International Tax News

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Start

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Welcome

Our monthly publication offers updates and analysis on international tax developments around the world, authored by specialists in PwC's global international tax network. We hope you find this publication helpful. For more international tax-related content, please visit:

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Cross Border Tax Talks

Doug McHoney, PwC ITS Global Leader, hosts PwC specialists who share insights on issues and developments in the OECD, EU, US and other jurisdictions. Listen to the latest:

Pillar Two: Hindsight is 20/24

Doug McHoney and podcast regular Calum Dewar are at PwC's EMEA's International Tax, Legal, and Workforce Academy in Prague, Czech Republic, to discuss the latest happenings around Pillar Two. Doug and Calum examine the many practical issues taxpayers, governments and tax advisors are facing to implement the new rules, including disparity in financial accounting, the QDMTT safe harbour, arbitrage arrangements, GloBE reorganization rules, and allocation of deferred taxes.

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Doug McHoney, PwC's Global International Tax Services Leader shares some of the highlights from the latest edition of International Tax News.

In this issue

Legislation

Australia
Australian Government hands down the 2024-25 Federal Budget

Canada
Canada introduces a bill to enact Pillar Two

Ireland
Ireland Consults on New Foreign Dividend Tax Exemption Upon Election

Kenya
Kenya releases Finance Bill 2024

Administrative

Australia
Recent developments of ATO's thin capitalisation rules

Belgium
First Belgian Pillar Two compliance milestone

Finland
Proposed new tax credit for large industrial investments

United States
Treasury releases Section 897 final regulations addressing domestically controlled qualified investment entities

United States
Biden Administration announces tariff hikes on Chinese imports

Judicial

Mexico
Mexican Supreme Court jurisprudence regarding the BEPS-inspired interest deductibility limitation

UK
Court of Appeal decision on interest deductibility

EU / OECD

European Union
EU Finance Ministers agree on FASTER but EU Parliament needs to be reconsulted following changes

European Union
European Commission Initiates First Investigations Under the Foreign Subsidies Regulation

OECD
OECD releases Pillar Two GloBE Consolidated Commentary & Examples

Treaties

India
Protocol to amend the tax treaty between India and Mauritius

Legislation

Australia

Australian Government hands down the 2024-25 Federal Budget

The Australian Government handed down its 2024-25 Federal Budget on 14 May. Of particular note, the Government announced:

- Tightening of the foreign resident Capital Gains Tax (CGT) regime to:
  - Clarify and broaden the types of assets subject to CGT;
  - Amend the point-in-time principal asset test to a 365-day testing period; and
  - Require foreign residents disposing of shares and other membership interests that exceed $20m in value to notify the Australian Taxation office prior to execution of the transaction.
- New penalties will apply from 1 July 2026 to the underpayment of royalty withholding tax for large global groups where royalty payments have been mischaracterised or undervalued.

The Government also confirmed in this year's Budget that the previously announced intangibles integrity measure will no longer proceed since this integrity measure will now be addressed through the Pillar Two Global Minimum Tax and Domestic Minimum Tax that is being implemented.

The Government has continued its focus on the taxation of multinationals over the past twelve months through changes to the thin capitalisation rules and progressing consultation on the implementation of the OECD's Pillar Two Global and Domestic Minimum Taxes. Further global tax changes have been announced in the 2024-25 Budget, with a focus on royalties and the taxation of intangible assets for large multinationals and tightening of the foreign resident capital gains tax withholding regime.

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Legislation

Canada

Canada introduces a bill to enact Pillar Two

Proposed legislation to implement Pillar Two was introduced in Canadian Parliament on 2 May. The proposed legislation includes an income inclusion rule (IIR) and qualified domestic minimum top-up tax (QDMTT) but does not include the UTPR. Subsequent legislation is expected to enact the UTPR and it would be effective for fiscal years beginning on or after 31 December, 2024.

The proposed legislation included important updates to the previously released draft Pillar Two legislation to reflect the OECD Administrative Guidance released in July and December 2023.

MNE groups should prepare for the enactment of Pillar Two legislation in Canada and understand how that enactment will impact their tax provision in respect of Pillar Two taxes. MNE groups will also need to continue to monitor the status of the bill as it moves towards enactment.

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Legislation

Ireland

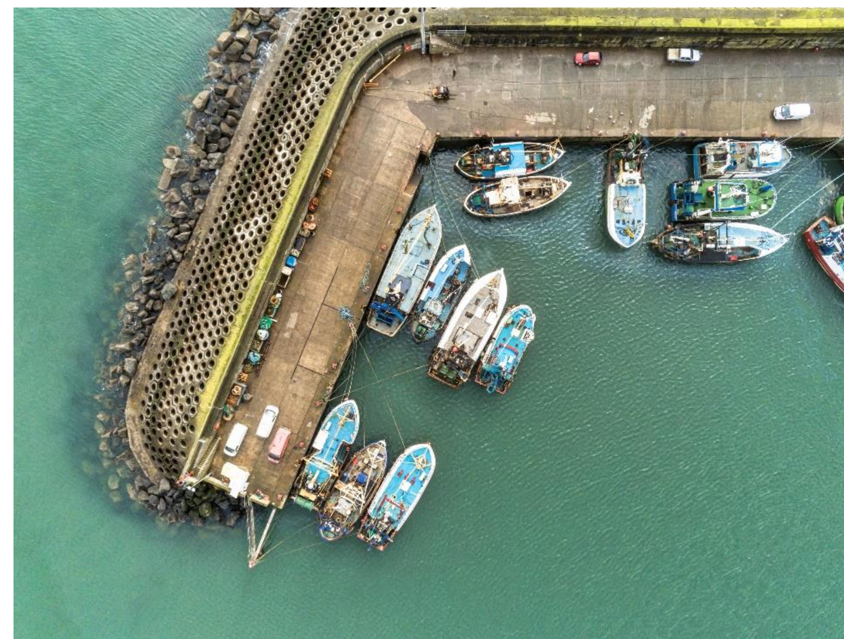
Ireland Consults on New Foreign Dividend Tax Exemption Upon Election

The Irish Department of Finance has announced a public consultation on introducing a participation exemption for foreign dividends. Stakeholders had until 8 May 2024, to submit feedback. The proposed exemption would provide 100% corporation tax relief on qualifying dividends from certain foreign subsidiaries, effective from accounting periods beginning 1 January 2025.

Companies subject to Irish corporation tax, including Irish resident companies and some non-resident companies operating through a branch in Ireland, would be eligible for the exemption. A minimum 5% control over a foreign subsidiary's ordinary share capital, maintained for at least twelve months, is required. The exemption covers dividends from entities in the EU/EEA and countries with a double taxation agreement with Ireland (not including non-cooperative jurisdictions). Newly acquired participations may qualify if the holding period meets the twelve-month requirement after the date of dividend distribution.

The regime would not apply to tax deductible dividends. In addition, companies could opt into the regime for at least three years, covering all foreign dividends within that period. Anti-avoidance measures exclude dividends that are tax-deductible in other jurisdictions and those from entities in countries included on the EU blacklist. Finally, the exemption is intended for dividends paid for genuine commercial purposes and not as part of tax avoidance schemes.

Ireland's upcoming participation exemption, effective 1 January 2025, would represent a significant change in its domestic tax laws. The Irish rule submitted to public consultation has some similarities with other participation exemptions found in the EU systems (i.e. Luxembourg and Netherlands). For instance, it contains a minimum shareholding percentage, and anti-hybrid rules (aligned with the EU Parent Subsidiary Directive). However, there are also notable differences in structure and conditions. For example, the Dutch participation exemption applies to any third-country dividends (irrespective of whether the Netherlands has concluded a tax treaty with this country), compared to the Irish one that will apply to EU/EEA/third-country dividends stemming only from countries with which Ireland has concluded a tax treaty. Also, the holding requirement deviates, and it seems the taxation of capital gains is not covered by the exemption.



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Legislation

Kenya

Kenya releases Finance Bill 2024

Introduction of Minimum Top-Up Tax
The Finance Bill, 2024 proposes to introduce a Minimum Top- Up Tax payable by covered persons where the combined effective tax rate in respect of that person is less than 15%. This would take effect on 1 January 2025, if the proposal is adopted. The tax will apply to a person either resident in Kenya or having a permanent establishment and is a member of a multinational group with a consolidated annual turnover of 750M Euro or more in at least two of the four years immediately preceding the tested year of income.

This proposal aligns with the implementation of the OECD Two- Pillar Solution to reform international tax rules, including the Global Anti-Base Erosion (GloBE) rules, by the OECD Inclusive Framework on BEPS, of which Kenya is a member. It is expected that further guidelines on the implementation of the provision will be issued if the proposal is adopted.

Replacement of Digital Services Tax with Significant Economic Presence Tax
The Bill further proposes to repeal the Digital Service Tax (DST) and replace it with a tax known as Significant Economic Presence Tax (SEPT) effective 1 January 2025. SEPT shall be payable by a non-resident person whose income from the provision of services is derived from or accrues in Kenya through a business carried out over a digital marketplace. A digital marketplace has been defined as an online or electronic platform which enables selling of goods, property or provision of services.

For the purpose of calculating SEPT, the taxable profit of a person liable to pay the tax shall be deemed to be 20% of the gross turnover. Using a corporate tax rate of 30%, this translates into an effective tax rate of 6%. This is significantly higher than the current DST rate of 1.5%.

By replacing DST with SEPT, Kenya is likely considering the agreement by the OECD's Inclusive Framework to remove unilateral measures like DST for taxing digital activities. The increase in the effective tax rate will be a concern for entities in scope and will also lead to an increased compliance burden for operators who will be required to file a return and make payments monthly.

Introduction of withholding tax on payments made by the owner or operator of a digital marketplace or platform

Effective 1 July 2024, the Finance Bill proposes that where a resident or non-resident person being the owner or operator of a marketplace or platform makes payments to vendors in respect of digital content monetisation, goods, property or services, the amount thereof shall be deemed to be income which accrued in or was derived from Kenya. Accordingly, the payment to the resident or non-resident vendor shall be subject to withholding tax at the rate of 20% for non-residents and 5% for residents. This provision is a bit ambiguous as it does not specify that the payments in questions must have originated from Kenya.

The Minimum Top-up Tax appears aligned to the OECD Model rules. However, the SEPT effectively moves the DST rate from 1.5% of turnover to 6% of turnover, leading to a significant increase in tax costs for MNEs within scope. Lastly, payments made to vendors through a marketplace or online platform shall be subject to withholding tax in Kenya.

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Administrative

Australia

Recent developments of ATO's thin capitalisation rules

The Australian Tax Office (ATO) is proposing to provide guidance setting out the Commissioner's views on, and approach to, key aspects of the new thin capitalisation and debt deduction creation rules. In its latest update to its advice under development page, the ATO has highlighted some of the key issues raised in its consultation so far, including:

- Issues relating to application of the third-party debt test;
- The interaction between transfer pricing rules and thin capitalisation rules;
- The application of general anti avoidance rules and the specific schemes provision in the debt deduction creation rules to certain restructurings.

Following this consultation, the ATO will continue to engage with stakeholders on the development of specific public advice and guidance products. Consultation on potential guidance topics, prioritisation and form closed 30 April 2024.

In addition, the ATO has released a technical discussion paper regarding the attribution of risk-weighted assets (RWA) to Australian branches of foreign banks for thin capitalisation purposes. The paper is about the safe harbour formula used to work out the minimum capital amount of inward investing entities (ADIs). The discussion paper's primary objective is to assist in developing an ATO view on the attribution of the RWA, which will provide taxpayers with clear expectations as to the acceptable approach for purposes of the thin capitalisation provisions. It also sets out the expected supporting documentation that ATO will accepted for Justified Trust reviews in respect of thin capitalisation positions. The final date for comments is 31 May 2024.

It's crucial to pay attention to these updates and understand these developments as they could affect your compliance requirements and tax obligations. Understanding the developments also could help you navigate thin capitalization provisions effectively.

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Administrative

Belgium

First Belgian Pillar Two compliance milestone

Last year, Belgium officially enforced the Pillar 2 rules introducing a minimum tax for multinational companies and large domestic groups further to the publication of the law in the Belgian Official Gazette in December 2023. To comply with the requirements, groups in scope of the rules have to register at the Crossroads Bank for Enterprises (Kruispuntbank van Ondernemingen / Banque Carrefour des Entreprises).

Multinational companies and large domestic groups in scope of Pillar Two will have to submit a Pillar Two notification form including:

1. General group information, such as group name, fiscal year, address etc.
2. Information on the type of consolidated financial statements
3. Detailed information on the ownership structure, including the entities that are (an) ultimate parent entity(UPE), intermediate parent entity (IPE), partially-owned parent entity (POPE) and their subsidiaries
4. Information on the group point of contact

In addition, note that the law establishing various tax provisions and amending the mentioned law of 19 December 2023 was adopted by the Belgian Parliament on 2 May 2024. This law implements some of the additional Administrative Guidance published by the OECD in July and December 2023 as well as adjustments to the innovation income deduction regime.

For more information see our PwC Insight.

The notification must be made no later than 30 days after the start of the fiscal year for which the multinational or large domestic group enters into the scope of Pillar Two. For those who are already subject to Pillar Two (e.g. as from 1 January 2024), the first notification will need to happen at least 45 days after the publication of the Royal Decree of 15 May 2024 in the Belgian Official Gazette. Given the short filing window, immediate action is required.

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Administrative

Finland

Proposed new tax credit for large industrial investments

The Finnish Government proposed a temporary tax credit of up to EUR 150 million for large industrial investments that support the transition to a net zero economy.

In April, The Finnish government announced the General Government Fiscal Plan for 2025–2028, which includes a growth package to support sustainable economic growth in Finland. As part of the growth package, the government is planning a temporary tax credit for large industrial investments that support the transition to a net-zero economy, such as battery and hydrogen projects, as well as fossil-free steel industry. While the government's primarily goal is to promote the transition to a net-zero economy, it also aims to enhance Finland's competitive position in attracting industrial investments.

Preliminarily, the tax credit could be granted for up to 20% of the total investment amount, with a maximum of EUR 150 million per investment. The tax incentive would be granted in respect of new investment projects decided by 31 December 2025. By applying the tax credit, the company would be allowed to deduct a portion of their investment costs from its corporate income tax liability beginning in tax year 2028 and onwards. The legislative process will define the technical requirements and details of the tax credit.

The incentive is enabled by the EU's Temporary Crisis and Transition Framework which supports measures in sectors that are key for the transition to a net-zero economy.

The potential tax credit with a maximum amount of EUR 150 million is a significant incentive to attract new industrial investments to Finland. By supporting substantial green industrial investments, it is anticipated to enhance Finland's competitiveness.

However, the requirements of granting a tax credit need further clarification and analyses including aspects such as defining eligible green investments. It is anticipated that part of the investment costs could be deducted from taxes payable in future years, starting from 2028. Thus, the actual possibilities to utilize the tax credit will depend on the profitability of the new investment as well as the timeframe available for the utilization of such tax credit. In addition, the possibility to utilize the tax credit requires that the investment decision can be made prior to 31 December 2025. Further, it is possible that the credit could result in Top-up Taxes payable for Pillar Two purposes.

The planned tax credit may provide a significant benefit for large green industrial investments in Finland. Further details are expected to be issued by Ministry of Finance in the coming weeks.

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Administrative

United States

Treasury releases Section 897 final regulations addressing domestically controlled qualified investment entities

Treasury and the IRS on 24, April 2024, released final regulations (TD 9992) regarding the definition of domestically controlled qualified investment entities (DC QIE) under Section 897. The final regulations provide much needed transition rules and primarily affect foreign persons that own stock in a QIE that would be a United States real property interest (USRPI) if the QIE were not domestically controlled.

The final regulations finalize the proposed regulations published on 29 December, 2022 (Proposed Regulations), other than the portions of the proposed regulations addressing the Section 892 exemption (which will be addressed in a separate rulemaking). The final regulations are effective 25 April 2024.

For purposes of determining the foreign ownership percentage in a QIE, the final regulations update the threshold for look-through treatment with respect to the domestic corporation look-through rule. Rather than a 'foreign-owned domestic corporation,' as provided in the Proposed Regulations, the final regulations apply look-through treatment with respect to a 'foreign-controlled domestic corporation,' which is defined as any non-public domestic C corporation if foreign persons hold directly or indirectly more than 50% (modified from 25% in the Proposed Regulations) of the fair market value of that corporation's outstanding stock (the 'final domestic corporation look-through rule').

The final regulations also adopt a transition rule that, for a ten-year period, exempts existing structures from the final domestic corporation look-through rule, provided they meet certain requirements.

For more information see our PwC Insight.

Taxpayers that conducted a DC QIE analysis treating a US corporation as a 'non-look-through' person should revisit their analysis to determine the impact of the updated look-through threshold per the final regulations. Non-traditional real estate investment trusts (REITs) should consider undertaking a US real property holding corporation (USRPHC) analysis to the extent the final regulations cause the REIT to no longer be domestically controlled.

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Administrative

United States

Biden Administration announces tariff hikes on Chinese imports

President Biden announced on 14 May a series of tariff increases on $18 billion of imports from China under Section 301 of the Trade Act of 1974 (Section 301). The White House on the same day released a Fact Sheet setting forth the purpose and the details of the increases. The Fact Sheet notes that President Biden is taking this action based on an in-depth review undertaken by the United States Trade Representative (USTR) to protect American workers and American companies from China's unfair trade practices. The USTR's findings were published in a 193-page report the USTR released 14 May as the culmination of its lengthy Section 301 investigation, entitled Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation.

In addition to serving as the basis for the newly proposed tariffs, this extensive report also notes that 352 formerly expired product exclusions that were reinstated by the USTR on 28 March, 2022, will expire again on 31 May, 2024. The report does not indicate what the USTR intends to do about these expiring exclusions, but the USTR has announced that it is planning to issue a Federal Register Notice in the near future that will explain what will happen to these exclusions.

The tariff increases will affect a range of strategic sectors, such as steel and aluminum, semiconductors, electric vehicles, batteries, critical minerals, solar cells, ship-to-shore cranes, and medical products. The tariff rates will vary from 25% to 100%, depending on the product. The tariff increases will raise significantly the costs of importing these products from China and may disrupt US supply chains and markets that rely on them. The expiration of 352 product exclusions on 31 May also will raise the costs of importing the affected products from China and may disrupt US supply chains and markets that rely on them.

For more information see our PwC Insight.

US companies that import, manufacture, or use the affected products should assess the impact of the tariff increases on their operations, cash flows, and competitiveness, and explore potential mitigation strategies, such as diversifying their sources of supply or production, or passing on the costs to their customers or suppliers. US companies also should monitor the developments of the US-China trade relations and the possible responses from China or other trade partners, such as retaliation, litigation, or negotiation.

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Judicial

Mexico

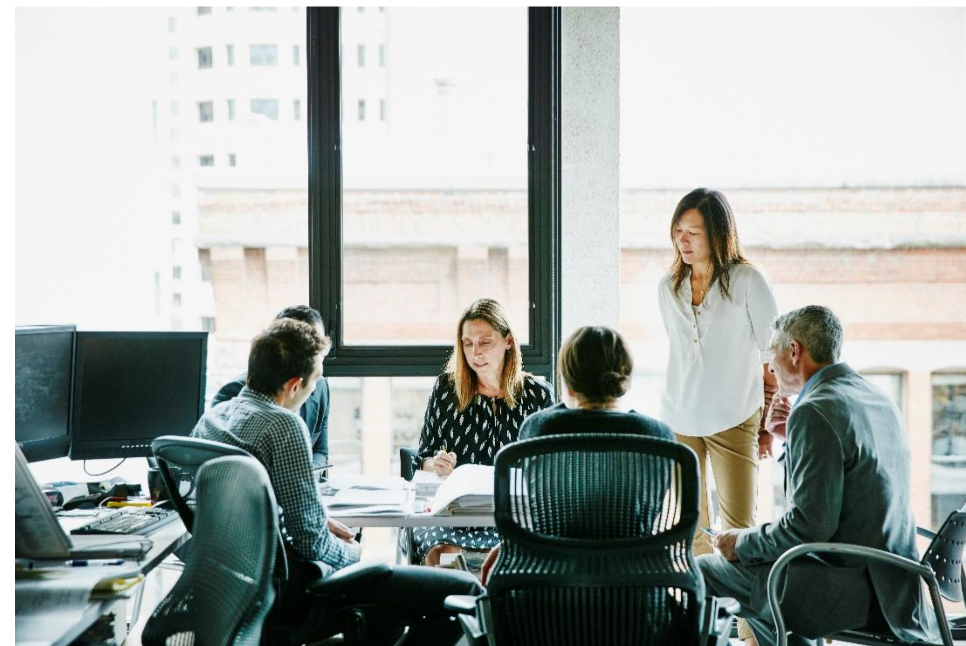
Mexican Supreme Court jurisprudence regarding the BEPS-inspired interest deductibility limitation

As part of the 2020 Tax Reform, BEPS-inspired measures were introduced in the Mexican tax legislation. These measures include the incorporation of a rule limiting the deductibility of the net interest expense (interest taxable revenue less interest expense less an MXN$20 million de minimis amount) under a 30% adjusted taxable profit threshold, which is based on the BEPS Action 4 recommendations. The non-deductible amounts are subject to a 10-year carryforward.

In response to the adoption of the above rule, Mexican taxpayers filed Federal injunctions against the unconstitutionality of this rule arguing the violation of different Constitutional principles, such as: certainty, proportionality, reasonableness, and equality with respect to the components of said computation. Recently, the Mexican Supreme Court issued a jurisprudence ruling that the adjusted taxable profit mechanics to determine the interest deductibility cap, comply with the law and should indeed provide legal certainty to the taxpayers as set forth in the Mexican Constitution.

According to the Mexican Supreme Court, a Mexican taxpayer filed an appeal against an unfavorable resolution issued by the Court regarding an indirect Federal injunction. The taxpayer argued that the adjusted taxable profit computation violates the lawfulness and legal certainty Constitutional principles, since allegedly, this computation is based on a taxable profit that already includes the interest expense deduction. This appeal was solved by the Court with an unfavorable outcome for the taxpayer, considering that the mechanics of the computation itself include an add back of the interest expense deduction to determine the adjusted taxable profit, so the computation of the adjusted taxable profit does not violate those principles.

The Federal injunctions filed by the Mexican taxpayers to controvert whether the BEPS-inspired interest deductibility limitation is constitutional in respect of various of its provisions have not resulted in a favorable outcome for taxpayers. Considering that these provisions have a constitutional approval from the Mexican Supreme Court, it becomes more relevant that the Mexican companies align with this rule and keep appropriate modelling and planning exercises that would allow them to understand the tax effects resulting from the limitation and the potential valuation allowances that would have to be considered for net operating losses considering interest deduction carryforwards.



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Judicial

UK

Court of Appeal decision on interest deductibility

The UK Court of Appeal (CoA) recently handed down its decision in Blackrock Holdco 5 LLC v HMRC. This decision deals with a number of important questions regarding the deductibility of interest on corporate borrowing – the UK's unallowable purpose rule and aspects of the transfer pricing rules to UK corporate borrowing. This is a significant decision as both of those areas continue to be actively challenged by HMRC in practice.

For more information see our PwC Insight.

In relation to the unallowable purpose rule, although a win for HMRC on the facts of the case, taxpayers may find that several aspects of the court's decision provide helpful clarity about an area that continues to be actively raised by HMRC in practice. In relation to transfer pricing, this represented a win for the taxpayer; however, it remains important for groups to carefully assess the risk profile of intragroup transactions when undertaking a transfer pricing analysis, particularly in cases where there may be questions over a borrowing entity's ability to control an income stream on which it is dependent.

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EU/OECD

European Union

EU Finance Ministers agree on FASTER but EU Parliament needs to be reconsulted following changes

On 14 May 2024 the EU Finance Ministers agreed on the Faster and Safer Relief of Excess Withholding Taxes (FASTER) Directive. The FASTER compromise proposal seeks to address the problems of double taxation and administrative burden, as well as tax fraud and abuse that can be linked to securities investments, thus hampering development of the Capital Markets Union (CMU). Although the EU Parliament had already reached consensus approving the proposal, the number of changes made to the proposal in recent months means that the Parliament will need to be consulted again on the updated proposal.

The aims and ambition of the FASTER Directive are clear – that of a faster and safer relief mechanism that would apply broadly across all EU markets, contributing to the CMU. Some elements, such as the creation and delivery of a common digital tax residence certificate (eTRC), clearly will be beneficial and hopefully will be adopted quickly. On other parts of the proposal, it has been difficult (or impossible) to secure unanimous approval. Therefore, there have been a number of compromises, such as the introduction of the market capitalisation ratio, which means the implementation will not be uniform or ubiquitous. Also, the push back of the start date to six years from now is disappointing.

For more information see our Tax Policy Alert.

The reporting and liability obligations for certified financial intermediaries (CFIs), implemented with the intention of fraud reduction, will be complex for CFIs to implement, possibly resulting in costs being passed through to investors indirectly. In the context of the sweeping internal transformation programmes that CFIs currently are undertaking, awareness of these requirements is vital, as new operational models and processes are created, deployed and implemented.

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EU/OECD

European Union

European Commission Initiates First Investigations Under the Foreign Subsidies Regulation

The European Commission has not been idle after the publication of its first policy brief about the Foreign Subsidies Regulation (FSR) and first cases addressed in the 100 days since the reporting regime began. Starting February 2024, the European Commission has launched three in-depth investigations, announced its first ex officio investigation and carried out unannounced inspections into the potentially market distortive role of foreign subsidies, by exercising its powers under the FSR.

The in-depth investigations follow notifications submitted to the European Commission by economic operators from China that participate in an EU tender. The first in-depth investigation dated 16 February 2024, related to a public procurement procedure launched by Bulgaria's Ministry of Transport and Communications, relating to the provision of several electric push-pull trains as well as related maintenance and staff training services. Following the announcement of the first in-depth investigation, the subsidiary withdrew its bid. The following two in-depth investigations dated 3 April 2024, relate to a public procurement procedure launched by a Romanian contracting authority for the design, construction and operation of a photovoltaic park in Romania, with an installed power of 454.97 MW. This project is partially financed by the EU Modernisation Fund.

Moreover, the European Commission announced on 9 April 2024 that it had launched its first ex officio investigation under the FSR. The investigation focuses on Chinese suppliers of wind turbines and relates to the expansion of wind farms in Spain, Greece, France, Romania and Bulgaria. On 23 April 2024, the European Commission carried out its first unannounced foreign subsidies inspections at the premises of a company active in the production and sale of security equipment in the European Union. Unannounced inspections are a preliminary investigative step into suspected distortive foreign subsidies. If the Commission were to find sufficient indications of the existence of distortive foreign subsidies, it will open an in-depth investigation.

For more information see our PwC Webpage.

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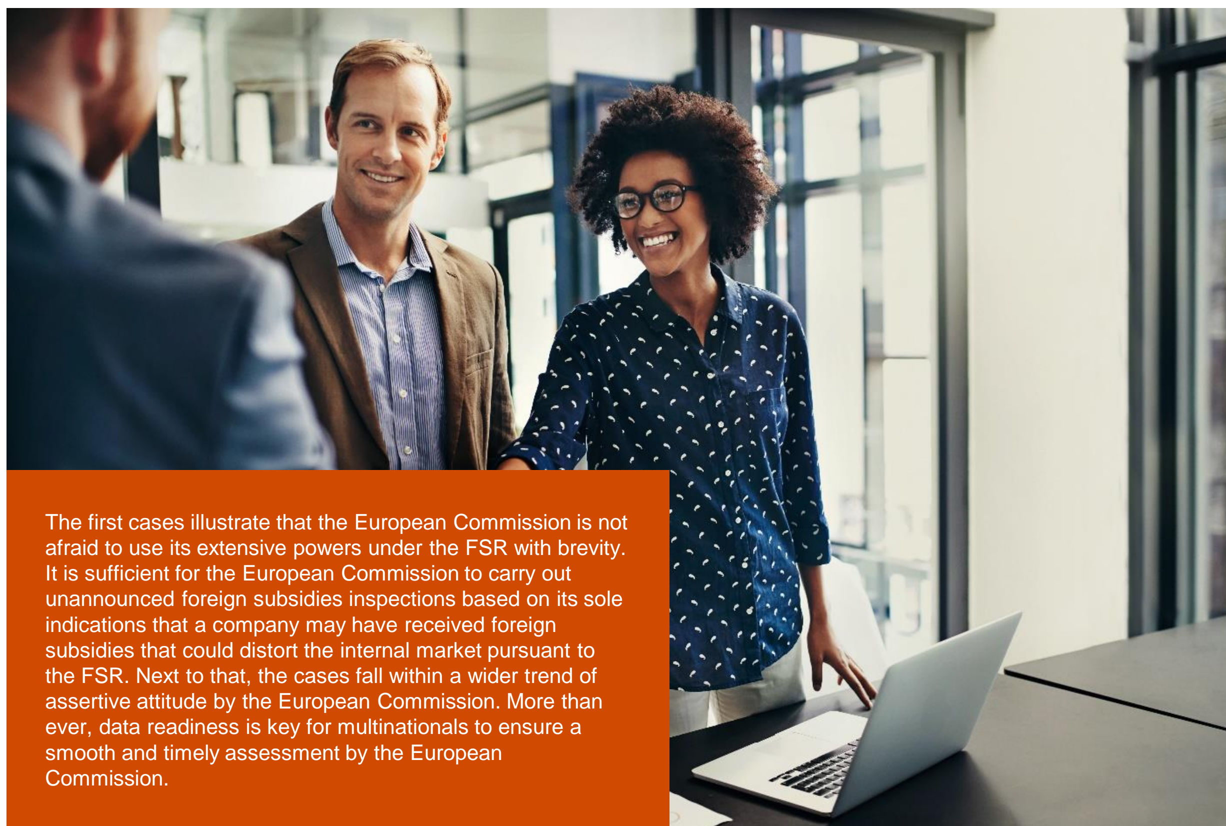

The first cases illustrate that the European Commission is not afraid to use its extensive powers under the FSR with brevity. It is sufficient for the European Commission to carry out unannounced foreign subsidies inspections based on its sole indications that a company may have received foreign subsidies that could distort the internal market pursuant to the FSR. Next to that, the cases fall within a wider trend of assertive attitude by the European Commission. More than ever, data readiness is key for multinationals to ensure a smooth and timely assessment by the European Commission.

EU/OECD

OECD

OECD releases Pillar Two GloBE Consolidated Commentary & Examples

The OECD on 25 April 2024 published Consolidated Commentary to the Pillar Two Global Anti-Base Erosion (GloBE) Model Rules that incorporates all agreed Administrative Guidance that has been released by the Inclusive Framework (IF) from March 2022 through December 2023. The Commentary aims to provide tax administrations and taxpayers with guidance on the interpretation and application of the GloBE Model Rules, which are designed to ensure that large businesses pay a minimum level of tax on the income arising in each jurisdiction where they operate. The OECD also released updated Illustrative Examples, originally published in March 2022, including the examples that were developed as part of the various pieces of Administrative Guidance approved by the IF before the end of December 2023.

For more information see our Tax Policy Alert.

With the first quarter of 2024 behind us, Pillar Two is now in effect in some jurisdictions and MNEs are required to estimate and disclose Pillar Two impacts for interim and annual reporting periods. The IF continues to focus on implementation issues now that countries are actively legislating the GloBE rules/EU minimum tax Directive. There are now over 35 countries with rules effective in 2024 and the OECD expects over 60 countries to have rules in place by 2025. Concerning the subject to tax rule (STTR), a signing ceremony of the multilateral instrument (which was open for signature in October 2023) is planned for 19 September 2024 in Paris, France.

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Treaties

India

Protocol to amend the tax treaty between India and Mauritius

To comply with the base erosion and profit shifting (BEPS) minimum standards of the OECD, the protocol to amend the India-Mauritius tax treaty was signed on 7 March 2024. Broadly, the protocol seeks to:

- Replace the existing preamble to the India-Mauritius tax treaty with a new preamble as provided in Article 6 of the multilateral instrument (MLI); and
- Introduce a principal purpose test as provided in Article 7 of the MLI.

The protocol will come into force after it has been ratified and notified by both countries or the date of whichever country issues the notification later.

For more information listen to our PwC Podcast.

This protocol is a significant move towards advancing both countries' commitment to the BEPS Action Plans. Post MLI, the India-Mauritius tax treaty was not a covered tax agreement. By introducing this protocol, the minimum standards prescribed by the BEPS Multilateral Convention have now been introduced into the India-Mauritius tax treaty. The Central Board of Direct Taxes has also clarified that the protocol is yet to be ratified and notified under section 90 of the Income-tax Act, 1961. An official notification, once issued, may provide further insights into the discussions between both countries.

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Glossary

Acronym	Definition
AFIP	Argentine Tax Authorities
ATAD	anti-tax avoidance directive
ATO	Australian Tax Office
BEPS	Base Erosion and Profit Shifting
CFC	controlled foreign corporation
CIT	corporate income tax
CTA	Cyprus Tax Authority
DAC6	EU Council Directive 2018/822/EU on cross-border tax arrangements
DST	digital services tax
DTT	double tax treaty
ETR	effective tax rate
EU	European Union
MNE	Multinational enterprise
NID	notionial interest deduction
PE	permanent establishment
OECD	Organisation for Economic Co-operation and Development
R&D	Research & Development
SBT	same business test
SiBT	similar business test
VAT	value added tax
WHT	withholding tax

Contact us

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