

## World Tax Advisor

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### Realigning the US tax code: Tax provisions in the Build Back Better Act

Deloitte Tax LLP has released a report that looks at the proposed revenue raisers and tax incentives in the House of Representatives' "Build Back Better" proposal, considers some of the potential challenges ahead as the bill moves through the legislative process, and discusses issues taxpayers should consider if these proposals become law.

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



#### Australia

### Full Court confirms payments to employees do not qualify for immediate deduction

The Full Federal Court has ruled that payments made by the taxpayer for the cancellation of employee entitlements under an employee option plan and an employee incentive scheme

#### Czech Republic

### Nonresident exemption from interest income on Eurobonds reintroduced

The government has reintroduced the exemption for interest income derived by tax nonresidents from bonds issued abroad by taxpayers with a registered seat in the Czech Republic, effective as from 1 January 2022; the

did not qualify for immediate deduction and were payments on capital account.

new rules contain provisions to prevent potential abuse.



#### Czech Republic

### Summary of guidance regarding transfer pricing of financial transactions

The General Financial Directorate has issued guidance on the transfer pricing of financial transactions, which is a topic where the tax authorities are expected to continue to focus close attention and an area where issues may arise in tax audits.



#### European Union

### EU formally adopts public CbC reporting

The European Parliament has formally adopted the EU public country-by-country reporting directive, ending a five-year legislative process; businesses likely will need to comply with the directive by mid-2024.



#### Finland

### Government proposal would amend interest deduction limitation rules

The government has proposed amendments to the interest deduction limitation rules, which include a tightening of the “balance sheet” test through reclassification of debt as equity under certain circumstances; if approved, the new rules would enter into force as from 1 January 2022.



#### India

### Standard automated services provided without human intervention are not FTS

The Delhi Bench of India’s Income-tax Appellate Tribunal has held that amounts paid for standard connectivity and networking services provided without any human intervention are not fees for technical services, and thus are not subject to the deduction of tax at source.



New Zealand

## How confident are you in your transfer pricing?

This article discusses Inland Revenue's increasing level of focus on taxpayers' cross-border related party transactions and its enhanced powers to investigate and adjust transfer prices, and how taxpayers can respond by increasing their level of care in transfer pricing matters.



OECD

## Tax Inspectors Without Borders annual report for 2021 released

The OECD has announced the release of the annual report from Tax Inspectors Without Borders, a joint initiative with the United Nations Development Programme that continues to support developing countries' ability to fight tax avoidance by multinationals.



Taiwan

## Amended legislation for recruitment and employment of foreign professionals enacted

The Executive Yuan has eased rules and increased benefits to attract foreign professionals by relaxing work eligibility and permanent residency requirements, extending the "Employment Gold Card," exempting foreign nationals from applying for resident visas, and extending the income tax exemption for "foreign special professionals."



Thailand

## Updated FAQs published on e-services tax

The Revenue Department has updated the frequently asked questions document regarding the VAT applicable on certain electronic services provided from abroad (commonly referred to as the "e-services tax"), which includes additional clarifications and new examples regarding electronic services that are subject to the e-services tax.

## Tax treaty round up

Recent developments with respect to the following tax treaties: Cabo Verde-Switzerland, Canada-Latvia, Canada-Lithuania, and Japan-Serbia.

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### Have a question?

If you have any questions about the content in *World Tax Advisor*, please email [Karen Ebert](#) or [Alison Brock](#).

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