

World Tax Advisor

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G20/OECD inclusive framework statement agrees taxation of digital economy, global minimum rate

The G20/OECD Inclusive Framework on Base Erosion and Profit Shifting has published a statement setting forth the agreement among a long list of member countries on nexus and profit allocation and global minimum tax rules to address tax challenges arising from digitalization of the economy; the agreement represents a huge step for global tax reform on a coordinated basis.



Brazilian draft tax reform bill would introduce dividend WHT and reduced corporate tax rate

The Ministry of the Economy has presented a draft bill as part of the second phase of a four-phased tax reform plan; among its many provisions, the draft bill would re-introduce a withholding tax on dividends, which have been exempt from withholding tax since 1995, and reduce the corporate income tax rate from 15% to 10% over a two-year period.

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



African countries

Guide to fiscal information: Key economies in Africa 2021

Deloitte Africa has released the 2021 edition of a guide that summarizes the tax and investment regimes in over 40 key African economies; the guide includes details on each country's income tax and VAT or sales tax, as well as investment incentives, exchange control regimes, and basic economic statistics.



Albania

Application of new petroleum tax legislation to subcontractors clarified

The Council of Ministers has issued a decision providing further details on subcontractors' liability for petroleum profit tax, including information on the assessment of petroleum operation activities.



Australia

ATO launches New Investment Engagement Service

The aim of the New Investment Engagement Service is to encourage investment from global businesses; benefits could include an ability for investors to engage directly with the Australian Taxation Office for guidance on specific tax issues.



Cayman Islands

Amended economic substance regulations and guidance released

The Tax Information Authority has issued amended economic substance guidance and regulations, which bring general partnerships, limited partnerships, exempted limited partnerships, and foreign limited partnerships into the scope of the economic substance requirements.



Finland

SAC rules on comparability of Luxembourg SICAVs and Finnish investment funds



France

Tax authorities publish new trust forms

The Supreme Administrative Court has issued a decision, based on a preliminary ruling from the Court of Justice of the European Union, that income distributed by a Luxembourg SICAV to a Finnish resident individual should be treated as capital income, similar to the treatment of income received from a Finnish investment fund.



Germany

MOF grants extension of deadline for certain ORIP-related filing

The Ministry of Finance has extended the deadline for certain required filings in connection with the German extraterritorial taxation of royalty payments derived by nonresidents, from the original 31 December 2021 date to 30 June 2022.



Jersey

Economic substance regime extended to partnerships

The States Assembly has approved legislation to extend the economic substance rules to partnerships, which applies to financial periods commencing on or after 1 July 2021 for partnerships formed on or after such date and to financial periods commencing on or after 1 January 2022 for partnerships existing prior to 1 July 2021.

The tax authorities have published updated trust return forms in accordance with the ordinance transposing into domestic law the EU directive on anti-money laundering and terrorist financing, which expanded the scope of the trust reporting obligations.



India

Brought forward business loss may be offset against capital gains on business assets

The Karnataka High Court has reaffirmed that a taxpayer is entitled to set off a brought forward business loss against capital gains that had attributes of business income.



New Zealand

New Overseas Investment rules require tax disclosure

The new Overseas Investment Amendment Act contains a new requirement that acquisition structure information and other tax-related information must be provided when submitting an application for Overseas Investment Office consent.



New Zealand

Practical guidance on the purchase price allocation rule

This article discusses the new tax rules on allocating an asset purchase price; the rules incentivize parties to a transaction to agree on asset values and follow these in tax returns.



Taiwan

MOF announces principles for concluding cross-border bilateral or multilateral APAs

The Ministry of Finance has issued guidance on principles that the tax authorities apply in concluding cross-border bilateral or multilateral advance pricing agreements under the mutual agreement procedure of relevant tax agreements, with the aim of resolving problems due to different transfer pricing regulations in different jurisdictions.



United States

Managing transfer pricing risks with advance pricing agreements

This article discusses transfer pricing enforcement and the use of advance pricing agreements by multinational enterprises to proactively manage transfer pricing risks; the article includes commentary from the Director of the Internal Revenue Service Advance Pricing and Mutual Agreement program.



United States

Observations on political agreement on tax reform reached by inclusive framework

Deloitte Tax LLP has released an alert that outlines the agreement that has been joined by a long list of member countries of the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting regarding key components of global tax reform and also provides observations on challenges and next steps.

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