



World Tax Advisor

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OECD Secretariat issues proposal for unified approach to certain tax challenges of digitalization

The proposal seeks to harmonize aspects of three initial proposals to develop a possible new approach to address the nexus and profit allocation challenges arising from digitalization.



Germany

BFH changes view on domestic transfer pricing adjustments in tax treaty cases

The court has ruled that the transfer pricing rules may be used to disallow losses on intercompany receivables in cases involving applicable tax treaties



India

CBDT clarifies brought forward losses, MAT credit if company opts for lower tax rate

A circular sets out the tax authorities' position on the offset of brought forward losses relating to additional

and that the lack of collateral in an intragroup financing arrangement may indicate non-arm's length conditions.

depreciation and minimum alternate tax credits for companies exercising the option to claim the lower 22% rate of corporate tax.



India

ITAT rules contributions to overseas superannuation fund are taxable perquisite

Contributions made by an overseas parent entity to superannuation and retirement schemes on behalf of an employee of an Indian subsidiary, and reimbursed by that subsidiary, are taxable to the employee.



New Zealand

Positive business tax changes announced

Government proposals would allow businesses to deduct "feasibility expenditure" over five years and relax the tax loss continuity rules.



New Zealand

Transfer pricing simplification measures aim to reduce compliance costs

The measures simplify the transfer pricing rules for small value loans, small foreign-owned wholesale distributors and qualifying low value-adding intragroup services.



Peru

Application of general anti-avoidance rule clarified

The tax authorities' ability to apply the GAAR is no longer suspended and the rule may be applied to acts and situations occurring on or after 19 July 2012.



Peru

Supreme Court decision clarifies deductibility of accrued expenses



Sweden

2020 budget bill proposal presented by the government, Centre Party and Liberal Party

The court has ruled that an expense may be deducted in the fiscal year of its accrual, even if the supporting invoice is issued or delivered after the filing of the annual income tax return for that year.

The proposals include increased environmental taxes in exchange for lower income and other types of tax, the abolition of the high-income earner surtax, a special tax for banks and reduced taxes on pensioners.



Taiwan

Advance application available to determine taxable domestic-source income

The advance application procedure has been introduced to help mitigate the withholding tax burden of foreign enterprises that receive taxable payments from Taiwan residents.



United Arab Emirates

Guidance on economic substance released

The guidance provides key definitions and requirements for resident companies that must demonstrate economic substance with respect to “relevant activities.”

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

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