

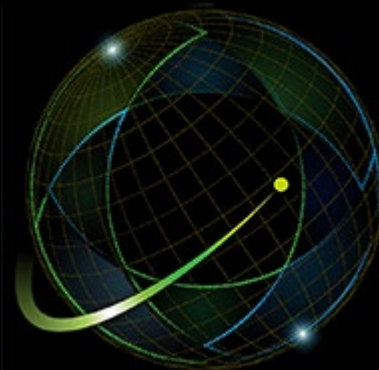
World Tax Advisor

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OECD Pillar Two: Further guidance

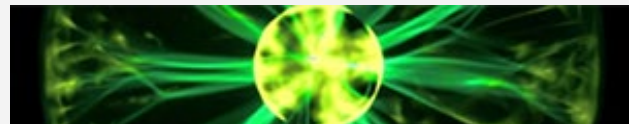
The OECD/G20 Inclusive Framework on BEPS has published a third set of administrative guidance to further clarify the interpretation and operation of the Pillar Two global minimum tax model rules. The topics covered in the new guidance include the country-by-country reporting safe harbor, the allocation of blended controlled foreign company taxes, and a simplified calculation safe harbor for non-material constituent entities.



Argentina

Changes to import and foreign exchange regulations

Important amendments to the import and foreign exchange regulations have been published in the official gazette and on the central bank's website and are effective as from 13 December 2023. The amendments affect exporters of goods or services, the solidarity tax (PAIS) rate, and the conditions to



Australia

ATO issues two R&D Taxpayer Alerts

The Australian Taxation Office has issued two research and development (R&D) tax incentive taxpayer alerts relating to R&D delivered by associated entities and R&D activities conducted overseas for foreign related entities, and has stated that it is currently reviewing the types of arrangements that are covered in the alerts and that it will continue

access the foreign exchange market to make payments abroad.

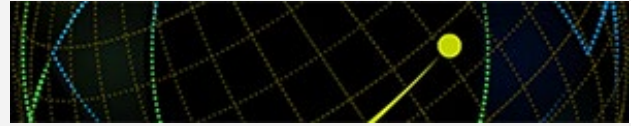


Belgium

Legislation to introduce model A CFC rules

Legislation on the taxation of undistributed profits of controlled foreign companies, to replace the current transactional approach with the entity approach under the EU Anti-Tax Avoidance Directive, would require Belgian corporate taxpayers to include certain categories of passive income of qualifying companies directly within their taxable basis.

to closely scrutinize such arrangements as they are identified.



Belgium

Parliament approves draft bill implementing EU Pillar Two directive

The parliament has approved a draft bill that contains measures that closely resemble the EU Pillar Two directive and that introduces qualified domestic minimum top-up tax (QDMTT), income inclusion rule (IIR), and undertaxed profits rule (UTPR) provisions in Belgium. The QDMTT and IIR will enter into effect on 31 December 2023 and the UTPR will enter into effect on 31 December 2024.



Brazil

New tax law modifies taxation of investment funds

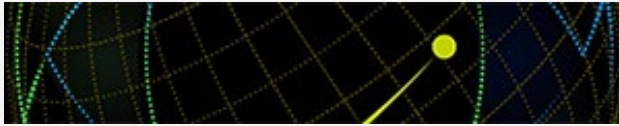
The government has published a law that includes modifications to the taxation of investment funds. The new law imposes a 15% withholding tax on the accrued income of investment funds, as well as on income distributions and income from the amortization, redemption, or sale of shares (or “quotas”) of such funds. The new law will apply as from 1 January 2024.



Germany

Decision about business tax reform bill delayed into 2024

A conference committee was unable to reach a compromise on the business tax reform bill before the last 2023 session of the upper and lower houses of parliament, and negotiations regarding the bill are expected to resume in 2024. Minor technical amendments with regard to the interest deduction limitation rules and real estate transfer tax were approved as part of an omnibus bill that is unrelated to business tax reform.



Germany

Upper house of parliament approves legislation to implement EU Pillar Two directive

The upper house of parliament has approved legislation on the domestic implementation of the EU Pillar Two directive, and the law is expected to enter into force for fiscal years that start after 30 December 2023. The legislation includes certain related changes to the German GAAP rules, as well as a reduced threshold of 15% for the application of the royalty barrier rule and the controlled foreign company rules.



Mexico

Tax considerations for nonresidents investing in shares issued by domestic companies

This article discusses the tax treatment of different types of transactions that may result in income for nonresidents that invest in shares issued by a Mexican company, including dividends, capital redemptions, and sales of shares in the company.



OECD

Pillar One: Statement released on timeline for Amount A multilateral convention

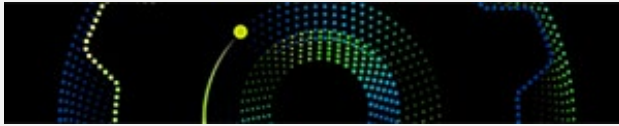
The OECD/G20 Inclusive Framework on BEPS has released a statement updating the timeline for finalizing a multilateral convention for the implementation of Amount A of Pillar One. The members of the inclusive framework have reaffirmed their commitment to achieving a consensus-based solution and aim to finalize the text of the convention by the end of March 2024, with a view to holding a signing ceremony by the end of June 2024.



United Kingdom

New Luxembourg-UK treaty: Key changes for financial investors

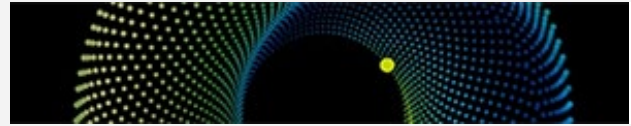
The 2022 Luxembourg-UK tax treaty and protocol have entered into force, following the completion of both contracting states' ratification and notification processes. This article provides a non-exhaustive summary of notable changes for financial investors and the dates on which the various core provisions enter into effect.



United States

Correction to proposed regulations under IRC section 987 and related rules released

The Internal Revenue Service and the Department of the Treasury have issued a correction to the preamble of the proposed currency regulations under Internal Revenue Code section 987 and related rules, which were released in November 2023. The correction allows taxpayers to rely on only the applicability date provisions in certain sections of the proposed regulations, provided that certain conditions are met.



United States

Court addresses FBAR requirement for dual residents with treaty foreign residency

The US District Court for the Southern District of California has ruled that an individual who was a lawful permanent resident of the US should be treated as a nonresident of the US for purposes of filing a Report of Foreign Bank and Financial Accounts (FBAR) once that individual began to be treated as a resident of Mexico under the residency tiebreaker provisions of the Mexico-US tax treaty.

Tax treaty round up

Recent developments with respect to the following tax treaties: Andorra-Korea (ROK), Angola-Switzerland, Australia-Portugal, Chile-United States, Croatia-Egypt, Korea (ROK)-Rwanda, Luxembourg-United Kingdom, and San Marino-United Kingdom.



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