OECD announces release of commentary on Pillar Two model rules for global minimum tax

The OECD has announced the release of commentary providing detailed technical guidance on model rules for a global minimum tax, as part of the ongoing work of the OECD/G20 Inclusive Framework on BEPS on a two-pillar solution to address the tax challenges arising from the digitization of the economy; comments on an implementation framework for the model rules may be provided until 11 April 2022.

European Union

European Commission publishes 2022 tax management plan

The Directorate-General Taxation and Customs Union of the European Commission has released its annual management plan containing five main priorities for 2022, which include implementing corporate tax reform within the EU, supporting the EU Green Deal, reforming the Customs Union, protecting the

Hong Kong SAR

Tax measures proposed following budget speech

Proposed legislation has been introduced to the Legislative Council that contains certain tax measures proposed in the budget speech, including one-off tax reductions for profits tax, salaries tax, and tax under personal assessment for the year of assessment 2021/22; other tax measures proposed in the
EU’s financial interests, and modernizing tax and customs administration.

India

Protocol with MFN clause integral part of treaty, separate notification not needed

The Pune Bench of the Income-tax Appellate Tribunal has ruled that the protocol to the India-Spain tax treaty is an integral part of the treaty and no separate notification was needed to trigger the application of the most favored nation clause contained in the protocol, in order to import the benefit of a lower tax rate on royalties and fees for technical services under the India-Portugal tax treaty.

Luxembourg

Draft law includes EU-regulated securitization within scope of interest limitation

The government has released a draft law proposing to amend the interest deduction limitation rules, which contains a proposal to remove certain EU-regulated securitization entities from the list of financial undertakings not subject to the rules.

New Zealand

Ten tax system insights

The Inland Revenue has released a draft of its inaugural long-term insights briefing for comment, which examines how taxes on inbound investment are likely to affect incentives to invest in New Zealand and benchmarks New Zealand’s taxes against those in other countries.

Switzerland

New cross-border double taxation agreement between Switzerland and Italy: Updates

Switzerland has completed the formal process to put the new double taxation agreement between Switzerland and Italy to a final vote. The new agreement is intended to replace the 1974 agreement; if both countries conclude the ratification process in 2022, the new agreement will apply as from 1 January 2023, leading to important changes for cross-border commuters.
Taiwan

Regulations on scope of core revenue of banking and insurance industries revised

The Ministry of Finance has promulgated revised regulations that treat certain income received by a banking or insurance business as income attributable to sales outside the bank’s or insurance company’s own business and, therefore, as subject to a reduced business tax rate of 2%.

United States

JCT releases “Blue Book” for tax legislation enacted in 116th Congress

The Joint Committee on Taxation has released a “Blue Book” providing a general explanation of provisions in the eight tax bills that were signed into law in the 116th Congress, as well as revenue estimates for the provisions in each enacted law.

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