

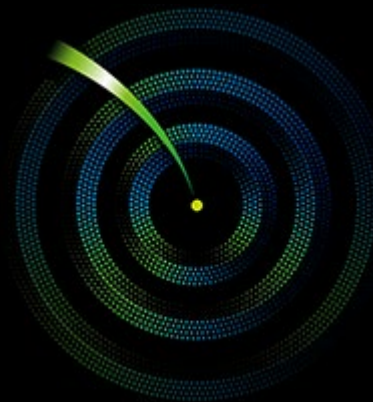
## World Tax Advisor

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### US interests held by qualified foreign pension funds: Summary of final regulations

The Internal Revenue Service and the Department of the Treasury have published final regulations regarding gain or loss of a qualified foreign pension fund attributable to certain interests in US real property, and the applicable withholding provisions. The final regulations, which mostly adopt the 2019 proposed regulations, are effective as from 29 December 2022.



#### Belgium

### Key features of 2023 transfer pricing audit cycle

This article discusses the 2023 transfer pricing audit cycle that has been launched by the tax authorities' national transfer pricing audit team, with initial indications showing that the cycle will extend over several months. The 2023 transfer pricing audit questionnaire is generally aligned with that of 2022. A key change for 2023 is the extended deadline of 20 days to request a pre-audit meeting.



#### Botswana

### Extension of temporary reduced VAT rate

The temporary reduction of the standard VAT rate to 12% (from 14%) has been extended through 31 March 2023. The temporary reduction was originally due to expire on 3 February 2023.



Guatemala

## **Analysis of economic substance and tangible benefit of intragroup services**

This article highlights some of the transfer pricing considerations relevant to the analysis of intragroup services, namely, the analysis of whether there is duplication of services, the value of the services, and the tax deductibility of amounts paid by the recipient of the services.



OECD

## **New estimates released on economic impact of implementing Pillar One and Pillar Two**

The OECD has released new estimates of the revenue gains from the implementation of a two-pillar solution to address the tax challenges arising from the digitalization and globalization of the economy. The revenue gains are now projected to be higher than previously expected, based on the findings in a new OECD economic impact analysis.



Japan

## **Tax audits and controversy are returning in 2023**

The National Tax Agency has published its latest statistics on tax audits, as well as tax appeals and litigation. This article provides a deeper look into the statistics, which indicate a resurgence of these types of proceedings, with tax audit activity for 2023 almost returning to pre-COVID-19 levels.



OECD

## **Public comments published on Pillar One consultation regarding digital services taxes**

As part of the ongoing work on a two-pillar solution to address the tax challenges arising from the digitalization and globalization of the economy, the OECD has published more than 30 responses from a variety of stakeholders on a consultation document including draft multilateral convention provisions on digital services taxes and other relevant similar measures under “Amount A” of Pillar One.



South Africa

## Multilateral instrument in force for South Africa

The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) entered into force for South Africa on 1 January 2023, and South Africa has identified 76 tax treaties that it wishes to be covered by the MLI. This article provides information on the MLI and emphasizes the importance of considering the MLI when carrying out treaty analyses.



Spain

## Draft ministerial order on determination of noncooperative jurisdictions published

The Ministry of Finance and Public Administration has published a draft ministerial order on the determination of the countries and territories that are considered to be noncooperative or to have harmful tax regimes, which aims to take into account the work performed by the EU and the OECD in these matters.



United Kingdom

## Government launches consultation on single research and development tax regime

HM Treasury and HM Revenue & Customs have launched a consultation that examines the case for replacing two separate schemes for tax relief for research and development expenditure (the research and development expenditure credit scheme and the small and medium enterprises scheme) with a single simplified scheme.



United Kingdom

## Mandatory disclosure rule regulations made

Regulations to implement the OECD's model mandatory disclosure rules targeted at arrangements to avoid the Common Reporting Standard and certain opaque offshore structures will enter into force on 28 March 2023. The rules will require intermediaries and reportable taxpayers to disclose information to HM Revenue & Customs on certain types of arrangements and structures.

## Tax treaty round up

Recent developments with respect to the following tax treaties: Angola-Mauritius, Azerbaijan-Japan, and Belarus-Ukraine, plus an update on certain bilateral tax treaties and protocols that are in effect (or were terminated) as from 1 January 2023 with respect to their provisions on withholding taxes.



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30 Rockefeller Plaza  
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