

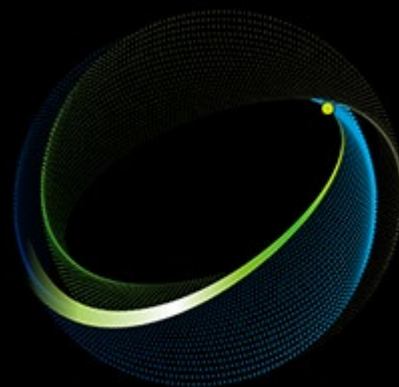
World Tax Advisor

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European Commission proposes directive to address tax-induced debt-equity bias

The European Commission has released a draft for a new directive addressing the asymmetry in tax treatment of debt and equity financing across the EU that induces a bias toward debt in investment decisions. The proposal includes a debt-equity bias reduction allowance in the form of a notional interest deduction on equity and a general limitation on the tax deductibility of debt-related interest payments.



Australia

Residential property acquisitions contravene inbound foreign investment rules

The Federal Court has issued the first civil penalty order against a foreign investor in relation to the acquisition of several residential properties in breach of the strict notification requirements under the Foreign Acquisitions and Takeovers Act; the Australian Taxation Office identified the breaches using its extensive data sources as part of a



El Salvador

Importance of timely presentation of transfer pricing studies to tax auditors

This article discusses the importance for taxpayers of preparing transfer pricing studies and providing them to their appointed tax auditors in a timely manner, so that the tax auditors can use the transfer pricing studies when preparing their tax opinions and reports to submit to the tax authorities.

multifaceted compliance approach to detect such breaches.



European Union

CJEU rules French dividend tax scheme with advance tax payments incompatible with PSD

The Court of Justice of the European Union has ruled that the former French system of taxation of dividends involving a combination of a 95% participation exemption and advance payments of tax on dividends received from EU subsidiaries causes too high a tax burden on French resident companies, and thus infringes the EU parent-subsiidiary directive.



Guernsey

Key considerations around economic substance and associated tax filings

This article discusses the economic substance rules applicable to partnerships, including new compliance requirements; in practice, the 2022 tax year is the first period for which the economic substance rules apply for most Guernsey partnerships.



Germany

MOF publishes final decree on income tax treatment of virtual currencies

The Ministry of Finance has published a final decree on the income tax treatment of virtual currency and related transactions that contains various changes from the draft decree, including removal in the final decree of a provision for an extension of the general one-year holding period to 10 years for tax-free dispositions of virtual currencies held as private assets.



Hong Kong SAR

Profits from interposed Hong Kong trading business not taxable

The Court of First Instance has ruled that trading profits of a Hong Kong company were not taxable in Hong Kong in a case where the company had a Hong Kong bank account and registered address but no physical operations or staff in Hong Kong; the court focused its analysis on whether the profit-generating activities of the company occurred in Hong Kong.



India

Notifications grant tax relief for income from foreign retirement benefit accounts

The Central Board of Direct Taxes has issued notifications that provide tax relief to resident individuals for income earned from qualifying retirement benefit accounts maintained in certain foreign countries.



United States

Overview of proposed amendments to qualified intermediary withholding agreements

A new alert from Deloitte Tax LLP describes proposed amendments issued by the Treasury Department and the Internal Revenue Service to expand the scope of the qualified intermediary withholding agreement to permit a qualified intermediary to assume withholding and reporting responsibilities under the Internal Revenue Code in limited instances.

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