



**International Tax Bytes**  
*by Steve Towers*

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Recent Topics from ITB by Steve Towers  
(Last 4 videos: 19, 26 Jan; 2, 16 Feb)

# Recent topics (Last 4 videos)

## Global topics

- **Pillar One**
  - **Amount B:** Waiting for final report on Amount B of Pillar One: **26 Jan**
  - **DSTs:** US and 5 European countries (Austria, France, Italy, Spain, and the UK) extend their "political compromise" on DSTs to 30 June 2024, in hope that Amount A MLC will be signed by then: **16 Feb**
- **GloBE rules**
  - **GloBE model rules (detailed review):**
    - Dec 2023 Administrative Guidance on GloBE rules
      - Transitional CbCR Safe Harbour (part 1) (Hybrid arbitrage arrangements): (1) Introduction, (2) Operative provisions, (3) Deduction / non-inclusion arrangement, (4) Duplicate loss arrangement, (5) Duplicate tax recognition arrangement, (6) Other matters: **19 Jan**
      - Transitional CbCR Safe Harbour (part 2): (1) Purchase price accounting (PPA) adjustments; (2) Tested Jurisdictions; (3) Consistent use of data (4 issues): **16 Feb**
  - EU: Sends formal notices to 9 EU Member States (Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Poland, Portugal, and Spain): **26 Jan**
  - Estonia, Latvia, and Poland take steps to implement GloBE rules: **2 Feb**
  - Hungary: Decree (imposing extra-profit tax on pharmaceutical manufacturers) plans around "Covered Tax" definition: **2 Feb**
  - Australia: Government provides revenue expectations from GloBE rules: **2 Feb**
- **Other global developments**
  - OECD: Public comments on proposed changes to OECD Commentary on Art. 5, concerning extractible natural resources: **26 Jan**
  - OECD: International Compliance Assurance Programme (ICAP) report: **2 Feb**
  - OECD: BEPS Action 5 (harmful tax practices) & substantial activities: **16 Feb**

## International tax cases

- **Fox (does Indian royalty withholding tax apply to broadcasting of "live feed"?; Indian domestic tax law and India / Singapore treaty) (India): 26 Jan**
- **Hyatt International ("royalties" and PE definitions in India / UAE treaty) (India): 26 Jan**
- **Moller Maersk and Safmarine ("profits from the operation of ships in international traffic", in Art. 8 of double tax treaties) (Pakistan): 2 Feb**
- **Top international tax cases of 2023: 2 Feb**
- **Patrick Cox Asia (source of royalties from trademark licences; impact of use of agent) (Hong Kong): 16 Feb**
- **Employee VAT fraud case (is the employer or employee liable for VAT on fake VAT invoices issued by fraudulent employee?) (ECJ): 16 Feb**
- **Menarini Diagnostics (can tax authorities use the median in the arm's length range as the default for a transfer pricing adjustment?) (France): 16 Feb**
- **Sumitomo Chemicals (can tax authorities use the median in the arm's length range as the default for a transfer pricing adjustment?) (France): 16 Feb**

## Asia Pacific

- **Australia**
  - PRRT draft legislation: **19 Jan**
  - Software distribution models and "royalties" definitions: **19 & 26 Jan**
  - Transfer pricing aspects of "intangibles migration arrangements": **19 Jan**
  - "Override" of non-discrimination articles in double tax treaties: **19 Jan, 16 Feb**
  - Hybrid mismatch rules: **2 Feb**
  - Depreciation of composite assets: **2 Feb**
  - Public CbC Reporting: **16 Feb**
  - See "GloBE rules" (above)
- **Hong Kong**
  - See "International tax cases" (above)
- **India**
  - Intragroup loan interest rate "safe harbour" rules: **26 Jan**
  - 2024 Interim Budget: **2 Feb**
  - See "International tax cases" (above)
- **Indonesia**
  - New TP regulation: **2 Feb**
- **Korea**
  - Tax measures to boost listed share prices: **19 Jan**
- **Philippines**
  - Outbound service fee payments: **19 Jan**
  - Withholding tax on online sellers: **26 Jan**

## Europe

- **Austria**
  - See "Pillar One (DSTs)" (above)
- **Belarus**
  - Increased corporate income tax rate: **19 Jan**
- **EU**
  - Filing deadline for first CBAM report delayed: **2 Feb**
  - See "GloBE rules" (above)
  - See "International tax cases" (above)
- **France**
  - See "Pillar One (DSTs)" (above)
  - See "International tax cases" (above)
- **Gibraltar**
  - Interest income: **2 Feb**
- **Hungary**
  - See "GloBE rules" (above)
- **Italy**
  - See "Pillar One (DSTs)" (above)
- **Malta**
  - 100% expensing of capital expenditure on IP and IP Rights: **26 Jan**
- **Netherlands**
  - Forward exchange contract related to conditional purchase of shares: **16 Feb**
- **Spain**
  - See "Pillar One (DSTs)" (above)
- **Switzerland**
  - TP guidance: **2 Feb**
- **UK**
  - TP, PEs, and DPT: **19 Jan**
  - TP guidance: **2 Feb**
  - Draft guidance on R&D tax reliefs: **16 Feb**
  - See "Pillar One (DSTs)" (above)

# Middle East & Central Asia

- **Pakistan**
  - See "International tax cases" (above)
- **Saudi Arabia**
  - Outbound payments for software and database access: **16 Feb**

## Americas

- **Canada**
  - R&D tax incentives and patent box regime: **16 Feb**
- **Peru**
  - Indirect transfer of shares; treatment under Chile / Peru treaty: **26 Jan**
- **US**
  - Notice 2024-12: **19 Jan**
  - Notice 2024-16: **19 Jan**
  - Bipartisan, bicameral agreement for new tax bill: **19 Jan**
  - Smith-Wyden bipartisan, bicameral bill passed by House: **2 Feb**
  - See "Pillar One (DSTs)" (above)

## Treaty news

- **Treaties signed**
  - Croatia / Hong Kong<sup>1</sup>
  - Qatar / Tajikistan
  - Luxembourg / Montenegro
  - Jordan / Switzerland
  - Bahrain / UAE
  - Kuwait / UAE
- **Treaties enter into force**
  - Croatia / Egypt
  - Croatia / Cyprus
  - Albania / Slovakia (on 1 April 2024)
  - Liechtenstein / Romania (on 29 February 2024)
- **Protocol signed**
  - Egypt / UAE
- **Protocol enters into force**
  - Austria / Germany
- **MAP agreements signed**
  - Netherlands / Singapore
  - Germany / Luxembourg

<sup>1</sup> Due to Hong Kong's status, not strictly a treaty.



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