INTRODUCTION OF THE BEPS INITIATIVE AND INTERNATIONAL TAX NEWS

International Tax

INTRODUCTION

The **Fiscal Count down**, a monthly summary of international tax news, provides you with regular insights into the introduction of the OECD's BEPS initiative and the ongoing international tax reforms. This Twenty fourth edition deals with the new measures published in April by the OECD, in Africa and in 31 countries: Argentina, Australia, China, El Salvador, Finland, France, Germany, Hong Kong, Indonesia, India, Luxembourg, Malaysia, Netherlands, Mexico, Nigeria, Panama, Philippines, Poland, Puerto Rico, Qatar, Saudi Arabia, Serbia, Singapore, Spain, Sweden, Thailand, Turkey, UAE, UK, the USA and Zambia.

OECD

OECD releases Poland's and Singapore's peer review report on implementation of Action 14 minimum standard.

On 9 April 2018, the OECD published additional Transfer Pricing Country profiles (TPCPs) for 14 countries reflecting the existing transfer pricing legislation and practices for each country (namely, Australia, China, Estonia, France, Georgia, Hungary, India, Israel, Liechtenstein, Norway, Poland, Portugal, Sweden and Uruguay). The profiles of Belgium and the Russian Federation have also been updated.

On 18 April 2018, the OECD and the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) invited comments on a draft practice note that will help developing countries address profit shifting from their mining sectors via excessive interest deductions.

AFRICA

Forty-four countries sign Continental Free trade agreement.

ARGENTINA

Argentina establishes mechanism for payment of nonresident's capital gain tax.

ARGENTINA (CONTINUED)

Argentina issues additional regulations on taxation of nonresident investors.

Australia

The 2018 R&D tax incentive changes.

CHINA

New interpretation of service permanent establishments under double taxation treaties in China.

El SALVADOR

the General Directorate of Internal Taxes of the Ministry of Finance issued the Transfer Pricing Orientation Guide (DG-001/2018). These guideline is intended to help taxpayers to comply with the legal obligations.

FINLAND

Finland proposed restrictions to interest deductions.

FRANCE

The The French Wealth Tax ("ISF") has been replaced by a new wealth tax on real estate called "IFI" (Impôt sur la Fortune Immobilière).

France is launching a public consultation regarding corporate tax in application of the European law and the BEPS for the:

- Tax regime of the products of the intellectual property: to permit to proportionate incomes which benefits

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FRANCE (CONTINUED)

from the reduce rates of R&D. Three options are presented: **i)** extend the scope of the eligible assets to the reduce rate **ii)** apply the regime for the intern exploitation **iii) apply the regime of reduce rate for the transfer of patent**

-Tax consolidation: Reflection around this regime to avoid the legal insecurity.

-Deductibility of the finance charges: transposition of the article 4 of the ATAD directive which impose to change the legislation of the finance charges before 1 January 2019.

GERMANY

German Federal Ministry of finance reacts to CJEU decision regarding German anti-treaty shopping rule.

HONG KONG

Hong Kong proposes tax deduction regime for acquisition of certain intellectual property rights.

Hong Kong extends profits tax exemption to resident, privately-offered open ended fund companies.

INDONESIA

Indonesia Releases new regulation on tax holidays.

INDIA

On 14 April 2018, the Indian Tax Administration issued a press release inviting comments on proposed modifications to the rules and forms relating to private tax rulings in the country.

LUXEMBOURG

Luxembourg introduces VAT grouping regime.

MALAYSIA

Malaysia issues 2018 issues tax audit framework.

Malaysia issues practice note on tax treatment of digital advertising provided by nonresidents.

MEXICO

The senate approved legislation allowing the tax administration to contest the utilization of losses carried forward in six scenarios.

NETHERLANDS

Zambia-Netherlands updates tax treaty enters into force.

NETHERLANDS (CONTINUED)

Dutch Under-Minister of Finance clarifies expected changes to the Dutch CIT fiscal unity regime.

Advance practice agreement in the Netherlands investigated.

NIGERIA

Nigeria extends Voluntary Assets and Income Declaration Scheme.

PANAMA

Panama publishes new version of transfer pricing information return.

Panama: bilateral exchange relationships are effective between Panama and CRS MCAA signatory jurisdictions.

PHILIPPINES

Philippines proposes corporate tax reform bill.

POLAND

Poland's proposed changes to tax ruling regime may impact previously issued rulings.

PUERTO RICO

Puerto Rico extends automatic extension period for filing a 2017 tax return from three months to six months.

QATAR

On 11 April 2018, the cabinet of Qatar approved the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Convention).

SAUDI ARABIA

Cyprus and Saudi Arabia sign first Double Tax Treaty.

Saudi Arabia amends Income Tax Law on Natural Gas Investment Tax.

SERBIA

Amendment of Serbian tax law.

SINGAPORE

Singapore is reducing the impact of stamp duty on share transfers.

SPAIN

On 5 April 2018, the Spanish 2018 draft Budget Law was published in the Spanish Official Gazette which introduces amendments to the Patent Box regime.

SWEDEN

The Swedish Government has submitted a bill to the Swedish Parliament for approval of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the MLI).

On 4 April 2018, the Swedish Ministry of Finance opened consultations regarding the European Union proposal for a Council Directive on the common system of a digital services tax on revenues resulting from the provision of certain digital services.

THAILAND

During the week of 2 April 2018, the Thai Revenue Department reported the result of the public consultation held from 17 January 2018 to 9 February 2018 for the draft bill in relation to the Value Added Tax (VAT) rules for nonresident e-commerce.

TURKEY

Significant amendment in the VAT law in Turkey.

UAE

The United Arab Emirates (UAE) introduced Value Added Tax (VAT) on 1 January 2018, which will impact the non-executive directors (NEDs) as a resident or not with the obligations to register for VAT. The UAE VAT legislation states that a taxable supply has occurred where services have been supplied for consideration by a person conducting business in the UAE. NEDs are in the scope of this new legislation.

UK

The UK tax authority HM Revenue and Customs (HMRC) has published a series of practical guidance documents and additional online information to assist companies with understanding and complying with the new UK 'Soft Drinks Industry Levy', which takes effect from 6 April 2018.

UK (CONTINUED)

On 16 April 2018, the UK Tax Authority published a draft of proposed changes to the United Kingdom's (UK's) list of reservations and notifications under the Multilateral Instrument (MLI).

USA

The European Union (EU) is continuing its deliberations on whether certain elements of US tax reform, such as the base erosion and anti-abuse tax (BEAT), the global intangible low-taxed income (GILTI) provision, and the deduction for foreign-derived intangible income (FDII), can constitute preferential tax regimes or result in an unfair trade practice.

USA issues CbC reporting guidance for specified national security contractors.

USA Forthcoming proposed regulations will offer some clarity on Section 163(j) business interest expense limitation.

USA publishes list of China-origin products to be subject to an additional 25% duty; China retaliates with similar duties.

ZAMBIA

Zambia publishes Transfer Pricing (Amendment) regulations 2018.

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