



World Tax Advisor

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Italy's 2019 budget law introduces new digital services tax

The law also re-opens the window to step-up the basis of certain assets and makes other changes for corporations.

Changes to tax incentives under Italy's 2019 budget law

The measures abolish the notional interest deduction, revise the R&D tax credit rules, extend the "hyper depreciation" rules and provide a reduced tax rate for profits reinvested in new assets or to increase employment.



Australia



British Virgin Islands

Simplified transfer pricing record keeping options updated

Changes are made to the criteria that need to be considered before the simplified transfer pricing record keeping rules can be applied.



European Union

European Commission considers process of making EU tax policy

The Commission has launched a debate on transitioning decision-making for areas of taxation policy from requiring unanimity to “qualified majority voting.”

Legislation on economic substance passed

Increased substance requirements apply as from 1 January 2019 (with a six-month transitional period) to resident legal entities and to foreign entities that are engaged in “relevant activities.”



Italy

Legislative decree transposing EU ATAD includes significant changes to tax law

The legislation makes changes to the interest expense deduction limitation, exit taxation, controlled foreign company, participation exemption and hybrid mismatch rules.



Mexico

Tax incentives granted to taxpayers in northern border region

Qualifying taxpayers located in the region may benefit from an income tax credit and a reduced VAT rate during 2019 and 2020, provided certain requirements are fulfilled.



Mexico

New decrees may give rise to constitutional challenges in court

Constitutional challenges to changes made to the tax offset rules and/or the exclusion of maquiladoras from the northern border region tax incentives must be filed by 14 February 2019.



Netherlands



United Kingdom

2019 tax package enacted

The package implements the ATAD 1 interest deduction limitation and controlled foreign company rules and gradually reduces the corporate tax rate.



New compliance facility introduced for diverted profits tax

The facility is designed to encourage multinationals using arrangements targeted by the diverted profits tax to resolve uncertainties and bring their tax positions up to date.



United Kingdom

Review of corporate intangible fixed assets regime

Draft legislation would re-instate relief for goodwill and other relevant assets created or acquired as part of the acquisition of a business on or after 1 April 2019.

Uruguay

Guidance on CbC reporting requirements issued

The tax authorities may request CbC reports for fiscal years as from 1 January 2017 from domestic taxpayers that are members of large MNE groups, and master files from taxpayers belonging to MNE groups of any size.

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If you have any questions about the content in *World Tax Advisor*, please email Sally Clurman at sclurman@deloitte.com.

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30 Rockefeller Plaza
New York, NY 10112-0015
United States

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