

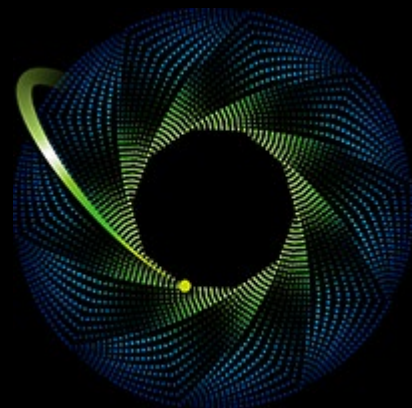
## World Tax Advisor

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### Likely tax policy implications of appointment of new UK prime minister

The new prime minister's key tax policy pledges include a commitment to cancel an increase in the corporation tax rate, which was due to rise from 19% to 25% as from April 2023. The prime minister also has committed to reviewing a number of elements of the tax system, including its overall complexity, the treatment of couples, freeports, and the inheritance tax.



#### Cayman Islands

### Economic substance guidance version 3.2 released

The Tax Information Authority has issued amended economic substance guidance, which includes clarification regarding the type of documentation that may be considered satisfactory in proving tax residency outside the Cayman Islands.



#### European Union

### Five EU member states issue joint release committing to implement Pillar Two in 2023

Representatives from France, Germany, Italy, the Netherlands, and Spain have reaffirmed their commitment to swiftly implement the global minimum tax rules in Pillar Two of the two-pillar solution developed by the OECD/G20 Inclusive Framework on BEPS and have confirmed that they are ready to implement such rules in 2023, even if

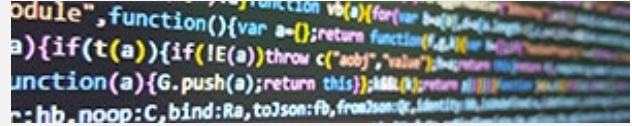
unanimity among EU member states is not reached.



Ghana

## Tax highlights of 2022 mid-year budget statement and related developments

This article provides an overview of the key tax proposals presented by the minister of finance and related legislation subsequently passed by parliament, including extensions of the tax amnesty and the exemption for capital gains on listed securities, enhanced tax revenue collection measures, and developments in the areas of electronic transactions and e-commerce.



Hong Kong SAR

## Guidelines issued on auditor's report for fund certifications

The Hong Kong Monetary Authority has issued guidelines on the preparation of an auditor's report for the certification of an investment fund for purposes of the tax concession for carried interest. The tax concession provides profits tax and salaries tax exemptions for eligible carried interest from the provision of investment management services to certified investment funds.



Hungary

## More stringent transfer pricing measures introduced

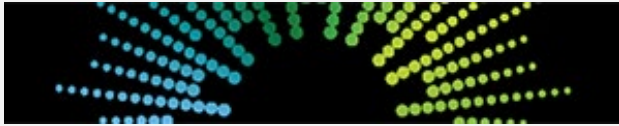
This article discusses recently enacted legislation that amends the transfer pricing regime and introduces new obligations on data provision and increased penalties for failure to comply with transfer pricing documentation requirements, stricter applications of the arm's length range and transfer price adjustments, and changes to advance pricing agreement procedures.



Japan

## Tax reform could impact direct investment in real property by foreign investors

This article discusses (and provides an illustrative example of) the potential impact of the expanded scope of the earnings stripping rules, which were extended to cover direct investment in Japanese real property by foreign investors for fiscal years commencing on or after 1 April 2022.



#### Luxembourg

### **Cross-border workers: Luxembourg guidance clarifies “days worked” tolerance threshold**

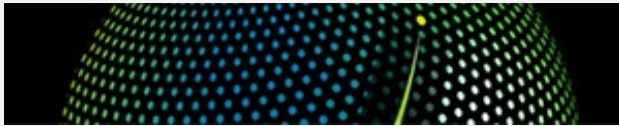
The tax authorities have published important clarifications relating to the tax treaties with Belgium, France, and Germany and the application of the threshold of days worked in Luxembourg for cross-border workers who are tax resident in one of these jurisdictions.



#### Mexico

### **2023 economic package submitted to Chamber of Deputies**

The federal executive branch has submitted the 2023 Economic Package to the Chamber of Deputies for review; however, given the absence of an omnibus tax bill, there will be no changes to the Income Tax Law, Value-Added Tax Law, or Federal Tax Code, and certain tax surcharges, incentives, and exemptions will remain in effect.



#### Singapore

### **IRAS updates guidance on date of payment, deemed payment for withholding tax purposes**

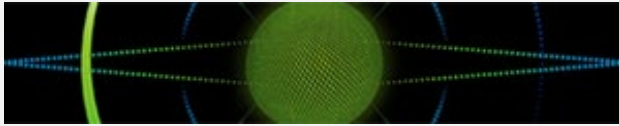
The Inland Revenue Authority of Singapore has updated its guidance on determining the date of payment or deemed payment for the purpose of complying with withholding tax obligations; the updates suggest that the evaluation on incurrance of an expense for income tax deduction purposes is independent of the date of payment of certain items of income for withholding tax purposes.



#### Ukraine

### **Deadline approaching to settle WHT liabilities for transfer pricing adjustments**

This article discusses key points that taxpayers should consider when determining whether a reduced withholding tax rate under a tax treaty applies to transfer pricing adjustments that are treated as dividend equivalent payments subject to withholding tax. The first deadline to settle withholding tax liabilities associated with transfer pricing adjustments is 30 September 2022.



United States

## Policy & Government Relations: Inflation Reduction Act

A new publication from Deloitte Tax LLP provides an overview of the tax and nontax provisions in the Inflation Reduction Act and their potential impact on the federal budget.



United States

## Tax Court issues supplemental opinion in Medtronic transfer pricing case

The Tax Court has issued its Supplemental Memorandum Findings of Fact and Opinion in *Medtronic v. Commissioner* relating to transfer pricing adjustments proposed by the Internal Revenue Service. The supplemental opinion addresses the method for determining the appropriate royalty rates payable to Medtronic US by a Puerto Rican affiliate.

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