

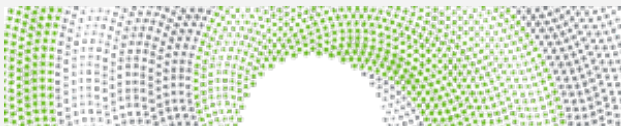
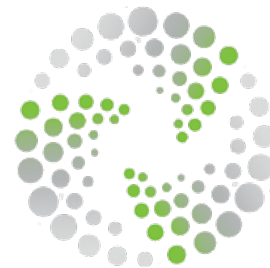


World Tax Advisor

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French finance law for 2019 implements ATAD 1 measures, changes tax consolidation rules

The law brings the patent box regime in line with the OECD's "modified nexus approach," revises the interest expense limitation rules, introduces a general anti-avoidance rule and conforms the tax consolidation regime to recent CJEU decisions.



Bermuda

Legislation on economic substance passed

Increased substance requirements apply as from 1 January 2019 to resident entities that are engaged in "relevant activities."



China

Final IIT regulations revise draft rules

Among other changes, the final regulations replace the "five-year rule" with a "six-year rule," revise the foreign-source income and foreign tax

credit rules and eliminate most of the anti-avoidance guidance.



Colombia

Tax reform legislation includes progressive reduction in corporate income tax rate

The law also introduces an additional corporate income tax surcharge on certain financial entities, among other measures.



European Union

Commission concludes state aid investigation of Gibraltar

Gibraltar's corporate interest and royalties tax regime that applied between 2011 and 2013 and five tax rulings violate EU state aid rules.



Japan

Diet approves 2019 tax reform proposals

The proposed measures include changes to the earnings stripping, transfer pricing, CFC and R&D tax credit rules.



Luxembourg

Law implementing ATAD 1 published in official gazette

The ATAD 1 provisions apply as from fiscal years starting on or after 1 January 2019, except for the exit tax provisions, which will apply as from 2020.



Netherlands

List of low tax jurisdictions published

The list contains 21 jurisdictions and will be used for purposes of applying the controlled foreign corporation rules and the "conditional" withholding tax on interest and royalties.



Romania

Tax on financial assets of banks introduced

All banks registered in Romania are subject to the tax, and the rates are progressive and range from 0.1% to 0.5%.



Saudi Arabia

Draft zakat regulations released for public comment

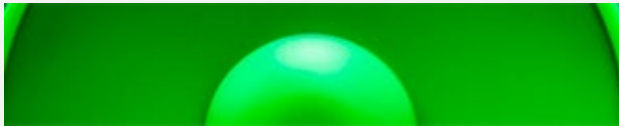
Public comments on the draft regulations, which would replace the existing 2017 zakat regulations, must be submitted by 28 January 2019.



Sweden

New penalty introduced for FATCA/CRS reporting violations

A penalty fee of SEK 7,500 per financial account will be levied for noncompliance with the reporting requirement, and the scope of Sweden's regulations has been revised.



Sweden

Server can be considered a permanent establishment

The tax authorities have issued a statement regarding when a server physically located in Sweden can be considered a PE of a foreign company.



Uruguay

Requirements relating to free zones modified

Income from intellectual property rights and similar intangible assets will be exempt from corporate income tax if the property is derived from R&D activities in the free zone.

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If you have any questions about the content in *World Tax Advisor*, please email Susan Lyons at slyons@deloitte.com or Sally Clurman at sclurman@deloitte.com.

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