

18 June 2024

# Global Tax Alert

## The Latest on BEPS and Beyond

June 2024

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### Highlights

Midway through the super-election year of 2024, the global political landscape has been impacted by the voices of hundreds of millions of voters. South Africa, India and the European Union (EU) have all held pivotal elections, with the EU notably ushering in its new European Parliament (the Parliament).

The EU elections are part of a cascade of developments, including the nomination and appointment of a new European Commission (the Commission). As the Commission drafts all EU legislative proposals, this stage is critical. It will determine the main EU priorities for the next five years, which will be included in the EU's tax agenda. Following the previous elections, for example, the EU launched its Green Deal, leading to a range of tax relevant developments including the Carbon Border Adjustment Mechanism and public Environmental, Social and Governance reporting requirements.

Competitiveness is expected to feature prominently on the new EU agenda. EY's 2024 Europe Attractiveness Survey, underscores that Europe competes with the United States (US) and Asia for investors. Investors ask for the right regulatory balance and agility between safety and innovation, which would be aimed at protecting individuals and corporations from the adverse effects of innovative solutions, without stifling creativity or slowing progress. Policy makers will also consider the recommendations of the Letta Report and the Draghi Report, due to be released in the coming weeks. One of

the key agreements between EU government leaders is to significantly lower the administrative burden for corporations. The ongoing public consultation of the Directive on Administrative Cooperation (DAC) 2-6 in the tax area is therefore highly significant. These reports and evaluations are set to shape the EU's strategic direction, presenting a crucial opportunity for businesses and investors to express their perspectives.

Just 270 km south of Brussels, the Organisation for Economic Co-operation and Development (OECD) has just released new Base Erosion and Profit Shifting (BEPS) documents. The release includes new guidance on the global minimum tax, an overview of the process for recognizing "qualified" status of domestic Global Minimum Tax legislation as well as additional guidance on Amount B. Yet, the long-awaited Competent Authority rules for the exchange of Global Anti-Base Erosion (GloBE) Information Returns have not been issued. Also, the status of Pillar One negotiations remains uncertain as the deadline for the anticipated deadline for signing the Multilateral Convention looms.

EY Global Tax News alerts on the new OECD publications are forthcoming, and the editorial team of The Latest on BEPS and Beyond will bring these developments together in the next edition.

## BEPS 2.0

### OECD

#### **Inclusive Framework on BEPS releases statement on Pillar One and other BEPS matters**

On 30 May 2024, the Co-Chairs of the Inclusive Framework on BEPS released a [statement](#) on Pillar One and other BEPS matters. According to the statement, the negotiations on Pillar One are nearing completion on a final package (which includes a text of the Multilateral Convention (MLC) for Amount A and a framework for Amount B) with the goal of reaching a final agreement to open the MLC for signature by the end of June 2024.

Additionally, the statement confirms that the Subject to Tax Rule (STTR) signing ceremony will be held in Paris on 19 September 2024.

#### **OECD releases "2024 Progress Report on Tax Co-operation for the 21st Century"**

On 24 May 2024, the OECD released the "[2024 Progress Report on Tax Co-operation for the 21st Century](#)." Prepared at the request of the G7 Italian Presidency, this report builds on previous reports from 2022 and 2023, emphasizing the need for enhanced tax cooperation, particularly in light of the implementation of the global minimum tax (Pillar Two).

The report is divided into three main chapters. The first chapter highlights the advances in implementing the vision for cooperation among tax administrations, focusing on Pillar Two. It underscores the importance of standardized filing requirements and central filing mechanisms, which facilitate a coordinated approach to risk assessment and dispute resolution. Further work is essential to refine these aspects, leveraging tax administrations' experiences with cooperative compliance, tax control frameworks, and collaborative risk assessment under programs such as the International Compliance Assurance Programme (ICAP), along with existing international dispute resolution and prevention processes. Additionally, the report calls for a thorough evaluation of the interaction between Pillar Two and existing tax measures targeting BEPS activities. Potential amendments to these measures could enhance consistency, increase efficiency and further support economic growth.

Chapter two delves into areas of tax cooperation beyond corporate tax, specifically addressing recent developments in the exchange of information between tax administrations. It outlines the progress made in implementing the Crypto-Asset Reporting Framework (CARF) and enhancing the effectiveness of the Common Reporting Standard (CRS). These initiatives are part of broader efforts to ensure high-quality, real-time information flows between tax administrations, leveraging digital communication and advanced data analytics to facilitate compliance and reduce administrative burdens.

The final chapter focuses on the implications for developing countries, emphasizing the critical need to ensure these countries are well positioned to benefit from the changes in the international tax architecture. The report underscores the importance of leveraging opportunities presented by Pillar Two and other areas, such as Value Added Tax (VAT) and tax administration. It highlights the necessity of capacity building and technical assistance to help developing countries. Moreover, the report stresses the importance of aligning the priorities of developing countries with the broader agenda of the Inclusive Framework.

## European Union

### **European Commission initiates infringement procedures for late transposition of Minimum Tax Directive**

On 23 May 2024, the Commission issued [reasoned opinions](#) against Cyprus, Latvia, Lithuania, Poland, Portugal and Spain for the late transposition of the Minimum Tax Directive. These Member States together with Estonia, Greece and Malta received letters of formal notice in January 2024 because they had not communicated national measures transposing the Minimum Tax Directive by the 31 December 2023 deadline.

In contrast to Estonia, Greece and Malta, Cyprus, Latvia, Lithuania, Poland, Portugal and Spain have not yet addressed the Commission's concerns, leading to the issuance of the reasoned opinions. These six Member States were given two more months to comply and take the necessary measures. If they fail to do so, the Commission may refer the case to the Court of Justice of the EU.

## Country developments

### **Bahamas announces introduction of a QDMTT**

On 29 May 2024, the Bahamas Prime Minister [announced](#) the 2024/2025 Budget. Among other items, the Prime Minister announced that the proposed legislation for the implementation of a Qualified Domestic Minimum Top-up Tax (QDMTT) is anticipated to be effective retrospectively from 1 January 2024.

The Government has not yet issued a draft law, though it is expected to be released for public consultation at the end of the Budget process in June.

### **Germany releases Pillar Two tax return for public consultation**

On 28 May 2024, the German Ministry of Finance (GMF) released for public consultation a [draft version](#) of the domestic tax return for Pillar Two purposes. Alongside this draft tax return, the GMF also provided [draft instructions](#) for completing the form.

The draft form has not yet been agreed to by the highest tax authorities of the federal states.

The public consultation period ended on 14 June 2024.

### **Guernsey announces Pillar Two implementation**

On 21 May 2024, the Guernsey Government made an [announcement](#) regarding the next steps in implementing Pillar Two. According to the announcement, Guernsey will introduce an Income Inclusion Rule (IIR) and a QDMTT starting in 2025.

As part of the legislative drafting process, Guernsey will engage with relevant stakeholders on specific design elements.

### **Ireland issues Tax and Duty Manual for Pillar Two**

On 15 May 2024, the Irish Revenue issued a new [Tax and Duty Manual](#) for Pillar Two. This manual contains an overview of the background to the Pillar Two rules and the main charging provisions, as well as commentary on the Substance Based Income Exclusion rule and the Safe Harbor provisions. Appendix 1 contains a detailed correlation table that cross-references the legislation contained in the Irish Pillar Two law with each relevant part of the EU Minimum Tax Directive, the OECD Model Rules and, where applicable, the OECD Commentary and the OECD Administrative Guidance.

The manual will be expanded in due course to include further guidance on the Pillar Two rules.

### **Isle of Man will introduce a Qualified Domestic Minimum Top-up Tax**

On 20 May 2024, the Isle of Man Government [announced](#) its intention to introduce a QDMTT with effect from 1 January 2025. The QDMTT will be a new tax, separate from existing Isle of Man income tax, and will be designed such that it should be considered as "Qualified" by the OECD's Inclusive Framework. The announcement also indicates that the Isle of Man is exploring the relevance of implementing an IIR, with a final decision to be made later in the year.

It is expected that the necessary legislation to implement the QDMTT will be brought forward to the Parliament in autumn 2024.

### **Italy releases Decree on Pillar Two safe harbors**

On 20 May 2024, the Italian Ministry of Finance issued a [Decree](#) providing safe harbor provisions for Pillar Two. Specifically, the Decree introduces the transitional Country-by-Country Reporting (CbCR) safe harbor and the transitional Undertaxed Profits Rule (UTPR) safe harbor.

Additionally, the Decree incorporates anti-arbitrage rules for the transitional CbCR safe harbor, aligning with the Administrative Guidance released in December 2023.

## Jersey announces its intention to implement Pillar Two

On 21 May 2024, the Government of Jersey [announced](#) its intention to implement the IIR and a Multinational Corporate Income Tax (MCIT) for fiscal years starting on or after 1 January 2025. The MCIT will be applied alongside Jersey's existing corporate income tax regime and will align with the GloBE rules.

The announcement also indicates that Jersey will not be enacting an Undertaxed Profits Rule at this time.

## Latvian Parliament approves Pillar Two legislation

On 6 June 2024, the Latvian Parliament approved the Pillar Two legislation, addressing reporting obligations while deferring its implementation until 2030, as allowed under the EU Directive on Minimum Taxation. In this context, Ultimate Parent Entities in Latvia should designate a foreign reporting entity to handle the reporting responsibilities for the group.

The approved legislation does not include a QDMTT, and it is uncertain whether Latvia will introduce a QDMTT in the near future. For the law to take effect, it must be signed by the President and published in Latvia's *Official Gazette*.

## Lithuanian Parliament approves Pillar Two legislation

On 6 June 2024, the Lithuanian Parliament approved the Pillar Two legislation. However, the application of the IIR and the UTPR has been deferred in accordance with the EU Minimum Tax Directive. This deferral does not specify an exact start date for these rules. As a result, the legislation primarily addresses filing obligations and administrative procedures, without detailing the application of the IIR or UTPR. This legislation does not introduce a QDMTT.

The next step in the legislative process is for the President to sign the bill. Once signed, the law will be enacted.

## Luxembourg starts process to amend its Pillar Two legislation

On 5 June 2024, the Council of Government of Luxembourg [approved](#) the bill amending the Pillar Two legislation. The amendments include clarifications and technical provisions outlined in the OECD's pieces of Administrative Guidance issued throughout 2023.

The next step in the legislative process is to submit the bill to Parliament for readings, committee review and a vote. Following parliamentary approval, the Council of State will review the legislation before it receives royal assent from the Grand Duke and is published as law.

## Singapore releases draft legislation on Pillar Two

On 10 June 2024, the Singapore Ministry of Finance (SMF) released a public consultation on the [draft legislation](#) for the introduction of Multinational Enterprise Top-up Tax (MTT) as well as a Domestic Top-up Tax (DTT). The draft legislation is generally in line with the OECD Model Rules and includes a DTT (which is intended to be a QDMTT). Further, the IIR to be effective from fiscal years starting on or after 1 January 2025. The MTT does not include the UTPR, as Singapore will consider adopting a UTPR at a later stage.

The SMF also published [draft regulations](#) for calculating the income and covered taxes under the MTT and DTT.

The public consultation is open until 5 July 2024.

## United Kingdom publishes details on how to register for Pillar Two purposes

On 20 May 2024, His Majesty's Revenue and Customs (HMRC) [published](#) details of the registration process for groups within the scope of the Pillar Two top-up taxes. Groups can now use HMRC's online service to register and report Pillar Two top-up taxes.

Groups must register if they have at least one entity located in the United Kingdom and have consolidated group annual revenues of €750m or more, in at least two of the previous four accounting periods.

Groups should register with HMRC within six months of the end of the first accounting period that started on or after 31 December 2023 and makes them subject to the rules. For calendar year-end groups, this will mean registration by 30 June 2025.

## BEPS and other developments

### OECD

#### **G7 reiterate commitment to the Two-Pillar Solution and provide update on global tax environment**

On 13-15 June 2024, the G7 leaders convened in Apulia, Italy. Following their discussions, a [Communiqué](#) was issued underscoring the G7's commitment to reforming the international tax system. The Communiqué underlined the G7's resolve to foster a stable and equitable tax system apt for the modern era. It acknowledged the strides made in the OECD/G20 Inclusive Framework, with a particular focus on the objective to make the Multilateral Convention on Pillar One available for signing by June 2024 and the advancement of Pillar Two. Additionally, the Communiqué recognized achievements in tax transparency and the significance of reaching a consensus in the United Nations (UN) Ad Hoc Committee's deliberations on international tax cooperation.

At the conclusion of the G7 Finance Ministers meeting on 23-25 May 2024, the G7 issued a joint [communiqué](#) (the communiqué) reaffirming their commitment to the Two-Pillar Solution, with a view to signing the Multilateral Convention on Pillar One by June 2024 and the Multilateral Instrument for the Subject-to-Tax Rule within the year. Furthermore, the G7 acknowledged the potential of Artificial Intelligence (AI) to enhance the efficiency and fairness of tax collection and committed to examining its economic and financial stability implications. The communiqué also confirmed the G7's pledge to assist developing countries in bolstering their tax systems to create enduring revenue bases, emphasizing the necessity of support in applying the Two-Pillar Solution.

#### **OECD releases updated FAQs for MNEs participating in ICAP risk assessments**

On 5 June 2024, the OECD Forum on Tax Administration released updated frequently-asked-questions-and-answers ([FAQs](#)) on participating in the ICAP.

The updated FAQs, provide answers on a variety of topics, specifically addressing how tax administrations and multinational enterprises (MNEs) groups determine the coverage of risk assessment periods (FAQ4), the protocol for participating in ICAP of MNE groups with an ultimate parent company in a jurisdiction not participating in ICAP (FAQ8), the procedure when a tax administration declines a

risk assessment (FAQ9), the guidelines for requesting additional ICAP risk assessments (FAQ10), the requirements for MNE groups below the CbCR threshold (FAQ11), and the role of external advisors during the risk assessment process (FAQ12).

In May 2024, the OECD also published [information on participating tax administrations](#), which contains ICAP contact information for each of the 23 participating tax administrations. It also contains helpful information for each tax administration such as composition of the ICAP team, covered periods, ICAP scope and limitations, outcome letters and caveats and the approach to ICAP risk assessment process.

See EY Global Tax Alert, [OECD releases updated FAQs for MNEs participating in ICAP risk assessments](#), dated 7 June 2024.

#### **Spain notifies completion of domestic procedures for Covered Tax Agreement with Armenia under the MLI**

On 31 May 2024, Spain [notified](#) the OECD Depository of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) regarding the completion of its internal procedures for the entry into effect of the MLI provisions with respect to its Covered Tax Agreement (CTA) with Armenia.

This notification is required when a Contracting Jurisdiction has made the reservation under Article 35(7)(a) of the MLI. Article 35(7)(a)(i) allows a Contracting Jurisdiction to reserve the right to delay the entry into effect of MLI provisions until 30 days after the Depository receives the last notification from all Contracting Jurisdictions making the reservation, informing the Depository that internal procedures for the entry into effect of the MLI with respect to that particular CTA are complete.

In line with the above, the MLI shall enter into effect for the CTA with Armenia no sooner than 30 days after Spain issued a notification that it has completed its internal procedures. (Armenia has not made a similar reservation and has notified its ratification of the MLI at an earlier stage.)

## OECD updates arbitration profile of the United Kingdom

On 31 May 2024, the OECD updated the [Arbitration Profile](#) of the United Kingdom, which contains information regarding their position with respect to applying Part VI (mandatory binding arbitration) of the MLI.

Arbitration profiles contain references to (i) the jurisdictions' MLI positions; (ii) Mutual Agreement Procedure (MAP) profiles; (iii) synthesized texts obtainable from the MLI Matching Database; (iv) hyperlinks to the competent authority agreements concluded in respect to the arbitration clause of the MLI; and (v) the type of arbitration process.

The competent authority of the United Kingdom has, by mutual agreement, settled the mode of application of the provisions contained in Part VI of the MLI with the competent authority 20 jurisdictions.

## OECD Secretary-General highlights Inclusive Framework's progress on Two-Pillar Solution and BEPS

On 30 May 2024, the Secretary-General of the OECD [commended](#) the efforts of 147 members of the Inclusive Framework on BEPS in working together to start the signing process of the MLC implementing Amount A of Pillar One by the end of June.

The May plenary meeting of the Inclusive Framework clarified outstanding Pillar One issues and reflected on the advancements of the last decade in tackling tax challenges brought on by digitalization and globalization of the economy, including on the minimum standards of Action 5 (Countering Harmful Tax Practices), Action 6 (Preventing Treaty Abuse), and Action 13 (Transfer Pricing Documentation).

The statement also highlighted the impending entry into force of the Global Minimum Tax rules which the OECD anticipates to generate up to US\$192b annually. Finally, the OECD reaffirmed its commitment to supporting the Inclusive Framework members toward the successful completion of these initiatives.

## OECD releases report on "Tax and Development at the OECD: A Retrospective (2009-2024)"

On 28 May 2024, the OECD published a report on "Tax and Development at the OECD: A Retrospective (2009-2024)" (the [Report](#)). The Report reflects on 15 years of progress in integrating developing countries into the OECD's tax work. Key milestones include the restructuring of the Global Forum on Transparency and Exchange of Information for Tax Purposes, the BEPS Actions, the creation of the Inclusive Framework on BEPS, and negotiations on the Two-Pillar Solution.

## Fiji and Moldova join Inclusive Framework on BEPS

On 27 and 28 May 2024, [Fiji](#) and [Moldova](#), respectively, joined the Inclusive Framework on BEPS, bringing the total number of [members](#) to 147.

As new Inclusive Framework members, Fiji and Moldova have committed to comply with the BEPS minimum standards, which are contained in the final reports on Action 5 (Countering Harmful Tax Practices), Action 6 (Preventing Treaty Abuse), Action 13 (Transfer Pricing Documentation) and Action 14 (Enhancing Dispute Resolution). Fiji and Moldova will also participate on an equal footing with the members of the Inclusive Framework on BEPS in the remaining standard setting activities, as well as in the review and monitoring of the implementation of the BEPS package.

Further, both jurisdictions have committed to addressing the tax challenges arising from the digitalization and globalization of the economy by joining the July 2023 Outcome Statement on the Two-Pillar Solution, bringing to 140 the total number of participating jurisdictions.

## OECD updates CbCR guidance providing clarifications on inter-entity dividend payments

On 27 May 2024, the OECD released [updated guidance](#) on CbCR, which is a key component of the Action 13 Report "Transfer Pricing Documentation and CbCR." All OECD and G20 countries, along with other Inclusive Framework members, have committed to implementing CbC reporting. This commitment has led to countries establishing domestic legal frameworks and entering into competent authority agreements for the exchange of CbC reports since the recommended start date of 1 January 2016.

The updated guidance clarifies that payments received as dividends from other entities within the same MNE group should be excluded from “Profit (Loss) before Income Tax” in Table 1 of the report if they are treated as dividends in the payer’s tax jurisdiction, consistent with their exclusion from revenue. This guidance aims to standardize the treatment of such dividend payments across jurisdictions, ensuring that they are consistently reported in the tax jurisdictions of both the payer and the recipient based on the classification in the source data.

The OECD urges Members of the Inclusive Framework to adopt this guidance promptly and apply it to fiscal years starting on or after 1 January 2025.

### **Global Forum releases toolkit to aid voluntary disclosure programmes**

On 24 May 2024, the Secretariat of the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) [launched](#) a new toolkit to aid jurisdictions in enhancing voluntary tax compliance. The “Voluntary Disclosure Programme (VDP) Toolkit: A Model Law and Guidance” is available to tax administrations upon request and aims to support jurisdictions looking to leverage the period before automatic exchange of information in tax matters (AEOI)-exchanges to promote voluntary compliance.

The toolkit is part of the Secretariat’s strategy to maximize AEOI benefits for developing countries, and includes a model law, policy choices and practical implementation guidance. The Global Forum Secretariat will help jurisdictions customize their VDP legislation tailored for their specific context and needs.

## **European Union**

### **European Commission initiates infringement procedures for DAC7**

On 23 May 2024, the Commission initiated [infringement procedures](#) against Germany, Hungary, Poland and Romania for not adhering to the DAC7 (EU Directive on expanding the scope of exchange of information to digital platform operators) requirements for information exchange with other Member States’ tax authorities. DAC7 mandates online platforms to collect income data in 2023 and report it to their respective Member States. This information should have been exchanged by 29 February 2024.

According to the Commission, the failure of these four Member States to comply with the information exchange hampers the enforcement of local tax laws and undermines the level playing field within the EU. These countries were issued formal notices and given two months to address the issues. Failure to timely respond may result in the Commission’s issuing reasoned opinions, providing an additional two months to comply.

### **European Commission initiates infringement procedures for the Public CbCR Directive**

On 23 May, the Commission sent [reasoned opinions](#) to Austria, Belgium, Cyprus, Finland, Italy and Slovenia for not fully transposing the Public CbCR Directive. These Member States have two months to respond and implement the necessary measures or risk being referred to the Court of Justice of the EU.

## **Country developments**

### **Austria updates list of reporting jurisdictions under DAC2 and CRS**

On 30 May 2024, the Austrian Ministry of Finance issued the [updated list](#) of participating jurisdictions under DAC2, the Common Reporting Standard (CRS) Multilateral Competent Authority Agreement (MCAA), and various bilateral automatic exchange agreements.

According to the update, the following states are not considered participating states for the reporting period of 2023: Georgia, Liberia, Morocco, Moldova, Montenegro, Uganda and Ukraine. Meanwhile, Aruba, Costa Rica, Kenya, St. Kitts and Nevis, and Thailand have been added to the list of jurisdictions subject to reporting, and Antigua and Barbuda have been removed from the list.

The updated list came into effect on 1 May 2024, superseding the earlier version released on 21 June 2023.

## Bermuda Ministry of Finance updates Tax Information Reporting Portal User Guide

On 27 May 2024, the Bermuda Ministry of Finance updated the Tax Information Reporting Portal User Guide to [Version 7.0](#) with several changes.

Key updates include a new helpdesk email ([AEOISupport@regology.net](mailto:AEOISupport@regology.net)), and separate CRS filing requirements for each Trustee-Documented Trust, even where the same trustee is filing the report. According to the update, only XML files that comply with the CRS XML [schema v.2.0](#), as published by the OECD, will be accepted.

The Reporting Financial Institution (RFI) name and address fields will be pre-populated based on information provided during enrollment and, according to the update, if a Trustee is filing on behalf of a Trustee-Documented Trust (TDT), the Trustee's name must be replaced with the name of the TDT.

Despite being labeled as optional on the form, RFIs are required to include dates of birth and Taxpayer Identification Numbers (TINs) to comply with CRS due diligence. The Ministry mandates submission of these details for all individuals and will request corrections if omitted. Similarly, Entity Identification Numbers must be provided where expected by jurisdictions. For controlling persons, both date of birth and TIN, although indicated as optional, are required.

Finally, the update indicates that the process for submitting CRS Corrections can be used for proactive corrections if the RFI discovers inaccuracies in previously submitted information, and the RFI should be prepared to explain the circumstances regarding proactive corrections. The same applies to submitting CbC Corrections for reporting entities.

## Bulgaria and the US sign agreement for automatic exchange of CbC reports

On 30 May 2024, the Bulgarian news agency announced in a [press release](#) the signing of an agreement for the automatic exchange of CbC reports between the competent authorities of Bulgaria and the US.

The agreement will allow Bulgaria to access information on the income, operations, assets and taxes from large US multinationals operating in the country, eliminating the need for local subsidiaries to file separate CbC reports, as the pertinent information will be shared between Bulgaria and the US.

## Canada enacts business income tax measures from Fall Economic Statement Implementation Act 2023

On 28 May 2024, Canada enacted business income tax measures as part of the Fall Economic Statement Implementation Act, 2023 (Bill C-59).

The enacted measures include limiting interest expense deductions for certain entities, and implementing hybrid mismatch rules to combat tax avoidance, aligning with OECD/G20 BEPS recommendations. Additionally, the legislation stipulates the denial of dividend deductions for dividends received by Canadian financial institutions on specific shares. The legislation also establishes anti-avoidance provisions for significant Canadian-controlled private corporations and revises the general anti-avoidance rule, incorporating a new penalty and, in certain cases, prolonging the reassessment period by three years.

Due to the minority government in Canada, these tax measures are considered substantively enacted for accounting purposes after the [third reading](#) in the House of Commons, despite the absence of Royal Assent.

See EY Global Tax Alert, [Canada's EIFEL rules and other business income tax measures substantively enacted as part of Bill C-59](#), dated 31 May 2024.

## Colombia updates list of jurisdictions for information exchange for tax purposes

On 31 May 2024, the National Tax and Customs Authority of Colombia released an updated [list](#) of jurisdictions that have either signed a treaty with Colombia or joined the Convention on Mutual Administrative Assistance in Tax Matters. This update was formalized through Administrative Regulation 96.

The updated list includes the following jurisdictions: Antigua and Barbuda, Bahamas, Bahrain, Brunei Darussalam, Cape Verde, Cook Islands, Dominica, Grenada, Hong Kong, Jordan, Kuwait, Lebanon, Liberia, Macau, Marshall Islands, Maldives, Mauritius, Nauru, Oman, Qatar, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Seychelles and Vanuatu.

According to the National Tax and Customs Authority, several of these jurisdictions have commenced the exchange of tax information with Colombia as of 31 December 2023.



## Lower House of Germany approves draft law on the application of the MLI

On 16 May 2024, the German Parliament (Bundestag) approved the initial [draft law](#) for the application of the MLI and further measures. The act applies the BEPS MLI to Germany's treaties with Croatia, Czech Republic, France, Greece, Hungary, Japan, Malta, Slovakia, and Spain, specifies the amendments to the covered tax agreements as a result of the MLI and details the application and precedence of the MLI rules regarding the respective tax treaties.

## Greece publishes list of jurisdictions for automatic exchange of information on CbCR for 2024

On 29 May 2024, the Minister of Finance of Greece published the updated [list](#) (FEK B' 3036/29.5.2024 - Decision A. 1083/2024) of jurisdictions for the automatic exchange of information on CbCR (CbC MCAA) concerning fiscal year 2022 (year of exchange 2024). Compared to fiscal 2021 (year of exchange 2023), Greece added Aruba, Kenya and Thailand to the list of reciprocal exchange of information. In addition, Greece added Papua New Guinea to the list of jurisdictions with which it exchanges information on a nonreciprocal basis.

## Italy enacts amendments to collaborative compliance regime

On 20 May 2024, the [amendments](#) to the Ministerial Decree of 15 June 2016, which pertains to the collaborative compliance regime between the Italian Revenue Agency and taxpayers, were published in the *Official Gazette*, following the measures recently introduced by Legislative Decrees No. 219/2023 and No. 221/2023.

The updates include the introduction of a new procedure for taxpayers under the collaborative compliance regime, where the Italian Revenue Agency, before issuing an unfavorable response to a ruling request or before formalizing any other contrary position, must send a draft answer to the taxpayer and provide them with a 30-day window to present their position. This aims to promote enhanced communication and cooperation between the financial administration and taxpayers, and to prevent and resolve tax disputes. In such a case, the deadline to provide the answer to the ruling (ordinarily amounting to 45 days) is suspended for 60 days.

The decree clarifies that a negative reply to a ruling request may be not appealed before the court and includes some minor changes to the ruling procedure, specifying the cases in which the 45 days-deadline may be suspended.

## Slovenia launches public consultation on amendments to corporate income tax law including streamlining the interest deduction limitation rules

On 3 June 2024, the Slovenian Ministry of Finance launched a [public consultation](#) on a draft bill suggesting amendments to the Corporate Income Tax Law (CITL), including a refinement of the interest deduction limitation rules. With this draft bill, the Ministry aims to simplify the tax system by removing the original thin capitalization rule under Article 32 of the CITL, which has added complexity alongside the earnings before interest, taxes, depreciation and amortization (EBITDA)-based interest limitation rule under Article 54C, introduced as part of the EU Anti-Tax Avoidance Directive (ATAD) implementation. The proposed amendments include an increase of the threshold for recognizing excess borrowing costs from €1m to €3m as stipulated under the ATAD.

Stakeholders have until 3 July 2024 to provide their feedback on the draft bill, which, once passed by Parliament, is expected to enter into force on 1 January 2025.

## Swiss Federal Council launches consultation on extending automatic exchange of tax information to crypto-assets

On 15 May 2024, Switzerland's Federal Council launched a [public consultation](#) to extend the AEOI, incorporating crypto-assets and updates to the CRS as per the OECD's October 2022 update and the new CARF. Switzerland, adhering to the CRS since its inception in 2014, intends to integrate these revisions and the CARF, subject to parliamentary approval. In addition, the amendments aim to penalize negligent noncompliance with due diligence and reporting obligations and to simplify the inclusion of new AEOI partner states by transferring certain powers to the Federal Council.

Stakeholders are invited to provide their input by 6 September 2024. Once adopted, the rules will be effective from 1 January 2026.

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