Annual filing of CbC reports required by certain multinational enterprises in Barbados

In-scope multinational enterprises must file country-by-country reports for reporting fiscal years beginning on or after 1 January 2021, with the first reports due by 31 December 2022. This article provides an overview of the rules, including relevant definitions, reporting obligations, recordkeeping requirements, offenses and penalties relating to reporting, and miscellaneous other provisions.

China

**Government announces continued tax relief in 2022**

Premier Li Keqiang has delivered a government work report to the 13th National People’s Congress announcing that the government will introduce various tax relief measures and incentives and expand existing relief and incentives, primarily to support the manufacturing sector and small businesses.

France

**Administrative Supreme Court rules on treatment of sale of US partnership interests**

The Administrative Supreme Court has ruled that gains derived by a French tax resident seller from the sale of a US partnership interest should be treated as capital gains under the France-US income tax treaty and taxable only in France pursuant to the treaty; as a result, the seller was not entitled to a foreign tax

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India

Lessee is entitled to investment linked deduction for expenditure to establish hotel

The Hyderabad Bench of the Income-tax Appellate Tribunal has ruled that a taxpayer was entitled to an investment linked deduction in respect of expenditure incurred for establishing a hotel business on premises leased by the taxpayer, even though the expenditure generally related to improvements to a basic building structure constructed by the lessor.

India

Valuation of shares based on unaudited balance sheet is acceptable

The Chandigarh Bench of the Income-tax Appellate Tribunal has ruled that the valuation of closely held shares based on an unaudited balance sheet drawn on the share allotment date and subsequently audited by the company’s auditors without changes was an acceptable valuation for purposes of the rules relating to income from other sources.

Indonesia

Overview of implementing guidelines for controlled foreign corporation rules

This article discusses guidance issued by the Directorate General of Taxation on the controlled foreign corporation rules, which clarifies a number of uncertainties regarding the implementation of the controlled foreign corporation regulation issued by the Minister of Finance in 2017.

Malaysia

Update on treatment of services between a branch and its headquarters

This article discusses a service tax ruling issued by the Royal Malaysian Customs Department indicating that services provided between a branch and its headquarters can be within the scope of the service tax; the ruling, which is being appealed, appears to represent a significant shift in position regarding the service tax treatment of services provided by a
nonresident headquarters entity to a Malaysian branch.

Mexico

**Identification of controlling beneficiary required as part of accounting**

This article discusses a new federal tax obligation that requires legal entities and trusts to maintain certain information on a controlling beneficiary and disclose the information to the Service Tax Administration upon request.

United States

**President lays out familiar tax-and-spending agenda**

President Biden has proposed in his first State of the Union address to increase taxes on corporations and wealthy individuals and invest in green energy and social programs as the keys to addressing the rising cost of living.

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