

World Tax Advisor

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CJEU confirms VAT on intraentity supplies across EU member states if VAT group exists

The Court of Justice of the European Union has confirmed that where a head office and a branch are located in different EU member states and one of them is part of a VAT group, the head office and the branch are considered separate taxable persons and the supplies between them are within the scope of VAT; the ruling is particularly relevant for financial services businesses.

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



Australia

Government to close down offshore banking regime

The government has introduced a bill to amend the Offshore Banking Unit regime by removing the concessional tax treatment for Offshore Banking Units, eliminating the interest withholding tax exemption, and closing the regime to new entrants.



France

COVID-19 relief: Flexible corporate income tax installments, early tax credit refunds

The Ministry of Economy and Finance has announced new tax measures to support companies in the current COVID-19 environment, by allowing adjustments to corporate income tax installments and early refunds of tax credits refundable in 2021.



Germany

Lower tax court decisions clarify criteria for German classification of a US LLC

The lower tax court of Munich has provided insight into the application of the criteria for determining whether a US limited liability company should be classified as a corporation or as a flow-through for German tax purposes; according to the court, a lack of an obligation to contribute equity does not count in favor of classifying the company as transparent.



Gibraltar

Tax agreement between Spain and UK regarding Gibraltar enacted

The first international tax agreement between Spain and the UK regarding Gibraltar has entered into force and covers areas including tax residency, double tax relief, administrative cooperation in tax matters, and information exchange.



Japan

Key transfer pricing implications of the COVID-19 pandemic

This article discusses advance pricing agreement and tax audit processes over the past year and transfer pricing issues faced by inbound taxpayers, including the extent to which a Japanese subsidiary should bear part of the financial impact from the COVID-19 pandemic.



Korea

Pre-announced tax law amendments include important corporate income tax changes

Several tax reform proposals will become effective as from mid-March 2021, which will include changes to the foreign tax credit limitation calculation with respect to research and development expenses, the deductibility of certain unrecoverable foreign debts, and the calculation of the indirect shareholding ratio following vertical spin-offs and in-kind contributions.



New Zealand

Proposed changes to loss carry-forward rules benefit businesses with new shareholders

This article discusses the tax loss carry-forward rules and a proposed change to allow losses to be carried forward unless there is a major change in the nature of the company's business activities with regard to assets used and other relevant factors.



Oman

VAT executive regulations issued

The tax authorities have issued regulations providing implementing guidelines for the VAT law that will be coming into effect as from 16 April 2021, which address several key areas and provide details and clarification of the scope, conditions, limitations, and extent of zero-rating and exemptions from VAT.



Singapore

Tax reliefs extended for employees forced to work remotely due to COVID-19

The Inland Revenue Authority of Singapore has updated its guidance on employees that are working remotely from Singapore due to COVID-19 and further extended the period that certain employees will not be treated as exercising employment in Singapore; the interpretation of tax treaty provisions also has been clarified.



Switzerland

Tonnage tax for maritime activities: Consultation draft issued

The government has issued a consultation draft on the introduction of an optional tonnage tax for companies engaged in maritime activities, which would be based on net tonnage rather than operating profits or volume of cargoes carried.



United States

Biden signs American Rescue Plan into law

The USD 1.9 trillion tax-and-spending package enacted is aimed at addressing the continuing



Uruguay

Tax holiday regime modified for certain nonresidents becoming tax resident

Modifications to the tax holiday regime that provides an exemption from personal income

economic and health impacts of the COVID-19 pandemic and is the Biden administration's first major fiscal initiative; attention likely will turn to the plan for the "Build Back Better" economic recovery package.

tax on foreign-source dividends and interest include an extension of the tax holiday for new tax residents and those already benefitting from the regime, subject to certain conditions; a new election form also has been introduced.

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