

Bombay Chartered Accountants' Society  
1<sup>st</sup> August, 2022

Ukraine War to Digital Taxation:  
An unseen connection

And ye shall know the truth and the truth shall set  
you free. Jesus Christ.

Mahatma Gandhiji: Truth is God.

CA Rashmin Sanghvi

# Four Part Presentation

- I USSR - Afghan War & Reagan Plan
- II Digital Taxation
- III Ukraine -Russia War & US Plan
- IV Philosophy

# In depth Analysis

1. When you **interpret** OECD Model **Treaty**, do you consider who drafted it and under whose influence?
2. When you **interpret** global **events**, do you consider the root causes?
3. Let us see how a combination of:  
Economic War (weaponization of \$, SWIFT, Trade Sanctions; Gas; etc.) + Weapons War + Psychological War +  
**Media** Manipulation are playing out.

# Some Hypotheses

1. Can the unseen connection between  
“Digital Taxation” & “Ukraine War” be US Unilateralism?

2 Does USA have a Desire to Rule the world?

PRABHUTVA प्रभुत्व

Let us examine.

# I - Camel



Participants with weak heart may go out/silence audio for two minutes and then join – when I complete Slide No. 4

# Illustration of US operations

USSR - Afghan War and Reagan Plan

Use others to achieve your targets  
Without losing your soldiers.

A combination of Economic War +  
Supply of weapons to enemy of enemy works.

# Reagan Plan

US President Reagan: Russia cannot be defeated politically or militarily.

Hence, in 1983, he approved plan for

**Economic War on USSR.**

The plan was prepared by US Establishment much before Reagan became President.

# Afghan-Soviet War - Time Line

Events	Year
USSR Invades Afghanistan (Geopolitics)	1979
USA arms Afghan tribals to fight USSR. All weapons etc. flowed through <b>Pakistan</b> . Pakistan got destroyed with huge internal terrorism	1979-1989
Star Wars - Arms Race Forced USSR into Insolvency	1983



# Afghan-Soviet War – Time Line

Events	Year
USSR was defeated in Afghanistan & withdrew its army	1989
USSR crisis begins, withdraws army from East Europe	1991
East European countries start declaring independence	
USSR breaks into 15 countries – as wanted by USA. USA won ECONOMIC WAR	1992

# Reagan Plan -Star Wars



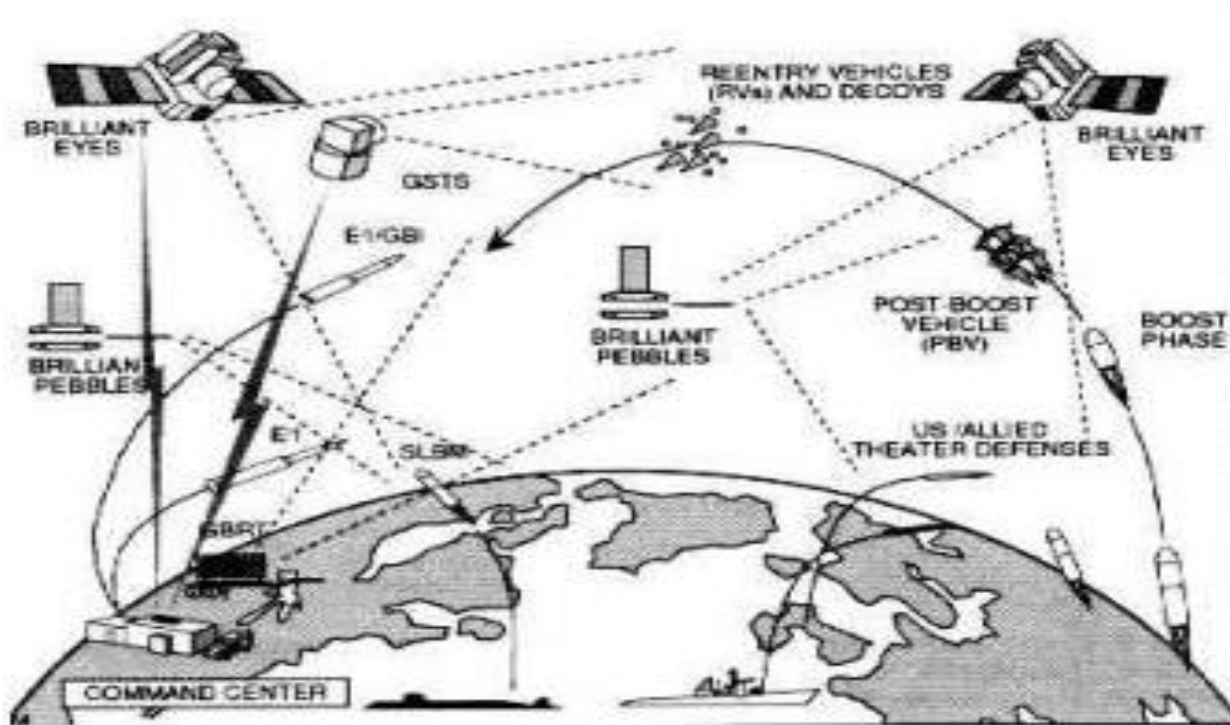
Ronald Reagan  
U.S. President 1981-89

USA could borrow from the world because of **Dollarisation**.

USSR could not borrow.

She spent heavily in Afghanistan & Star Wars  
& went insolvent.

# Star Wars



GPS & Computer  
Guided Missiles with  
Nuclear Warheads  
Anti-missile-missile

# Countries that separated from USSR



Russian weakness lies in its geography. It is a land locked country.

# List of countries that separated from Soviet Union

Armenia

Kazakhstan

Tajikistan

Azerbaijan

Kyrgyzstan

Turkmenistan

Belarus

Latvia

Ukraine

Estonia

Lithuania

Uzbekistan

Georgia

Moldova

Russia

USA used Pakistan & Afghanistan as Camels.

Both countries suffered huge damages.

Target – USSR got defeated in Economic War

# Rouble to USD exchange rates

Year	Rouble per USD 1
January 1990	4
1992	100
1997	31,500
1998	31.5
February 2022	101
July 2022	57

This **currency depreciation** meant that USSR went insolvent.

World was left with only one  
Super Power:

USA

American Dream was fulfilled

# US decline started before 1971

## US \$ per Ounce of Gold

Year	Rate
1971	35
2022	1700

What is the percentage of **depreciation of USD?**

It has fallen to about 2% of its value in 1971.

Or  $1/50$



# American Economic Crisis 2007-08

Since the crisis USA cannot afford its Military & Naval bases around the world. She started vacating some Naval bases.

China occupied some of those areas of influence.

This angered USA.

American crisis is a proof of America's declining power.

Few people talk about this writing on the wall.

This is Media & Exchange Rate Management.

# US \$ is considered “safe haven” investment

U.S. has broken many agreements - WTO,  
Weapons control; Climate Control, etc.

Promise on \$ has been broken many times.

In 1971 Nixon broke Dollar link with Gold.

Irani, Russian and others have found their investments in  
USA or in \$ evaporate.

Is holder of \$ trusting a Government  
that has repeatedly broken her promise?

## II - International Taxation & OECD

### Digital Tax

# Comparison of Tax Base under different proposals

Illustration of a Foreign Digital Corporation selling services in India without a PE

Indian Revenue	5000
Profit on Indian revenue @ 15%	750
Surplus over 10% (5% of 5000)	250
UN 12B: 30% of net profit allotted to COM:	225

This is on “Assumed” 30% basis.

Normally No PE, No Tax.

Now consider new provisions.

# Comparison of Tax Base under different proposals

<b>Provision</b>	<b>OECD 2021</b>	<b>UN Article 12B</b>	<b>SEP S. 9 of ITA</b>	<b>Equalisation Levy 2%</b>
Tax Base for India as COM	25% of 250 = 62.5	30% of 750 = 225	30% of 750 = 225	5,000
Tax working	43% of 62.5 =	43% of 225 =	43% of 225 =	2% of 5,000 =
<b>Tax in COM</b>	<b>27</b>	<b>97</b>	<b>97</b>	<b>100</b>

Note: If we assume 35% profit (instead of 15%); then the tax figures will be: OECD 134; UN 226 (or 150); SEP 226; and Equalisation Levy 100

# Pillars 1 & 2 – Complicated & Biased

It is said: BEPS reports on Digital Taxation have been mainly drafted by US Digital Corporations.

They are extremely complicated for –

- The taxpayer to comply with; and
- The tax officer to administer.

**Question:** When will a Tax Payer propose a highly complicated tax law?

# OECD behaving Unilaterally

BEPS Group for Digital Taxation could not come to any conclusion from 2013 to 2019.

Probably because USA would not agree to any sharing of Tax revenue

Finally in 2019 OECD Secretariat published report  
Bypassing BEPS Group.

# Who Finances the UN Tax committee?

THE  
**WIRE**

English हिंदी मराठी اردو

ECONOMY WORLD 29/AUG/2018

**Media was asking:  
Why is India the Only Country Funding the  
United Nations Tax Committee?**

We can't get details of UN Tax committee budget.  
Above news are an indication.



# Who Finances OECD?

OECD Budget for 2019 was EUR 386 million.

Member countries	% Contribution
France	5.2
UK	5.4
Germany	7.2
Japan	9.4
<b>USA</b>	<b>20.5</b>

There is a lot more history to why OECD acts like a US subsidiary.

Is there any surprise that OECD will follow US instructions?

**Think twice when you interpret the OECD model Treaty.**

# Pillars 1 & 2 – Biased

OECD rules are against Countries of Market =  
almost whole world except USA & China.

Rules are in favour of Country of Residence (COR) – USA & China.

Until beginning of the year 2021 there was a huge resistance from Britain, France, EU, Australia and India. Suddenly in October 2019, OECD declared that 100 countries have agreed to Pillars 1 & 2.

**Why did the world succumb to this show of power?**

# President Trump

Mr. Pascal Saint-Amans, Director, OECD was to inaugurate FIT Conference from 5<sup>th</sup> to 7<sup>th</sup> December 2019 at Mumbai. On 4<sup>th</sup> December he left his home at Paris to go to the airport.

On 4<sup>th</sup> December Mr. Trump made a statement rejecting OECD BEPS report. Pascal cancelled his visit to Mumbai and went into emergency OECD meetings. Then OECD proposal went into Limbo.

Trump wanted “Whole Cake”. No sharing.



# President Biden



OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT

## **USTR Announces, and Immediately Suspends, Tariffs in Section 301 Digital Services Taxes Investigations**

June 02, 2021

- USTR imposed additional tariffs on Austria, India, Italy, Spain, Turkey and UK. The tariffs were imposed and then suspended for 180 days. Pressure Tactics. **Answer to slide No. 25 above.**

### III - Ukraine War

(i) Is Ukraine the current camel being used  
by USA to further damage Russia?

And

(ii) Is fear of Russia used to keep Europe  
under NATO/US influence?

# Monroe Doctrine

Issued on 2<sup>nd</sup> December 1823

No colonization or other interference in North and South America by anyone other than USA.

# US Military bases all over the Globe

The U.S. has about 750 bases in at least 80 countries around the world.

It has approximately 1,73,000 troops deployed in 159 countries.

Clear show of Unilateralism

Double Standards

# FEAR IS THE KEY

US is happy if China needles India.

US is happy if Russia attacks/threatens  
Europe.

FEAR IS THE KEY to keep the sheep in your control.



Initially President Biden cold shouldered P.M. Modi.  
After Ukraine war suddenly became warm to him.

Printed from

THE TIMES OF INDIA

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**America will continue to support India with equipment it needs along LAC with China: Top US admiral**

PTI | Mar 12, 2022, 02.51 PM IST

People whose relationships are based on Greed find that the

**Centre of Greed keeps changing.**

# US Provocation



**Vladimir Putin accuses US of 'standing with missiles on our doorstep'**

🕒 Thursday 23 December 2021 at 2:06pm

Updated May 3, 2022 at 11:14 am ET ★

## Pope Says NATO Might Have Provoked Russian Invasion of Ukraine



ROME—Pope Francis said that the “barking of NATO at the door of Russia” might have led to the invasion of Ukraine and that he didn't know whether other countries should supply Ukraine with more arms.

Present Pope is from Argentina.

# Biological Warfare

Russia targeted 30 bio-labs in Ukraine  
in its invasion on 24<sup>th</sup> February 2022.

Who set up the Biolabs?

USA used Ukraine to irritate Russia.

Russia attacked Ukraine.

European countries came closer to USA.

Scandinavian countries which had not joined NATO,

applied to join NATO.

# Damages in Ukraine: Camel is hurt badly



Tue 3 May 2022 18.53 BST

Russia's war in Ukraine 'causing £3.6bn of building damage a week'.

Approximately **Nine million** Ukrainians- refugees.

Ukraine, like the historical Camel is seriously damaged, mutilated.

Horror stories abound. People blame Russia.

USA's interests are served.

US is not at all perturbed by people dying in Ukraine

# Un-Expected Developments

Russia Cut **Gas** supplies to Europe & insisted on payments in Rouble or **gold**.

For the 1<sup>st</sup> time

A **victim** of US Economic War has **reacted**.

People in several countries

Are protesting & dethroning their sitting Politicians.

**US** is suffering **recession & inflation** both simultaneously -

Worst nightmare for any economy.

Biden has worst voter rating.

# Are past instruments failing?

In this crisis US & EU cannot ride out the crisis by-

Increasing **money supply** &

Increasing **interest rates**.

People need Gas & food - no illusions.

So far, it seems, Western world

Does not know its way out of the crisis.

ना जाना जानकी नाथ ने - कल क्या होनेवाला है

No one knows what will happen tomorrow.

# Europe

US attacked **Iraq** and imposed sanctions on **Iran**  
because both were selling oil in Euro.  
Their oil sale would weaken Dollar and strengthen Euro.  
Yet Europe joined US in weapons/Economic wars  
against Iraq & Iran.

US used **Ukraine** as camel to fight Russia who reduced  
energy supply to Europe. Europe is facing severe recession.  
Europe is rushing to US for protection & helping USA  
In Sanctions on Russia - exactly as US wanted.



# Who rules USA?

Neither the Democrats, nor the Republicans.

USA is ruled by

National Rifle Association & Pentagon

They want manufacture & sale of weapons to continue.

**People dying in or outside USA do not matter.**

Democrats & Republicans have already agreed that

2023 US budget will have big jump for Pentagon.

**Americans have lost democracy**

# Desire to Rule & Exploit

Unilateralism = Ego + Greed + Desire to Rule & Exploit others.

These are forces of Maya and hence Universal.

Powerful nations/ companies & individuals  
will try some strategies to rule & exploit others.

Earlier, **Europe** ruled the world & exploited the world.

**Russia & China** have also acted in similar manner.

**It is for us to remain independent.**

# Non-Aligned Movement

PM Pandit Jawaharlal Nehru understood human psychology & philosophy.

India, Egypt & Yugoslavia started the Non-Aligned Movement.

Now PM Shri Narendra Modi is Adopting a similar policy of Independence & EAM Shri Jaishankar is eloquently Silencing the critics of India.

## IV - Forces of MAYA

काम क्रोध लोभ मोह मान मत्सर प्रभुत्व

Desires, Anger, Greed, Temptations – Confusions,  
Ego, Jealousy & desire to rule.

A thought that “I am superior &  
Can do what I want” is also confused thinking = मोह

However smart a person may be  
Law of Karm is above All.

# Forces of Maya in action

1. American bases in 80 countries

Why does America want to control the whole world?

**Greed for Power** (प्रभुत्वम्)

2. Dollarisation, Terms of Trade.

Why does America exploit rest of the world?

**Greed for Wealth**

# Forces of Maya in action

3. Since 1945 USA has militarily attacked 18 countries around the world.  
America has imposed sanctions and fought Economic or Trade war with many countries.  
1992: USSR  
1997: Southeast Asia.  
And many more

**Why? Ego & Greed**

# Forces of Maya in action

4. America has a huge spy network spanning the whole world including friendly nations like Canada & Germany.

Why? A Greedy person lives in **fear**.

5. America cannot bear any country becoming powerful.

USA must be First Super Power.

Others must start after number Twenty-One.

**Why? Ego, Jealousy & Fear**

# HITOPADESH

यौवनं धन संपत्तिः प्रभुत्वम् च अविवेकता ।

एकैकमप्यनर्थाय किमु यत्र चतुष्टयम् ॥

Youth, wealth, power (प्रभुत्वम्) and indiscretion ,  
any one of these is capable of causing destruction.

If all these four are present in a person,  
then what will be the situation there ?

Abuse of Power harms the victims.

However, it harms the Abuser even more than the Victim.

## Principle of Karm



# We are All One

Common men of all countries are same.

Americans, Indians, Russians, Chinese,  
Afghan, Iraqis – all are same.

Rulers – MNC Lobbies, Politicians & Dharam Gurus  
cause divisions for their own purposes.

## Geeta 6<sup>th</sup> Chapter 30<sup>th</sup> Shlok

यो मां पश्यति सर्वत्र सर्वं च मयि पश्यति ।  
तस्याहं न प्रणश्यामि स च मे न प्रणश्यति ॥

For those who see Me everywhere and see all things in Me,  
I am never lost, nor are they ever lost to Me.

One who understands Advait philosophy  
will never hate anyone & will love everyone

# Universal Love

सर्व मंगल प्रार्थना

प्रणाम



रश्मिन संघवी