

Key highlights

[OECD/G20 Inclusive Framework releases documents on Pillar One Amount B and Pillar Two](#)

On 17 June 2024, the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) released a series of documents on the Pillar One Amount B approach for transfer pricing for certain baseline marketing and distribution transactions and the Pillar Two global minimum tax rules. The two Amount B documents list the jurisdictions that are (1) qualified for specified adjustments to the calculations under the Amount B approach, and (2) covered by the political commitment of Inclusive Framework member jurisdictions to respect the outcome of their jurisdictions' application of Amount B. The two Pillar Two documents consist of an additional agreed Administrative Guidance document and a brief Q&A document with information on the peer review process for determining the qualified status of the Global Anti-Base Erosion (GloBE) rules of implementing jurisdictions.

[OECD/G20 Inclusive Framework releases fourth tranche of Administrative Guidance on Pillar Two GloBE Rules](#)

The topics covered in the Administrative Guidance are deferred tax liability recapture, divergence between GloBE and accounting carrying values, allocation of cross-border current and deferred taxes, allocation of profits and taxes involving Flow-through Entities, and securitization vehicles.

[OECD and country officials discuss BEPS 2.0 Pillars One and Two and other tax work](#)

The OECD held its annual tax conference in Washington, DC, on 24-25 June 2024. The bulk of the discussion at the conference focused on developments with respect to Pillars One and Two of the ongoing BEPS 2.0 project. In addition, there were sessions covering the OECD's work on global mobility of workers, tax administration and tax certainty.

[US Supreme Court holds mandatory repatriation tax is constitutional](#)

The US Supreme Court held that Congress may impose a mandatory repatriation tax on accumulated and undistributed income of US-controlled foreign corporations under Internal Revenue Code Section 965. In *Moore v. United States*, No. 22-800 (June 20, 2024), the majority held that Congress may attribute a business entity's realized and undistributed income to the shareholders or partners of that entity. The majority did not address whether realization is a constitutional requirement of an income tax.

[UK releases new operational guidance on effective risk management in transfer pricing transactions](#)

His Majesty's Revenue & Customs published new operational guidance for transfer pricing that sets out its view on the application of the OECD's six-step process for analyzing risk.

News items

[OECD releases updated FAQs for MNEs participating in ICAP risk assessments](#)

The OECD Forum on Tax Administration released updated frequently-asked-questions-and-answers (FAQs) on participating in the International Compliance Assurance Program (ICAP). The updated FAQs clarify, among other things, how multinational enterprises (MNEs) can use surrogate lead tax administrations from different jurisdictions, how ICAP can be applied to a segment of an MNE group and the availability of ICAP to taxpayers below the country-by-country-reporting threshold.

[Argentina enacts Bases Law and Tax Package](#)

On 8 July 2024, the Argentine Government enacted Laws No. 27,742 (Law of Bases and Starting Points for Argentina's Freedom) and No. 27,743 (Fiscal Package Law or Palliative and Relevant Tax Measures) through publication in the *Official Gazette*.

[Australian Full Federal Court reverses finding of embedded royalty in arm's-length contract](#)

On 25 June 2024, the Full Court of the Federal Court of Australia delivered a landmark decision in *PepsiCo, Inc. v Commissioner of Taxation*, overturning the first instance decision in the Federal Court. The Full Court, by majority, found that a royalty did not exist in an agreement between arm's-length parties in circumstances where the agreement did not expressly provide for a royalty. Furthermore, the Full Court, also by majority, found the Diverted Profits Tax provisions did not apply.

[Brazilian Provisional Measure aims to constrain monetization of VAT credits](#)

In a Provisional Measure, Brazil introduced significant constraints for Brazilian taxpayers seeking to monetize value-added tax (VAT) credits. The Provisional Measure only allows taxpayers to use VAT credits to offset their PIS/COFINS (Program of Social Integration/Contribution for the Financing of Social Security) liability.

[Canada's Global Minimum Tax Act substantively enacted as part of Bill C-69](#)

Among other measures, Bill C-69 includes a revised version of Canada's Global Minimum Tax Act (GMTA). Specifically, the proposed GMTA is intended to implement the income inclusion rule (IIR) and the domestic minimum top-up tax (DMTT) rules that form part of the Model Rules for the Global Minimum Tax (GloBE Rules).

[Canada releases legislative details on proposed changes to capital gains tax rules](#)

On 10 June 2024, a notice of ways and means motion was tabled to implement the increase in the capital gains inclusion rate, which was announced in the 2024 federal budget but was not part of

Bill C-69, *Budget Implementation Act*, 2024, No. 1. The proposed rules on the capital gains inclusion rate are generally effective on or after 25 June 2024. Transition rules would apply for tax years starting before 25 June 2024 and ending after 25 June 2024.

Denmark introduces new reporting obligation on royalty payments

From 1 July 2024, all payments of royalties to nonresidents must be reported to the Danish tax authorities irrespective of whether the recipient is exempt from Danish taxation on the royalty.

France releases specifications for e-invoicing reform

On 19 June 2024, the French Tax Administration (FTA) released the latest version (V.2.4) of the "external specifications" for electronic invoicing reform. The FTA and the Agency for Financial Information Technology (AIFE) reaffirmed their commitment to the implementation schedule for the reform, set for 1 September 2026.

Germany publishes e-invoicing draft administrative guideline

The German Federal Ministry of Finance issued a draft administrative guideline that marks a significant move toward mandatory electronic invoicing (e-invoicing) for business-to-business transactions, effective from 1 January 2025. The draft outlines the framework and requirements for the adoption of e-invoicing, including the acceptance of hybrid formats and adherence to international standards.

Italy issues draft Public CbCR decree

On 10 June 2024, the Italian Council of Ministers approved a draft legislative decree introducing Public Country-by-Country Reporting (CbCR) legislation in Italy, in line with the European Union (EU) Directive. The decree is now awaiting Parliament's opinion.

Kenya's President declines to assent to the Finance Bill 2024

On 26 June 2024, the President of Kenya declined to assent to the Finance Bill 2024. In referring the bill for reconsideration by the National Assembly, the President took note of the widespread expression of dissatisfaction by members of the public on the contents of the bill.

Luxembourg proposes changes to Pillar Two Law

On 12 June 2024, the Luxembourg government transmitted to Parliament a Draft Law that amends the Pillar Two Law. Among other things, the Draft Law, in line with the OECD Guidance, extends the scope of Excluded Entities, adapts certain provisions relating to the Qualifying Domestic Minimum Top-up Tax (QDMTT) and clarifies the application of the Transitional CbCR safe harbor.

Pakistan proposes corporate tax amendments in Finance Bill, 2024

Pakistan's Finance Bill, 2024, presented at the National Assembly on 12 June 2024, proposes a host of changes relevant to corporations and MNEs. Proposals in the bill affect entities involved

in trade, banking, mergers and acquisitions, retail sales, purchasing and disposing of securities, manufacturing and more. The proposed amendments could be modified before they are enacted and then become effective from 1 July 2024.

Singapore releases draft legislation on BEPS 2.0 Pillar Two for public consultation

On 10 June 2024, the Singapore Ministry of Finance released draft legislation to enact the Multinational Enterprise (Minimum Tax) Bill and subsidiary legislation called the Multinational Enterprise (Minimum Tax) Regulations 2025. The proposed bill and subsidiary legislation will implement a QDMTT and the IIR under Pillar Two.

Singapore updates key sections of its Transfer Pricing Guidelines

The 7th Edition of Transfer Pricing Guidelines provides updates and additional transfer pricing (TP) guidance in several areas, including TP documentation, financial services TP, TP audits and the 5% TP surcharge.

Turkiye proposes various changes in tax laws, including implementing global minimum tax

The legislative process for implementing a global minimum tax has been initiated in Türkiye. A draft bill is expected to be presented to the General Assembly of the Turkish Parliament in the following weeks. The draft bill will likely include both a global minimum tax and a domestic minimum tax.

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