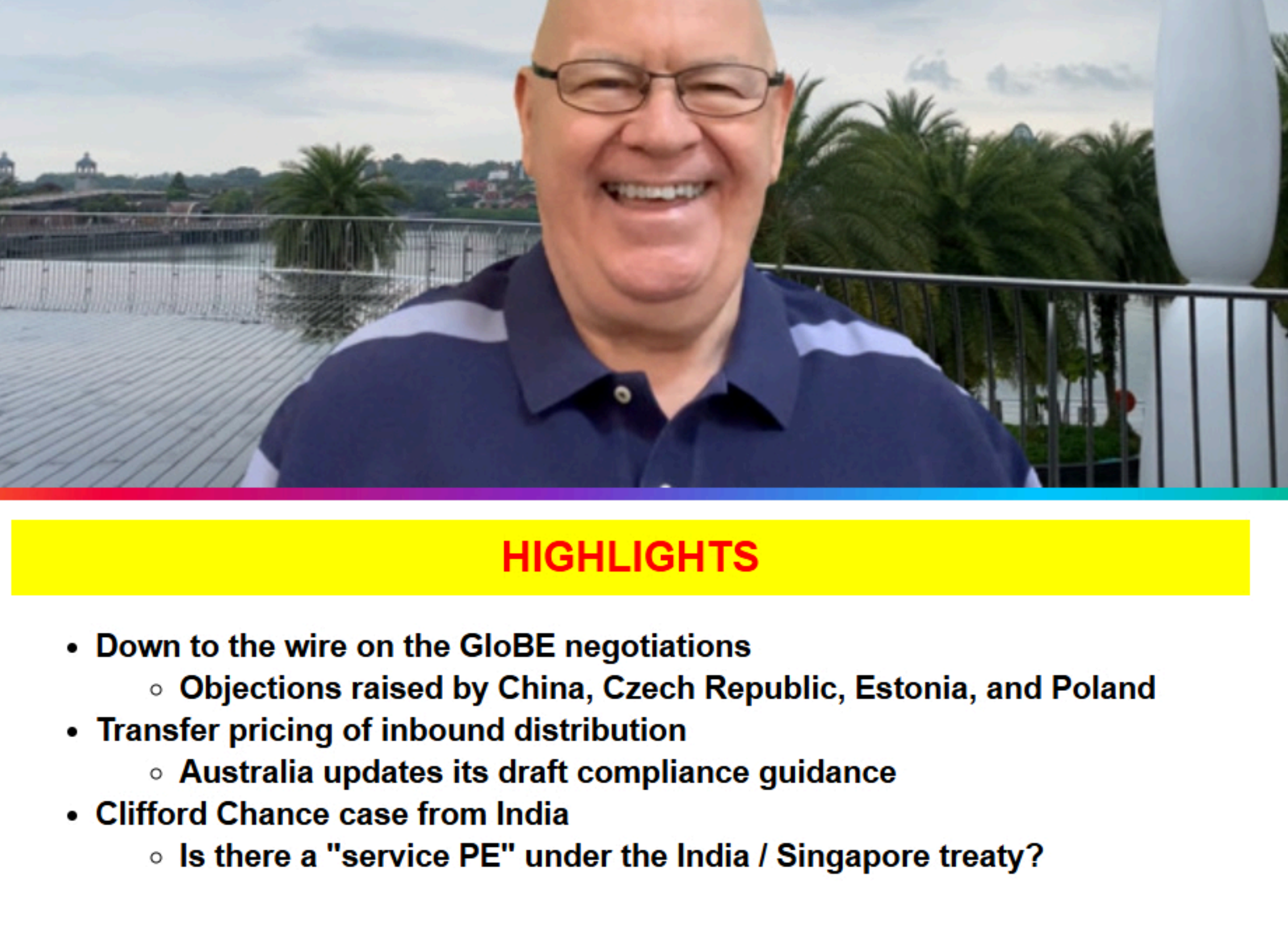


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12 December 2025


HIGHLIGHTS

- **Down to the wire on the GloBE negotiations**
 - **Objections raised by China, Czech Republic, Estonia, and Poland**
- **Transfer pricing of inbound distribution**
 - **Australia updates its draft compliance guidance**
- **Clifford Chance case from India**
 - **Is there a "service PE" under the India / Singapore treaty?**

HAPPY FRIDAY!

Australia successfully bans some (but not all) under-16s from social media; the **US** tries to get **China** hooked on **Nvidia** chips; and they're lining up at **Rick's Café Américain!**

Meanwhile, in the tax world:

GloBE goes down to the wire; **Clifford Chance** virtually wins; **Belgium** is tolerant; **Ireland** invents e-WHT; **Cameroon** takes a SEP forward; and **Argentina** wants your comments, but you have to be quick!

But in a week in which potential suitors for Warner Brothers have emerged, the most important question is this: **"Was your favourite movie made this century or last?"**

Have a great weekend!

Steve

THIS WEEK'S PODCAST

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

1. GloBE news
2. Asia Pacific
 - Australia, India, Malaysia, Taiwan, Vietnam
3. Europe
 - Belgium, Estonia, Ireland, Netherlands, UK
4. Africa
 - Cameroon, Sierra Leone
5. Middle East & Central Asia
 - Oman, UAE, Uzbekistan
6. Americas
 - Argentina, Brazil, Colombia
7. 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

Karl Berlin

"Cross-Border Loss Relief in Permanent Establishments: Lessons from *Bevola*"
 Tax Notes Today International, Tax Analysts, 1 December 2025.

Jung-Hong Kim, Philje Cho, Ross Harman, and Kyu Bin Kang

"Korea's Royalty Tax Dispute With US Companies May Persist Despite New Precedent"
 Tax Notes Today International, Tax Analysts, 4 December 2025.

Jakub Jankowski

"The Implementation of 'Danish Cases' Across the European Union (EU): is This the Slow Decline of Shell Entities?"

EC Tax Review, Wolters Kluwer, 2025-6.

INTERNATIONAL TAX QUIZ

THIS WEEK'S NEW QUIZ

ACo is a large company which is resident in country A.

Mr B, the CEO of ACo, is resident in country B. Mr B generally works from his home office in country B, in order for his family to live in country B. ACo does not have any major clients in country B, and Mr B does not commonly meet country B clients.

Mr B communicates with his team (none of whom is based in country B) via telephone and online. Mr B visits ACo's head office once a month for a 2-day board of directors meeting. He has an office in ACo's head office, which he uses during that monthly visit.

The A/B double tax treaty is identical to the 2014 OECD model treaty. The A/B treaty was signed and entered into force in 2015.

Based on this limited information, does Mr B's home office constitute a "fixed place of business" PE under Art. 5(1) of the A/B treaty?

Answer in next ITB email alert!

LAST WEEK'S QUESTION

XCo is a large company which is resident in country X.

XCo provides emergency medical treatment for employees of corporate clients on a global basis.

Ms Y is a medical practitioner who is resident in country Y. Ms Y is employed by XCo to provide telephone and online based medical advice to employees ("patients") of XCo's corporate clients. She performs those activities from an office in her home in country Y. XCo decided to employ Ms Y to perform those activities due to the country Y time zone – i.e., XCo, through Ms Y and other employees based in other countries, can provide a 24/7 service to its corporate clients.

Ms Y rarely has "in-person" meetings with any of her patients – i.e., almost all interactions are via telephone and/or online.

Based on this information, does XCo have a PE in country Y under the X / Y double tax treaty (which is identical to the 2017 OECD model treaty)?

LAST WEEK'S ANSWER

Paragraph references are to the Commentary on Art. 5 of the OECD model treaty.

Ms Y satisfies the "at least 50% of total working time" consideration in para. 44.10.

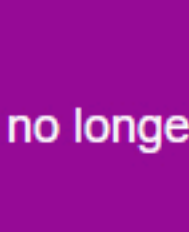
Ms Y's activities in country Y fall within one of the examples of a "commercial reason" consideration in para. 44.17: "the real-time, or near real-time, interaction with customers or suppliers in different time zone(s) (e.g. providing call centre services, or virtual IT support or medical services)". Therefore, Ms Y satisfies the "commercial reason" consideration in para. 44.11.

Thus, Ms Y's home in country Y would constitute a "fixed place of business" PE for XCo under Art. 5(1) of the X / Y double tax treaty.

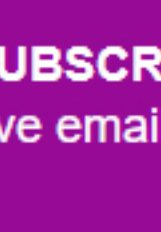
Do you agree?



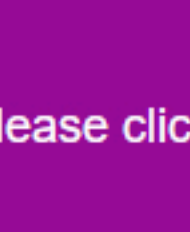
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