

Exam Name - Certified Cross-Border Tax Practitioner (CCTP)[™]

Sample Exam

1. In international VAT, how are exports typically treated?

- A. Subject to destination country's VAT
- B. Zero-rated in the exporting country
- C. Tax-exempt in both countries
- D. Taxed at a flat rate

Answer **B**

2. A tax treaty's "tie-breaker rule" is used to:

- A. Determine residency when an individual is dual-resident
- B. Resolve disputes over transfer pricing
- C. Define VAT treatment for services
- D. Allocate withholding tax burden

Answer **A**

3. What is the primary purpose of a tax treaty between two countries?

- A. Equalize tax rates globally
- B. Prevent double taxation and enable relief mechanisms
- C. Increase withholding tax on cross-border payments
- D. Centralize multinational corporations

Answer **B**

4. Under BEPS (Base Erosion and Profit Shifting) initiatives, what is a key focus?

- A. Reducing global VAT rates
- B. Limiting data transfers
- C. Preventing profit shifting to low-tax jurisdictions
- D. Increasing tax treaty registrations

Answer **C**

5. Which method is commonly used to resolve tax disputes under treaties?

- A. Domestic litigation only
- B. Mutual Agreement Procedure (MAP)
- C. Monthly reconciliation
- D. Transfer pricing benchmarking

Answer **B**

6. A “permanent establishment (PE)” arises when:

- A. A transaction exceeds USD 10 million
- B. A fixed place of business is maintained in another jurisdiction
- C. Goods are imported temporarily
- D. A company has cross-border VAT obligations

Answer **B**