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India's CBDT issues guidance on transfer pricing rules applicable to R&D activities

India's Central Board of Direct Taxes issued two circulars on 26 March 2013, one providing clarification regarding the use of the profit split method (PSM) for related party transactions involving intangible property (Circular No. 2), and the other stipulating the requirements for a research and development (R&D) center to be classified as a contract R&D unit (Circular No. 3).

Highlights of the circulars

Classification as R&D unit – Circular No. 3 deals with the functional characterization of Indian development centers engaged in R&D activities and sets out five tests that must be met on a cumulative basis for an R&D center of a foreign enterprise to be considered a contract R&D center that assumes insignificant risks.

The following tests must be met in substance and not merely through contractual arrangements:

- The foreign principal must perform most of the economically significant functions involved in the R&D cycle, with the Indian R&D center largely involved in providing economically insignificant functions.
- The foreign principal must provide the necessary funds/capital for the operation of the Indian R&D center. The foreign principal must provide all economically significant tangible/intangible assets required for the R&D activities and the Indian R&D center should not use or own any economically significant tangible/intangible assets required for the R&D activities.
- The foreign principal must have the ability to control or supervise the activities of the Indian R&D center and must actually exercise that ability. The activities of the Indian R&D center must be under the direct supervision of the foreign principal, which must make strategic decisions regarding the performance of the core functions and the monitoring of the activities of the Indian R&D center on a regular basis.

- The Indian R&D center must not assume any economically significant risks. If the foreign principal is located in a country that is considered a low or no tax jurisdiction, the Indian tax authorities will presume that the principal does not assume the economically significant risks, unless the Indian R&D center demonstrates that such risks are in fact borne by the foreign principal.
- The legal and economic ownership of the research/intangibles resulting from the Indian R&D center must vest with the foreign principal.

Use of profit split method – Circular No. 2 clarifies certain factors that must be considered when a taxpayer selects or rejects the PSM as the most appropriate transfer pricing method:

- The use of a transfer pricing method that values intangibles on a cost plus return basis (such as the transactional net margin method (TNMM)) is discouraged because there is no correlation between R&D costs and the return on intangibles.
- The PSM is the preferred method since it determines an appropriate return on intangibles, taking into account the relative contribution of each associated enterprise.
- The selection and application of the PSM depends on factors prescribed under the Income Tax Rules, 1962 that include the nature and class of the transactions; the functions, assets and risk analyses of the transacting parties; the availability and reliability of data; the degree of comparability with uncontrolled transactions; the extent to which adjustments can be made to differences between controlled and uncontrolled transactions, etc.
- If the Indian tax officer is of the opinion that the PSM cannot be applied due to the unavailability of reliable data, he must record the reasons for this conclusion before considering other methods.
- If the taxpayer does not use the PSM because the required information is not available, the taxpayer must have a sufficient reason for the unavailability of the information.
- In an appropriate case, the transfer pricing officer can consider the TNMM or the comparable uncontrolled price (CUP) the most appropriate method for transactions involving intangibles and make an upward adjustment, taking into account the transfer of the intangibles without additional consideration and any location-specific advantages or savings.

Comments

A reading of the two circulars indicates that the CBDT is of the view that if an R&D center does not assume significant risks and meets all of the requirements in Circular No. 3, the TNMM or the CUP may be used to determine the arm's length compensation for the Indian entity; otherwise, the PSM should be preferred. Further, if any of the requirements in Circular No. 3 are not met, it appears that there would be a presumption that the Indian R&D center is assuming significant risks and Circular No. 2 would apply.

Circular No. 3 leaves open a number of issues that could lead to further controversy. The circular provides that the foreign principal must perform most of the economically significant functions, provide economically significant assets and assume economically significant risks. These principles are and have been the fundamental principles for the characterization of low risk captive back office development centers. To ensure certainty, it would have been useful if the CBDT had provided specific examples of economically significant functions, assets and risks.

Circular No. 2 aims to provide certainty on issues relating to the application of the PSM in transactions involving intangibles. However, it would have been helpful if the circular had used examples to explain the types of transactions that could be considered to involve intangibles. The circular makes the PSM the default method for transactions involving intangibles insofar as the transfer pricing officer is required to record his reasons for not adopting that method. Further, in cases where the TNMM or CUP is used, the circular mandates that an upward adjustment be made to account for the value of intangibles transferred, and any location-specific advantages and savings. The circular does not provide how such an adjustment is to be made or how it is to be quantified and this is likely to prove challenging for both the tax authorities and taxpayers. The broader implication of Circular No. 2 is that taxpayers engaging in intangibles transactions will need to take account of these principles when preparing their transfer pricing studies.

As noted above, the purpose of the two circulars was to eliminate ambiguity in transfer pricing for multinationals with development centers in India; whether this objective is achieved ultimately will depend on how the circulars are implemented by auditors and how the CBDT monitors implementation.

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Austria:
MOF revises position on capital tax implications of shareholder commitment to absorb future losses

In a circular dated 6 December 2012, Austria's Ministry of Finance clarified its position on when a shareholder's commitment to cover tax losses triggers capital duty.

Austria levies a 1% capital tax when a direct shareholder of an Austrian corporation makes an equity injection into the corporation, as well as when a shareholder compensates a corporation for losses incurred, provided the compensation increases the value of the company. Such an increase in value usually occurs when loss compensation is provided by a shareholder, but is not deemed to occur when the shareholder commits to absorb losses of the corporation before the losses actually are incurred.

The Ministry of Finance previously was of the opinion that capital tax would not be triggered only if the shareholder and the corporation concluded a fully developed profit and loss transfer agreement (PLTA) before the losses crystallized. (Under a PLTA, a shareholder undertakes to compensate the corporation in which it is a shareholder for any losses incurred, and conversely the corporation undertakes to transfer any profits to the shareholder.) In practice, this rule was interpreted to mean that the PLTA had to be in place by the beginning of the financial year in which the losses were incurred.

In 2011, the Court of Justice of the European Union (CJEU) rejected this interpretation and held that a capital contribution intended to cover future losses of a company does not constitute a capital increase and, therefore, is not subject to capital tax. According to the CJEU, neither a PLTA nor a legally binding shareholder commitment to absorb losses would trigger capital tax where the obligation was assumed before the losses were incurred. The CJEU did not consider it a prerequisite that the obligation to absorb losses should be accompanied by an entitlement to a transfer of profits, as would be the case under a fully developed PLTA. However, since the court did not comment on the point in time at which losses are deemed to crystallize, the CJEU decision did not provide any guidance for cases where shareholders commit to absorb losses in the middle of a financial year.

The December circular states that losses are presumed to crystallize on the balance sheet date, i.e. at the end of a particular financial year. As a result, a shareholder's commitment to absorb annual losses before the end of the financial year in which the loss is incurred is not subject to capital tax. The commitment, however, must be legally enforceable in court and must cover the annual losses of the financial year concerned. According to the circular, the capital tax exemption will not apply to commitments to absorb only certain categories of losses or losses arising from specific transactions; such losses continue to be subject to capital tax (an issue that is now before the Austrian high court). It is possible, however, for a shareholder to set a cap on the amount of the annual loss absorption, in which case the excess would be subject to capital duty.

Taxpayers should monitor during the financial year whether ongoing losses could require equity injections and should react before the end of that financial year.

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Finland:
Corporate tax rate to be lowered

On 21 March 2013, the Finnish government announced the plan to cut the corporate tax rate and, on 27 March, it announced the framework for budgets for years 2014-2017, including information about contemplated changes to the corporate tax rules. The most significant expected changes are as follows:

- Reduction of the corporate income tax rate from 24.5% to 20% as from 2014;
- Abolition of the temporary R&D incentive and double tax depreciation for investments in production facilities and machinery as from 2015;
- Abolition of the tax deductibility of entertainment costs as from 2014;
- Introduction of asset-based tax depreciation for long-term investments instead of the current pool-based tax depreciation;
- Introduction of limits on the deductibility of interest; and
- Revision of the dividend taxation system as from 2014, mainly with respect to dividends received by individuals.

More changes are expected to be proposed to the corporate income tax regime. A recently established working group is looking at areas, such as revisions to the group tax and loss relief regimes and abolition of the income "baskets" applicable to corporate taxpayers.

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France:
Draft administrative guidelines released on new global cap on financial charges

The French tax authorities (FTA) published long-awaited draft guidelines on 29 March 2013 on the new limitation on the deduction of financing expenses.

The Finance Bill for 2013 introduced a global cap on finance charges incurred by companies liable for corporate income tax, under which finance charges are capped at 85% (reduced to 75% as from FY 2014) of their net amount on the portion that remains deductible after application of the other limitation rules. The new limit on the deduction of finance charges applies to the net amount of finance charges, defined as finance expenses of the fiscal year as reduced by the financial profits of that fiscal year.

Scope of new limitation and assessment rules

The draft guidelines clarify the scope of the new limitation and the relevant assessment rules:

- "Finance expenses" to be taken into account – Finance expenses include all interest or similar expenses incurred with respect to amounts of money that have been made available to the company. This covers amounts paid in consideration for financing granted to the company, as well as, in a much broader sense, the amount of any kind of interest-bearing claims due from the company, with the exception of fees or commissions paid for services associated (ancillary services) with these amounts. The net charges incurred on the disposal of investment securities (which, due to their accounting treatment, could have fallen within the scope of the global cap) are specifically excluded.

- “Financing income” to be taken into account – Financing income refers to all interest or similar income received in consideration for financing granted by the company to another party. Dividends and distributed income (regardless of whether they benefit from the EU parent-subsidiary directive) are not included.
- Characterization of finance charges disallowed under the global cap – The disallowance of the financing charges under the new cap does not have any impact on the legal characterization of the disallowed portion in the hands of the company that receives the payment and, in particular, does not lead to a characterization of this portion as distributed income. As a result, the disallowed portion is not subject to the 3% surtax on distributed income introduced in 2013.
- Leasing transactions – A portion of rent could be considered a finance charge if it is accrued under a finance lease, a lease with an option to purchase or a lease of movable property between related companies. The portion deemed to be finance charges is equal to the difference between the rent effectively booked and the annual depreciation of the property leased, as well as any incidental fees invoiced to the lessee. Royalties for concessions, patents, licenses, trademarks, software, etc. are not to be taken into account. There are some clarifications of sub-leasing transactions (i.e. the components of finance charges to be taken into account by a sub-lessee are defined by reference to those of its lessor).

Other aspects

The draft guidelines also specify the order of priority in which the various limitations are to be applied in computing the finance expenses that are to be disallowed. The order in which these limitations are to be applied is as follows: first the interest rate limit, then the thin capitalization rule, then the “*Carrez*” rule and finally the global cap limitation. The draft guidelines confirm that the global cap should apply to financing expenses “net of” the amounts already disallowed under previous specific limitation mechanisms. Therefore, the base for calculating the global limitation does not include financing expenses disallowed under any other limitation rules.

The application of the new limitation in the context of a tax consolidated group also is clarified (including the order of priority in applying the different existing limitation rules).

The draft guidelines are open for public consultation until 26 April 2013, although taxpayers can rely on the FTA’s comments in the guidelines until their possible revision as a result of the public consultation process.

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Greece:
Guidance issued on tonnage tax liability for foreign flag ships

Under new rules that apply as from 1 January 2013, ships managed by companies in Greece and sailing under foreign flags are required to pay a tonnage tax based on the size and capacity of the vessel. The Ministry of Finance issued guidance on the tonnage tax on 26 February 2013. The guidance provides details on who is liable for the tax, reporting obligations, the amount of tax due and the calculation of the gross tonnage of a ship. In particular, the guidance provides that:

- The foreign ship owner is liable for payment of the tonnage tax, but the ship management office is jointly liable.
- In the case of a disposal of an affected vessel, the new owner is liable to tonnage tax as from the date of the transfer. The former owner and the management office remain jointly liable for previous taxes.

- Ship management offices must submit to the competent tax office of ships a comprehensive list of managed vessels flying foreign flags (this list, which must be filed in January of each year, was due for the first time by 15 March 2013). Where a management office is appointed during the calendar year, an amended list must be filed within one month from the new mandate. The newly appointed management office is liable to tax as from the day after its appointment.
- Responsibility for filing the tonnage tax return lies with the ship owner, the ship management office and their representatives or attorneys in fact (if any). The annual return must be filed by the end of February with respect to the tonnage tax of the same calendar year (i.e. there is no distinction between the fiscal year and the calendar year). Twenty-five percent of the tonnage tax assessed must be paid at the time the return is filed, with the remaining amount paid in three equal installments in June, September and December. (The deadline for filing the first tonnage tax return and payment of 25% of the tonnage tax due was 29 March 2013.)
- The specific tax deductions available to vessels flying Greek flags also apply to vessels flying foreign flags.
- The tax rates are the extra-reduced rates provided under ministerial approvals.
- The calculation of the age of the vessel commences on 1 January of the year following the year the vessel is delivered for commercial use and the guidance provides details for the calculation of the gross tonnage of the vessel for purposes of the tonnage tax.

The guidance also contains a detailed description of the tonnage tax return form and requires that the following documents be submitted with the return:

- Certification from the shipyard stating the delivery date of the vessel for commercial use (if certification is unavailable, the age of the ship must be verified through the nationality document issued by the competent registry);
- Nationality document of the competent registry, including the name, port, registration number, international trademark, IMO numbers, gross tonnage and age of the vessel;
- Certification by the foreign ship owner regarding the appointment of the management office;
- Certification by the competent Greek or consular or other authority (duly translated) where the vessel is anchored concerning vessel lay-ups (if any); and
- Certification of the calculation of the vessel's gross tonnage.

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Malaysia:
Incentives available for companies in Tun Razak Exchange

Several incentives designed to accelerate the development of the Tun Razak Exchange (TRX) as a financial district have been enacted.

The TRX, an area of 70 acres located in the heart of Kuala Lumpur, has been identified as a catalyst for economic and financial growth to help transform the city into an international hub for economic and financial activities. New investment opportunities are being created for banking, insurance, capital market activities and the leasing of commercial buildings. The TRX project comes under Malaysia's Economic Transformation Program announced in 2010 and that is expected to generate a gross development value of RM 26 billion.

To accelerate the development of the TRX, incentives are granted to "approved developers" and "TRX marquee status (TRXM) companies." An approved developer is a Malaysian-incorporated resident company that undertakes development within the TRX in accordance with the approved master plan and is approved by the Minister of Finance. A TRXM company includes a licensed financial institution or licensed insurance company or related companies within the same group, a holder of a capital markets service license and a person (excluding an individual) registered under the Capital Markets and Services Act 2007.

An approved developer is entitled to an exemption of 70% of statutory income derived from the disposal of buildings and 70% of statutory income from the rental of buildings located in the TRX for five consecutive years of assessment (YA). The exemption period will begin from the time the developer first derives statutory income. This incentive is effective from YA 2013 to YA 2022 for the disposal of buildings and YA 2027 for the rental of buildings.

A TRXM company is entitled to several incentives, as follows:

- Industrial building allowance – A TRXM company that constructs or purchases a commercial building located in the TRX by 31 December 2020 and uses it for a "specified business" is eligible for an industrial building allowance of 10% on qualifying building expenditure over 10 years of assessment. An approved developer that leases a building to a company carrying on the business of banking, insurance or other regulated capital market activities also is entitled to this incentive, but an approved developer cannot, in the same YA, claim the 70% exemption described above, because that exemption and the industrial building allowance are mutually exclusive. This incentive is effective as from YA 2014. A specified business for this purpose includes banking (conventional and Islamic), insurance (conventional and takaful), activities regulated under the Capital Markets and Services Act 2007 and the leasing of commercial buildings to persons (excluding individuals) that engage in banking, insurance or other regulated activities.
- Accelerated capital allowance – Prescribed renovation costs incurred on a building located in the TRX are eligible for an accelerated capital allowance of 60% and 40% to be claimed within over two years of assessment. This incentive is effective from 1 January 2014 until 31 December 2020.
- Relocation costs – Relocation costs incurred by a TRXM company for the relocation of all or part of its business operations from outside Malaysia to the TRX or from other areas in Malaysia to the TRX are deductible provided the relocation takes place by 31 December 2020. A company relocating its business operations can claim a deduction for fees incurred for planning and execution of the relocation, packing/unpacking costs, transportation costs, insurance premiums and temporary warehousing costs that are not deductible under the existing income tax rules. This incentive is effective as from YA 2014.
- Deduction for rental payments – An additional 50% deduction is available for rental payments for commercial buildings in the TRX and used by a TRXM company in its business. The additional deduction is granted for 10 years, but the company must commence its business by 31 December 2020. This incentive is effective from YA 2014.
- Stamp duty exemption – A stamp duty exemption is available on the following agreements and instruments of transfer:
    - A service agreement between a service provider and a TRXM company executed between 1 January 2014 and 31 December 2022;
    - A loan agreement between a TRXM company and a bank or financial institution to finance the purchase of new commercial property in the TRX if the loan agreement and sales and purchase agreement are executed between 31 January 2013 and 31 December 2020;
    - A lease or agreement for a lease executed between 31 January 2013 and 31 December 2020 by the first lessee of a commercial property; and
    - An instrument of transfer for the purchase of new commercial property by a TRXM company if the sales and purchase agreement is executed between 31 January 2013 and 31 December 2020.

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Malta:
Election results in a change in government but not policy

A new government was elected in Malta on 10 March 2013, as a result of which the Labor Party now governs. The change in government is not likely to result in any major changes that would affect Malta's economic and political stability, so the 2013 budget, as tabled by the outgoing government and which is subject to approval by the newly formed parliament, is expected to be retained in its entirety.

The 2013 budget bill includes a proposal to further extend Malta's royalty exemption to include income from trademarks. It proposes to extend the participation exemption regime to include profits and gains derived by a Maltese company that are attributable to a permanent establishment outside Malta, and to the transfer of such permanent establishment. The budget also includes a proposal that would open the door for the introduction of a group tax consolidation system.

According to statistics recently published by Eurostat, the general government deficit as a percentage of GDP for 2011 was 2.7% and the general gross debt as a percentage of GDP for 2011 was 70.9%. Real GDP growth for Malta for 2012 was 0.8%, whilst the forecast real GDP growth for 2013 is 1.5%. Malta's nominal inflation rate for 2012 was 3.2% and the unemployment rate was 6.5%.

In the conclusion to the report of the European Economic Advisory Group (EEAG) dated February 2013, Malta together with Austria, Germany and Slovakia were identified as EU member states that have "seen more robust economic momentum in recent years. They have benefitted from the relatively solid condition of their public and private finances as well as their high level of international competitiveness."

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Spain:
New tax office created

In a resolution dated 13 March 2013, Spain's National Tax Administration Agency established a new National Office of International Taxation. The new National Office International Taxation, a specialized unit based in Madrid, will be comprised of a team of about 50 individuals at different levels.

The country's Tax and Customs Control Plan, published in the official gazette on 12 March 2013, shows that transfer pricing continues to be a major tax issue both for the tax authorities and the judicial system. As a result, it is envisaged that the Spanish tax authorities will be focusing on corporate restructuring transactions that involve nonremunerated transfers of intangibles, as well as any transactions that may appear to not be aligned with the actual nature of the entity. Intragroup services, cost sharing agreements, financial expenses, the misuse of loss carryforwards and failure to comply with documentation requirements also will be under scrutiny.

The new office will have jurisdiction throughout the country for the direction, management, planning, and coordination of initiatives involving the above areas.

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United States:
New draft form released for FATCA registration

On 5 April 2013, the US IRS released a draft of Form 8957, entitled, "Foreign Account Tax Compliance Act (FATCA) Registration." Form 8957 will allow an alternative method for a Foreign Financial Institution (FFI) or sponsoring entity to register as a participating FFI, reporting Intergovernmental Agreement (IGA) financial institution, limited financial institution or sponsoring entity in lieu of electronically registering through the FATCA Registration Portal. The release of this paper form came as a surprise since the IRS originally stated that FFI registration would only be allowed through the FATCA Registration Portal.

Form 8957 collects information that is needed for FFIs to register and obtain a Global Intermediary Identification Number (GIIN). The IRS stated that the questions on the form will be substantially similar to the information required for electronic registration.

Form 8957 is divided into four parts:

- Part 1 requests information on the financial institution, including:
  - Basic entity information;
  - Whether or not the entity is and intends to remain a qualified intermediary, withholding foreign partnership or withholding foreign trust;
  - Information on any branches outside the entity's tax residence country;
  - Identification of a responsible officer; and
  - Point of contact information.
- Part 2 covers information on the members of the expanded affiliated group, if any, including name, country of residence for tax purposes and member type;
- Part 3 allows for renewal information of qualified intermediaries, withholding partnerships or withholding trusts agreements, if applicable; and
- Part 4 is the responsible officer signature and certification section.

According to the Form's preliminary instructions, Part 1 of the form must be completed; the form will not be processed by the IRS unless it is signed; and the IRS will not begin to accept the form before 1 July 2013. Moreover, the IRS strongly encourages applicants to register electronically through the FATCA Registration Portal and emphasizes that paper forms will not be processed until October and at a slower rate than the electronic version.

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In brief

European Union – The EU and the US have launched negotiations for a preferential trade agreement referred to as the "Transatlantic Trade and Investment Partnership." The declared goal of the agreement is to get as close as possible to the removal of all duties on transatlantic trade in industrial and agricultural products. The agreement also will focus on aligning rules and technical product standards. Negotiations are hoped to be concluded within 24 months.

Japan – A new limit applies to the deductibility of interest expense paid to certain related parties, including foreign affiliates, for fiscal years beginning on or after 1 April 2013. Under the earnings stripping provisions in the 2012 tax reform, a deduction will be disallowed for interest expense paid to related parties to the extent such interest exceeds 50% of the Japanese company's adjusted taxable income. Related parties include a company that owns (or is owned), directly or indirectly, at least 50% by the company paying the interest. Interest paid by a company whose debt is guaranteed by such controlling or controlled companies also would be subject to the limitation.

Japan – The Diet enacted the 2013 tax reform bill on 29 March 2013 and the law was promulgated in the official gazette on 30 March. The implementation date of the law generally is 1 April 2013, except for provisions that have other implementation dates. To stimulate the economy, the government introduced several measures that should result in tax benefits for companies operating in Japan, such as measures to encourage job creation and R&D. However, the tax burden is likely to increase for individual taxpayers, especially those with high net worth: the highest marginal tax rate of national individual income tax will increase from 40% to 45% and the highest marginal tax rate under the inheritance and gift tax rules will increase from 50% to 55%. The law does not include changes to the Japanese consumption tax, which under legislation passed in 2012, is scheduled to increase from 5% to 8% on 1 April 2014, and then to 10% on 1 October 2015.

OECD – The OECD has released the Mutual Agreement Procedure (MAP) statistics for 2011. It includes tables showing the number of MAP cases initiated from 2006 to 2011, and the inventory of open MAP cases at the end of each reporting period. The statistics reveal that at the end of the 2011 reporting period, the total number of open MAP cases reported by

OECD member countries was 3838, a 15.3 % increase as compared to the 2010 reporting period and a 63.2 % increase as compared to the 2006 reporting period.

South Africa – The South African Revenue Service has issued a draft interpretation note on the thin capitalization rules for public consultation, specifically on the application of the arm's length principle when determining whether a taxpayer is thinly capitalized and, if so, calculating taxable income without claiming a deduction for the expenditure incurred on the excessive portion of financing. Comments must be submitted by 30 June 2013.

St. Kitts & Nevis – It was announced in the 2013 budget that the government will undertake to finalize a draft of a new income tax act during 2013 and that the corporate income tax rate will be reduced from 35% to 33%.

Sweden – New rules limiting the deductibility of interest paid on intragroup loans apply as from 1 January 2013. The European Commission has received complaints about these rules, which give rise to doubts as whether they are compatible with the freedom of establishment principle in the Treaty on the Functioning of the European Union. Because the Swedish rules are not stated to prevent only "wholly artificial arrangements," the restriction appears to be an unjustified measure.

United Kingdom – The main rate of UK corporation tax reduced from 24% to 23% on 1 April 2013.

United Kingdom – The UK tax authorities have announced that the UK government has agreed with the French, German, Italian and Spanish governments to develop and pilot a multilateral tax information exchange under which a broad range of financial information will be automatically exchanged between the countries.

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Australia
Draft legislation released on investment manager regime
On 4 April 2013, the Australian government released draft legislation for consultation that will implement the third and final element of the investment manager regime (IMR); the first two elements were enacted in 2012. The draft legislation improves the widely held and closely held tests – key elements of qualifying as an IMR foreign fund – and addresses a number of other issues that have arisen with the existing elements of the IMR.
Issue date: 9 April 2013
URL: http://www.deloitte.com/view/en_GX/global/services/tax/cross-border-tax/international-tax/a845e257452fd310VgnVCM1000003256f70aRCRD.htm
URL: http://www.deloitte.com/assets/Dcom-global/Local%20Assets/Documents/Tax/Alerts/Global%20Tax%20Alerts/2013/dttl_tax_alert_Australia_090413.pdf

Proposals released to publicly disclose payment details
The Australian government has released a discussion paper in which it proposes to publish certain information extracted from tax returns of companies with total income of AUD100 million or more.
Issue date: 4 April 2013
URL: http://www.deloitte.com/view/en_GX/global/services/tax/cross-border-tax/international-tax/3de5fd02aa5dd310VgnVCM3000003456f70aRCRD.htm
URL: http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Alerts/Global%20Tax%20Alerts/dttl_tax_alert_Australia_040413.pdf

Ireland

Finance Act 2013: Ireland always open for business

Ireland's Finance Act was enacted on 27 March 2013, giving effect to the measures announced in the budget on 5 December 2012. Measures include enhancements to the holding company and intellectual property regimes, positive changes to the funds regime and the introduction of Real Estate Investment Trusts.

Issue date: 4 April 2013

URL: https://www.deloitte.com/view/en_GX/global/services/tax/cross-border-tax/international-tax/b70828de945dd310VgnVCM1000003256f70aRCRD.htm

URL: https://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Alerts/Global%20Tax%20Alerts/2013/dttl_tax_alert_Ireland_040413.pdf

United States

Final and temporary regulations address outbound asset transfers

The US Internal Revenue Service and Treasury Department have issued regulations addressing outbound transfers and distributions under sections 361 and 355.

Issue date: 22 March 2013

URL: http://www.deloitte.com/view/en_GX/global/services/tax/cross-border-tax/international-tax/17353dc4850ad310VgnVCM3000003456f70aRCRD.htm

URL: http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Alerts/Global%20Tax%20Alerts/2013/dttl_tax_alert_United%20States_220313.pdf

Administration Releases FY2014 Budget and Treasury Releases Descriptions of International Tax Proposals in Greenbook

On 10 April 2013, the Obama Administration released its FY2014 Budget and the US Treasury Department released the General Explanations of the Administration's Fiscal Year 2014 Revenue Proposals. The FY2014 Budget contains several carryover international tax proposals from the FY2013 Budget, as well as two proposals that have not been in prior Obama Administration budgets.

Issue Date: 10 April 2013

URL: http://www.deloitte.com/view/en_GX/global/services/tax/cross-border-tax/international-tax/8c74b34a0e8fd310VgnVCM3000003456f70aRCRD.htm

URL: http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Alerts/Global%20Tax%20Alerts/2013/dttl_tax_alert_United%20States_%20100413.pdf

Have a question?

If you have needs specifically related to this newsletter's content, send us an email at **clientsandmarketsdeloittetax@deloitte.com** to have a Deloitte Tax professional contact you.