World Tax Advisor

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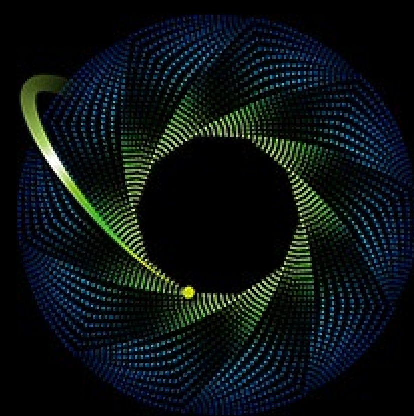
German tax authorities update guidance on application of anti-treaty shopping rules

The Federal Tax Office has revised its application of the anti-treaty shopping rules, reintroducing the “look-through approach” to determine eligibility for reduced or 0% dividend withholding tax rates. This change allows indirect shareholders to benefit from tax treaties or the EU parent-subsidiary directive, potentially offering more favorable tax outcomes for taxpayers.



Germany

Constitutional court confirms solidarity surcharge still in line with constitution

The Federal Constitutional Court has rejected a challenge to the constitutionality of the solidarity surcharge, despite arguments that the surcharge violates property rights and discriminates against high-income earners. The court stated that, although the surcharge cannot be levied indefinitely, it cannot yet be

Israel

ITA proposals on attribution of income to R&D centers improve tax certainty for MNEs

The Israeli Tax Authority has published a draft circular introducing reliefs for multinational enterprises using related parties in Israel for research and development activities. The circular outlines new frameworks for internal approval procedures and sets out a framework for obtaining advance pricing agreements for determined that the federal government no longer faces an additional financial burden resulting from the reunification process.

Israeli development centers created after foreign acquisitions.

Italy

Supreme Court rules on “look-through approach” for certain medium and long-term loans

The Supreme Court published a decision that allows the “look-through approach” for determining exemption from Italian withholding tax on outbound interest payments to qualified EU financial entities. This decision aligns with recent rulings, emphasizing the beneficial owner’s position over that of the direct recipient.

Mexico

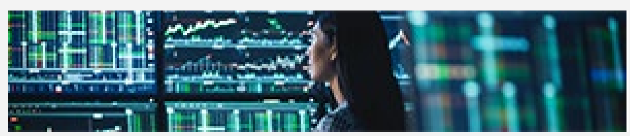
Guidelines related to “Mexico Plan” national strategy

A resolution has been published in the official gazette that establishes guidelines for applying tax incentives under the “Mexico Plan” decree. The resolution outlines the requirements and procedures for obtaining compliance certificates, which are necessary for taxpayers to benefit from the incentives.

New Zealand

Consultation open on potential changes to fringe benefit tax

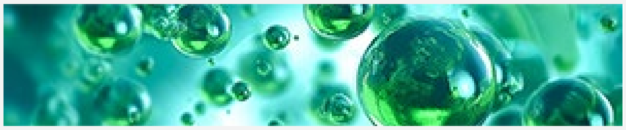
Inland Revenue has released a policy review of the fringe benefit tax regime, along with an associated questions and answers document, which propose changes to modernize the regime, focusing on areas such as motor vehicles and unclassified benefits. The consultation period closes on 5 May 2025.



OECD

Database of investment tax incentives in emerging and developing economies updated

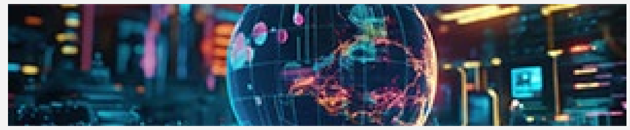
The OECD has released a policy paper on the 2024 update of the OECD Investment Tax Incentives Database, which highlights trends relating to the design, targeting, and granting of corporate income tax incentives for investment. The update covers incentives available on 1 July 2024 in 70 economies, mainly emerging and developing economies.



Singapore

Tax highlights of Budget 2025 for companies

The Budget Statement 2025 introduces a balanced approach to supporting businesses and workers while ensuring long-term economic resilience. The budget's proposals include a one-time 50% corporate income tax rebate, capped at SGD 40,000 per company and subject to conditions, as well as enhancements and extensions to key tax incentive schemes.



Taiwan (China)

Using Taiwan's location and industrial strengths to establish just-in-time supply chains

This article discusses regulations that exempt profit-seeking enterprises from income tax on income derived from the sale of goods in free trade zones, provided certain conditions are met. The exemption is valid until 31 December 2042, and enterprises must apply by the end of the third month following the fiscal year in which the income was earned.

United States

M&A Tax Talk: Exploring tax credit transferability

Deloitte Tax LLP has released a document that discusses the transferability of tax credits under Internal Revenue Code section 6418, which allows companies to transfer eligible credits to unrelated taxpayers for cash. The document delves into the overlap between tax credit transfers and mergers and acquisitions practices, offering valuable insights into the due diligence and transactional processes involved.

Various jurisdictions

Global trade updates

Recent announcements and developments for various jurisdictions.

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