ITB International Tax Bytes
by Steve Towers

Recent Topics from ITB by Steve Towers
(Last 4 videos: 25 Aug, 8, 15 & 22 Sep)

Recent topics (Last 4 videos)

Global topics

- **Pillars One & Two**
  - US Republican HWMC members meet with OECD: **8 Sep**
  - G20 leaders meeting: OECD's tax report: **15 Sep**
  - G20 leaders meeting: leaders declaration: **15 Sep**
- **Pillar One**
  - OECD releases public comments on Amount B: **22 Sep**
- **GloBE rules**
  - **GloBE model rules (detailed review):**
    - July 2023 Administrative Guidance on GloBE rules
      - Substance-based Income Exclusion (part 2): (1) Simplification; (2) Stock-based compensation; (3) Leases; (4) Impairment losses; (5) Deductible dividend regimes: **25 Aug**
      - QDMTTs (part 1): (1) Joint Ventures, JV Subsidiaries and MOCEs; (2) Blending of income and taxes; (3) Allocation of QDMTT tax liability among Constituent Entities: **15 Sep**
      - QDMTTs (part 2): (1) Stateless Constituent Entities; (2) Flow-through UPEs; (3) Flow-through Entities required to apply IIR; (4) UPE that is a Flow-through Entity and UPE subject to Deductible Dividend Regime; (5) Flow-through Entities: summary: **22 Sep**
  - Germany: Draft legislation to implement GloBE rules is approved: **25 Aug**
  - Indonesia: Implementation of GloBE rules should be "reviewed": **25 Aug**
  - British Virgin Islands: BVI's core financial sectors unlikely to be significantly impacted by GloBE rules: **25 Aug**
  - Sweden: Draft legislation to implement GloBE rules is released: **8 Sep**
  - Italy: Draft decree to implement GloBE rules: **15 Sep**
  - Netherlands: Progress report on implementation of GloBE rules: **15 Sep**
  - Lithuania: Government's announcement not to apply IIR and UTPR for 6 years, and to implement QDMTT: **15 Sep**
  - UAE: GloBE rules will not be implemented in 2024; public consultation on GloBE rules in Q1, 2024: **22 Sep**
  - Argentina: possible introduction of 15% minimum corporate tax on multinational groups: **22 Sep**
- **Subject to Tax Rule (STTR)**
  - Ireland: STTR & Knowledge Development Box: **8 Sep**
- **Other global developments**
  - Russia's suspension of specific articles in treaties with 38 "unfriendly States": Japan and UK react; Russia relies on the Vienna Convention on the Law of Treaties: **25 Aug**
  - European Commission releases proposed Directives on BEFIT and transfer pricing: **15 Sep**

International tax cases

- **TP median case (should transfer pricing adjustment be made to median of arm's length range?) (Spain): 25 Aug**
- **Royalty withholding tax case (does Korean withholding tax apply to royalties paid to US resident company for use of US-registered patent?) (Korea): 8 Sep**
- **Maersk case (Transfer pricing: discretionary assessment and determining price on aggregated basis) (Denmark): 8 Sep**
- **Delmas case (Treaty exemption: profits of shipping in international traffic) (Nigeria): 8 Sep**
- **Moore's case (constitutional challenge to deemed repatriation under Tax Cuts and Jobs Act of 2017) (US): 8 Sep**
- **TBL Licensing case (Outbound transfer of IP by US company, under so-called "drop and check" reorganisation) (US): 15 Sep**
- **Belgium State aid case (Belgium's "excess profits" scheme breaches EU State aid rules) (EGC): 22 Sep**
- **Aircraft maintenance engineer case (fixed place of business "permanent establishment" under Germany / UK treaty; provision of services at service recipient's premises) (Germany): 22 Sep**

Asia Pacific

- **Australia**
  - Petroleum Resource Rent Tax - deductions cap: **25 Aug**
  - "Crackdown" on tax adviser misconduct: **22 Sep**
- **China**
  - Tax exemptions for listed shares owned by Chinese shareholder: **8 Sep**
  - Companies engaged in pollution prevention and control: **8 Sep**
  - Draft VAT Law: **15 Sep**
  - "Super input VAT credit": **22 Sep**
- **Hong Kong**
  - Advance ruling on "economic substance" requirement in FSIE regime: **22 Sep**
- **India**
  - Advance rulings: **25 Aug**
  - 40% export tax on onions: **25 Aug**
  - TP safe harbours: **8 Sep**
- **Indonesia**
  - See "GloBE rules" (above)
- **Japan**
  - Innovation box: **8 Sep**
  - See "Other global developments" (above)
- **Korea**
  - See "International tax cases" (above)
- **Malaysia**
  - Income tax exemption for relocated manufacturing operations: **8 Sep**
  - Capital gains tax on disposal of unlisted shares: **15 Sep**
- **New Zealand**
  - Digital services tax: **8 Sep**
- **Singapore**
  - Foreign sourced dividends: **15 Sep**

Europe

- **Denmark**
  - See "International tax cases" (above)
- **EU**
  - Proposed HOT Directive: **15 Sep**
  - See "Other global developments" (above)
  - See "International tax cases" (above)
- **France**
  - Toll road operations: **15 Sep**
- **Germany**
  - Major corporate tax reform: **8 Sep**
  - See "GloBE rules" (above)
  - See "International tax cases" (above)
- **Ireland**
  - Participation exemption for foreign-source dividends: **22 Sep**
  - See "Subject to Tax Rule" (above)
- **Italy**
  - See "GloBE rules" above
- **Lithuania**
  - See "GloBE rules" above
- **Netherlands**
  - 2024 Tax Plan: **22 Sep**
  - See "GloBE rules" (above)
- **Russia**
  - See "Other global developments" (above)
- **Spain**
  - See "International tax cases" (above)
- **Sweden**
  - Plastic bag tax to be abolished: **22 Sep**
  - See "GloBE rules" (above)
- **Ukraine**
  - GAAR: **25 Aug**
- **UK**
  - See "Other global developments" (above)

Africa

- **Kenya**
  - Draft transfer pricing rules: **8 Sep**
- **Nigeria**
  - See "International tax cases" (above)
- **South Africa**
  - VAT Modernisation: **15 Sep**

Middle East & Central Asia

- **Lebanon**
  - Increased VAT rate: **15 Sep**
- **Israel**
  - MAP guidance: **25 Aug**
- **Saudi Arabia**
  - Withholding tax rate reduction: **22 Sep**
- **UAE**
  - General guidance on corporate tax: **15 Sep**
  - See "GloBE rules" above

Americas

- **Argentina**
  - Tax benefits for "massive consumption companies": **8 Sep**
  - See "GloBE rules" above
- **Brazil**
  - Elimination of deduction for interest on net equity: **8 Sep**
  - Investment funds: **15 Sep**
- **British Virgin Islands**
  - See "GloBE rules" (above)
- **US**
  - Sections 179 & 168(k): **25 Aug**
  - Digital asset reporting requirements: **8 Sep**
  - FASB expands income tax disclosures: **8 Sep**
  - Notice 2023-63 on SRE expenditure under section 174: **15 Sep**
  - Notice 2023-64 on CAMT: **15 Sep**
  - Taiwan double tax relief: **22 Sep**
  - See "Pillars One & Two" (above)
  - See "International tax cases" (above)
- **Venezuela**
  - 4 new economic zones: **8 Sep**

Treaty news

- **Treaties signed**
  - Bangladesh / Hong Kong[1]
  - Korea / Rwanda
- **Treaties enter into force**
  - Ethiopia / Switzerland
  - Democratic Republic of the Congo / UAE
- **Protocols signed**
  - Austria / Germany
  - Germany / Switzerland
  - Moldova / Netherlands
  - Austria / China
  - Austria / New Zealand
  - Serbia / Switzerland

[1] Due to Hong Kong's status, not strictly a treaty.

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