

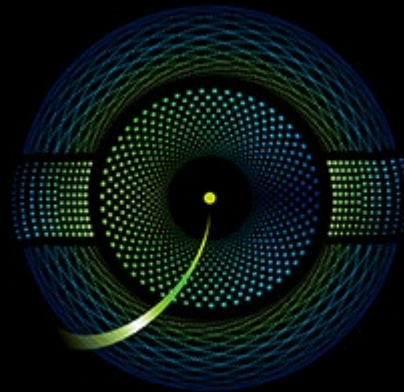
## World Tax Advisor

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### Amendments to Hong Kong SAR's passive foreign-source income exemption regime under consultation

The government has released a consultation paper proposing amendments to the foreign-source income exemption regime for passive income, which are intended to address concerns expressed by the EU regarding the regime. The consultation period ends on 15 July 2022 and the new regime is expected to apply as from 1 January 2023.



#### European Union

### CJEU judges German WHT refund rules for nonresident companies contrary to EU law

The Court of Justice of the European Union has ruled that an additional condition for the reimbursement of German withholding tax on dividends distributed from portfolio shareholdings that applies only to distributions to nonresident companies constitutes a prohibited restriction of the EU principle of free movement of capital.

#### Germany

### Ministry of Finance clarifies VAT exemption on intra-EU supplies

The Ministry of Finance has published a circular letter clarifying that the VAT exemption for intra-EU supplies may not be denied solely based on a failure to timely submit a complete and correct EC Sales List; taxpayers may fulfill the requirements for the VAT exemption retroactively after the relevant deadline.



#### Germany

### Ministry of Finance grants another extension of the filing deadline for certain ORIP-related filings

The Ministry of Finance has published a decree that further extends the deadline through 30 June 2023 for certain filings that are required in connection with the extraterritorial taxation of royalty payments derived by nonresidents, as well as a report to the finance committee of parliament providing the ministry's view on the application of the extraterritorial taxation rules.



#### India

### Interest paid on borrowings used to fund equity investment in subsidiary is allowable

The Mumbai Bench of the Income-tax Appellate Tribunal has ruled that interest paid on borrowings utilized for equity investment in a subsidiary company was for business purposes and, therefore, was an allowable expense when calculating the profits or gains of the business.



#### Israel

### Overview of the impact of the MLI on bilateral tax treaties

This article provides an analysis of the impact of various articles of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting on Israel's bilateral tax treaties, based on a detailed circular issued by the tax authorities.



#### Mexico

### Deduction of loan interest presents challenges for taxpayers

This article discusses three closely related measures – the domestic tax rules relating to the deduction of net interest, thin capitalization, and back-to-back loans – and how it is important for taxpayers to understand these measures when planning investments in new projects or expansions of their businesses.



OECD

## Update on recent work of Forum on Tax Administration (June 2022)

The recent work of the Forum on Tax Administration includes the release of a report providing comparative data on global trends regarding tax administration across 58 advanced and emerging economies; it also is noteworthy that the next application deadline for multinational enterprise groups that wish to participate in the International Compliance Assurance Program is 30 September 2022.



Taiwan

## Transfer pricing audits in relation to financial transactions: A new trend

This article discusses how the tax authorities have increased the intensity and frequency of transfer pricing audits of financial transactions between related enterprises, and highlights some of the key points that seem to concern the tax authorities.

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