ITB International Tax Bytes
*by Steve Towers*

Recent Topics from ITB by Steve Towers
(Last 4 videos: 1, 8, 15 & 22 Aug)

# Recent topics (Last 4 videos)

## Global topics

- **GloBE rules**
  - Korea: introduction of QDMTT: **8 Aug**
  - Ireland: updated guidance on country's GloBE rules: **8 Aug**
  - Italy: report which urges changes to GloBE rules released: **8 Aug**
  - Thailand: introduction of qualified refundable tax credits (QRTCs) proposed: **8 Aug**
  - UK: comprehensive guidance on country's GloBE rules: **8 Aug**
  - OECD: list of 14 jurisdictions which have signed the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GIR-MCAA): **8 Aug**
  - OECD: updated central record of legislation with transitional qualified status: **22 Aug**
  - OECD: G7's "side-by-side" agreement with US: **22 Aug**
  - Bahrain: tax authorities publish updated versions of 2 guides: **22 Aug**
- **Tariff wars**
  - EU / US: announcement of major trade agreement: **1 Aug, 22 Aug**
  - Japan / US: some important details unresolved: **1 Aug**
  - Korea / US: trade deal finalised: **1 Aug**
  - Brazil / US: 50% tariff on imports from Brazil: **1 Aug**
  - India / US: 25% tariff on imports from India: **1 Aug**
  - US: reciprocal tariffs: **8 Aug**
  - India / US: additional 25% tariff on imports from India will be imposed: **8 Aug**
  - US: computer chips and semiconductors: **8 Aug**
  - US: pharmaceuticals: **8 Aug**
  - Canada / US: tariff on imports from Canada will be increased to 35%: **8 Aug**
  - US: copper: **8 Aug**
  - China / US: agreement to maintain existing 10% reciprocal tariffs until 10 November 2025: **15 Aug**
  - US: Nvidia and AMD: **15 Aug**
  - Brazil / US: Brazil requests WTO dispute consultations with US: **15 Aug**
- **Other global developments**
  - OECD: data exchange formats and related information: **1 Aug**
  - OECD & IGF: ring-fencing mining income: **1 Aug**
  - US: rejects draft amendments to reduce greenhouse gas emissions: **15 Aug**

# International tax cases

- Hyatt International (India) (Supreme Court's decision on existence of permanent establishment under India / UAE treaty): 1 Aug
- Hyosung Corporation (India) (interaction between Indian domestic tax law and Korea / India double tax treaty): 1 Aug
- Haworth (UK) (meaning of place of effective management (POEM) in Mauritius / UK double tax treaty): 1 Aug
- Uber (Australia) (payroll tax on payments made to drivers): 8 Aug
- Mediolanum (ECJ) (does the imposition of Italy's IRAP on dividends from subsidiaries in other EU Member States breach the EU Parent-Subsidiary Directive?): 8 Aug
- Dutch "feeder entity" cases (Netherlands) (2 cases regarding application of anti-abuse provision of dividend withholding tax exemption which implements EU Parent-Subsidiary Directive): 8 Aug
- PepsiCo (Australia) (Withholding tax on embedded royalties and diverted profits tax – High Court): 15 Aug
- Volkswagen AG (India) (notional interest imputed under transfer pricing rules and interest article (Art. 11) in Germany / India double tax treaty): 15 Aug
- Eaton (US) (IRS seeking access to employee performance evaluation records, as part of transfer pricing audit – Court of Appeals for Sixth Circuit): 15 Aug
- 3 Sigma Global Fund (India) (does the word, "shares", in India / Mauritius treaty cover derivatives?): 22 Aug
- Sky High (India) (MLI in respect of India / Ireland treaty does not operate in India because it has not been separately notified): 22 Aug
- Rwenzori (Uganda) ("30% of EBITDA" interest limitation: gross interest vs. net interest): 22 Aug
- Scania (Brazil) (does CIDE apply to remittances from Brazil under agreements which do not involve technology transfer?): 22 Aug
- Maryland digital advertising tax case (US) (digital advertising tax "pass-through" provision breaches First Amendment of US Constitution, which guarantees free speech): 22 Aug

# Asia Pacific

- **Australia**
  - Inquiry on corporate tax system: **8 Aug**
  - Low-risk payments relating to software arrangements: **8 Aug**
  - Fraudulent GST refunds: **8 Aug**
  - Economic Reform Roundtable: **15 Aug**
  - Final guidance on restructures and thin capitalisation and debt deduction creation rules: **22 Aug**
  - See "International tax cases" (above)
- **Cambodia**
  - Capital gains tax: **8 Aug**
- **China**
  - VAT on interest from bonds: **8 Aug**
  - Draft VAT implementation regulations: **22 Aug**
- **Hong Kong**
  - New FAQs on FSIE regime: **1 Aug**
- **India**
  - Income-tax Act 2025: **15 Aug, 22 Aug**
  - GST rate cuts, as country turns inward: **22 Aug**
  - See "International tax cases" (above)
- **Indonesia**
  - Tax treatment of crypto trading: **1 Aug**
- **Korea**
  - Corporate income tax rate increase: **1 Aug**
  - Tax reform proposals: **8 Aug**
  - See "GloBE rules" (above)
- **Malaysia**
  - Group relief: **8 Aug**
  - Transfer Pricing Tax Audit Framework: **15 Aug**
  - Capital gains tax on unlisted shares: **22 Aug**
- **Philippines**
  - VAT on inbound digital services: **8 Aug**
- **Singapore**
  - Economic substance requirement: **8 Aug**
  - Deemed remittance rule in regard to foreign-source income: **8 Aug**
- **Taiwan**
  - Guidance on CFC status: **15 Aug**
  - Clawback of tax incentive on retained earnings: **22 Aug**
- **Thailand**
  - See "GloBE rules" (above)
- **Vietnam**
  - Incentives for private economic development: **22 Aug**

# Europe

- **EU**
  - VAT rules for travel and tourism sectors: **1 Aug**
  - See "International tax cases" (above)
- **France**
  - Amount B: **1 Aug**
  - Temporary CIT surcharge for large companies: **8 Aug**
- **Germany**
  - Online streaming and on-demand videos: **22 Aug**
- **Ireland**
  - Outbound payment defensive measures: **1 Aug**
  - Tax treatment of partnerships: **8 Aug**
  - See "GloBE rules" (above)
- **Italy**
  - VAT treatment of fixed establishment: **1 Aug**
  - VAT in transportation, freight handling, and logistics sectors: **8 Aug**
  - Corporate income tax rate reduction: **15 Aug**
  - See "GloBE rules" (above)
- **Luxembourg**
  - Carried interest: **1 Aug**
- **Netherlands**
  - Interest deduction limitation in ATAD: **1 Aug**
  - See "International tax cases" (above)
- **Poland**
  - DST proposal: **22 Aug**
  - Increased income tax rate for banks: **22 Aug**
- **Romania**
  - BEAT-like cap: **22 Aug**
- **Slovakia**
  - DST as well?: **22 Aug**
- **UK**
  - Stamp duty to be replaced by property tax?: **22 Aug**
  - See "GloBE rules" (above)
  - See "International tax cases" (above)

## Africa

- **South Africa**
  - Draft legislation: **22 Aug**
- **Uganda**
  - See "International tax cases" (above)

## Middle East & Central Asia

- **Bahrain**
  - See "GloBE rules" (above)
- **Pakistan**
  - 5% "digital presence proceeds tax": **1 Aug**
- **UAE**
  - Depreciation on investment properties held at fair value: **1 Aug**
  - Private clarifications: **8 Aug**
  - Corporate tax payments on EmaraTax: **15 Aug**
  - Financial statement requirement for tax groups: **15 Aug**

## Americas

- **Brazil**
  - 7% digital social contribution: **22 Aug**
  - See "International tax cases" (above)
- **Canada**
  - Draft legislation: **22 Aug**
- **Chile**
  - VAT and invoicing requirements for outsourced services: **15 Aug**
- **Colombia**
  - Tax treatment of dividends paid by Colombian company: **22 Aug**
- **US**
  - Application of CAMT to partnerships and partners: **1 Aug**
  - Corporate tax audits: **1 Aug**
  - Digital assets: **8 Aug**
  - Notice 2025-42: "beginning of construction": **22 Aug**
  - Notice 2025-44: disregarded payment loss (DPL) rules: **22 Aug**
  - Notice 2025-45: "F reorganizations" involving transfer of USRPIs: **22 Aug**
  - See "GloBE rules" (above)
  - See "Other global developments" (above)
  - See "International tax cases" (above)

# Treaty news

- **Treaties enter into force**
    - Russia / UAE
    - Cameroon / China
    - Qatar / Saudi Arabia (on 1 January 2025)
    - Brazil / Poland (on 5 November 2025)
    - Kuwait / Saudi Arabia
- **Protocol signed**
    - Belgium / Switzerland
- **Protocols enter into force**
    - Serbia / Switzerland
    - France / Switzerland

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