count: **2,000 to 3,000 words**
4. Referencing for the assignment is **necessary**. Students are to use **APA** style of referencing
5. Do not **include your name and surname in the PDF document**
6. The assignment must reach us on educ@maintax.org by not later than **Friday, 27 February 2026 by 10AM.**

Please include the provided index number ONLY on your front page.

Question

Anchor Ltd, a company incorporated and tax resident in Country A, is consultancy company with clients all over the world.

Anchor Ltd is the ultimate parent company of three companies:

- Anchor B Ltd, a company incorporated and tax resident Country B. Through its employees located in Country B, Anchor B Ltd provides consultancy services to clients located in Country B. It is also the parent company of Anchor C Ltd, however upon receipt of dividends from Anchor C Ltd it immediately distributes dividends to Anchor Ltd, due to the cash necessities of the group.
 - Anchor C Ltd, a company incorporated and tax resident in Country C, provides consultancy services to clients primarily located in Country C. It has also started providing consultancy services to clients located in Country Y. Other than Jade Rock, Anchor C Ltd's employees are resident in Country C. Ms Rock, a Senior Manager, is working from Country Y to take care of her elderly mother, she spends 80% of her time working from her mother's home mainly servicing clients located in Country C. However, she managed to secure a handful of clients in Country Y. She visits these clients once a quarter. Anchor C Ltd does not have any offices in Country Y.
 - Anchor D Limited, a company incorporated in Country D, with its place of effective management located in Country E. Anchor D Limited mainly provides consultancy services to clients in Country D, but has few clients in Country E. The board of directors of Anchor D Limited is composed of three individuals: two individuals being residents of Country D and one individual resident in Country E. The company holds three board meetings a year which are all held in Country E.
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- *Country A has double tax treaties in place with Country C and Country E, which treaties are based on the 2017 OECD Model Tax Convention.*
 - *Country A **does not** have double tax treaties with Country B and Country D.*
 - *Country C has a double tax treaty with Country Y which is largely based on the 2017 Model Tax Convention.*
 - *Country B does not impose any withholding tax on dividends. It has a double tax treaty with Country C which is largely based on the 2017 Model Tax Convention, with the exception that Article 10 provides for exclusive taxing rights to the jurisdiction of the recipient of the dividend.*
 - *Country D has a double tax treaty in place with Country E which is based on the 2017 OECD Model Tax Convention.*

Required:

Comment on the tax treaty implications and risks associated with the operations of the Anchor Group. Your comments should include an explanation of the operation of the relevant treaties, an explanation of the concepts to be considered (such as residence, beneficial ownership, permanent establishment, etc.) and the rationale behind any risks which you may have identified. Please elaborate on what Anchor Group could do to mitigate its risks.
