

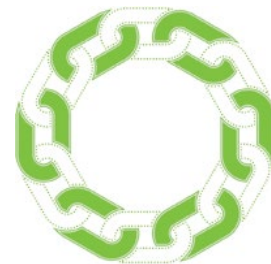


World Tax Advisor

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Hong Kong IRD issues guidance on tax deduction for R&D expenditures

The guidance addresses, among other areas, the R&D deduction eligibility of projects carried on partly outside Hong Kong and the treatment of subcontracting, co-ownership, cost contribution and other arrangements.



El Salvador

El Salvador mutually recognizes AEO programs with Costa Rica, Guatemala and Panama

The main benefits for companies authorized as AEOs are expedited customs inspection procedures, priority in the clearance of goods and



India

Sales tax imposed on royalties received by nonresident companies

The Maharashtra sales tax authorities have begun issuing notices for payment of sales tax to foreign entities receiving royalty income from

priority service and mobilization of cargo at land border crossings.

Indian subsidiaries for the transfer of the right to use intangible assets.



Italy

Effects of entity conversion on participation exemption clarified

The ruling clarifies that certain transactions undertaken to change the form of a business entity do not interrupt the holding period of a participation for purposes of the participation exemption.

Italy

Tax treatment of share sales in foreign currency clarified

Exchange rate differences on sales in foreign currency of shares benefitting from the participation exemption should be reflected in the overall calculation of the related capital gain or loss from the disposal of the shares.



Mexico

Presidential decree abolishes measures for forgiveness of tax liabilities

With limited exceptions, the executive branch has temporarily ceased waiving significant tax debts or totally or partially exempting large taxpayers from the payment of taxes and related items.

Saudi Arabia

GAZT issues notifications on CIF mandatory filings

The tax authorities are authorized to recover the vendor's tax and zakat due on certain contracts from the customer where the customer fails to file the mandatory contract information form.



Sweden

Sweden, Portugal sign protocol to 2002 tax treaty that amends pension clause

The amendment would remove the possibility for individuals to withdraw

United Kingdom

Consultation launched on offshore receipts in respect of intangible property

income from private pension schemes without paying tax on the income in Portugal, while also claiming an exemption from tax under the treaty on the income in Sweden.

A technical consultation has been launched on the draft amendments introduced in Finance Act 2019 that extend the types of income on which nonresidents are liable to UK income tax.

Tax treaty round up

Tax treaty developments in Argentina, Cyprus, Kazakhstan, Korea (ROK), Luxembourg, Malta, Mexico, Singapore, Switzerland, Ukraine and Vietnam.

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