

World Tax Advisor

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German MOF publishes decree on extraterritorial taxation of royalties and IP transfers

Following the removal of provisions from draft legislation that would have limited the application of the extraterritorial taxation rules, the decree published by the Ministry of Finance addresses nonresidents' tax compliance obligations and provides filing and payment relief relating to royalty payments for certain nonresidents that qualify for benefits under an applicable tax treaty with Germany.

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



Australia

High Court rules in favor of ATO in legal professional privilege dispute

The court has found that the tax authorities properly used their statutory powers to assess whether to accept or challenge a claim for legal professional privilege, and not to determine the validity of the claim.



Belgium

Further transfer pricing audit cycles to be launched based on noncompliant forms

The tax authorities have begun the 2021 transfer pricing audit cycle by releasing standard questionnaires, and further audit cycles will be based on noncompliance with reporting requirements.



France

Conseil d'Etat rules that intermediary company was not beneficial owner of royalties

The court has ruled that a UK-resident company managing the rights to members' musical works was not the beneficial owner of the French-source royalties collected on behalf of the members; as such, withholding tax relief under the France-UK tax treaty was not available for royalties collected on behalf of non-UK members.



Germany

Draft law proposes anti-avoidance measures regarding noncooperative jurisdictions

The Ministry of Finance has published a draft law regarding the implementation of anti-tax avoidance measures and additional documentation requirements for certain jurisdictions on the EU "black list," which includes "defensive measures" that are more extensive than the minimum required under the European Council's guidelines.



Guatemala

Guidance resolves issues including tax treatment of invoices with formal errors

The tax authorities have issued guidance modifying the corporate income tax and VAT treatment of invoices with formal errors and clarifying the creditability of solidarity tax against corporate income tax.



Hong Kong

Draft legislation proposes tax exemption on carried interest

The government has published draft legislation proposing that eligible carried interest received or accrued as from 1 April 2020 will be subject to a 0% profits tax rate and fully excluded from employment income for purposes of the salaries tax.



India

Supply chain shifts: Advantages of India as a location for a supply chain ecosystem

This article discusses favorable aspects of the business environment and infrastructure in



India

Taxation of employee stock option benefit on where related employment exercised

The Mumbai bench of the Income-tax Appellate Tribunal has ruled that employee

India for businesses seeking an alternative location for their supply chains.

stock options exercised by a taxpayer when the taxpayer is not resident in India are taxable in India if the services giving rise to the benefit were performed in India.



Luxembourg

Circular regarding “prime participative” issued

The tax authorities have issued guidance on the new “prime participative” regime, which allows employers to grant employees a profit-sharing bonus based on financial results, subject to certain conditions; the bonus paid under the regime is treated as employment income and an operating expense for tax purposes.



Russia

Russia commences procedures to terminate tax treaty with the Netherlands

The Finance Ministry has taken steps toward terminating the 1996 tax treaty with the Netherlands since negotiations have not resulted in agreement on increased withholding tax rates on dividends and interest; regardless of the outcome of negotiations, the current treaty will continue to apply through 2021.

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