

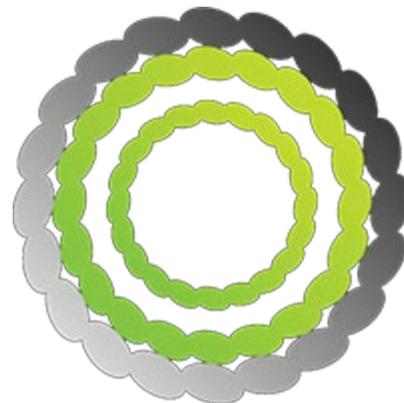
World Tax Advisor

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Malaysia **Finance Bill 2020 includes various tax measures beyond those in 2021 budget speech**

The proposed tax measures include changes to the penalties for noncompliance with the transfer pricing rules, changes that would strengthen the tax authorities' power to recharacterize controlled transactions, and modifications to the conditions to qualify as a related company for purposes of group loss relief.



Germany **Draft law would mitigate issues related to extraterritorial taxation**

Under the draft law, intellectual property rights that are registered in a German public register no longer would give rise to extraterritorial taxation if there is no other German nexus.

For the latest developments from various countries on measures in response to COVID-19, please visit the [Deloitte tax@hand COVID-19 page](#).



Australia



Belgium

More businesses to qualify for full expensing of depreciating assets

Under an alternative test, a business that exceeds the allowable turnover threshold due to the income of an overseas parent or associate will be able to qualify for temporary full expensing of depreciating assets if it meets the prior year capex investment requirement.

Recovery reserve measure adopted by parliament

To support economic recovery following the COVID-19 pandemic, parliament has adopted a measure that provides qualifying companies a tax exemption for profits of tax years 2022, 2023, and/or 2024 through the establishment of a recovery reserve.



Cayman Islands

Economic substance reporting updates released

The Department for International Tax Cooperation has issued an industry advisory with detailed updates on economic substance matters, including an extension of the economic substance reporting deadlines.



El Salvador

Tax considerations relating to December 2020 payroll

This article discusses considerations for employers when satisfying their obligation to recalculate the annual income tax withholding for their employees in December, including the proper treatment of the wage subsidy granted to certain employees in response to COVID-19.



European Union

European Commission consults on extension of DAC to cryptoassets and e-money

The Commission's roadmap on the proposal for the enhanced directive is intended to ensure that EU rules remain aligned with the evolving economy; feedback on the roadmap



Germany

Draft law proposes changes to anti-treaty shopping rules

The proposed changes would take into account the requirements of EU law and, in some cases, could restrict the circumstances in which nonresident companies may qualify for withholding tax relief.

may be submitted by 21 December 2020.



India

Extension of mandatory GST e-invoicing as from 1 January 2021 announced

The government has issued a notification that expands the scope of GST e-invoicing to include all taxpayers with aggregate turnover exceeding INR 1 billion during any of the financial years from 2017-18 onwards.



India

ITAT rules nonresident liable to penalty for not preparing transfer pricing records

The Delhi Bench of the ITAT held that nonresident taxpayers are not exempt from the requirement to maintain their own transfer pricing documentation and relying on the documentation of an associated enterprise may not be sufficient.



India

ITAT rules share premium account utilized to set-off losses not profit subject to MAT

The Delhi Bench of the ITAT held that a share premium account utilized to set off brought forward losses is not subject to the minimum alternate tax on book profits.



Portugal

Draft budget law for 2021 proposes amendments to permanent establishment rules

The proposals would clarify the definitions of service permanent establishment and agency permanent establishment and narrow the scope of the exclusion for preparatory and auxiliary activities.



Singapore

OECD Pillar Two blueprint: A Singapore perspective

The Pillar Two proposals, which are designed to ensure that large multinational enterprises pay a minimum level of tax on all profits in all jurisdictions, may particularly affect taxpayers operating in Singapore given its quasi territorial tax system and range of tax incentives.



United Arab Emirates

MOF conducts information sessions on CbC reporting requirements

This article discusses key highlights from information sessions held by the Ministry of Finance setting out the country-by-country reporting requirements for multinational enterprise groups and other information on submitting CbC reports and notifications.

Sweden

Supreme Administrative Court provides guidance on assessment of “real” establishment

The court held that a Luxembourg company operating within the special rules under the EU directive on alternative investment fund managers had a “real” establishment in Sweden, despite not satisfying traditional substance criteria.



United States

Deductibility of business expenses paid with forgiven PPP loan proceeds clarified

The Treasury Department and IRS have issued guidance clarifying the government’s position that taxpayers may not claim a deduction for otherwise deductible business expenses that are paid with proceeds from forgiven Paycheck Protection Program loans.

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