

# International Tax Review

Current information on  
international tax  
developments provided by EY  
Austria

## Austria: Update on MDR/DAC6 deferral and draft guidelines

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The Austrian EU-MPFG transposing DAC6 in relation to reportable cross-border arrangements entered into force on 1 July 2020.

On 7 July 2020, the Austrian Federal Ministry of Finance published draft guidance on the reporting requirement under the Austrian implementation law of DAC6. The draft includes the information that Austria will not make use of the 6-month deferral and will not amend the Austrian DAC6 rules. However, for technical reasons on EU level, electronic filing of the report will only be possible at a later date. Therefore, the first reports for the transitional period as well as new arrangements as of 1 July shall be filed until 31 October 2020. In addition, sanctions will also be suspended until then.

In fact, this means that the EU-MPFG went "live", but the first reports - contrary to the statutory deadlines - are not due to be submitted until the end of October 2020. However, changes are still possible, since there is still no official publication yet.

In addition to the comments on the factual deferral, the draft includes some first guidance on some aspects of interpretation and clarification on the substance of the reporting obligation. For example, it clarifies that the term "intermediary" is not restricted to tax advisors, statutory auditors, attorneys, public notaries, financial advisors but also includes banks, family offices and tax department in international groups.

## Austria: Update on MDR/DAC6 deferral and draft guidelines

Furthermore, the draft gives some guidance on the Austrian special provision under which arrangements only need to be reported in case they include a risk of tax avoidance, risk of circumventing reporting obligations under the common reporting standard or of preventing the identification of the beneficial owner. In this respect the draft guidance mentions that an overall view of the circumstances must be taken into account for this purpose. A risk of tax avoidance is to be assumed if the arrangement is suitable to erode the national tax base. This will always be the case if arrangements have been developed to exploit potential market inefficiencies which result from the interaction of different national tax provisions or if the arrangement has been jointly developed for several territories in order to shift profits into territories with more advantageous tax systems or if the arrangement results in the reduction of the overall tax burden of the taxpayer. This special condition in the Austrian DAC6-legislation has to be considered for all hallmarks, i.e. both the ones falling under the main benefit test (MBT) and the ones not falling under the MBT. In fact, the guidance has made it clear that the risk of tax avoidance has to be considered as an additional step in the identification whether an arrangement is reportable or not. The guidance explicitly mentions that benefits explicitly intended by Austrian tax law do not cover a risk of tax avoidance unless no artificial steps are included. In this respect the draft guidance presents a list of situations which should not cover a risk of tax avoidance, such as

- ▶ reaching the minimum shareholding quote to apply the participation exemption
- ▶ awaiting statutory time limits
- ▶ drawing up of foreign deeds (to avoid Austrian stamp duties)

Besides also some clarifications on hallmarks are included. The document is now open for public consultation and the deadline for submitting comments is 30 July 2020. A full alert will be published once the draft becomes final.

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## OECD Developments

### *OECD Developments*

- ▶ G20 finance ministers and central bank governors' meeting communiqué reiterates commitment to addressing the tax challenges of digitalization of the economy [▶ Read more](#)
- ▶ The latest on BEPS and Beyond - July 2020 edition [▶ Read more](#)
- ▶ OECD releases new corporate tax statistics including anonymized and aggregated country-by-country report statistics [▶ Read more](#)
- ▶ PE Watch: Latest developments and trends, July 2020 [▶ Read more](#)
- ▶ OECD releases model rules for data reporting by platform operators for sellers in the sharing economy [▶ Read more](#)

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## EU Developments

### *EU Developments*

- ▶ European Council adopts conclusions on recovery plan and EU budget for 2021-2027, including agreement on introduction of new taxes [▶ Read more](#)
- ▶ European Commission proposes revision of directive on administrative cooperation [▶ Read more](#)

## EU Developments

- ▶ European Commission publishes communication on intensifying the work on tax transparency and harmful tax competition by means of advocating tax good governance in the EU and beyond [▶Read more](#)
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- ▶ European Commission publishes new rules for applying tariff quota in agricultural sector as of 1 January 2021 [▶Read more](#)
- ▶ Greece publishes draft proposal to implement Mandatory Disclosure Rules [▶Read more](#)
- ▶ EU-Vietnam free trade agreement enters into force as of 1 August 2020 [▶Read more](#)
- ▶ European court of justice rules royalty paid for know-how required for manufacture of finished products in the EU may need to be added to customs value of imported semi-finished products [▶Read more](#)
- ▶ European Commission publishes communication on Brexit readiness [▶Read more](#)

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## Australia

### *Country Updates*

- ▶ Australia jobkeeper 2.0 - wage subsidy extended with modified entitlements and eligibility tests [▶Read more](#)

## Brazil

- ▶ Brazilian government proposes new federal VAT as first phase of comprehensive tax reform [▶Read more](#)

## Canada

- ▶ Canada: Federal government delivers its 2020 economic and fiscal snapshot [▶Read more](#)
- ▶ Canada: Federal Court of Appeal rejects crown appeal of Tax Court decision in Cameco transfer pricing case [▶Read more](#)

## Cape Verde

- ▶ Cape Verde amends certain tax regimes and introduces country-by-country reporting [▶Read more](#)

## Chile

- ▶ Chile ratifies multilateral convention to implement tax treaty related measures to prevent BEPS [▶Read more](#)

## Country Updates

### China

- ▶ US imposes new economic sanctions related to China and issues executive order on Hong Kong normalization status that will produce additional supply chain diligence responsibilities [▶ Read more](#)
- ▶ US Government suspends defense exports and EAR export license exceptions for exports to Hong Kong [▶ Read more](#)

### Costa Rica

- ▶ Costa Rican tax authorities delay VAT collection on cross-border digital services until 1 October [▶ Read more](#)

### Cyprus

- ▶ Cyprus introduces changes regarding taxation of intangible assets [▶ Read more](#)
- ▶ Cyprus: Reduced VAT rate of 5% applies to hotel accommodation, restaurant and catering and transportation services on a temporary basis [▶ Read more](#)

### Dominican Republic

- ▶ The Dominican Republic's tax administration publishes general norm 04-2020 to implement law 46-20 on transparency and equity revaluation [▶ Read more](#)

### Finland

- ▶ Finland publishes official tax guidelines on Mandatory Disclosure Rules [▶ Read more](#)

### France

- ▶ France extends Mandatory Disclosure Rules reporting deadlines for six months [▶ Read more](#)
- ▶ USTR formalizes duty actions regarding France's Digital Services Tax with deferred implementation to 2021 [▶ Read more](#)

### Germany

- ▶ Germany announces no postponement of MDR reporting deadlines [▶ Read more](#)
- ▶ Germany's Presidency of the Council of the EU publishes its program [▶ Read more](#)

## Country Updates

### Greece

- ▶ Greece publishes draft proposal to implement Mandatory Disclosure Rules [▶Read more](#)

### Hong Kong

- ▶ US imposes new economic sanctions related to China and issues executive order on Hong Kong normalization status that will produce additional supply chain diligence responsibilities [▶Read more](#)
- ▶ Hong Kong enacts tax concession legislation for ship lessors and ship leasing managers [▶Read more](#)
- ▶ US Government suspends defense exports and EAR export license exceptions for exports to Hong Kong [▶Read more](#)

### Hungary

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### Indonesia

- ▶ Indonesia issues implementing regulations for VAT collection on digital transactions [▶Read more](#)

### Italy

- ▶ Italy publishes decree regarding consumption tax on lubricating oils and preparations [▶Read more](#)
- ▶ Italy's supreme court recognizes beneficial ownership of a Luxembourg sub-holding in light of CJEU Danish cases [▶Read more](#)

### Kenya

- ▶ Kenya enacts Finance Act, 2020 [▶Read more](#)

### Liechtenstein

- ▶ Liechtenstein and Netherlands sign tax treaty [▶Read more](#)

### Luxembourg

- ▶ Luxembourg enacts law amending CRS and FATCA laws and submits draft law extending 2019 reporting deadlines [▶Read more](#)
- ▶ Luxembourg publishes draft legislation extending MDR reporting deadlines for six months [▶Read more](#)

## Country Updates

### Netherlands

- ▶ Dutch tax authority issues guidance on reportable cross-border arrangements [▶Read more](#)
- ▶ Netherlands: Opposition party proposes inclusion of an exit tax in the Dutch dividend withholding tax act [▶Read more](#)
- ▶ Liechtenstein and Netherlands sign tax treaty [▶Read more](#)

### Oman

- ▶ Oman Tax Authority announces initiatives to reduce economic impact of COVID-19 for businesses [▶Read more](#)

### Poland

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- ▶ Poland's implementation of EU ATAD 2 anti-hybrid measures enters into force from 1 January 2021 [▶Read more](#)
- ▶ Poland introduces new levy on VOD platforms [▶Read more](#)

### Portugal

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### Russian Federation

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### Saudi Arabia

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### South Africa

- ▶ South Africa's constitutional court addresses tax-deductible allowance for future expenditure on contracts [▶Read more](#)

### Spain

- ▶ Spain proposes amendments to MDR Bill to introduce extension of MDR filing deadlines [▶Read more](#)

## Country Updates

- ▶ The Spanish Constitutional Court confirms minimum interim payment on account of Corporate Income Tax is unconstitutional [▶Read more](#)

## Sweden

- ▶ Sweden extends MDR reporting deadlines for six months [▶Read more](#)

## Tanzania

- ▶ Tanzania issues new transfer pricing guidelines [▶Read more](#)

## United Kingdom

- ▶ UK tax authority publishes Mandatory Disclosure Regime guidance [▶Read more](#)
- ▶ UK government publishes draft clauses for finance bill 2020-21 alongside new tax consultations [▶Read more](#)
- ▶ UK government releases guidance on moving goods between the EU and Great Britain as of 1 January 2021 [▶Read more](#)

## United States

- ▶ Report on recent US international tax developments - 24 July 2020 [▶Read more](#)
- ▶ Report on recent US international tax developments - 17 July 2020 [▶Read more](#)
- ▶ Report on recent US international tax developments - 10 July 2020 [▶Read more](#)
- ▶ US final and proposed GILTI regulations deliver few benefits and more than a few surprises [▶Read more](#)
- ▶ US final GILTI/FDII regulations under section 250 include guidance on section 962 elections, pass-through FDII reporting [▶Read more](#)
- ▶ US imposes new economic sanctions related to China and issues executive order on Hong Kong normalization status that will produce additional supply chain diligence responsibilities [▶Read more](#)
- ▶ US final FDII regulations retain proposed regulations' structure, but reduce documentation burden, defer effective date and make important substantive changes to the computation of section 250 deduction [▶Read more](#)
- ▶ USTR formalizes duty actions regarding France's Digital Services Tax with deferred implementation to 2021 [▶Read more](#)
- ▶ COVID-19 and US CARES Act implications on interim filings under IFRS [▶Read more](#)
- ▶ US Government suspends defense exports and EAR export license exceptions for exports to Hong Kong [▶Read more](#)
- ▶ US temporary regulations on NOL carrybacks address new split-waiver elections [▶Read more](#)
- ▶ US IRS releases new draft partnership schedules K-2 and K-3 for international tax reporting [▶Read more](#)

## Country Updates

### Vietnam

- ▶ Vietnam implements taxation of digital transactions [▶ Read more](#)

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