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British Virgin Islands publishes economic substance rules

The rules replace the draft economic substance code with few material changes and contain several clarifications on documentary evidence and reportable information for nonresident entities.



Brazil

Ruling issued on tax treatment of cross-border cost sharing arrangements

The tax authorities have determined that an arrangement between a foreign headquarter company and its



European Union

European Council updates list of noncooperative jurisdictions

The Marshall Islands and the United Arab Emirates have been removed from the "black list" and Albania, Costa Rica, Mauritius, Serbia and

Brazilian subsidiary was not a cost sharing arrangement, with the result that remittances will be subject to taxation as a service agreement.

Switzerland have been removed from the "grey list."



Germany

BFH rules on constitutionality of discount rate for non-interest-bearing liabilities

The federal tax court has deemed a 5.5% discount rate applied to a long-term non-interest-bearing loan is compatible with market rates in 2010 and, therefore, constitutional.

Guernsey

Details on introduction of mandatory disclosure regime announced

The proposed rules – expected to be enacted by 31 December 2019 – would require promoters of avoidance arrangements and service providers to disclose information on the arrangement or structure to the tax authorities.



Guernsey

Guidance on economic substance information required in company tax return issued

Companies undertaking a relevant activity for accounting periods commencing on or after 1 January 2019 will need to address additional questions regarding their economic substance.

India

Secondary adjustment law amended

The CBDT has revised and clarified the transfer pricing rules relating to the time period for cash repatriation due to secondary adjustments following the conclusion of an advance pricing agreement or a resolution under a mutual agreement procedure.



Jersey

Jersey

Consultation on introduction of mandatory disclosure regime launched

The regime would require intermediaries to report to the tax authorities if they become aware of OECD Common Reporting Standard avoidance arrangements or passive offshore vehicles held through opaque structures.



Changes to company tax return form announced

Companies with relevant activities and falling within the scope of the economic substance requirements must confirm they have satisfied certain economic substance tests and provide supporting information.



Luxembourg

Limitation of validity period of tax rulings issued before 1 January 2015

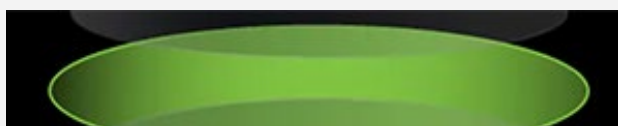
A proposal in the 2020 draft budget provides that advance tax decisions issued before 1 January 2015 would be valid only until the end of fiscal year 2019.



OECD

Proposal on challenges of digitalization includes new approach to profit allocation

The proposal aims to bring together common elements of three proposals from BEPS inclusive framework members into a “unified approach” for revising nexus and profit allocation rules to address how taxing rights should be allocated among countries.



United Arab Emirates

List of sectors in which increased foreign ownership permitted approved

Foreign investors now may own up to 100% of the shares in UAE companies involved in 122 economic activities across 13 business sectors.

United States

Additional guidance issued on tax treatment of virtual currency

The tax authorities have issued a revenue ruling and FAQs addressing areas relating to virtual currency transactions, including tax accounting, valuation, reporting, charitable contributions and the tax implications of “hard forks” and “airdrops.”

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