



Global Tax Developments Quarterly

Accounting for Income Taxes

Summary of recent international tax developments that may have implications on accounting for income taxes under US GAAP

July 1, 2024 – September 30, 2024

September 30, 2024

Issue 2024-3



Contents

| | |
|---|----|
| Introduction | 2 |
| Enacted Tax Law Changes: July 1, 2024 to September 30, 2024 | 3 |
| Enacted Tax Law Changes That Are Now Effective: July 1, 2024 to September 30, 2024 | 5 |
| Enacted Tax Law Changes That Are Effective After September 30, 2024 | 6 |
| On the Horizon | 7 |
| Did you know | 12 |
| Example Disclosures | 16 |
| Quick Reference Guide for Income Tax Rates | 17 |
| Additional Resources | 18 |
| Contact Us | 19 |

Introduction

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. The information contained in this document was not intended or written to be used, and cannot be used, for purposes of avoiding penalties or sanctions imposed by any government or other regulatory body. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

Unless otherwise indicated, the content in this document is based on information available as of September 30, 2024. Accordingly, certain aspects of this document may be updated as new information becomes available. Financial statement preparers and other users of this document should take actions to remain abreast of and carefully evaluate additional events that may be relevant to accounting for income taxes matters.

Applicable US GAAP guidance

Under US GAAP, the effects of new legislation are recognized upon enactment. More specifically, the effect of a change in tax laws or rates on a deferred tax liability or asset is recognized as a discrete item in the interim period that includes the enactment date. The tax effects of a change in tax laws or rates on taxes currently payable or refundable for the current year are reflected in the computation of the annual effective tax rate after the effective dates prescribed in the statutes, beginning no earlier than the first interim period that includes the enactment date of the new legislation. However, any effect of tax law or rate changes on taxes payable or refundable for a prior year, such as when the change has retroactive effects, is recognized upon enactment as a discrete item of tax expense or benefit for the current year. While there is no specific guidance as to what constitutes "enactment" under US GAAP, it is commonly accepted that enactment takes place on the date the last step in the legislative process required to promulgate the law is complete (e.g., a law is published in an official gazette, signed by a president, or receives Royal Assent).

Enacted Tax Law Changes: July 1, 2024 to September 30, 2024

The following section includes a summary of major international income tax law changes enacted during the period July 1, 2024 to September 30, 2024.

Argentina

India

Italy

Argentina

New incentive regime for large investments introduced

Date of Enactment: July 8, 2024

Effective Date: July 8, 2024

On July 8, 2024, Law No. 27.742 (“Bases and Starting Points for the Freedom of Argentine People,” known as the “Bases Law”) was published in the official gazette and is effective as from the date of publication. The Bases Law includes a significant initiative known as the “Incentive Regime for Large Investments” (RIGI, per its acronym in Spanish) which offers substantial tax and other incentives to qualifying large-scale investments of at least USD 200 million in strategic sectors critical to Argentina’s development made by investors operating as a single project entity (VPU, per its acronym in Spanish). Incentives include a 25% corporate income tax rate and a 30-year stability regime for taxes, customs, and foreign exchange. This article provides an overview of the available incentives, the eligibility criteria, and the requirements that must be satisfied by the investment plan.

See also [tax@hand - July 9, 2024](#)

India

Finance (No. 2) Bill, 2024 enacted with amendments

Date of Enactment: August 16, 2024

Effective Date: July 23, 2024

Following the presentation of India’s [Union Budget 2024](#) on July 23, 2024, [The Finance \(No. 2\) Bill, 2024](#) (FB 2024) was introduced into the Lok Sabha (the lower house of parliament) on the same date. After considering different representations from various stakeholders, certain amendments to FB 2024 were suggested and the amended version of the bill, after being passed both by the Lok Sabha and the Rajya Sabha (the upper house of parliament), received presidential consent and was enacted as [The Finance \(No. 2\) Act, 2024](#) (FA 2024) via publication in the official gazette on August 16, 2024.

See also [tax@hand - September 17, 2024](#)

Italy

Parliament adopts new Pillar Two law

Date of Enactment: July 9, 2024

Effective Date: Various

On July 9, 2024, a decree was published in the Italian official gazette that was issued by the Italian Ministry of Finance on July 1, 2024 to implement rules for a tax that is intended to be a qualified domestic minimum top-up tax (QDMTT), as provided for under article 18 of the legislative decree (No. 209/2023) that implemented the provisions of [Council Directive \(EU\) 2523/2022](#) (“EU Pillar Two directive”) in Italy. Italy’s Pillar Two (or “global anti-base erosion” (GloBE)) rules generally are effective as from January 1, 2024 (except for the undertaxed profits rule (UTPR), which generally is effective as from January 1, 2025).

The Italian QDMTT—which is effective for fiscal years beginning on or after December 31, 2023, i.e., as from 2024 for calendar-year taxpayers—may be applicable to Italian entities belonging to multinational enterprise groups or large-scale domestic groups with annual revenue of EUR 750 million or more. The QDMTT provides for the application of top-up tax in Italy in a case where the jurisdictional effective tax rate (ETR) is below the minimum rate of 15%.

See also [tax@hand - July 10, 2024](#)

Enacted Tax Law Changes That Are Now Effective: July 1, 2024 to September 30, 2024

The following section includes a summary of major international income tax law changes enacted before July 1, 2024, but are first effective in the period July 1, 2024, to September 30, 2024.

Per a review of jurisdictions that are generally monitored in this publication, there were no major international income tax law changes enacted before July 1, 2024, but are first effective in the period July 1, 2024, to September 30, 2024.

Enacted Tax Law Changes That Are Effective After September 30, 2024

The following section includes a summary of major international income tax law changes enacted before October 1, 2024, but effective after September 30, 2024.

Per a review of jurisdictions that are generally monitored in this publication, there were no major international income tax law changes enacted before enacted before October 1, 2024, but effective after September 30, 2024.

On the Horizon

The following developments had not yet been enacted as of September 30, 2024, but may, in certain cases, be enacted and become effective in the near future. Please follow up with your U.S. or local country/jurisdiction tax advisor for more information.

Australia

Pillar Two primary legislation: Bills introduced

On July 4, 2024, Australia made a further step towards the implementation of Pillar Two, introducing bills into parliament with an accompanying Explanatory Memorandum.

The media release announcing the introduction highlights the government's commitment to "improve tax transparency and integrity" and reinforces the Australian start date of January 1, 2024. The rules apply to multinational groups that have a global turnover of at least EUR 750 million (approximately AUD 1.2 billion) and impose a 15% global minimum tax that is worked out on a jurisdictional basis. Many in-scope multinational groups will already be keenly aware of the compliance obligations associated with these rules.

In summary, the bills have not significantly changed from the exposure drafts that were released in March 2024 for consultation. The main points of difference and Deloitte Australia's key observations that are relevant for Australian taxpayers regarding the primary legislation are set out in the table in the article (this is not intended to be read as an exhaustive comparison of the changes).

See also [tax@hand - July 7, 2024](#)

Bermuda

Corporate income tax administrative provisions: First public consultation launched

The government of Bermuda announced on August 8, 2024 the release of a [public consultation](#) paper that aims to provide Bermuda stakeholders with a preliminary, high-level summary of the proposed taxpayer compliance framework for the corporate income tax (CIT) that will apply to in-scope multinational enterprise groups with respect to fiscal years beginning on or after January 1, 2025, and to gather public feedback on the proposals. Responses and comments regarding the consultation paper should be submitted via email to finance@gov.bm. Respondents should include "Corporate Income Tax Administration" in the subject line and must send their responses by September 5, 2024.

See also [tax@hand - August 28, 2024](#)

Australia
Bermuda
Brazil
Germany
Hong Kong SAR
India
Israel
Jersey
Korea
Luxembourg
Netherlands
New Zealand
Singapore
Switzerland
Taiwan (China)
United States
Vietnam

Brazil

Government proposes increase to CSLL rates and WHT rate on INE distributions

On August 30, 2024, the Brazilian government submitted Bill No. 3,394 of 2024 to Congress, proposing a temporary increase in the rates for the social contribution on net profits (CSLL) and an increase in the rate for the withholding tax on interest on net equity (INE) distributions. If enacted, these changes would take effect on January 1, 2025.

See also [tax@hand - September 9, 2024](#)

Germany

Government announces growth initiative that includes proposed tax measures

On June 5, 2024, the German government published its plan for a growth initiative to revitalize Germany's economy. The new initiative is the result of budget negotiations among the social democratic party, liberal party, and green party, which are representing the current governing coalition, and should boost the German economy and provide relief for businesses from bureaucracy and levies. The long-term growth potential of the German economy and its competitiveness should be increased, and Germany should be strengthened as a business location.

See also [tax@hand - July 10, 2024](#)

Honk Kong SAR

Introduction of enhancement measures for lease reinstatement costs and commercial/industrial building allowances

The government has recently submitted proposals to the Legislative Council regarding tax deductions for lease reinstatement costs, as well as removal of time limit for claiming Commercial Building Allowance (CBA) and Industrial Building Allowance (IBA) following the announcements made during the 2024-25 Budget Speech.

See also [Hong Kong Tax Newsflash - July 4, 2024](#)

India

CBDT publishes FAQs on capital gains regime proposed in Union Budget 2024

India's Central Board of Direct Taxes (CBDT) on July 24, 2024 issued [Frequently Asked Questions](#) (FAQs) clarifying certain points in relation to the proposed new capital gains regime announced in the [Union Budget 2024](#) on July 23, 2024. The proposed amendments are intended to significantly simplify the regime and are included in [The Finance \(No. 2\) Bill, 2024](#) (FB 2024) introduced into the Lok Sabha (lower house of parliament) on July 23, 2024. Once enacted, the provisions will come into force as from July 23, 2024 and will apply to any transfers made on or after that date.

See also [tax@hand - July 31, 2024](#)

Israel

Pillar Two to be implemented gradually starting with domestic minimum tax from 2026

On July 29, 2024, the Israeli finance minister announced that Israel is to implement the OECD Pillar Two global minimum tax rules ("Pillar Two") gradually, with the first stage being the introduction of a domestic minimum tax, intended to be a qualified domestic minimum top-up tax (QDMTT), as from January 1, 2026.

Following the introduction of the QDMTT, Israel will review its international top-up tax under the income inclusion rule (IIR) and the undertaxed profits rule (UTPR) on profits of foreign subsidiaries, branches, and permanent establishments of Israeli-headquartered groups.

See also [tax@hand - August 5, 2024](#)

Jersey

Draft legislation to implement Pillar Two framework issued

On August 14, 2024, Jersey's Minister for Treasury & Resources lodged in the States of Jersey Assembly draft legislation setting out the local implementation of the OECD's Pillar Two framework. The legislation is due for debate in the assembly on October 1, 2024.

Pillar Two will apply to entities in multinational groups with annual consolidated revenue of at least EUR 750 million. The majority of businesses in Jersey will therefore not be within scope of the rules and will continue to be subject to Jersey's established zero/10 corporate tax regime.

See also [tax@hand - August 14, 2024](#)

Korea

Taxpayer-friendly 2024 Tax Revision Bill aims to stimulate economic activity

The Ministry of Economy and Finance of Korea (ROK) announced on July 25, 2024 its proposed 2024 Tax Revision Bill (bill). The stated purpose of the bill is to stimulate economic activity, restore the public's economic health, rationalize the Korean tax system, and establish a taxpayer-friendly environment. The bill will be submitted for discussion to the National Assembly and is expected to be finalized and promulgated upon approval near the end of 2024.

See also [tax@hand - July 31, 2024](#)

Luxembourg

Reduction in corporate and individual tax rates proposed

Luxembourg Finance Minister Gilles Roth presented on July 17, 2024 a new draft law (n° 8414) aiming to strengthen the purchasing power of citizens, revive the economy, and promote inclusive and sustainable growth by proposing various tax reliefs in accordance with the proposed tax measures foreseen by the 2023-2028 coalition agreement and issued in November 2023.

More specifically, the draft law complements the tax measures already introduced, such as a proposed reduction in the corporate income tax rate, with a view to continuing to reduce the tax burden on individuals and to create an environment for attracting and retaining talent. In addition, the bill introduces changes to the framework for family wealth management companies. The article contains a summary of the proposed measures.

See also [tax@hand - July 26, 2024](#)

Netherlands

Ministry of Finance publishes tax plan for 2025

On September 17, 2024, the Dutch Ministry of Finance published the government's tax plan for 2025. The plan includes several proposals that are relevant for international companies, such as amendments relating to the earnings stripping rule, qualification of legal entities, and global minimum tax. The legislative proposals will be discussed by parliament and are expected to be adopted by the end of 2024.

See also [tax@hand - September 18, 2024](#)

New Zealand

Next steps for MNEs after Pillar Two rules enacted

The New Zealand government enacted legislation in March 2024 to formally implement the OECD Pillar Two global minimum tax (GloBE) rules. The purpose of these new Pillar Two rules is to ensure that multinational enterprise (MNE) groups with global turnover above EUR 750 million in two of the four preceding income years pay at least a 15% tax on their income in each country where that income is reported for financial reporting purposes.

See also [tax@hand - July 9, 2024](#)

Singapore

Bill and regulations propose details of implementation of DTT and IIR

On June 10, 2024, Singapore's Ministry of Finance (MOF) released for [public consultation](#) a draft bill ([Multinational Enterprise \(Minimum Tax\) Bill](#)) and related draft regulations ([Multinational Enterprise \(Minimum Tax\) Regulations \(2025\)](#)) on the determination of global anti-base erosion (GloBE) income or loss and adjusted covered taxes. In accordance with the Budget 2024 statement announced on February 16, 2024, the draft legislation aims to implement a domestic top-up tax (DTT) and an income inclusion rule (IIR) in line with the Pillar Two model rules published by the OECD/G20 Inclusive Framework on BEPS. The consultation period ended on July 5, 2024.

See also [tax@hand - July 18, 2024](#)

Switzerland

IIR to apply as from January 1, 2025; UTPR postponed until further notice

On September 4, 2024, the Swiss Federal Council decided ([English](#) | [French](#) | [German](#)) that Switzerland will introduce the income inclusion rule (IIR) as from January 1, 2025. This international top-up tax will complement the Swiss top-up tax (QDMTT) introduced as from January 1, 2024. The introduction of the undertaxed profit rule (UTPR) has been postponed until further notice.

See also [Tax and Legal blog - September 5, 2024](#) and [tax@hand - September 6, 2024](#)

Taiwan (China)

Draft amendment on alternative minimum tax rate announced

On August 28, 2024, the Ministry of Finance (MOF) of Taiwan (China) ("Taiwan") announced the commencement of a public consultation period (from August 28 to October 28) regarding a draft amendment to the "The Tax Rate for the Alternative Minimum Tax (AMT) Imposed on Profit-Seeking Enterprises," which aims to align the current tax system with international tax reforms and safeguard Taiwan's tax revenue. Currently, the income tax rate for Taiwan's profit-seeking enterprises is 20%, while the AMT rate is 12%. Therefore, when a Taiwanese entity of a multinational enterprise (MNE) group enjoys significant tax incentives locally, its effective tax rate calculated under the OCED's Pillar Two global minimum tax (GMT) rules may be lower than 15% after paying AMT. As a consequence, before GMT is introduced in Taiwan, a top-up tax will have to be paid to other GMT-implementing jurisdictions, thus resulting in a tax revenue loss for Taiwan.

See also [tax@hand - September 24, 2024](#)

United States

Webcast replay—New Pillar One, Pillar Two administrative guidance: Gaining definition

View the webcast on demand to understand the ongoing international tax streamlining and simplification efforts under Pillar One (Amount B) and the Pillar Two implementation complexities faced by stakeholders.

See also [tax@hand - July 19, 2024](#)

Proposed regulations address certain issues under dual consolidated loss rules

On August 6, 2024, the US Internal Revenue Service (IRS) and Treasury Department issued proposed regulations ([REG-105128-23](#)) (the “proposed DCL regulations”) addressing certain issues arising under the dual consolidated loss (DCL) rules. The proposed DCL regulations include intercompany transaction rules, revisions to the current DCL regulations, rules describing the interaction of the DCL rules and the [global anti-base erosion model rules](#) (the “GloBE model rules”), new rules regarding disregarded payments that give rise to foreign tax deductions, and a new anti-abuse rule.

Proposed revisions to the intercompany transaction rules affect Treas. Reg. section* 1.1502-13. These rules are proposed to apply to taxable years for which the original federal income tax return is due (without extensions) after the date final regulations are published in the Federal Register; however, taxpayers may choose to apply these provisions to earlier taxable years, subject to consistency requirements.

See also [tax@hand - August 15, 2024](#)

Approaching the cliff: Tax policy and the 2024 elections

With nominating conventions behind them and the US presidential campaign now moving into high gear post-Labor Day, the two leading contenders in the race for the White House—Vice President Kamala Harris, who became the Democratic Party’s standard bearer after President Joe Biden withdrew from the contest in July, and former President Donald Trump, who Republicans have tapped to run for a second term in the Oval Office—have begun to make their final case to voters ahead of the November 5, 2024 general election.

See also [tax@hand - September 3, 2024](#), [tax@hand - July 26, 2024](#) and [tax@hand - August 2, 2024](#)

Vietnam

Local tax authorities request information to assess liability for global minimum tax

As part of the ongoing implementation in Vietnam of the global minimum tax (GMT) in accordance with the OECD global anti-base erosion (GloBE) or “Pillar Two” rules and related compliance monitoring, Vietnam’s local tax authorities have issued official letters to certain multinational enterprise (MNE) groups. The letters request detailed information to determine whether the MNE group would likely be subject to the qualified domestic minimum top-up tax (QDMTT) and the income inclusion rule (IIR) in Vietnam.

See also [tax@hand - August 23, 2024](#)

Did you know

The following section contains information that may be relevant at the date of publication

Australia

ATO releases final guidance on aspects of hybrid mismatch rules

This TD signals the Commissioner’s ongoing scrutiny of global hybrid arrangements and the considerations that are particularly relevant to US parented multinationals. Deloitte Australia has observed an increase in compliance activity surrounding the hybrid mismatch rules recently, which is likely reflective of the natural progress of data collected through the ATO’s International Dealings Schedule since the rules were introduced in 2019.

See also [tax@hand - July 3, 2024](#)

Overview of digital game development incentives

In recent years, Australia has been deliberately seeking to enhance its global competitiveness as a game development hub with combined federal and state efforts. Building on an attractive location for major film productions and digital works, recent incentives are intended both to attract AAA game studios to Australia and further boost a thriving indie game development scene.

The flagship federal incentive is the recently enacted Digital Games Tax Offset (DGTO) which provides eligible studios and development companies with a 30% refundable tax offset in respect of qualifying Australian development expenditure (QADE) in addition to a tax deduction.

See also [tax@hand - September 4, 2024](#)

France

Interest paid to shareholders: Second 2024 quarterly interest rate limit established

On June 29, 2024, France’s Official Journal published the second 2024 quarterly average floating rate for bank loans/credit facilities with maturities exceeding two years, which is used to calculate the annual maximum interest rate on loans from direct shareholders: the average floating rate is set at 5.9% for the second quarter of 2024.

See also [tax@hand - July 1, 2024](#)

Germany

MOF publishes updated decree related to incongruent dividend distributions

In a decree published on September 4, 2024, the German Ministry of Finance (MOF) updated its December 17, 2013 decree regarding the recognition of disproportionate (i.e., “incongruent”) dividend distributions for tax purposes. The updated decree incorporates taxpayer friendly decisions of the federal tax court from 2021 and 2022, which were issued against the view of the tax authorities.

The revised guidance includes the position of the tax authorities related to different cases of disproportionate dividend distributions made by limited liability companies (GmbHs) and stock corporations (AGs).

See also [tax@hand - September 6, 2024](#)

Australia
France
Germany
Hong Kong SAR
India
Indonesia
Malaysia
Mexico
Norway
Switzerland
Thailand
United States

Hong Kong SAR

IRD publishes updated FAQs on FSIE regime

On July 5, 2024, Hong Kong SAR's (HKSAR's) Inland Revenue Department (IRD) updated its website, to incorporate a number of frequently asked questions (FAQs) and illustrative examples reflecting the IRD's latest views on the application of the foreign-sourced income exemption (FSIE) regime.

See also [tax@hand - July 17, 2024](#)

India

Deemed income provisions not applicable to conversion of unsecured loan to shares

On May 31, 2024, India's Himachal Pradesh High Court ruled that loans received by a taxpayer in prior years and converted to shares in the current year, are not within the definition of "any consideration for issue of shares received in the previous year," and therefore do not fall under the provisions of section 56(2)(viib) of the Income-tax Act, 1961 (ITA) (relating to income in the hands of the taxpayer on the issue of shares in certain cases). Further, the court held that the taxpayer holds the right to select the valuation method; the Assessing Officer (AO) may verify the method but cannot substitute it.

See also [tax@hand - July 8, 2024](#)

ITAT rules presumptive tax provisions override disallowance provisions

On June 18, 2024, the Chennai Bench of India's Income-tax Appellate Tribunal (ITAT) published its [decision](#) that section 44BB of the Income-tax Act, 1961 (ITA) (containing provisions for the presumptive taxation of nonresidents engaged in the exploration, extraction, or production of mineral oils) overrides other provisions of the ITA, including section 40(a)(i) (relating to the disallowance of expenses when calculating taxable income if tax has not been deducted from the payments).

See also [tax@hand - July 16, 2024](#)

Indonesia

Regulation implementing tax incentives for investment in new capital city issued

In order to promote investment in and the development of Indonesia's new capital city, Ibu Kota Nusantara (subsequently referred to in this article as IKN), the Indonesian government has introduced various fiscal and other incentives for investments and business activities in IKN through Regulation Number 12 of 2023 (PP-12) issued in March 2023. As a follow up to PP-12, on May 16, 2024, the minister of finance issued Regulation Number 28 of 2024 (PMK-28) to provide further details of and the application procedures for the tax- and customs-related incentives introduced by PP-12. These include detailed conditions of the incentives; eligibility criteria; procedures to apply for and utilize the incentives; and obligations, sanctions, and templates for application, notification, and reporting. The regulation comes into effect immediately upon issuance.

See also [tax@hand - July 1, 2024](#)

Malaysia

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

On June 12, 2024, the Malaysian government gazetted the "Income Tax (Exemption) (No. 6) Order 2022 (Amendment) Order 2024" ([P.U.\(A\) 157/2024](#)), which amends the "Income Tax (Exemption) (No. 6) Order 2022" ([P.U.\(A\) 235/2022](#)) in respect of the tax exemption for dividend income received in Malaysia from outside Malaysia (i.e., foreign-source dividend income) by certain recipients. The amendments relate to foreign-source dividends received by a resident company or resident limited liability partnership (LLP), or by a resident individual partner in relation to a partnership business in Malaysia (IIP). Following the gazette of P.U.(A) 157/2024, the Inland Revenue Board (IRB) of Malaysia issued [amended technical guidelines](#) on June 20, 2024, which replace the [revised technical guidelines](#) issued on December 29, 2022. Based on the provisions of P.U.(A) 157/2024 and the amended technical guidelines, certain conditions to qualify for the tax exemption for foreign-source dividends are effectively modified retroactively for dividends received on or after January 1, 2022, and some clarifications are provided.

See also [tax@hand - July 1, 2024](#)

Mexico

Tax treatment of financial leasing transactions

Individuals and companies resident in Mexico must pay ISR when performing with another party a financial leasing transaction that generates income (residence criterion). Likewise, nonresidents without a PE in Mexico must pay ISR whenever they agree with another party a financial leasing transaction from which they obtain income (source criterion). Finally, nonresidents with a PE in Mexico must pay ISR when performing with another party a financial leasing transaction that generates income (presence in another country criterion).

See also [tax@hand - July 10, 2024](#)

Norway

Supreme Court rules interest deduction limitation rule in breach of EEA Agreement

In a judgment involving PRA Group Europe AS and the Norwegian tax authorities, dated June 26, 2024, the Supreme Court of Norway concluded, in line with the European Free Trade Association (EFTA) Court, that the Norwegian interest deduction limitation rule was in breach of the freedom of establishment provision in the European Economic Area (EEA) Agreement. Even though the case concerned the rule in force from 2014-2018, the same considerations should apply to the current rule in force, which may give rise to an opportunity for relief for EEA-based groups that have been subject to the interest deduction limitation rule in periods after 2018 (earlier income years are likely time-barred).

See also [tax@hand - September 12, 2024](#)

Switzerland

Federal Supreme Court further clarifies application of safe harbor interest rates

On July 17, 2024, a five-judge panel of the Swiss Federal Supreme Court (*Bundesgericht*) considered the question of the types of taxes to which the annual circular on safe harbor interest rates annually issued by the Swiss Federal Tax Administration (SFTA) applies, and whether and to what extent the circular is binding on tax authorities ([9C 690/2022](#), available in German only). The court's decision provides further clarity for taxpayers on the application of the circular.

See also [tax@hand - August 14, 2024](#)

Thailand

Certain tax incentives are available to support business operators in SEZs

Several Thai royal decrees and notifications from the Director-General of the Thai Revenue Department on income tax were issued during June and July 2024 to extend the period during which certain tax incentives intended to support business operators located in special economic development zones (SEZs) in southern Thailand are available, and to set forth the relevant rules, procedures, and conditions for the incentives. The extensions generally cover the period from January 1, 2024 through December 31, 2026 and generally are available to business operators located in SEZs in the Narathiwat province, Pattani province, or Yala province. The incentives provided under Royal Decree No. 783 also are available to business operators located in SEZs in the Satun province or in certain areas of the Songkhla province.

See also [tax@hand - August 8, 2024](#)

United States

Top House Republicans back legal challenge to Pillar Two

Republicans in the US House of Representatives the week of September 16, 2024 offered up a reminder of their longstanding opposition to the global minimum tax agreement struck through the OECD by more than 140 countries—including the US—by backing a legal challenge to the agreement in a Belgian court and reiterating their willingness to unleash retaliatory measures against foreign jurisdictions that use the deal to “target Americans.”

See also [tax@hand - September 20, 2024](#)

Example Disclosures

The following section contains example financial statement disclosures that may be considered relevant, in part or in whole, at the date of publication.

FASB Accounting Standards Codification (ASC or the "Codification") Topic 740, Income Taxes states that deferred tax liabilities and assets should be adjusted for the effect of changes in tax laws or rates in the period that includes the enactment date. Before enactment, financial statement preparers should consider whether potential changes represent an uncertainty that management reasonably expects will have a material effect on the results of operations, liquidity, or capital resources. If so, financial statement preparers should consider disclosing information about the scope and nature of any potential material effects of the changes. After enactment, when material, financial statement preparers should consider disclosing in Management's Discussion & Analysis (MD&A) the anticipated current and future impact on their results of operations, liquidity, and capital resources. In addition, financial statement preparers should consider disclosures in the critical accounting estimates section of MD&A, the footnotes to the financial statements, or both, to the extent that the changes could materially impact existing assumptions used in making estimates of tax-related balances.

Certain legislation that has been discussed in other sections of this document may lead to an adjustment to the deferred tax balances and current taxes payable recorded on an entity's books and, if material, may need to be disclosed in the company's financial statements. In addition, proposals to change tax laws, rules, regulations, and interpretations could impact an entity's accounting for income taxes in the future. In preparation for possible impacts of the changes in tax laws, companies should consider including disclosure of the impacts of these proposed changes in their financial statements or in MD&A.

The link below provides sample disclosures with respect to issues including but not limited to the US tax reform, indefinite reinvestment, and intra-entity transfers.

See [Roadmap to Accounting for Income Tax](#) and [Deloitte Financial Reporting Alerts](#)

Quick Reference Guide for Income Tax Rates

The following section includes a summary of combined tax rates applicable in jurisdictions with rate changes in 2024, and supplemental information with respect to certain jurisdictions.

For other jurisdictions see [2024 Global Tax Rates as well as a comparative table of 2020-2024 Global Tax Rates](#).

| Jurisdiction | 2023 | 2024 | Notes |
|----------------------|-----------|------|--|
| Austria | 24% | 23% | The corporate income tax rate is 24% in 2023. The rate will be 23% as from January 1, 2024 See tax@hand - February 28, 2023 |
| Barbados | 1% - 5.5% | 9% | A new corporate income tax rate of 9% has been established, effective as from 1 January 2024. The rate is subject to some exceptions, which are discussed further in the article. See tax@hand - May 31, 2024 |
| Czech Republic | 19% | 21% | The corporate income tax rate is increased from 19% to 21%, and the increase will apply to all taxable periods beginning on or after the date of entry into force of the amendments, i.e., as from January 1, 2024. See tax@hand - January 25, 2024 |
| South Africa | 27/28% | 27% | The corporate income tax rate was reduced from 28% to 27% for years of assessment ending on or after March 31, 2023. See South Africa Highlights 2024 (deloitte.com) |
| South Sudan | 25% | 30% | Business profit tax is charged at a flat rate of 30% on the taxable profit or net profit of any organization that generates income for profit. The rate applies to fiscal year 2023/24, which runs from July 1, 2023 to June 30, 2024. See South Sudan Highlights 2024 (deloitte.com) |
| United Arab Emirates | 0/9% | 0/9% | 9% rate applies for financial years starting on or after June 1, 2023. See UAE Highlights 2024 (deloitte.com) |
| United Kingdom | 19/25% | 25% | The main rate of UK corporation tax increased from 19% to 25% as from 1 April 2023. See United Kingdom Highlights 2024 (deloitte.com) |

Additional Resources

[A Roadmap to Accounting for Income Taxes](#)—This Roadmap includes all of Deloitte’s interpretive guidance on the accounting for income taxes, combining the income tax accounting rules and implementation guidance from ASC 740 with Deloitte’s interpretations.

[Accounting for Income Taxes—Global Tax Developments archive](#)

Accounting for Income Taxes Hot Topics archive—A quarterly publication that highlights certain recent tax and accounting developments that may have accounting for income taxes (ASC 740) implications.

Click to [subscribe](#) to receive Accounting for Income Taxes Hot Topics directly via email.

[Deloitte tax@hand](#)—An app that delivers focused news and tax information.

Download Deloitte Tax@hand for iOS (App Store), Android (Google play) or BlackBerry (BlackBerry World) or visit the Tax@hand website, www.taxathand.com.

[World Tax Advisor](#)—Biweekly bulletin of international tax developments written by professionals of the member firms of Deloitte. The newsletter focuses on analysis of cross-border tax developments that reflect the dynamic business environment faced by multinationals.

Click to [subscribe](#) to receive *World Tax Advisor* directly via email.

[Transfer Pricing Alerts](#)—The latest updates in transfer pricing from around the world.

Click to [subscribe](#) to receive an email when a new Transfer Pricing Alert is issued.

[Deloitte International Tax Source \(DITS\)](#)—An online database featuring corporate, withholding and tax treaty rates and information for 66 jurisdictions worldwide.

[Tax Accounting & Provisions Dbriefs Webcasts](#)—A collection of live and archived Dbrief webcasts that give you valuable insights on important developments impacting financial reporting for taxes.

[Tax Publications](#)—Various tax publications issued by Deloitte to help clients stay informed on tax legislation and regulations and the potential impact on their businesses.

[Deloitte COVID-19 hub](#)—A collection of all the latest Deloitte content in relation to COVID-19.

Contact Us



Ana Lam

Managing Director, Deloitte Tax LLP

Phone: +1 305 808 2336

E-mail: walam@deloitte.com

Deloitte.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte

Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2024 Deloitte Development LLC. All rights reserved.

Designed by CoRe Creative Services. RITM1872895