

World Tax Advisor

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India's Supreme Court rules payments to nonresidents for imported software are not royalties

The Supreme Court has issued a landmark decision that payments made pursuant to end-user license and distribution agreements to nonresident computer software manufacturers and suppliers for the use or resale of computer software are not royalties for the use of a copyright in the computer software; accordingly, no liability arises to deduct tax at source.



German MOF publishes updated draft law to implement EU anti-tax avoidance directive

The government has published an updated version of the draft law regarding the implementation of the EU anti-tax avoidance directive into domestic tax law; the updated proposal includes anti-hybrid rules that would apply retroactively to expenses incurred on or after 1 January 2020 and other provisions that generally would apply as from 2022.

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



European Union

CJEU holds that Hungarian advertisement tax does not infringe EU state aid rules

The Court of Justice of the European Union has held that Hungarian progressive tax and loss relief regimes based on the net turnover from certain publication and broadcast advertisements do not lead to selective advantages and, therefore, are not prohibited forms of state aid.



European Union

EU directive introducing new reporting requirement for digital platforms adopted

The Council of the European Union has formally adopted a directive extending the scope of the provisions on exchanges of information and administrative cooperation in the field of taxation by requiring digital platforms to collect and report certain information on income of sellers.



Germany

MOF publishes draft law proposing to modernize corporate income tax rules

The Ministry of Finance has proposed certain corporate income tax measures that would provide additional flexibility to taxpayers, including an option for partnerships to be taxed as corporations and an extension of the application of certain tax-neutral restructuring provisions to companies resident outside the EU/EEA.



Hong Kong

Government publishes bill amending Inland Revenue Ordinance

The government has published a bill proposing changes to the foreign tax deduction rules, legislation for the tax treatment of court-free amalgamations, and a statutory framework for the electronic filing of tax returns.



Russia

Fixed CFC taxation option introduced for individuals



South Africa

Budget 2021/22 outlines revenue trends and tax proposals

As from the 2020 tax year, individuals who are controlling owners of controlled foreign companies may elect to be taxed under a fixed tax regime and released from the obligation to disclose the profits or financial results of such companies.

The finance minister has presented a budget announcing a decrease in the corporate income tax rate to 27% and no tax increases, except for excise duties and fuel levies; rather than increase taxes, additional spending has been allocated to the South African Revenue Service to expand audit capabilities and improve compliance.

Tax treaty round up

Recent developments with respect to the following tax treaties: Belarus-Spain, Estonia-Germany, and Luxembourg-Russia.

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