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International Tax News

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Launch

Welcome

Keeping up with the constant flow of international tax developments worldwide can be a real challenge for multinational companies. International Tax News is a monthly publication that offers updates and analysis on developments taking place around the world, authored by specialists in PwC's global international tax network.

We hope that you will find this publication helpful, and look forward to your comments.

Featured articles

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Responding to the potential business impacts of COVID-19

COVID-19 can cause potentially significant people, social and economic implications for organisations. This link provides information on how you can prepare your organisation and respond.

In this issue

Legislation

Australia

Australia announces international tax measures, restrictions on foreign investment and stimulus

Australia has announced a range of measures in response to the COVID-19 crisis that broadly are consistent with the global response, including economic stimulus and cash flow support measures. However, measures specifically related to international tax and transactions include:

- administrative guidance around residency and permanent establishment (PE) issues arising due to travel restrictions
- changes in the Foreign Investment Review Board (FIRB) framework for assessing transactions, and
- stimulus measures that could affect cross-border transactions, including accelerated depreciation and instant asset write-offs.

Australia has taken steps to encourage capital investment by businesses. The measures only apply to businesses with an annual aggregated turnover of up to 500 million AUD. For multinational groups, note that this generally applies to global turnover. Two key measures affect businesses that meet the revenue threshold and acquire depreciating assets as of March 12, 2020:

1. Increasing the instant asset write-off. Applicable taxpayers can immediately deduct the full cost of a depreciating asset provided that the asset costs less than 150,000 AUD and provided that the asset is first used or installed and ready for use between March 12, 2020 and June 30, 2020.
2. Creating an accelerated depreciation regime for all newly acquired depreciating assets (i.e., does not apply to secondhand assets). This regime provides a tax deduction of 50% of the asset's cost on installation, with existing depreciation rules applying to the balance of the asset's tax cost. This measure applies to eligible depreciating assets acquired as of March 12, 2020 and first used or installed by June 30, 2021.

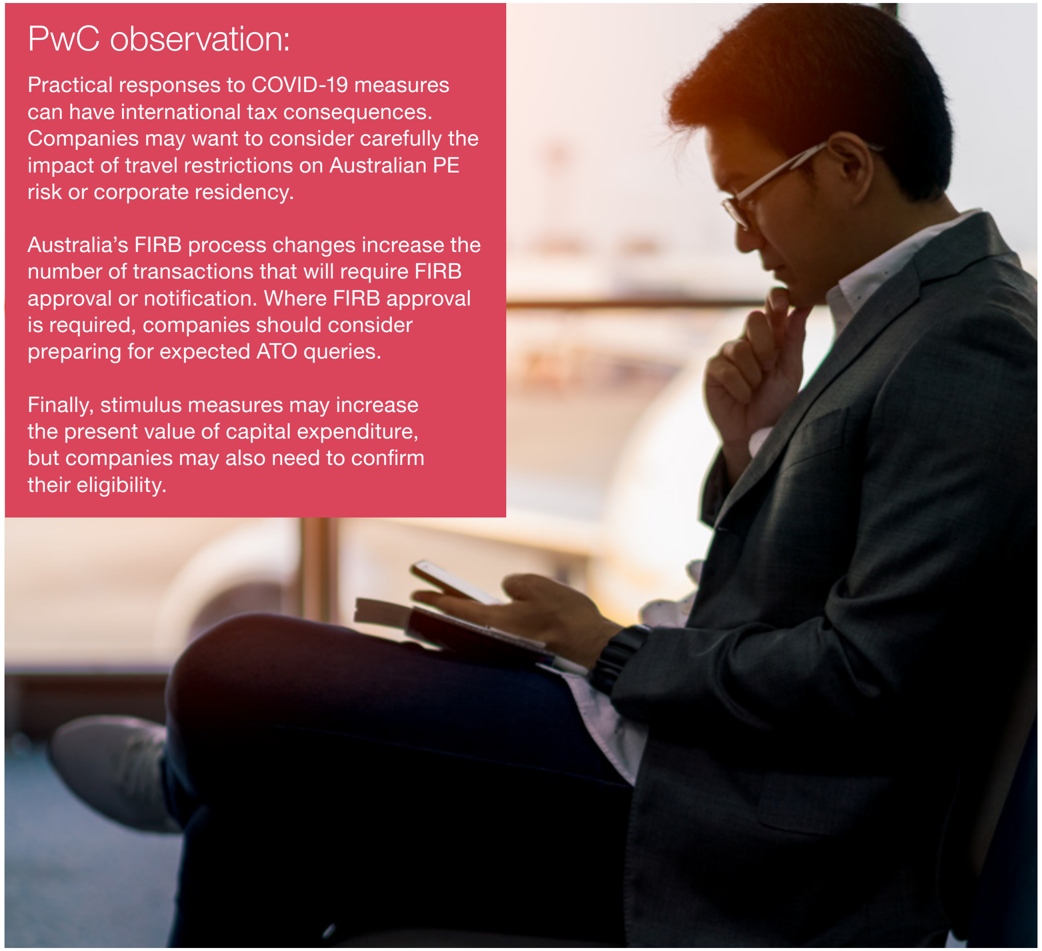
Please see our **PwC Insight** for more information.

PwC observation:

Practical responses to COVID-19 measures can have international tax consequences. Companies may want to consider carefully the impact of travel restrictions on Australian PE risk or corporate residency.

Australia's FIRB process changes increase the number of transactions that will require FIRB approval or notification. Where FIRB approval is required, companies should consider preparing for expected ATO queries.

Finally, stimulus measures may increase the present value of capital expenditure, but companies may also need to confirm their eligibility.



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Belgium

Belgium addresses Covid-19 difficulties

COVID-19 support measures:

The Belgian government introduced the ability for companies to request supportive financial measures to the extent they face financial difficulties directly resulting from the coronavirus spread (to be demonstrated and subject to additional conditions). These measures include the extension of (i) deadlines to comply with certain tax formalities, and (ii) payment terms for certain debts.

Please see our **PwC Insight** for more detailed information.

PwC observation:

Companies should consider the Belgian government's supportive measures to reduce COVID-19 pandemic's impact on their organization. In specific cases, companies may want to request advanced certainty, as denial of a tax benefit as a result of a tax audit could impact significantly their taxable basis.

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China

China launched a series of tax policies to support the economy

In response to COVID-19, China launched a series of fiscal and taxation policies in February 2020 to control the pandemic and support the economy. The policies include but are not limited to the following Corporate Income Tax (CIT) measures:

- Manufacturers may deduct the cost of key anti-pandemic supplies in one lump sum for CIT purposes. The RMB 5 million unit price threshold for equipment and instruments eligible for the CIT deduction in one lump sum is being relaxed, in order to promote production of anti-epidemic supplies.
- Cash or in-kind donations made by enterprises via charitable social organizations or people's governments and their departments above the county level to counter COVID-19 are fully deductible for CIT purposes. The CIT deduction cap of 12% of total annual profit is being relaxed.
- In-kind donations that enterprises directly make to hospitals engaged in preventing and controlling the COVID-19 pandemic are fully deductible for CIT purposes. Enterprises that made in-kind donations of supplies directly to front-line hospitals can utilize the same CIT deduction as other enterprises making donations via the aforementioned designated organizations.
- Enterprises in certain industries greatly affected by the pandemic may carry forward losses incurred during 2020 for eight years instead of the standard five years.

Please see our **China Tax/Business News Flash, Issue 6** for more information as well as some other individual income tax and value added tax preferential treatment.

PwC observation:

The policies became effective January 1, 2020, and aim to lower production and operating costs of relevant enterprises, and drive expansion of pandemic prevention materials and pharmaceutical supplies. Chinese authorities also may provide additional fiscal and taxation support to industries greatly affected by the pandemic. .

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France

France updates list of non-cooperative states and territories

France updated its non-cooperative states and territories ('NCST') list in a January 6, 2020 decree. According to the French tax code,this list should be updated every year. However, the French government has not updated it since 2016.

Transactions with entities established in countries mentioned in the French NCST list lead to the application of anti-avoidance measures and potential withholding taxes at the increased rate of 75%. Several countries (Botswana, Brunei, Guatemala, Marshall Islands, Nauru and Niue) were removed from the list on January 7. However, several other countries were added to the list (Anguilla, Bahamas, British Virgin Islands and Seychelles, Vanuatu, American Samoa, American Virgin Islands, Fiji, Guam, Oman, Samoa and Trinidad-and-Tobago) on April 1. Panama, already mentioned in the 2016 list, is still considered an NCST.

The EU Council updated its own NCST list on February 18, 2020. Palau and Cayman Islands, two territories added by the EU Council and not yet mentioned in French list, are expected to be included in the next update of the French list.

PwC observation:

Transactions with NCST are assessed at the date of payment. As such, a transaction with Oman prior to April 1, 2020 will not be considered to have been made with an NCST. Therefore, MNEs should be aware of payment dates for future updates to the French NCST list.

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India

India Budget 2020 expands digital tax, eliminates double taxation of certain dividends

The Indian Finance Minister presented the Modi government 2.0's Union Budget 2020 (Budget) on February 1. Both houses of the Indian Parliament passed the Budget, and it obtained Presidential assent on March 27. It became law effective April 1, 2020. Changes were proposed to the original proposals when the Lower House of the Indian Parliament adopted the 2020 Finance bill on March 23.

Digital tax

Extending the scope to include e-commerce transactions, India has expanded the scope of the 'equalization levy' beyond just online advertising (currently levied at 6%) to all nonresident e-commerce operators that provide 'e-commerce supply or services,' thus applying the levy to remote sales and services into India. An 'e-commerce operator' is a nonresident person who owns, manages, or operates a digital/electronic facility or platform for online sales of goods or provision of services. The expanded scope became effective on April 1, 2020.

A new 2% equalization levy on the consideration/revenue received by e-commerce operators applies to:

- sales or services to an Indian resident;
- sales or services to a nonresident (if using Indian data/data collected by an Indian person), i.e.,for sale of advertisement, which targets a customer who is resident in India or who accesses the advertisement through an internet protocol address (IP) located in India, or for sale of data, collected from a person who is resident in India or who uses an IP address located in India; and
- sales or services using an Indian IP address.

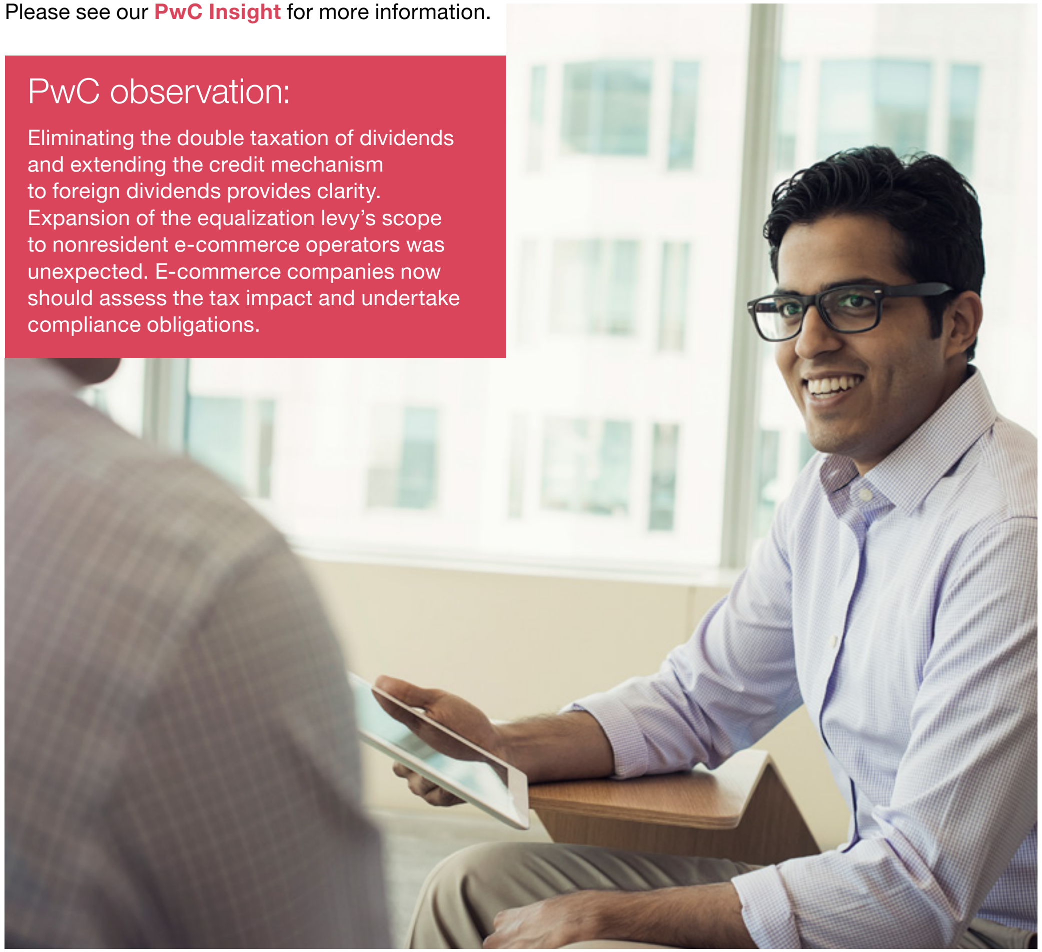
Elimination of double taxation of dividends declared before March 31, 2020, but received on or after April 1, 2020

The original bill proposed abolishing the Indian dividend distribution tax (DDT) effective April 1, 2020, and thereafter taxing dividends directly at the shareholder level. However, the amendment language proposed in the original bill led to double taxation if a dividend was declared on or before March 31, 2020 but is received on or after April 1, 2020. The reason is that such dividends would have been subject to DDT, as they have been declared on or before March 31, 2020, but the dividend also would be included in the total income of the shareholders, as they would be received on or after April 1, 2020. Amendments now eliminate such double taxation. Now, dividends received on or after April 1, 2020 will be taxable to shareholders only if the DDT has not been paid.

Please see our **PwC Insight** for more information.

PwC observation:

Eliminating the double taxation of dividends and extending the credit mechanism to foreign dividends provides clarity. Expansion of the equalization levy's scope to nonresident e-commerce operators was unexpected. E-commerce companies now should assess the tax impact and undertake compliance obligations.



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Norway

The Norwegian Ministry of Finance proposes to introduce withholding tax on interest and royalty

The Ministry of Finance published a consultation paper on February 27 that proposes a limited withholding tax (WHT) on royalty and interest payments. Payments subject to the suggested WHT include:

- interest payments to related companies in low-tax jurisdictions
- remuneration to related companies, whether resident in a low-tax jurisdiction or not, for the use of or the right to use intellectual property rights, as well as, certain physical assets.

The proposed WHT rate is 15 %. Recipients that are considered genuinely established in a European Economic Area (EEA) state may claim net taxation. A reduced WHT rate also may apply under an applicable tax treaty. Special rules are proposed for some payments from tonnage tax companies.

The proposed WHT shall apply to relevant interest and royalty payments made by Norwegian-resident companies, partnerships and foreign companies with a Norwegian PE. The payor will be obligated to withhold, report and pay the WHT to the tax authorities.

The main purpose of introducing the WHT is to counteract profit shifting from Norway and avoid double non-taxation. The rules are proposed to be effective January 1, 2021. The consultation period ends May 27, 2020.

PwC observation:

The introduction of interest and royalty WHT should be expected, as there is political agreement in Parliament for the proposal's main parts, with the proposal for WHT on lease payments for tangible assets as a potential remaining issue to discuss. The proposed rule's scope appears to supersede the profit shifting purpose, as it also targets arm's length payments and interest costs not subject to the earning stripping rules. Furthermore, a 15% WHT rate on gross payments would in many cases entail an unrealistically high profit margin.

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Russia

President Putin confirms continuation of tax standards

President Putin delivered his annual state-of-the-nation address to the Federal Assembly in mid-January. The President confirmed that the tax environment for business would remain unchanged for the next six years. He called on lawmakers to accelerate adopting a set of bills that protect and encourage capital investments and reminded them that tax standards for significant projects should remain unchanged for up to 20 years, while requirements and regulations on manufacturing facilities construction should be fixed for three years.

PwC observation:

The state-of-the-nation address is intended to provide Russian society with an understanding of the country's direction, as well as the government's priorities. The priorities are to make the Russian tax system more predictable and fair, decrease the possibility of criminal prosecution, and shift the environmental tax burden to polluters.

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Spain

Spain publishes bills on digital services tax and the tax on financial transactions

The DST and Tax on Financial Transactions bills were both published and sent to Parliament for approval on February 28. The bills follow the former bills published in January 2019, which ultimately were not passed because the Parliament was dissolved, and presidential elections were called.

Digital Services Tax (DST) bill

The DST is characterized as an indirect tax that applies to the supply of certain digital services, with the intervention of a user located in Spain, regardless of whether the user made the payment in consideration for the generation of revenues from those services. The bill defines digital services as online publicity, online intermediation and the transfer of data. As a general rule, the user would be deemed to be located in Spain when the device is located in Spain (based on the IP address).

As per the bill, certain transactions would not be subject to tax, including (i) the sale of goods and services hired online through the supplier's website when the supplier is not acting as an intermediate entity, (ii) the sale of underlying goods or services between users, within an online intermediation service, (iii) online intermediation services, when the sole or main purpose of the entity putting the digital interface at disposal is the supply of digital content to users, or supply communication services, or supply payment services, (iv) the supply of financial services by regulated financial entities, (v) the transfer of data by regulated financial services or (vi) the supply of digital services executed between entities of the same group (with a direct or indirect interest of 100%).

The taxpayers would be entities that exceed the following thresholds:

i. the previous calendar-year revenues exceed EUR 750M and
ii. the previous calendar-year revenues from digital services subject to tax exceed EUR 3M

The bill includes certain rules to calculate the taxable base, being the revenues (excluding VAT or other taxes) from the above digital services the starting point. The tax rate would be 3% and the tax would be self-assessed on a quarterly basis. As per the bill, the tax returns and tax liabilities correspondent to the second and third quarters of 2020 would not be due until December 20, 2020.

Tax on Financial Transactions bill

Since 2013 Spain has been part of the group of European countries trying to implement a Tax on Financial Services Directive at the EU level through the enhanced cooperation procedure. However, as there has been no agreement in connection with such tax, Spain considers it adequate to implement a unilateral tax similar to other European countries such as France or Italy, but without abandoning the cooperative process to implement a harmonized tax.

The tax is described in the bill as an indirect tax that subjects to tax, with a 0.2% tax rate, the acquisition of shares issued by Spanish companies, provided that the shares are listed in a stock exchange market (Spanish, European or equivalent third-country markets) and the market capitalization value of the company, on December 1 of the year previous to the acquisition, is greater than one billion Euro. The Spanish tax authorities would publish, before December 31, the list of Spanish companies whose capitalization value exceeds such threshold.

The tax would also be imposed on the acquisition of depositary receipts representing the above mentioned listed shares (e.g., ADRs), or certain acquisitions of shares from the execution or settlement of obligations or convertible/exchangeable bonds, or from any other instrument or financial agreement.

The bill also includes certain acquisitions that would be subject but exempt from the tax, such as the ones derived from the issuance of shares or from Initial Public Offerings (IPOs).

PwC observation:

The bills are currently in the ratification process and are expected to enter into force in the coming months. The DST bill's explanatory note states that this tax will be transitory until the internationally agreed-upon tax measure (whenever such agreement happens) is transposed within the Spanish law.
In connection with the financial transactions tax, taking into account the different type of acquisitions that the tax could impact, as well as the different parties involved, entities potentially affected should analyse the bill's contents and its potential impact.

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United States

US enacts phase three COVID-19 economic stabilization legislation

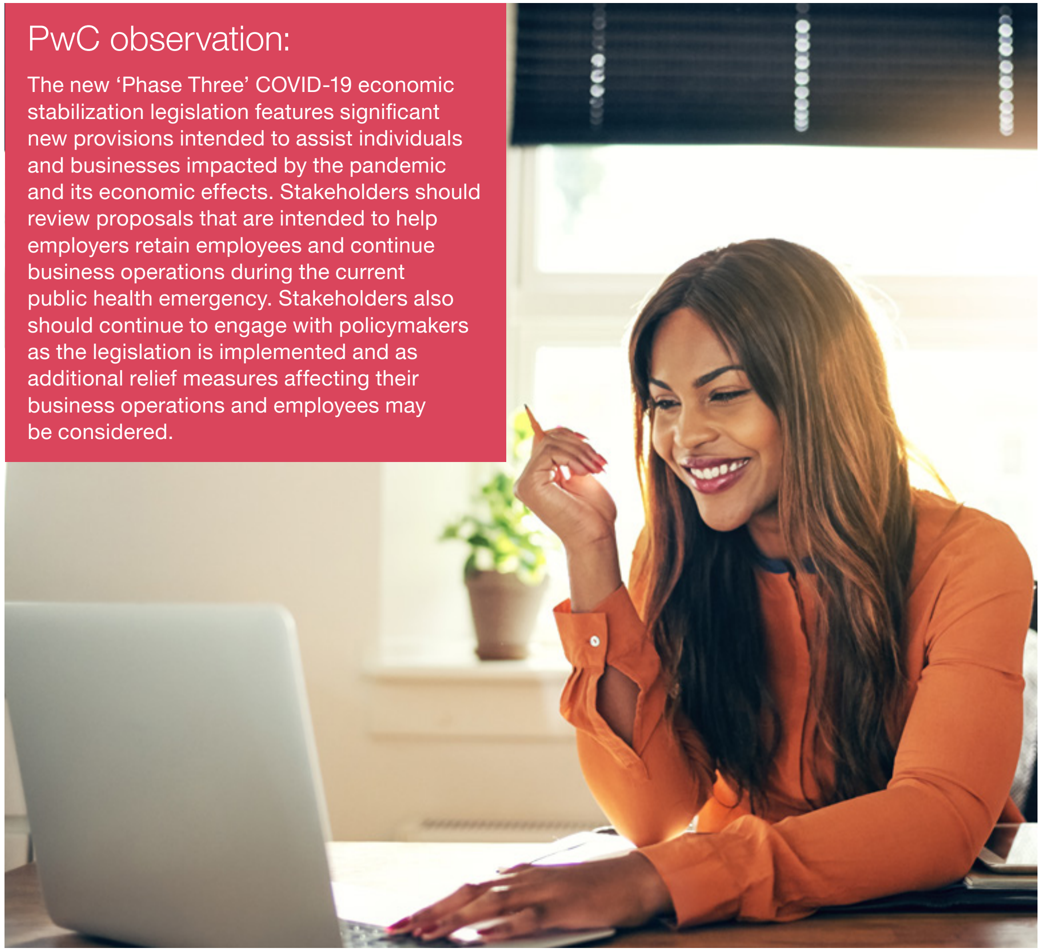
President Trump signed the ‘Coronavirus Aid, Relief, and Economic Security Act’ (the CARES Act) into law on March 27. The $2 trillion ‘Phase Three’ COVID-19 economic stabilization package features significant tax provisions and other measures to assist individuals and businesses impacted by the economic effects of the COVID-19 pandemic. Tax relief measures for businesses include a five-year net operating loss (NOL) carryback, a change in Section 163(j) interest deduction limitations, accelerated AMT refunds, payroll tax relief, a temporary suspension of certain aviation excise taxes, a tax credit for employers who retain employees, and a ‘qualified improvement property’ technical correction to the 2017 tax reform act. The CARES Act provides significant amounts of federal funding for a range of non-tax economic stabilization measures to assist individuals and businesses impacted by the economic effects of COVID-19.

The Act provides $500 billion for a Treasury Department Exchange Stabilization Fund to provide loans, loan guarantees, and other investments to eligible businesses and $349 billion for a Small Business Administration ‘paycheck protection program.’ The legislation also includes $340 billion in emergency funding for hospitals, healthcare agencies, and assistance to state and local governments responding to the coronavirus.

This COVID-19 economic stabilization package follows the March 6 enactment of a ‘Phase One’ package providing $8.3 billion of funding for health agencies and the March 18 enactment of a ‘Phase Two’ relief package. The Phase Two legislation included a new business tax credit, estimated to cost $104.8 billion, for certain employers with fewer than 500 employees to provide paid sick leave and paid family and medical leave through the end of 2020. A ‘Phase Four’ bill may be considered as officials continue to assess the effects of the COVID19 pandemic on public health and the US economy.

PwC observation:

The new ‘Phase Three’ COVID-19 economic stabilization legislation features significant new provisions intended to assist individuals and businesses impacted by the pandemic and its economic effects. Stakeholders should review proposals that are intended to help employers retain employees and continue business operations during the current public health emergency. Stakeholders also should continue to engage with policymakers as the legislation is implemented and as additional relief measures affecting their business operations and employees may be considered.



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Administrative

Belgium

Belgium publishes two tax rulings

Tax consolidation:

The Belgian group contribution regime published two tax rulings. The first ruling confirmed that a statutory seat transfer to Belgium with legal and accounting continuity does not affect the five-year shareholding period. The second ruling involved a Belgian corporation (X) with the following share ownership structure: its parent owned 89%, its 100% subsidiary (Y) owned 10%, and a holding company (Z) owned 1%. The taxpayer argued that the 90% participation requirement was fulfilled because the 'indirect own shares' should be ignored. The Belgian rulings office did not agree, as the law imposes a 'direct 90% participation' requirement and denied the group contribution regime's application between Y and X.

PwC observation:

Taxpayers should assess whether these ruling will affect their current business structure.

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Spain

Spanish General Directorate of Taxation provides guidance on foreign look-through entities

The Spanish General Directorate of Taxation provided additional guidance and clarifications on requirements for foreign entities to qualify as look-through entities for Spanish tax purposes. The guidance was published in the Official Gazette on February 15.

The Non-resident Income Tax Act states that foreign entities would qualify as look-through entities for Spanish tax purposes if they had an identical or analogous legal nature to that of look-through entities incorporated under Spanish law. Spanish law does not disclose or list those legal features to consider for purposes of the test of identity or analogy. This lack of guidance created uncertainty, so the General Directorate of Taxation issued several general and binding tax rulings for specific entities, indicating features to consider while carrying out the above-mentioned test.

With this resolution, the General Directorate of Taxation consolidates its tax approach, stating that the qualification of foreign entities as look-through entities for Spanish tax purposes depends on whether the foreign entity is subject to a similar tax regime in its jurisdiction of incorporation to that applicable to look-through entities incorporated under Spanish law. There are three tax features that the tax regime applicable to the foreign entity should comply with:

i. the income earned by the entity must not be taxed at its level. In other words, the foreign entity must not be subject to an income tax in its jurisdiction of incorporation
ii. the income earned or generated by the foreign entity must be fiscally attributed to its partners or members, being these latest subject to tax, regardless of any effective distribution by the entity, and
iii. the income attributed to the partners or members of the foreign entity must keep the same characterization as when earned or generated by the foreign entity.

The date of entry into force was February 15, 2020 (no retroactive effects).

PwC observation:

The new resolution's goal is to provide an additional legal certainty at the time of qualifying foreign entities as look-through entities for Spanish tax purposes. However, the effect may differ since the General Directorate of Taxation establishes a tax approach which may breach the approach required by Spanish law (i.e., identical or analogous legal nature). Also, the General Directorate of Taxation states in its resolution that it follows the OECD approach, although the OECD suggests analysing the tax regimes applicable in the source state and state of incorporation. Thus, the tax regimen applicable to the foreign entity would in principle be relevant to the extent it is also incorporated in the residence state.

Thus, considering the above and the potential increase of the legal uncertainty on the matter, current and future investment structures through foreign look-through entities should be reviewed to ensure their look-through treatment for Spanish tax purposes and to mitigate any potential miss-qualification and hybrid character.

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Judicial

Italy

Parent-Subsidiary Directive – Withholding tax (WHT) exemption

Italy's Supreme Court argued that the WHT exemption provided by Parent-Subsidiary Directive no. 96/2011 ('PS Directive') on dividend payments from Italian subsidiaries to EU parent companies cannot be denied even though the dividend income is not taxed in the parent company's jurisdiction (decision no. 2313 dated January 31, 2020).

Even though the case concerned the tax refund claimed by a UK parent company on a dividend distribution from an Italian subsidiary according to art. 10 par. 4 of the tax treaty between Italy and UK, the Court argued that the WHT exemption in the subsidiary's jurisdiction is not sufficient to remove the economic double taxation and ensure the non-discriminatory tax treatment of cross-border dividends within the European Union (cfr. CJEU decision no. C-389/18, Brussels Securities). The Supreme Court reached similar conclusions with the decisions no. 30140/2019 and no. 29635/2019 with reference to the dividend distributions according to the regime provided by the DDT between Italy and Germany.

The above-mentioned argument may be extended to other more straightforward cases, such as those where the foreign parent benefits from an exemption (under a domestic participation exemption regime) in its Member State of residence on the dividends received from Italian subsidiaries. From this perspective, Supreme Court decision no.2313 seems to leave some room for a revirement of the Court's case law on the application of the PS Directive (see decisions no. 32255/2018 and 25490/2019), which denied the application of the WHT exemption in Italy where the dividends were not subject to taxation in the parent company's State (due to the application of a domestic participation exemption regime).

PwC observation:

The WHT exemption on dividend distributions from Italian subsidiaries under the PS Directive regime should be granted as long as, among other things, the parent company is subject to tax and regardless of the existence of an exemption regime on the dividend in the parent's jurisdiction. However, some past Supreme Court's decisions upheld that an actual tax payment on the dividend in the parent's jurisdiction is a requirement to benefit from the PS Directive WHT exemption at source.

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Treaties

Canada, Mexico, United States

NAFTA's imminent replacement by USMCA puts treaty claims at risk

The Canadian Parliament has approved the United States-Mexico-Canada Agreement (USMCA), which is to replace NAFTA. The USMCA is expected to enter into force in the coming months. Once the agreement enters into force, certain subsidiaries of some US, Canadian, and Mexican-parented companies may no longer be eligible for treaty benefits. The USMCA replacing NAFTA may have broad implications for companies claiming US tax treaty benefits under the derivative benefits test of a treaty's Limitation on Benefits article.

A resident of a country that is a party to a US tax treaty and wishes to avail itself of the treaty's benefits generally must satisfy the treaty's anti-treaty shopping provisions in the LOB article. One way a company may meet this test is under the 'derivative benefits' test. This test is based on ultimate ownership by a qualifying person that, if the US income were paid directly to that owner, would be eligible under a US tax treaty with the owner's country of residence for a benefit that is equivalent or better than the benefit being sought (an 'equivalent beneficiary'). In addition, the company claiming benefits under this test must meet a base erosion test, which often requires that deductions for payments to persons that are not qualifying persons be less than 50% of the company's gross income. Several treaties define a qualifying person for this purpose with reference to the person being a resident of a country that is a party to NAFTA or a member state of the European Union (EU).

Please see our **PwC Insight** for more information.

PwC observation:

Taxpayers relying on a US, Mexican, or Canadian tax resident being an equivalent beneficiary under the derivative benefits test of a US tax treaty's LOB article should review their structures and evaluate the need for further analysis and possible alternative ways to satisfy treaty eligibility requirements.

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Colombia

‘The Colombian Tax Office set its position regarding the triggering of the Most Favoured Nation clauses envisaged in Colombian tax treaties’

Due to the recent entry into force of the Colombia-UK treaty, the Colombian Tax Office (DIAN) addressed in Ruling No. 3283, issued on February 17, application of the Most Favoured Nation (MFN) clauses envisaged in some earlier tax treaties (except for treaties with Korea and India, which did not include MFN clauses) with respect to royalty payments.

Section 12 of the tax treaties concluded with Spain, Switzerland, Canada, Chile, Portugal, Mexico and Czech Republic provide that outbound payments or accruals made for ‘technical fees’ (which encompass technical services, technical assistance and consultancy services) are deemed to be royalties subject to a 10% withholding tax in Colombia (the domestic withholding rate is 20%).

However, such tax treaties include MFN clauses that may be triggered, as the Colombia-UK treaty (applicable as of January 1, 2020) does not include the concept of ‘technical fees’ within the royalty distributive rule. Instead, section 7 (business profits) deals with such revenue, allowing the source State to tax only if the revenue is attributable to a Colombian permanent establishment.

Nonetheless, as the wording of the MFN clauses included in Colombian tax treaties varies, the Colombian Tax Office pointed out that triggering of the latter clauses would be as follows, based on its interpretation (opposite).

Notwithstanding, DIAN’s opinion related to application of the MFN clauses with Spain, Switzerland and Chile is controversial and may lead taxpayers to execute the mutual agreement procedure (MAP) envisaged in those treaties.

PwC observation:

Colombian companies that make outbound payments to treaty jurisdictions in consideration of technical fees on a regular basis should determine whether there is any applicable withholding tax.

DTC	Triggering of the MFN clauses	DIAN’s position
Spain	No	The MFN clause only proceeds when a lower tax rate is agreed (which would not be the case of the Colombia-UK treaty as the withholding rate is still 10%)
Switzerland	No	The MFN clause only proceeds when a lower tax rate is agreed (which would not be the case of the Colombia-UK treaty as the withholding rate is still 10%)
Chile	No	The MFN clause only proceeds when: (a) a lower tax rate is agreed, or (b) a new exemption is granted (which would not be the case of the Colombia-UK treaty as the withholding rate is still 10% and no exemption was granted by such treaty)
Canada	Yes	MFN is triggered for technical services, technical assistance and consultancy services insofar as the Canadian MFN refers to a better tax treatment (which is the case of the Colombia-UK treaty)
Mexico	Yes (but limited)	MFN is triggered exclusively for technical assistance and technical services (not for consultancy services) as the wording of such clause did not include ‘consultancy services’ within its scope
Czech Republic	Yes	MFN is triggered for technical services, technical assistance and consultancy services insofar as the Czech MFN refers to either a lower rate or a better tax treatment (which is the case of the Colombia-UK treaty)
Portugal	Yes	MFN is triggered for technical services, technical assistance and consultancy services insofar as the Portuguese MFN refers to a better tax treatment (which is the case of the Colombia-UK treaty)

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Glossary

Acronym	Definition
ATAD	Anti-Tax Avoidance Directive
ATO	Australian Tax Office
BEPS	Base Erosion and Profit Shifting
CFC	controlled foreign corporation
CIT	corporate income tax
CJEU	Court of Justice of the European Union
DAC6	EU Council Directive 2018/822/EU on cross-border tax arrangements
DDT	Dividend Distribution Tax
DST	digital services tax
DTT	double tax treaty
EBITDA	Earnings before interest, tax, depreciation and amortization
FIRB	Foreign Investment Review Board
EU	European Union
LOB	Limitation on benefits
MFN	most favoured nation
MNC	Multinational corporation
NAFTA	North American Free Trade Agreement
NCST	non-cooperative states and territories
NOL	net operating loss
PE	permeant establishment
OECD	Organisation for Economic Co-operation and Development
R&D	Research & Development
TZS	Thematic Zones of Services
USMCA	United States-Mexico-Canada Agreement
WHT	withholding tax

Contact us

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