

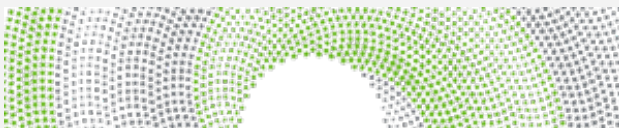


## World Tax Advisor

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### Luxembourg releases draft budget law for 2019

Proposed measures would reduce the corporate income tax rate from 18% to 17%, introduce the option to apply the ATAD 1 interest deduction limitation rules at the fiscal unity level and extend the reduced and super-reduced VAT rates to certain products.



### China

#### VAT rates to be reduced

The government has announced it intends to reduce the VAT rate from 16% to 13% or from 10% to 9% for certain sectors and introduce an



### Colombia

#### Transitional regime for dividends clarified

A ruling issued by the tax authorities clarifies the tax treatment of dividends paid out of profits generated before the 1 January 2019

exemption for small-scale VAT payers.

effective date of the new withholding tax regime.



### European Union

#### **ECOFIN expands noncooperative jurisdiction list**

Ten jurisdictions have been added to the EU noncooperative jurisdiction list after the jurisdictions failed to implement the commitments they had made to the EU.

### European Union

#### **European Commission requests Finland to amend group contribution rules**

The Commission has found that Finland's different treatment of companies resident in Finland and those resident in other EU/EEA member states when determining the deductibility of group contributions is incompatible with EU law.



### Germany

#### **BFH allows limited cash pool netting for trade tax purposes**

The court confirmed that the trade tax rules generally do not prohibit the netting of interest income and interest expense under a cash pooling arrangement, although there are some limitations.

### India

#### **Operating guidelines for North Eastern Industrial Development Scheme issued**

The scheme offers tax and non-tax incentives to industrial units operating in the northeast area of the country, and announcements on similar regional schemes also have been issued.



### Italy

#### **Supreme Court, tax authorities take different positions on dividend WHT exemption**

### Italy

#### **Clarifications on "portfolio management of investment in real estate"**

The cases involve interpretation of the EU parent-subsidiary directive and the EU-Switzerland agreement.

The tax authorities have released their analysis of the VAT treatment of a series of asset management services performed for a real estate mutual investment fund that is managed in another EU member state.



### Sweden

#### **Proposal would allow withholding tax deferral for nonresident loss-making companies**

The proposal, which is subject to public consultation until 11 April 2019, would allow the deferral of withholding tax on dividends paid to loss-making companies that are resident in the EU or certain tax treaty countries.



### United States

#### **BEAT considerations for foreign corporations with US branches**

A BEAT liability may arise on typically disregarded transactions between a US branch and its foreign home office, if the relevant treaty attributes profits to the branch using the “authorized OECD approach.”

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If you have any questions about the content in *World Tax Advisor*, please email Sally Clurman at [sclurman@deloitte.com](mailto:sclurman@deloitte.com).

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