France and Denmark sign new tax treaty

More than 13 years after the prior treaty ceased to apply, France and Denmark have signed a new tax treaty. The new treaty generally follows the 2017 OECD model tax treaty and includes numerous key provisions of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

Belgium

Key features of 2022 transfer pricing audit cycle

The tax authorities have launched the 2022 transfer pricing audit cycle with a new process: the tax authorities initially will send a request to the taxpayer for a pre-audit meeting that will allow the taxpayer to provide an overview of the company’s operations, which will be followed by a customized questionnaire issued to the taxpayer.

Belgium

Specific tax framework for European long-term investment funds enacted

The government has published legislation enacting a specific tax framework for European long-term investment funds, which is a type of investment vehicle introduced by an EU regulation in 2015 with the purpose of strengthening investments in certain social and transport infrastructure projects, real estate, and small and medium-sized enterprises.
Cayman Islands

**DITC portal updates include introduction of functionality for deactivation of FIs**

The Department of International Tax Cooperation has provided updates on the functionality of its portal and Common Reporting Standard reporting, including new functionality in regard to requests for deactivation of financial institutions.

China

**Tax deferrals introduced to support infrastructure REITs**

The Ministry of Finance and State Taxation Administration have introduced income tax deferrals for transfers of infrastructure assets and project company shares during the process when an originator establishes an infrastructure real estate investment trust pursuant to a pilot program launched in 2020 by the China Securities Regulation Commission and National Development and Reform Commission.

European Union

**CJEU rules Spanish disclosure obligations violate free movement of capital**

The Court of Justice of the European Union has ruled that the consequences for noncompliance by Spanish residents regarding obligations to provide the tax authorities with information on assets and rights located in other EU or EEA member states are disproportionate in light of the objective pursued by the Spanish General Tax Act, in violation of the EU free movement of capital principle.

France

**Administrative Supreme Court rules on definition of resident for tax treaty purposes**

The Administrative Supreme Court has ruled that a Tunisian company that benefited from a temporary corporate tax exemption on profits derived from exports should be considered liable to tax in Tunisia and, therefore, a tax resident of Tunisia for purposes of the France-Tunisia income tax treaty and eligible for the benefits of the treaty.
OECD

OECD requests public comments on draft rules for tax base determinations

The OECD has invited public comments on a consultation document on draft model rules for tax base determinations under “Amount A” of Pillar One, as part of the work on a two-pillar solution to address the tax challenges arising from the digitalization of the economy; comments are requested by 4 March 2022.

Singapore

Advance ruling addresses tax treatment of security tokens

This article discusses a summary of an advance ruling issued by the Inland Revenue Authority of Singapore that addresses the tax treatment of security tokens, which are digital tokens that represent a stake or an investment in an underlying asset, such as company shares or bonds.

Singapore

Tax highlights of Budget 2022 for companies

The Minister of Finance has delivered Budget 2022, which includes proposals for the extension of various tax incentive measures to support economic growth and the potential introduction of a minimum effective tax rate.

Taiwan

Overview of draft amendment to Mergers and Acquisitions Act

This article discusses a draft amendment approved by the Executive Yuan to certain articles of the Business Mergers and Acquisitions Act, which includes proposed measures that aim to strengthen the protection of shareholders’ rights and interests, increase the flexibility and efficiency of transactions, and create a more attractive taxation environment.

Tax treaty round up

Recent developments with respect to the following tax treaties: China-Rwanda, Colombia-Uruguay, Denmark-France, Ghana-Luxembourg, and Iraq-Saudi Arabia.
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