

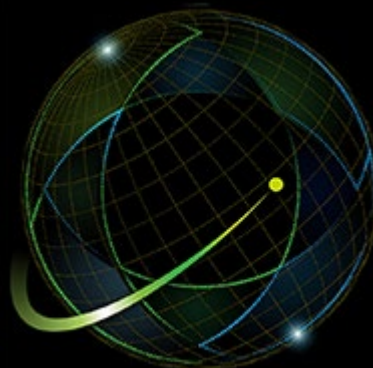
World Tax Advisor

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OECD Pillar Two: Information return updates released

The OECD/G20 Inclusive Framework on BEPS has published an updated version of the Pillar Two information return template, with certain guidance and new annexes, as well as a multilateral agreement for the exchange of information returns and an agreed XML schema and user guide for the filing and exchange of information returns.



OECD Pillar Two: Qualified jurisdictions and further guidance

The OECD/G20 Inclusive Framework on BEPS has published a compilation of Pillar Two-related documents, which includes a central record of jurisdictions' domestic Pillar Two legislation with transitional qualified status. Further administrative guidance has also been released in respect of deferred tax assets arising from tax benefits provided by governments.



Australia

New draft ATO guidance on third party debt test and restructures released



China

New VAT law effective as from 1 January 2026

The Australian Taxation Office has released draft guidance that includes a draft ruling in respect of certain “third party debt conditions” and a draft practical compliance guideline explaining the tax authorities’ compliance approach in relation to restructures in respect of the debt deduction creation rules. The consultation on the draft guidance ends on 7 February 2025.



A VAT law will come into effect on 1 January 2026, replacing provisional VAT regulations that have been in place for three decades. To maintain a stable policy environment, the VAT law adopts most of the existing VAT rules; however, certain key changes that may affect businesses will be introduced, including new rules to determine the place of supply of services.



Germany

MOF issues final transfer pricing guidance for intercompany financing arrangements

The Minister of Finance has issued a decree that revises and supplements the 2023 administrative regulations on transfer pricing principles in regard to intercompany financing relationships. The decree is based on newly introduced provisions governing the arm’s length principle for financing transactions between related parties, which generally are effective as from 1 January 2024.

Hong Kong SAR

Updates proposed to align transfer pricing rules with 2022 OECD guidelines

An amendment has been proposed to the existing transfer pricing rules, which would update the rules to refer to the 2022 edition of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. This article discusses some important updates to the OECD guidance in the 2022 edition that could affect taxpayers in Hong Kong SAR.



Indonesia

Pillar Two global minimum tax rules implemented as from 1 January 2025

The Minister of Finance has issued a regulation that implements the OECD Pillar Two global minimum tax framework in Indonesia as from 1



Italy

Summary of main tax provisions introduced by 2025 budget law and “IRES/IRPEF decree”

This article discusses corporate income tax measures that may be of interest to multinational enterprise groups or foreign

January 2025, imposing a 15% global minimum tax rate for certain multinational enterprises. This article includes an overview of the determination of tax liability under the rules, as well as related compliance obligations.



Mexico

Various tax incentives extended through 2025

Several decrees have been published in the official gazette that extend various tax incentives through 2025, including tax incentives for key sectors of the export industry, the northern border region, the southern border region, and in regard to non-fossil fuels and automotive fuels.



Taiwan (China)

MOF releases updated list of low-tax jurisdictions

The Ministry of Finance has released an updated list of low-tax jurisdictions for purposes of the controlled foreign company rules, which have been in effect since the 2023 tax year and whose purpose is to prevent a company or individual from establishing a controlled foreign company in a low-tax jurisdiction to avoid their Taiwanese tax obligations.

investors in two pieces of legislation that have introduced significant changes to the Italian tax system, including a reduced corporate income tax rate of 20% for companies investing in certain assets.



OECD

PCT is accepting comments on principles relating to tax incentives

The Platform for Collaboration on Tax has launched a public consultation and is requesting comments by 11 February 2025 on draft "Tax Incentives Principles," a set of high-level principles that are intended to be easily accessible to policymakers and other stakeholders to help them navigate policy, legislative, and administrative issues relating to tax incentives.



Ukraine

Tax challenges relating to exports of commodities and analysis of traders' profitability

This article discusses transfer pricing challenges that certain commodities exporters face in the current economic and political climate, as well as relevant considerations for companies that choose to apply a profitability analysis rather than a price analysis in relation to commodities transactions with foreign related parties.



United States

Final regulations address disregarded payment loss and dual consolidated loss rules

The Treasury Department and the Internal Revenue Service have published regulations that finalize the rules from proposed regulations that relate to disregarded payment losses, including portions that are also relevant for dual consolidated losses. The final regulations retain the basic approach and structure of these portions of the proposed regulations, with certain revisions.



United States

Proposed regulations on spinoff transactions and related reporting requirements

The Treasury Department and the Internal Revenue Service have issued two sets of proposed regulations that would provide guidelines for spinoff transactions under section 355 of the Internal Revenue Code, as well as requirements relating to multi-year reporting for corporate separations and related transactions under section 355.

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