



## 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

April 1, 2024 – June 30, 2024

June 30, 2024

Issue 2024-2



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# Introduction

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Unless otherwise indicated, the content in this document is based on information available as of June 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: April 1, 2024 to June 30, 2024

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

Australia  
Barbados  
Belgium  
Greece  
Italy  
Malaysia  
United Kingdom

## Australia

### New interest limitation rules finally enacted

**Date of Enactment:** April 08, 2024

**Effective Date:** Various

On April 8, 2024 the [Treasury Laws Amendment \(Making Multinationals Pay Their Fair Share—Integrity and Transparency\) Bill 2023](#) ("multinational tax bill" or "bill") which introduces the new Australian interest limitation rules received royal assent.

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

## Barbados

### Tax reform enacted, including Pillar Two legislation

**Date of Enactment:** May 24, 2024

**Effective Date:** January 01, 2024

Following the ministerial statement delivered by the Barbados prime minister on November 7, 2023 regarding legislation to implement the global anti-base erosion (GloBE) or "Pillar Two" global minimum tax model rules published by the [OECD/G20 Inclusive Framework on BEPS](#) (and associated legislation), the relevant legislation (the Income Tax (Amendment and Validation) Act, 2024 and the Corporation Top-Up Tax Act, 2024) was approved by both the House of Assembly and the Senate.

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

## Belgium

### Parliament adopts new Pillar Two law

**Date of Enactment:** May 02, 2024

**Effective Date:** Various

On May 2, 2024, the Belgian parliament adopted a new Pillar Two law ([Dutch](#) | [French](#)) that incorporates specific provisions contained in the administrative guidance issued by the OECD/G20 Inclusive Framework on BEPS ("OECD inclusive framework") during 2023 and corrects certain legislative errors identified in the original Pillar Two law dated December 19, 2023.

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

## Law amending investment deduction regime to support “green” transition published

**Date of Enactment: May 29, 2024**

**Effective Date: January 1, 2025**

On May 29, 2024, the law introducing significant amendments to Belgium’s investment deduction regime was published in the official gazette ([Dutch](#) | [French](#)).

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

## Investment deduction/credit rate changes for tax year 2025

**Date of Enactment: May 29, 2024**

**Effective Date: January 1, 2025**

Owing to lower inflation rates in Belgium in 2023, the rate of the increased investment deduction applicable to eligible capital investments by Belgian companies during financial year 2024 (tax year 2025) will decrease by 5%.

Eligible expenditure includes mainly energy-saving investments, environmentally friendly investments in research and development (R&D), investments in security, and expenditure on patents.

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

## Greece

### Parliament passes law implementing Pillar Two rules

**Date of Enactment: April 5, 2024**

**Effective Date: January 1, 2024**

On April 2, 2024, the Greek parliament passed a new law providing, among other things, for the transposition into Greek legislation of [Council Directive \(EU\) 2022/2523](#), which aims to ensure a global minimum level of taxation for multinational groups and large-scale domestic groups in the EU (“EU Pillar Two directive”). The law was published in the official gazette on April 5, 2024 and its provisions are effective, in principle, as from January 1, 2024.

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

## Italy

### Decree on Pillar Two transitional safe harbor rules published

**Date of Enactment: April 28, 2024**

**Effective Date: Various**

On May 28, 2024, a decree was published in the Italian official gazette that was issued by the Italian Ministry of Finance on May 20, 2024 to implement Pillar Two transitional safe harbor (TSH) rules, as provided for under article 39 of the legislative decree (No. 209/2023) that implemented the provisions of [Council Directive \(EU\) 2523/2022](#) (“EU Pillar Two directive”) in Italy.

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

## Malaysia

### Amendments to Income Tax Act and Labuan Business Activity Tax Act enacted

**Date of Enactment: May 20, 2024**

**Effective Date: May 21, 2024**

The Income Tax (Amendment) Act 2024 (Act A1706) and the Labuan Business Activity Tax (Amendment) Act 2024 (Act A1707) were published in the Malaysian government gazette on May 20, 2024 and came into operation on May 21, 2024. The amendment bills were passed by the House of Representatives on March 26, 2024 and by the Senate on April 3, 2024, and received royal assent from the king on May 9, 2024.

See also [tax@hand - June 11, 2024](#)

## United Kingdom

### Finance (No. 2) Act 2024 enacted

**Date of Enactment: May 24, 2024**

**Effective Date: April 1, 2024**

On May 21, 2024, the Committee stages of [Finance \(No. 2\) Bill 2023-24](#) (the Spring Finance Bill or "bill"), introduced following March's Spring Budget) concluded following [consideration](#) of the bill's clauses by a Public Bill Committee. No amendments were made to the bill during the Bill's committee stages. Due to the subsequent election announcement, the government and opposition agreed to accelerate the remaining stages of the bill.

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

# Enacted Tax Law Changes That Are Now Effective: April 1, 2024 to June 30, 2024

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

[El Salvador](#)

[New Zealand](#)

## El Salvador

### Income Tax Law Amended

**Date of Enactment: March 14, 2024**

**Effective Date: March 14, 2024**

On March 11, 2024, the El Salvador Legislative Assembly approved Legislative Decree 969, which contains amendments to the Income Tax Law. The amendments were published in the official gazette dated March 14, 2024 and are now in effect.

See also [tax@hand - April 2, 2024](#)

## New Zealand

**Date of Enactment: March 28, 2024**

**Effective Date: Various**

### Enactment of major tax act brings wide-ranging changes

On March 28, 2024, after many twists and turns, New Zealand's Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Bill was enacted into law and became the [Taxation \(Annual Rates for 2023-24, Multinational Tax, and Remedial Matters\) Act 2024](#). A lot has changed since the bill was first introduced on budget day in May 2023, so this article provides an overview of the key aspects of the bill, a timeline, and how some of the matters under discussion were eventually resolved.

See also [tax@hand - April 16, 2024](#), [tax@hand - April 17, 2024](#)

# Enacted Tax Law Changes That Are Effective After June 30, 2024

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



# On the Horizon

The following developments had not yet been enacted as of June 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](#)

[Denmark](#)

[Germany](#)

[Guernsey](#)

[Honk Kong SAR](#)

[Isle of Man](#)

[Jersey](#)

[Spain](#)

[United Kingdom](#)

[United States](#)

## Australia

### Weekly tax round-up

These articles provide a summary of key commonwealth tax developments in Australia.

See also [tax@hand - April 2, 2024](#), [tax@hand - April 15, 2024](#), [tax@hand - May 6, 2024](#), [tax@hand - June 3, 2024](#), and [tax@hand - June 11, 2024](#)

### Federal Budget 2024-25: Tax developments for business

On May 14, 2024, the Australian Treasurer, Jim Chalmers, handed down the 2024-25 Federal Budget with a primary focus on inflation in the near term and growth in the medium term. These articles provide an overview of the key tax developments for business and individuals.

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

### Post-budget reflections on the current RDTI landscape

The Australian [Federal Budget 2024-25](#) is now behind us, and as expected, contained no key changes to the R&D Tax Incentive (RDTI) regime. Although it is safe to assume that the regime is now relatively settled, the [government has stated](#) that it will commission a strategic examination of Australia's research and development (R&D) system to determine how Australia can get more value from every taxpayer dollar invested in research, maximize the contribution of science and R&D to the broader economy, and maintain Australia's competitive edge.

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

## Denmark

### Government presents proposal for new entrepreneurship strategy

On June 12, 2024, the Danish government presented its [proposal](#) (available only in Danish) for a new entrepreneurship strategy, including tax and other initiatives intended to improve the business environment for entrepreneurs and entrepreneurial companies in Denmark. Key measures for companies include the elimination of dividend taxation on unlisted portfolio shares and the relaxation of restrictions on the offset of brought forward losses. Danish entrepreneurs have been demanding change for several years and will almost certainly welcome the proposal.

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

## Germany

### Ministry of Finance publishes first draft of proposal for Annual Tax Act 2024

The German Ministry of Finance on May 17, 2024 published a first draft of a proposal for the Annual Tax Act 2024. The draft proposal consists of 243 pages (including an explanatory statement) and incorporates a variety of technical updates and amendments based on EU law developments and EU jurisprudence, as well as decisions from the federal tax court and the federal constitutional court. In addition, the draft proposal includes certain streamlining measures and technical corrections that are required as a result of previous tax law changes. The draft proposal does not include any comprehensive tax reform measures or changes in tax rates.

See also [tax@hand - May 21, 2024](#)

## Guernsey

### Statement released on next steps in implementation of the OECD Pillar Two framework

The Government of Guernsey released a [statement](#) on May 21, 2024 announcing the next steps being taken in the implementation of the OECD's Pillar Two framework.

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

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

## Hong Kong SAR

### Draft legislation on patent box tax concession introduced into Legislative Council

The draft legislation to implement the patent box tax incentive regime, the [Inland Revenue \(Amendment\) \(Tax Concessions for Intellectual Property Income\) Bill 2024](#) ("the bill"), was introduced into the Hong Kong SAR (HKSAR) Legislative Council on April 10, 2024. The regime would provide a concessionary tax rate of 5% for qualifying profits sourced in HKSAR from eligible intellectual property (IP) created through research and development (R&D) activities, and is intended to encourage businesses to undertake more R&D activities and create additional IP to promote IP trading and strengthen HKSAR's competitiveness as a regional IP trading center. Foreign-sourced IP income is not eligible for the concession but is subject to the foreign-sourced income exemption regime. Once enacted, the patent box tax concession would apply retroactively to years of assessment beginning on or after April 1, 2023.

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

### Bill to enact tax measures in 2023 Policy Address and 2024-25 Budget passed

Hong Kong SAR's Legislative Council on May 22, 2024 passed the [Inland Revenue \(Amendment\) \(Tax Concessions and Two-tiered Standard Rates\) Bill 2024](#), which aims to enact the following tax measures proposed in the 2023 Policy Address and the 2024-25 Budget.

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

## Isle of Man

### Update on implementation of Pillar Two issued

On May 17, 2024, the Isle of Man government issued a [joint news release](#) with Guernsey and Jersey setting out the three Crown Dependencies' next steps in implementing the OECD's Pillar Two global tax framework, confirming their "shared commitment to international tax standards and the continued value of inter-island cooperation in areas of mutual interest in international tax policy."

See also [tax@hand - May 21, 2024](#)

## Jersey

### Statement issued on next steps in implementation of the OECD Pillar Two framework

The Government of Jersey released a statement on May 22, 2024 announcing the next steps being taken in the implementation of the OECD's Pillar Two framework locally.

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

## Spain

### Draft bill on "complementary tax" submitted to parliament

On June 14, 2024, Spain's Council of Ministers referred a bill to the Spanish parliament to establish a "complementary tax" regime that is intended to ensure a global minimum level of taxation for multinational groups and large domestic groups.

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

## United Kingdom

### Guidance on registration for Pillar Two global minimum top-up taxes issued

On May 20, 2024, the UK tax authorities (HM Revenue & Customs (HMRC)) published a [statutory notice](#) and a supporting [guidance page](#) on their website, setting out how businesses within the scope of the UK's Pillar Two top-up taxes (multinational top-up tax and domestic top-up tax) can register for these taxes with HMRC. The guidance also sets out the information that will need to be provided to HMRC upon registration.

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

## United States

### Overview of proposed regulations on corporate stock buyback excise tax

The US Inflation Reduction Act of 2022 (P.L. 117-169) included new section 4501,<sup>[1]</sup> which imposes an excise tax of 1% on repurchases of stock by certain publicly traded corporations made after 31 December 2022.

On 27 December 2022, the US Treasury Department (Treasury) and the Internal Revenue Service (IRS) released Notice 2023-2, which announced that Treasury and the IRS intended to issue proposed Treasury regulations addressing the application of the excise tax, and to provide taxpayers with interim guidance until the publication of such proposed regulations.

See also [tax@hand - April 24, 2024](#) and [tax@hand - April 13, 2024](#)

## House taxwriting panel praises Opportunity Zones but sees room for improvement

US Senate Finance Committee ranking member Mike Crapo, R-Idaho, has formed “working groups” of Republican taxwriters to study issues related to the host of tax provisions affecting individuals, estates, and passthrough entities that were enacted in the Tax Cuts and Jobs Act of 2017 (TCJA, [P.L. 115-97](#)) and are scheduled to expire after 2025, according to a May 24, 2024 report from Bloomberg Tax citing comments from the panel’s top Republican.

Crapo had not published an official announcement on the Finance Committee’s website as of press time.

See also [tax@hand - May 25, 2024](#), [tax@hand – May 25, 2024](#), [tax@hand - May 3, 2024](#), [tax@hand - May 3, 2024](#) and [tax@hand - April 13, 2024](#)

## JCT releases federal tax system overview as in effect for 2024

The US Joint Committee on Taxation (JCT) staff released a new [report](#) on May 23, 2024 describing the operation of the federal tax system as in effect for 2024.

See also [tax@hand - May 25, 2024](#)

## Impact of section 987 on investment management/global funds, real estate structures

New resources from Deloitte US address the implications for taxpayers of proposed regulations under section 987 of the Internal Revenue Code released in November 2023.

Investment management firms, global funds (real estate, infrastructure, etc.), and US real estate investment trusts (REITs) continue to invest in jurisdictions outside the US, many with operations in varying foreign currency environments, which presents several tax considerations, including section 987.

The 2023 proposed section 987 regulations would, if finalized, bring funds and REITs under a new set of rules for section 987, affecting ongoing taxable income and basis computations, timing and character of gain and loss recognition, and much more. It is important to keep section 987 issues and developing regulatory guidance under section 987 in mind throughout the life of the fund or a REIT with investments in different currency environments.

See also [tax@hand - June 6, 2024](#) and [tax@hand - June 7, 2024](#)

## House appropriators approve pared-down FY 2025 IRS budget proposal

US House Republican efforts to cut the Internal Revenue Service’s (IRS’s) operating budget for the 2025 fiscal year (FY) continued as the Republican-led Appropriations Committee voted 33-24, along party lines, to approve a Financial Services and General Government funding measure on June 13, 2024 that would allocate USD 10.1 billion in discretionary funds to the IRS in FY 2025—some USD 2.2 billion below the current funding level and the amount requested by the Biden administration in its FY 2025 budget blueprint.

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

## Vulnerable Senate Democrats push for floor action on stalled bipartisan tax package

In the face of tough election races that could determine majority control of the US Senate in 2025, several Democrats in the chamber the week of June 17, 2024, urged Majority Leader Charles Schumer, D-N.Y., to schedule a vote on a bipartisan House-passed tax bill that, among other things, would provide temporary tax relief to businesses and short-term enhancements to the child tax credit. The measure has been stalled in the Senate for several months in the face of opposition from the chamber’s top Republican taxwriter, but vulnerable Democrats are seeking the opportunity to show their support for family-friendly tax policy ahead of election day on November 5<sup>th</sup>.

See also [tax@hand - June 22, 2024](#), [tax@hand - June 14, 2024](#), [tax@hand - April 13, 2024](#) and [tax@hand - April 19, 2024](#)

# Did you know

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

## Belgium

### Tax authorities issue first clarification of new CFC rules

The Belgian rules on controlled foreign companies (CFCs) were amended by the Program Law of December 22, 2023. The new rules raise a number of questions and in the instructions for completion of the corporate income return for tax year 2024 ([Dutch](#) | [French](#)), the tax authorities have provided some important initial clarification regarding the definition of CFC and the application of the participation requirement. Further clarification is expected, but as the rules are effective as from tax year 2024 (i.e., for financial years ending on or after December 31, 2023) taxpayers will have to take a position in the near future regarding the application of the regime when preparing their financial statements and corporate income tax return.

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

## France

### Interest paid to shareholders: First 2024 quarterly interest rate limit established

On March 28, 2024, France's Official Journal published the first 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 5.97% for the first quarter of 2024.

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

### Administrative Supreme Court rules final foreign branch losses may not be deducted

The French Administrative Supreme Court ruled on April 26, 2024, that the taxable result of a French group could not take into account the final losses of the group's Luxembourg branch (Conseil d'Etat, n° 466062).

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

## Germany

### MOF publishes final decree on specific bad debt allowances for credit institutions

On March 21, 2024, the German Ministry of Finance (MOF) published a final decree on specific bad debt allowances (Einzelwertberichtigung) for credit institutions, which is a revision of a prior draft decree dated April 12, 2023. The final decree includes several changes that amend the principles according to which specific bad debt allowances for loans and advances to customers are to be recognized for tax purposes. Fundamentally, the aim of the final decree is to define a method to determine specific bad debt allowances that reflects the realistic value of customer receivables, taking into account the relevant default risks and collateral.

The final decree addresses both substantive and structural aspects in order to increase the clarity of the regulations and facilitate their application in practice.

See also [tax@hand - April 11, 2024](#)

Belgium

France

Germany

Hong Kong SAR

Malaysia

Mexico

Taiwan (China)

United Arab Emirates

United Kingdom

United States

Vietnam

## Lower tax court provides favorable decision for trade tax loss carryforwards

In a decision dated March 7, 2024, which was published on May 24, 2024, Germany's lower tax court of Duesseldorf ruled that, for trade tax (TT) purposes, a German corporation's participation in a trading partnership should not preclude it from benefitting from an exception under the change-in-ownership rules, which require forfeiture of various tax attributes upon certain share transfers.

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

## MOF publishes final guidance on Tax Haven Defense Act

On June 14, 2024, the German Ministry of Finance (MOF) published its final guidance on the application of the German anti-tax avoidance measures regarding noncooperative jurisdictions. These measures were introduced in 2021 as part of the Tax Haven Defense Act as a response to the European Council's guidelines issued at the end of 2019 encouraging EU member states to implement legislative measures designed to impose specific penalties on jurisdictions placed on the [EU list of noncooperative jurisdictions for tax purposes](#) ("EU list"). Draft guidance was published on November 30, 2023, for comments from interested parties.

See also [tax@hand - June 21, 2024](#)

## Hong Kong SAR

### Highlights of 2023 annual meeting between IRD and HKICPA

The [minutes](#) of the annual meeting between the Hong Kong SAR (HKSAR) Inland Revenue Department (IRD) and the Hong Kong Institute of Certified Public Accountants (HKICPA) held on May 12, 2023 were released in April 2024. The discussions covered a wide range of tax topics. This article highlights the views exchanged on certain key profits tax issues.

See also [tax@hand - May 2, 2024](#)

## Malaysia

### Capital gains tax in Malaysia (part three): Guidelines on foreign capital asset gains

Following the imposition of capital gains tax (CGT) in Malaysia effective as from January 1, 2024 via the Finance (No. 2) Act 2023 (Act 851) and the Income Tax (Exemption) (No. 3) Order 2024 ([P.U.\(A\) 75/2024](#)) ("exemption order") gazetted on March 4, 2024, the Inland Revenue Board (IRB) of Malaysia issued [guidelines](#) dated March 27, 2024 regarding the CGT on gains from the disposal of foreign capital assets received from outside Malaysia ("CGT guidelines for foreign capital assets").

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

## Mexico

### Tax integration: An optional regime for groups of companies

Mexico's tax consolidation regime, which was the predecessor to the current tax integration regime and was in force for 31 years, was eliminated on December 31, 2013. The greatest benefit to a group of companies from the tax consolidation regime was the ability to offset its tax profits against its tax losses; in this way, the income tax (ISR) that would have resulted if the companies had not been consolidated was deferred.

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

## Taiwan (China)

### Criteria and conditions for loss carryforward eligibility

For the 2024 tax filing season, Taiwanese profit-seeking enterprises that wish to use any prior-year tax losses should be aware of the criteria that they must meet to be eligible to do so.

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

### New investment tax credit eligibility criteria for biopharmaceutical R&D activities

Recent regulatory changes modify the eligibility criteria for Taiwanese entities that wish to claim an investment tax credit for expenses incurred in commissioning domestic pharmaceutical research and development (R&D) service companies to engage in biopharmaceutical R&D activities.

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

### Cost, expense, and loss allocation for investment holdcos applying for stock listing

On April 18, 2024, Taiwan (China)'s Ministry of Finance (MOF) issued Ruling no. 11200675690 to clarify that investment holding companies applying to list their stock on the Taiwan Stock Exchange or the Taipei Exchange generally are not considered to engage in the trading of securities given that the purpose of these companies is to control the business operations of other companies rather than to simply buy and sell securities.

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

## United Arab Emirates

### Corporate tax guidance published on qualifying group relief

On April 3, 2024, the UAE Federal Tax Authority (FTA) published a corporate tax guide on "qualifying group relief." Although the guidance is not legally binding, it aims to assist in understanding the provisions of certain group relief available under corporate tax law.

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

### Corporate tax guide issued for companies located in free zones

On May 20, 2024, the United Arab Emirates (UAE) Federal Tax Authority (FTA) published a corporate tax guide on the application of the corporate tax law (Federal Decree Law No. 47 of 2022) to companies (including branches) located in a free zone ("free zone persons" (FZPs)). The guide provides an overview of the requirements that FZPs must meet in order to become a "qualifying free zone person" (QFZP) and thus benefit from a 0% corporate tax rate on "qualifying income" (QI). The guide also provides detailed guidance on "qualifying activities" (QAs) and "excluded activities," with examples clarifying certain issues that were not clear under the corporate tax law. Although the guidance is not legally binding, it aims to assist in understanding certain corporate tax implications in regard to FZPs.

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

## United Kingdom

### HMRC publish guidance on overseas and contracted-out R&D expenditure

The UK Finance Act 2024 introduced major changes to corporation tax research and development (R&D) reliefs, generally applicable for accounting periods beginning on or after April 1, 2024. These changes include restrictions to the extent to which contractor payments for R&D and payments for externally-provided workers can qualify for relief where R&D activity takes place overseas, and new rules for contracted-out R&D. Further to a consultation on draft guidance in February 2024, on March 27, 2024 HM Revenue and Customs (HMRC) published [updated draft guidance](#) on these specific changes. This guidance will be incorporated into HMRC's Corporate Intangibles Research and Development Manual in due course.

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

## United States

### House passes tax package offering relief to disaster victims

The US House of Representatives on May 21, 2024 passed by a wide bipartisan margin a USD 4.9 billion aid package that would provide tax relief to victims of certain hurricanes, wildfires, and other natural disasters, as well as the East Palestine, Ohio, train derailment. But Senate Finance Committee Chairman Ron Wyden, D-Ore., vowed to block Senate action on that bill as a way to try and force his colleagues to instead take up the more wide-ranging tax measure—including an identical set of disaster relief provisions—that he introduced earlier in the year with House Ways and Means Committee Chairman Jason Smith, R-Mo.

See also [tax@hand - May 25, 2024](#)

### Treasury, IRS provide new safe harbor for domestic content bonus credit requirements

The US Treasury Department and the Internal Revenue Service released [Notice 2024-41](#) on May 16, 2024 (and a corrected version on 24 May), which modifies section 3.03(2)(b) and (c) and section 3.04 of [Notice 2023-38](#) relating to a safe harbor classification of certain components in representative types of qualified facilities, energy projects, or energy storage technologies for purposes of qualifying for the domestic content bonus credit amounts under Internal Revenue Code sections 45, 45Y, 48, and 48E.

See also [tax@hand - June 5, 2024](#) and [tax@hand - June 7, 2024](#)

## Vietnam

### Decree provides further guidance on specific tax incentives in HCMC

On February 2, 2024, the Vietnamese government issued Decree No. 11/2024/ND-CP (Decree No. 11), which provides details on the mechanisms and policies for the development of Ho Chi Minh City (HCMC), following the approval of Resolution No. 98/2023/QH15 (Resolution No. 98) by the National Assembly on June 24, 2023. Resolution No. 98 contains a number of tax incentives aimed at supporting organizations involved in priority sectors within HCMC.

See also [tax@hand - April 5, 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 <a href="#">tax@hand - February 28, 2023</a>
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 <a href="#">tax@hand - May 31, 2024</a>
Czech	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 1 January 2024.  See <a href="#">tax@hand - January 25, 2024</a>
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 <a href="#">South Africa Highlights 2024 (deloitte.com)</a>
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 <a href="#">South Sudan Highlights 2024 (deloitte.com)</a>
United Arab Emirates	0/9%	0/9%	9% rate applies for financial years starting on or after June 1, 2023.  See <a href="#">UAE Highlights 2024 (deloitte.com)</a>
United Kingdom	19/25%	25%	The main rate of UK corporation tax increased from 19% to 25% as from 1 April 2023.  See <a href="#">United Kingdom Highlights 2024 (deloitte.com)</a>

# Additional Resources

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[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.

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

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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.

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[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](http://www.taxathand.com).

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[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.

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[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.

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

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[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.

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[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.

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

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