

Report on recent US international tax developments - 28 February 2020

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The Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) this week completed its review of final regulations under Internal Revenue Code Sections 245(e) and 267A and sent them back to Treasury for final review. They joined final Section 163(j) regulations on interest limitation rules which are also back at Treasury, but which reportedly will not be released until proposed regulations under Section 163(j) have completed their ongoing OIRA review. Earlier in the month, a Treasury official was quoted as saying that final Section 901(m) regulations would be released "any day now," but have not yet been issued.

G20 Finance Ministers met this week in Riyadh and, at the conclusion, issued a communique endorsing the Base Erosion and Profit Shifting (BEPS) 2.0 "Outline of the Architecture of a Unified Approach on Pillar One" as the basis for negotiations and welcoming progress on Pillar Two. The G20 also underscored the importance of reaching agreement on the key policy features of a digital solution by July 2020 and their commitment to reach consensus on a BEPS 2.0 final report by the end of 2020.

Endnote

1. All "Section" references are to the Internal Revenue Code of 1986, and the regulations promulgated thereunder.

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