

World Tax Advisor

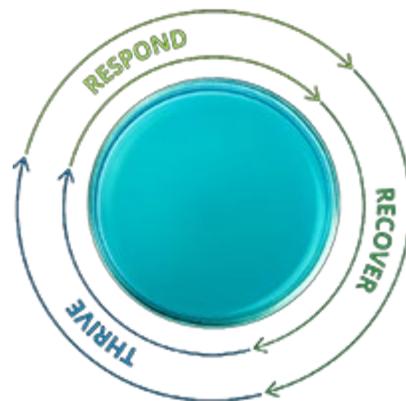
A world of news with tax@hand.



OECD issues updated guidance on the tax treaty implications of the COVID-19 pandemic

The OECD Secretariat has issued new guidance, which updates earlier guidance published in April 2020, that is relevant to circumstances arising during the COVID-19 pandemic and considers the interpretation of tax treaty articles on permanent establishments, tax residence, and taxation of employment income.

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



Albania

New legislation governing the taxation of the petroleum sector published

The government has repealed and replaced the laws regulating the taxation of the petroleum sector; the new legislation affects the profit tax on petroleum operations, royalty tax, and the extent to which a petroleum agreement may affect the obligation to impose tax, and applies as from 2 February 2021.



Belgium

Draft legislation on new annual tax on securities accounts published

The current proposal that has been submitted to the parliament is for a 0.15% annual tax on securities accounts where the average value of taxable financial instruments held within the account exceeds EUR 1 million.



Czech Republic

Overview of corporate income tax changes after Brexit

This article considers certain Czech corporate income tax consequences with regard to the UK's withdrawal from the EU, which include potential effects on withholding taxes, income offsets, transfers of tax-relevant items in various transactions, and the thin capitalization calculation.



European Union

CJEU rules that Swedish interest deduction limitation rule is contrary to EU law

The court determined that the Swedish anti-abuse rule that limits the deduction of interest paid to a related nonresident group company is contrary to the EU freedom of establishment principle, since the rule creates a difference in treatment between domestic and cross-border situations that cannot be justified.



France

Guidelines for voluntary tax compliance audit by "trusted third party" published

The government has published a new procedure for companies and individuals, under which a taxpayer may request a "trusted third party" to carry out a voluntary tax compliance audit, to enhance compliance and reduce tax risk.



Germany

Government approves significant updates to domestic withholding tax rules

The draft law, which still must pass through the legislative process in parliament, would substantially tighten the application of the anti-treaty shopping rules and modernize the withholding tax procedural rules.



Guatemala

New measures to be implemented for control and oversight over electronic commerce

A statement from the customs division of the Superintendency of Tax Administration indicates that a new platform will analyze information on social media to verify suppliers'



Hong Kong

Legislation published on tax concession regime for insurance-related businesses

A tax concession regime would reduce the profits tax rate by half for certain insurance-related businesses conducted in Hong Kong where prescribed employee and expenditure

compliance with tax and customs obligations and is expected to become operational in June 2021.

requirements are met and is expected to come into effect on 19 March 2021.



India

High Court rules that loss on sale of depreciable assets is allowable business loss

The court has issued a decision that establishes a principle that a loss on the sale of depreciable assets at a price less than their written-down value is in the nature of a business loss, rather than a capital loss.

Italy

Deadlines extended for digital services tax payment and filing obligations

The Council of Ministers has announced a 30-day extension for the payment and reporting deadlines for the digital services tax, with the first payments now due 16 March 2021; final implementation rules also were issued.



United States

Final 163(j) regulations: Application to partnerships, S corporations, real estate

This article discusses the final regulations on the business interest deduction limitation with respect to partnerships, S corporations, and real estate; the regulations generally apply to tax years beginning on or after 22 March 2021 but may be applied to tax years beginning after 31 December 2017.

United States

Summary of final regulations for revenue recognition under section 451

The government has issued final regulations providing guidance on certain revenue recognition provisions, which generally are effective for tax years beginning on or after 1 January 2021 but may be applied to tax years beginning after 31 December 2017; additional guidance addressing accounting method changes is expected in the foreseeable future.

Tax treaty round up

Recent developments with respect to the following tax treaties: Bangladesh-Czech Republic, Czech Republic-San Marino, Germany-Ireland, Ghana-Norway, Hong Kong-Serbia, Japan-Peru, Korea (ROK)-Vietnam, Kosovo-Latvia, and Malta-Poland, plus an update on treaties and protocols for DITS countries that are in effect (or were terminated) as from January 2021.

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