

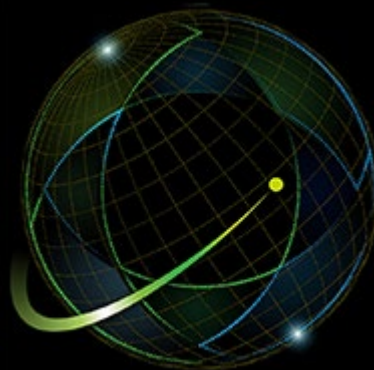
## World Tax Advisor

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### Australian Pillar Two primary legislation: Bills introduced

Three bills have been introduced into parliament that contain legislation for the implementation of the OECD Pillar Two rules, and that confirm that the rules would apply to income years commencing on or after 1 January 2024. An expanded explanatory memorandum also was released. This article discusses the main differences between the bills and the exposure drafts and provides key observations that may be relevant to taxpayers.



#### Australia

### ATO releases final guidance on aspects of hybrid mismatch rules

The Australian Taxation Office has released a final tax determination that relates to the hybrid mismatch rules and the meaning of “liable entity” and “hybrid payer” under the rules. Examples are provided that address risks associated with disregarded entity or partnership structures and imported hybrid mismatch risks involving royalty payments.

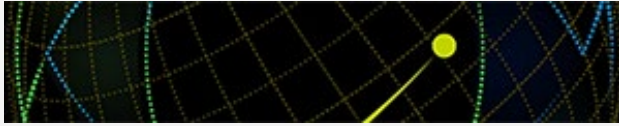


#### Australia

### Full Federal Court rules in favor of PepsiCo

The Full Federal Court has ruled in favor of the taxpayer and rejected the argument that a royalty or an embedded royalty could be extracted out of a commercial arrangement that did not expressly provide for payment of a royalty, even though it was clear that there was a grant of a right to use a trademark. The decision includes an authoritative analysis of

the diverted profits tax and 2012 amendments to the general anti-avoidance rules.



#### Belgium

### **Mandatory Pillar Two notification deadline extended for certain MNE and large domestic groups**

The tax authorities have issued an alert regarding the mandatory registration requirement for multinational enterprise groups and large domestic groups that fall within the scope of the Belgian Pillar Two rules, noting that the registration deadline has been extended to 16 September 2024 for groups that do not need to make Pillar Two tax prepayments during 2024.



#### Hong Kong SAR

### **Legislative Council passes patent box tax concession**

The Legislative Council has passed legislation on the patent box tax incentive regime, which provides a concessionary tax rate of 5% for qualifying profits domestically sourced from eligible intellectual property created through research and development activities. The regime applies to years of assessment beginning on or after 1 April 2023.



#### Italy

### **Council of Ministers approves draft legislative decree on public CbC reporting**

The Council of Ministers has approved a draft legislative decree that aims to implement the provisions of the EU public country-by-country reporting directive for financial years starting on or after 22 June 2024. The decree includes a provision that the new obligation could also be fulfilled by providing certain country-by-country reporting data already required to be reported to the Italian tax authorities.



#### Italy

### **Decree on Pillar Two QDMTT published**

A decree issued by the Ministry of Finance has been published in the official gazette, which implements rules for a tax that is intended to be a qualified domestic minimum top-up tax, as provided for under a legislative decree that implemented into domestic law the provisions of the EU Pillar Two directive. The rules generally are effective as from 1 January 2024.



#### Malaysia

### Conditions for tax exemption for foreign-source dividends modified and clarified

The government has gazetted an order that amends a prior order in respect of the tax exemption for foreign-source dividend income of certain recipients, and the Inland Revenue Board has issued related amended technical guidelines. Certain conditions to qualify for the tax exemption have been effectively modified retroactively for dividends received on or after 1 January 2022, and some clarifications are provided.



#### Switzerland

### Draft legislation for domestic implementation of CARF published

The government has published draft legislation for the domestic implementation of the OECD's Crypto-Asset Reporting Framework (CARF) and launched a combined consultation on CARF and amendments to the Common Reporting Standard, proposing respective additions and amendments to the automatic exchange of information act and ordinance. The consultation runs until 6 September 2024.



#### United States

### Final digital asset broker reporting regulations released

The Treasury Department and the Internal Revenue Service have released final regulations for digital asset broker reporting, as well as two related notices and a related revenue procedure. This regulation package finalizes the proposed regulations and includes an extensive "Summary of Comments and Explanation of Revisions" section.



#### United States

### Final procedural regulations released regarding corporate stock buyback excise tax

The Treasury Department and the Internal Revenue Service have released final regulations that provide guidance on how to report and pay the corporate stock buyback excise tax and that have finalized, with certain modifications, the proposed procedural regulations applicable to the reporting and payment of the excise tax.

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