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28 November 2025



HIGHLIGHTS

- Impact of home office on Art. 5 definition of permanent establishment
 - OECD issues new Commentary
- UK's Autumn Budget
- EU VAT Committee makes Facebook nervous

HAPPY FRIDAY!

Denmark cancels Christmas cards; **UK's** Budget jumps the gun; and **Putin** assures the world that **Witkoff** is not **pro-Russia!**

Meanwhile, in the tax world ...

OECD gives some homely advice; law professors defend **UTPR**; **Japan** gives outer space tax advice; **Singapore** adopts plan B; **Ivory Coast** joins the SEP club; and **France's** Budget Bill has one supporter!

But at the end of the week, the most important question is this: **"Should the Academy Awards also cover podcasts?"**

Have a great weekend!

Steve

THIS WEEK'S PODCAST

(For ITB video subscribers, please log in to access the video and documents/reports)

1. Tariff wars
2. 2025 update to OECD model treaty
3. GloBE news
4. Other global developments
5. Asia Pacific
 - Australia, Cambodia, India, Japan, New Zealand, Singapore
6. Europe
 - EU, France, Ireland, Portugal, Russia, UK
7. Africa
 - Ivory Coast, Morocco
8. Americas
 - Canada, US
9. Treaty news

ITB series on Pillar One

- Report on Amount B in Pillar One (ITB, 23 February 2024)
- Consultation document on Amount B in Pillar One (ITB, 28 July 2023)
- Draft MLC provisions for commitments on DSTs and other relevant similar measures (ITB, 6 January 2023)
- Consultation document on Amount B in Pillar One (ITB, 16 December 2022)
- Progress Report on Amount A in Pillar One (ITB, 22 July 2022)
- Draft model rules for Amount A in Pillar One:
 - Tax certainty (ITB, 10 June 2022)
 - Regulated Financial Services exclusion from scope (ITB, 13 May 2022)
 - Extractives exclusion from scope (ITB, 22 April 2022)
 - Scope (ITB, 8 April 2022)
 - Tax base determinations (ITB, 25 February 2022)
 - Nexus and revenue sourcing (ITB, 11 February 2022)
- Inclusive Framework's final agreement on Pillars One & Two (ITB, 15 October 2021)

ITB series on Pillar Two

- GloBE Implementation Framework:
 - GloBE Information Return (ITB, 28 July 2023)
 - Tax Certainty for the GloBE rules (ITB, 13 January 2023)
 - GloBE Information Return (ITB, 13 January 2023)
 - Guidance on Safe Harbours and Penalty Relief (ITB, 6 January 2023)
- GloBE model rules:
 - January 2025 Administrative Guidance on GloBE rules: Application of Article 9.1 to deferred tax assets arising from tax benefits provided by General Government (Parts 1 & 2) (ITB, 30 May & 13 June 2025)
 - June 2024 Administrative Guidance on GloBE rules: Treatment of Securitisation Vehicles (ITB, 23 May 2025)
 - June 2024 Administrative Guidance on GloBE rules: Allocation of profits and taxes in structures including Flow-through Entities (Parts 1 to 5) (ITB, 28 March; 4 & 11 April; 2 & 9 May 2025)
 - June 2024 Administrative Guidance on GloBE rules: Allocation of profits and taxes in structures including Flow-through Entities (Parts 1 to 4) (ITB, 28 March; 4 & 11 April; 2 May 2025)
 - June 2024 Administrative Guidance on GloBE rules: Allocation of Cross-border Current Taxes (Parts 1 to 5) (ITB, 15 & 22 November; 6, 13 & 20 December 2024)
 - June 2024 Administrative Guidance on GloBE rules: Divergences between GloBE and accounting carrying values (Parts 1 to 7) (ITB, 23 & 30 August; 6 & 13 September; 4, 11 & 18 October 2024)
 - June 2024 Administrative Guidance on GloBE rules: DTL recapture (Parts 1 to 4) (ITB, 28 June; 5, 12 & 19 July 2024)
 - December 2023 Administrative Guidance on GloBE rules: Transitional filing deadlines, and Simplified Calculation Safe Harbour (ITB, 26 April 2024)
 - December 2023 Administrative Guidance on GloBE rules: Allocation of blended CFC taxes (Parts 1 & 2) (ITB, 5 & 12 April 2024)
 - December 2023 Administrative Guidance on GloBE rules: Additional guidance on application of GloBE rules (ITB, 22 March 2024)
 - December 2023 Administrative Guidance on GloBE rules: Transitional CbCR Safe Harbour (Parts 1 to 4) (ITB, 19 January; 16 February; 1 & 8 March 2024)
 - GloBE rules commence operation in 2024 (ITB, 12 January 2024)
 - December 2023 Administrative Guidance on GloBE rules: overview (ITB, 22 December 2023)
 - July 2023 Administrative Guidance on GloBE rules: Transitional UTPR Safe Harbour & Summary of Safe Harbours (ITB, 8 December 2023)
 - July 2023 Administrative Guidance on GloBE rules: QDMTT Safe Harbour (Parts 1 & 2) (ITB, 10 & 17 November 2023)
 - July 2023 Administrative Guidance on GloBE rules: QDMTTs (Parts 1 to 6) (ITB, 15, 22 & 29 September; 6 & 27 October; 3 November 2023)
 - July 2023 Administrative Guidance on GloBE rules: Substance-based Income Exclusion (Parts 1 & 2) (ITB, 18 & 25 August 2023)
 - July 2023 Administrative Guidance on GloBE rules: Tax credits (Parts 1 to 3) (ITB, 4, 11 & 18 August 2023)
 - July 2023 Administrative Guidance on GloBE rules: overview (ITB, 28 July 2023)
 - Administrative Guidance on GloBE rules: Transition (Parts 1 to 3) (ITB, 16 & 23 June; 14 July 2023)
 - Administrative Guidance on GloBE rules: Income & taxes (Parts 1 to 8) (ITB, 31 March; 14, 21 & 28 April; 5, 12 May; 2 & 9 June 2023)
 - Administrative Guidance on GloBE rules: Scope (Parts 1 to 3) (ITB, 10, 17 & 24 March 2023)
 - Administrative Guidance on GloBE rules: Allocation of taxes arising under Blended CFC Tax Regimes (ITB, 3 March 2023)
 - Administrative Guidance on GloBE rules: QDMTTs (Parts 1 & 2) (ITB, 10 & 24 February 2023)
 - Art. 7.4 on ETR computation for Investment Entities (ITB, 2 December 2022)
 - Corporate Restructurings and Holding Structures (Parts 1 to 7) (ITB, 23 & 30 September; 7, 14 & 21 October; 11 & 18 November 2022)
 - Scope (Parts 1 & 2) (ITB, 24 June; 1 July 2022)
 - Charging Provisions (Parts 1 to 5) (ITB, 6, 13 & 20 May; 10 & 17 June 2022)
 - Computation of Effective Tax Rate and Top-up Tax (Parts 1 to 6) (ITB, 18 & 25 March; 1, 8, 22 & 29 April 2022)
 - Flow-through Entities and Hybrid Entities (ITB, 4 March 2022)
 - Computation of Adjusted Covered Taxes (Parts 1 to 9) (ITB, 11, 18 & 25 February; 29 July; 5, 12, 19 & 26 August; 16 September 2022)
 - Computation of GloBE Income or Loss (Parts 1 to 4) (ITB, 7, 14, 21 & 28 January 2022)
- Subject to Tax Rule (STTR):
 - STTR (Part 4) (ITB, 15 December 2023)
 - STTR (Parts 1 to 3) (ITB, 6 & 20 October; 3 November 2023)
 - Subject to Tax Rule (STTR): overview (ITB, 28 July 2023)

WORTH READING

Ritu Bharadwaj, Manon van Bijleveld, and Rezan Ökten
["Bridging the Gap between Transfer Pricing and VAT – What Does Recent EU Case Law Bring Us?"](#)

International VAT Monitor, IBFD, 2025 (Vol. 36), No. 6.

Ryan Finley

["The Risk of Transfer Pricing Method Shopping After Medtronic II, Parts 1 & 2"](#)

Tax Notes Today International, Tax Analysts, 21 & 26 November 2025.

INTERNATIONAL TAX QUIZ

THIS WEEK'S NEW QUIZ

Ms B is an employee of ACo, which is resident in country A.

Ms B works from her home in country B for 70% of her working time in a 12-month period. She has an exclusively client-facing role and provides services to clients of ACo in country A, in country B, and in third countries. She provides those services remotely from her home in country B and she does so without physically meeting those clients. Once a quarter, she visits the premises of a client in country B to spend a day reviewing performance against the terms of the contract with ACo.

Based on this information, does Ms B's home in country B constitute a "fixed place of business" PE for ACo under Art. 5(1) of the A/B double tax treaty (which is identical to the OECD model treaty)?

Answer in next ITB email alert!

LAST WEEK'S QUESTION

ACo is a Constituent Entity in an MNE Group which is "within scope" of the GloBE rules.

In a particular year, ACo derives (1) International Shipping Income of 200, (2) Qualified Ancillary International Shipping Income of 120, and (3) other income (net of allocated costs) of 80.

Based on this information, what is ACo's GloBE Income or Loss?

LAST WEEK'S ANSWER

Before applying Art. 3.3, ACo's GloBE Income would be 200 + 120 + 80 = 400.

Art. 3.3.1: International Shipping Income (ISI) is excluded from GloBE Income – thus, 200 reduction.

Art. 3.3.1: Qualified Ancillary International Shipping Income (QAISI) (120) is also excluded from GloBE Income. However, Art. 3.3.4 applies a cap on QAISI – i.e., QAISI cannot exceed 50% of ISI. Therefore, the final QAISI amount excluded from GloBE Income is 200 x 50% = 100.

Thus, final GloBE Income = 400 – 200 – 100 = 100.

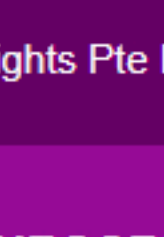
Do you agree?



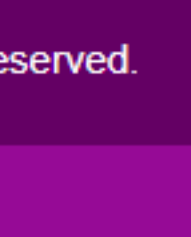
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