

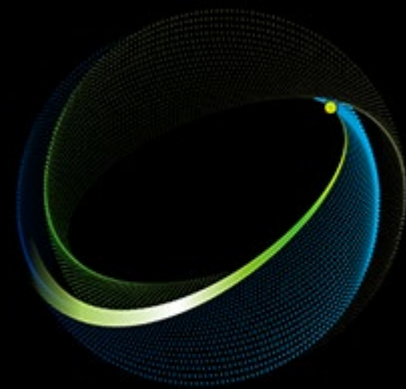
World Tax Advisor

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Italian legislative decree containing international tax reform measures is in force

A legislative decree has been published that contains international tax measures, including revised criteria to determine the tax residence of corporate entities, amendments to the controlled foreign company regime, the introduction of a tax incentive to encourage businesses to “reshore” certain economic activities, the introduction of a penalty protection regime for hybrid mismatch assessments, and the transposition of the EU Pillar Two directive into domestic law.



Bermuda

Corporate income tax legislation enacted

The Corporate Income Tax Act 2023 has been enacted and introduces a 15% corporate income tax on Bermuda businesses that are part of multinational enterprise groups with annual revenue of EUR 750 million or more. The law is effective for tax years beginning on or after 1 January 2025. The government also



Brazil

New legislation subjects investment subsidies to taxation

The government has published a law that subjects certain investment subsidies to corporate income and federal gross revenue taxation as from 1 January 2024, along with the introduction of an investment subsidy tax credit. The Brazilian Federal Revenue also has published regulations that provide procedures

has released “version 2.0” of a set of related frequently asked questions.



Brazil

New rules limit deduction of interest on net equity distributions

The corporate income tax deduction for interest on net equity distributions has been limited as from 1 January 2024 due to new rules that reduce the calculation basis from which the deduction is derived and require adjustments to the calculation basis that are related to transactions carried out between dependent parties.



France

2024 finance bill adopted by Parliament

The corporate income tax measures in the 2024 finance bill adopted by the parliament include the transposition into domestic law of the EU Pillar Two directive, a new tax credit to encourage investment in “green” industries, and certain changes to the participation exemption regime in regard to tax consolidated groups. The bill also includes changes to curb abuse of the transfer pricing rules.

on how to apply for the investment subsidy tax credit.



European Union

European Commission publishes FAQs on Pillar Two directive

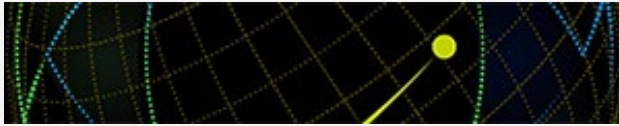
The European Commission has published frequently asked questions regarding the correct interpretation and/or transposition of the EU Pillar Two directive, which had to be transposed into EU member states’ national laws by 31 December 2023.



Germany

RETT guidance on ownership attribution could result in double taxation

This article discusses guidance from the tax authorities that adopts principles set forth in recent court decisions on real estate transfer tax (RETT) and establishes new criteria and approaches regarding the assessment of RETT triggering events. There are scenarios in which the ownership of the same piece of real estate could be attributed to multiple entities and RETT could be triggered multiple times for the same transaction.



Hong Kong SAR

Consultation launched on Pillar Two global minimum tax, domestic minimum top-up tax

The Financial Services and the Treasury Bureau and the Inland Revenue Department have published a consultation on the implementation of the Pillar Two global minimum tax, confirming that Hong Kong SAR would implement the income inclusion rule and undertaxed profits rule, as well as a tax that is intended to be a qualifying domestic minimum top-up tax. The consultation period will close on 20 March 2024.



Japan

Tax reform proposals for 2024 announced

The ministry of finance has announced proposals for the 2024 tax reform, which would introduce an “innovation box” and continue the implementation of the OECD’s Pillar Two initiative into domestic law. Other measures include amending the taxation of foreign businesses offering goods and services for sale in Japan through digital platforms.



Luxembourg

Pillar Two law: Positive vote in parliament marks a key milestone

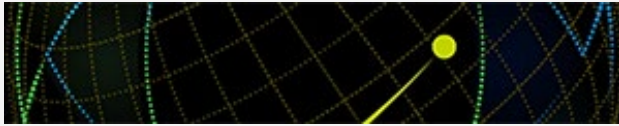
The parliament has adopted a law implementing the EU Pillar Two directive, which establishes a global minimum taxation level of 15% for multinational enterprise groups and large-scale domestic groups within the EU. The law will be applicable for fiscal years commencing on or after 31 December 2023.



Singapore

IRAS e-Tax Guide on new rules for taxation of foreign asset disposals published

The Inland Revenue Authority of Singapore has published an e-Tax Guide, *Income Tax—Tax Treatment of Gains or Losses from the Sale of Foreign Asset*, providing guidance on the application of the new regime for the taxation of foreign-sourced capital gains and losses as from 1 January 2024.



Switzerland

Pillar Two to be implemented in a gradual approach

The Swiss Federal Council has decided that Switzerland will introduce the Pillar Two global minimum tax in a gradual approach. A tax that is intended to be a qualified domestic top-up tax will be imposed on profits of Swiss corporations and permanent establishments of certain multinational enterprise groups as from 1 January 2024, with an income inclusion rule and an undertaxed profits rule introduced at a later stage.



United States

Additional guidance on treatment of section 174 research or experimental expenditures

The Department of the Treasury and the Internal Revenue Service have issued guidance on the treatment of research or experimental expenditures, which includes a revenue procedure that provides taxpayers with guidance on how to make accounting method changes related to such expenditures.



United States

Notice 2023-80 lays out interaction of Pillar Two and foreign tax credits

The Department of the Treasury and the Internal Revenue Service have issued Notice 2023-80, announcing their intention to issue proposed regulations to address the application of the foreign tax credit rules to certain top-up taxes, including taxes described in the global anti-base erosion model rules, as well as guidance that taxpayers may rely on until proposed regulations are issued.



United States

Notice 2024-10 provides additional corporate AMT guidance

The Department of the Treasury and the Internal Revenue Service have released additional interim corporate alternative minimum tax guidance to further clarify the application of the tax, including guidance for certain determinations of adjusted financial statement income and modifications and clarifications to prior guidance regarding the applicable financial statement of members of a tax consolidated group.

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