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Global Tax Alert

The Latest on BEPS and Beyond

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EY Tax News Update: Global Edition

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Highlights

Levels of tax controversy continue to increase around the globe, particularly with respect to cross-border transactions. In this environment, accessible and effective dispute resolution and avoidance mechanisms, such as the mutual agreement procedure (MAP) and advance pricing agreements (APAs), are critically important to ensuring the facilitation of cross-border trade and the maintenance of a stable investment environment. While significant work has already been done by the OECD and member jurisdictions of the Inclusive Framework on BEPS in making dispute resolution mechanism more effective, it is clear, as the OECD acknowledges, that more needs to be done.

On 1 February 2021, the OECD held a public consultation meeting with respect to the review of the minimum standard on dispute resolution under BEPS Action 14. The public consultation meeting followed a [consultation document](#) published in November 2020 that attracted over 200 pages of comments from professional service providers, businesses, industry associations, and individuals. EY submitted a [comment letter](#) and a global team from EY participated in the consultation meeting.

The consultation focused on three key areas:

- ▶ Experiences with, and views on, the status of dispute resolution and suggestions for improvement
- ▶ Additional measures that may strengthen the Action 14 minimum standard
- ▶ Additional measures that may strengthen the MAP Statistics Reporting Framework

There is continued strong support for the OECD's Action 14 proposals in a number of areas, including increased dispute prevention through the use of bilateral APAs, greater transparency around countries' MAP and APA programs through statistics reporting frameworks, and improved training regimes for domestic auditors on the international impact of domestic adjustments and penalties. Mandatory binding arbitration is another area which enjoys strong support given its role in achieving greater tax certainty and moving forward MAP timelines. However, there are divergences in opinion both on the best way forward for these proposals and on their implementation in developing countries. This divergence stems from a concern that there is a disparity in the requisite resources and experience between tax authorities in different jurisdictions and that further support from the OECD is needed to uniformly implement the Action 14 proposals.

Key areas of challenge continue to be persistent issues with access to MAP, timelines in resolving MAPs or agreeing on APAs, and the further need for transparency on domestic law issues that affect the availability or implementation of MAP negotiations. It was recognized that there are still numerous barriers to accessing MAP, with particular concern over an increasing trend in access being denied where adjustments are structured through domestic non-deductibility. This was an issue that was specifically raised in EY's comment submission, reflecting heightened concerns around this trend in light of the BEPS 2.0 Pillar Two Blueprint. Going forward, dispute resolution and prevention will be increasingly important given the [BEPS 2.0 project](#) and the increasing need for tax certainty, which means that continued work on Action 14 will remain critical.

These comments are made against a background of increasing complexity in tax audits and disputes as well as the disruption wrought by the COVID-19 pandemic. In such circumstances, the need to increase the accessibility, efficiency, and efficacy of cross-border dispute resolution programs is critical to the proper operation of the international tax system. To

prepare for navigating this disruptive and ever-changing landscape, multinationals will need to make sure that their [tax controversy function](#) is fit for the future.

OECD

Recently, Belarus and Samoa joined the Inclusive Framework on BEPS, bringing the total number of members to 139. As new Inclusive Framework members, both jurisdictions 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). Both jurisdictions will also participate on an equal footing with the members of the Inclusive Framework in the remaining standard setting activities, as well as the review and monitoring of the implementation of the BEPS package.

On 27 and 28 January 2021, the OECD/G20 Inclusive Framework on BEPS held its first public meeting to provide an update on its ongoing international tax work. Over the two-day meeting, the Inclusive Framework focused on the major developments in international tax policy and administration in recent years, current policy challenges and the future ahead. The agenda covered the following tax policy issues: (i) global economic context and tax policy after COVID-19; (ii) tax and development; (iii) tax challenges arising from digitalization and the future of international taxation; (iv) BEPS, tax certainty, transparency and tax administration; and (v) tax and the environment.

Considering the global economic context, the discussions during the meeting highlighted that the pandemic has severely affected economies from all over the world. Political leaders also continued to express strong support for the project "Addressing the Tax Challenges of the Digitalisation of the Economy" (BEPS 2.0 project). While the six finance ministers speaking at the meeting acknowledged the existence of different views among countries, they also expressed the view that there is a clear need for compromise and that a global consensus agreement is the only way forward. In relation to BEPS implementation, it was highlighted that the BEPS project has been adopted widely in many countries. Action 13 was indicated as the most visible of the minimum standards in terms of application and impact on businesses. Further, the Inclusive Framework also discussed options for a sustainable, resilient, prosperous tax system and pathways to greener, more inclusive growth through tax post COVID-19.

On 21 January 2021, the OECD published an updated version of its [guidance](#) on tax treaties and the impact of the COVID-19 pandemic. This guidance revisits the guidance published on 3 April 2021 by the OECD Secretariat. In particular, the updated guidance addresses the following issues: (i) permanent establishment; (ii) residence status of companies (based on place of effective management) and individuals; and (iii) treatment of employment income.

This updated version of the guidance considers some additional fact patterns not addressed in detail in the early guidance, examines whether the analysis and the conclusions outlined in the early guidance continue to apply where the circumstances persist for a significant period, and contains references to country practices and guidance during the COVID-19 pandemic.

See EY Global Tax Alert, [OECD Secretariat issues updated guidance on tax treaties and the impact of COVID-19 pandemic](#), dated 27 January 2021.

On 14-15 January 2021, the OECD hosted a virtual public consultation meeting on the Pillar One and Pillar Two Blueprints. These Blueprints were released by the OECD on 12 October 2020 to reflect the progress made on both elements of the BEPS 2.0 project.

The public consultation meeting focused on the key questions posed in the consultation document and addressed in the written comment submissions that were received from stakeholders as part of the consultation process. Representatives from business, labor groups, non-governmental organizations (NGOs), academia and other interested parties participated in the consultation to discuss their perspectives. EY submitted a [comment letter](#) and a global team from EY participated in the consultation.

See EY Global Tax Alert, [OECD Inclusive Framework political leaders promote global consensus following OECD's public consultation on Pillar One and Two Blueprints](#), dated 1 February 2021.

European Union

On 20 January 2021, the Court of Justice of the European Union (CJEU) issued a [judgment](#) concluding that the "10% rule" in the Swedish interest deduction limitation rules is contrary to the European Union (EU) freedom of establishment. According to Swedish tax law, a company linked in a group of associated companies may not deduct interest expenses in relation to a debt owed to an associated

company, unless the corresponding income would have been taxed at a nominal rate of at least 10% under the legislation of the State in which the company in the group of associated companies actually entitled to the income is established. However, if the main reason for incurring the debt is that the group of associated companies would receive a substantial tax benefit, then no deduction for interest expenses may be made (the exception to the 10% rule).

The CJEU concluded that such national legislation, which provides that a company established in one Member State is not permitted to deduct interest payments made to a company belonging to the same group, established in another Member State, on the ground that the principal reason for the debt linking them appears to be the obtaining of a substantial tax benefit, whereas such a tax benefit would not have been deemed to exist if both companies had been established in the first Member State, is contrary to EU law.

Belgium

On 28 January 2021, the Federal Public Service (FPS) Finance of Belgium [announced](#) that, due to the current COVID-19 pandemic and communication issues between Relevant Taxpayers and Intermediaries, no penalties for late filing will apply for reportable cross-border arrangements under DAC6 that should be reported in January and February 2021. The FPS grants this administrative tolerance until 28 February 2021.

Chile-Netherlands

On 25 January 2021, the Netherlands and Chile signed a double tax treaty. The tax treaty contains a number of treaty-based recommendations from the BEPS project contained in Action 6 (preventing the granting of treaty benefits in inappropriate circumstances), Action 7 (permanent establishment) and Action 14 (making dispute resolution mechanisms more effective).

The tax treaty also provides that in cases where a person other than an individual is resident in both Chile and the Netherlands, both competent authorities shall endeavor to determine by mutual agreement, the Contracting State of which the person shall be deemed to be a resident. Furthermore, the tax treaty contains a principal purpose test. In the permanent establishment (PE) clause, the tax treaty contains a contract splitting rule for construction activities and service PE, an anti-fragmentation rule and the new

definition of agency PE. Moreover, the tax treaty provides a period of three years for submission of a MAP request beginning on the date of the first notification of the action resulting in taxation not in accordance with the provisions of the treaty. In cases where the competent authorities are unable to reach an agreement after three years of submission, the tax treaty contains an arbitration clause to resolve the case within two years from the presentation of the case to the competent authority of the other contracting state.

The OECD Multilateral Convention (MLI) has no effect on this treaty since Chile and the Netherlands have not included this tax treaty as a Covered Tax Agreement (CTA). For the MLI provisions to have effect on the tax treaty, both jurisdictions would need to include the tax treaty in their respective list of CTAs, indicating whether the tax treaty falls within the scope of any of the reservations made by that respective jurisdiction.

The treaty will enter into force on the last day of the month following the month in which the ratification process is complete and the exchange of ratification instruments has taken place.

See EY Global Tax Alert, [Chile and the Netherlands sign double tax treaty](#), dated 28 January 2021.

Cyprus

On 3 February 2021, the Cypriot Tax Department issued an [announcement](#) to extend the deadlines for submission of information on reportable cross-border arrangements for the Mandatory Disclosure Rules (MDR) regime. The deadline was extended until 31 March 2021 for the following cases:

- ▶ Reportable cross-border arrangements that have been made between 25 June 2018 and 30 June 2020 with a deadline for submission on 28 February 2021.
- ▶ Reportable cross-border arrangements that have been made between 1 July 2020 and 31 December 2020 with a deadline for submission on 31 January 2021.
- ▶ Reportable cross-border arrangements that have been made between 1 January 2021 and 28 February 2021 with a deadline for submission within 30 days beginning on the day after they were made available for implementation or were ready for implementation or when the first step in the implementation has been made, whichever occurred first.

- ▶ Reportable cross-border arrangements for which secondary intermediaries provided aid, assistance or advice, between 1 January 2021 and 28 February 2021, and had to submit information within 30 days beginning on the day after they provided aid, assistance or advice.

See EY Global Tax Alert, [Cypriot Tax Department announces extension of deadlines for DAC6 submissions](#), dated 4 February 2021.

Denmark

On 27 January 2021, the Danish Government presented a law proposal ([L 150](#)) to the Danish Parliament which aims to counteract structures using tax havens. Under the proposal, Danish taxpayers would not be able to deduct payments if the recipient of the payments is affiliated with the taxpayer and is resident or registered in a country or territory included on the domestic list - which corresponds to the EU list of non-cooperative countries and territories for tax purposes, excluding Trinidad and Tobago. Further, dividends paid to a recipient resident or registered in a country or territory included on the list would be subject to a 44% withholding tax.

If adopted, the Law would apply with effect as from 1 July 2021 onwards.

See EY Global Tax Alert, [Denmark proposes defensive measures against countries on EU's list of non-cooperative jurisdictions for tax purposes](#), dated 8 February 2021.

France

On 3 February 2021, France published a decree to update the list of jurisdictions that have Country-by-Country (CbC) reporting requirements similar to those under French legislation and that have concluded an agreement on the automatic exchange of CbC reports with France.

For fiscal years commencing on or after 1 January 2019, the following jurisdictions are included on the list: Anguilla, Belize, British Virgin Islands, Hong Kong, Kazakhstan, Mauritius, Panama, San Marino, Saudi Arabia and the United Arab Emirates.

French companies held or controlled by a company resident in the jurisdictions included on this list are not subject to CbC reporting obligations in France.

Germany-Ireland

On 19 January 2021, Germany and Ireland signed an amending protocol to update the Germany-Ireland tax treaty. The amending protocol contains new preamble language which clarifies that the tax treaty is not intended to be used to generate non-taxation or reduced taxation through tax evasion or avoidance. The amending protocol also includes a principal purpose test. Further, the amending protocol includes an anti-fragmentation clause.

Both Germany and Ireland have signed the MLI but neither of them has included this tax treaty as a CTA.

The amending protocol is yet to be ratified and enters into force on the day of the exchange of the instruments of ratification.

Gibraltar

On 21 January 2021, HM Government of Gibraltar announced its approach to the mandatory disclosure and exchange of cross-border tax arrangements following the end of the Brexit transition period on 31 December 2020.

Following the lead set by the United Kingdom (UK) in its recent announcement, Gibraltar will be realigning its reporting requirements under the retained provisions of EU Directive 2018/822 to the standard required by the OECD.

The realignment reduces the level of reporting obligations linked to DAC6 by omitting the main benefit test and hallmark categories A, B, C and E as formerly transposed. As a result, the exchange of information is limited to hallmark category D (specific hallmark concerning automatic exchange of information and beneficial ownership) in line with the previously approved change to UK legislation.

See EY Global Tax Alert, [Gibraltar announces its approach to Gibraltar Mandatory Disclosure Rules post UK-EU Brexit Agreement](#), dated 26 January 2021.

Greece

On 28 January 2021, Greece's Independent Authority for Public Revenue (IAPR) issued Circular A. 1017/2021 which provides for an extension of the deadline for the submissions of reportable arrangements under DAC6. In accordance with this decision, the 30-day deadline for reporting shall start as of 1 February 2021:

- ▶ For arrangements concerning the deferral period, i.e., the period between 1 July 2020 and 31 December 2020
- ▶ For arrangements concerning the period between 1 January 2021 and 31 January 2021

In addition, it is clarified that the deadline for reporting "historical arrangements" (i.e., arrangements the first step of which was implemented between 25 June 2018 and 30 June 2020) expires on 28 February 2021. The deadline for filing the first quarter periodic report for cross-border arrangements also remains unchanged, i.e., 30 April 2021.

See EY Global Tax Alert, [Greece extends deadline for submission of mandatory disclosure reports](#), dated 29 January 2021.

On 25 January 2021, Greece ratified the MLI, by way of Law No. 4768, as published in *Official Gazette* No. 11 of 26 January 2021.

Greece submitted its MLI positions at the time of signature, listing its reservations and notifications and including 57 tax treaties that it wishes to be covered by the MLI. The instrument of ratification still needs to be deposited before the MLI enter into force with respect to its CTAs. A definitive list of reservations and notifications will also need to be provided upon the depositing the instrument of ratification.

Ireland

On 27 January 2021, the Irish Revenue Commissioners published eBrief [014/21](#) to update the filing instructions where, under MDR, certain information is subject to Legal Professional Privilege (LPP). In such cases, the "Form DAC6 (LPP)" should be used to file the cross-border arrangement. The Form DAC6 (LLP) sets out the identity of the relevant taxpayer and other intermediaries involved in the reportable cross-border arrangement.

On 14 January 2021, the Irish Minister for Finance published an update to Ireland's Corporation Tax Roadmap (the Roadmap). The Roadmap serves to give investors a signal of Ireland's future policy intent and sets out timelines for action. The Roadmap builds on the original publication of September 2018, the purpose of which was to provide a clear indication of the actions that Ireland would take to ensure that its corporation tax code remains competitive, fair and sustainable. The Roadmap also contains a foreword from the Minister for Finance where he reiterates Ireland's

commitment to the 12.5% rate of corporate taxation, the importance of certainty for businesses and Ireland's position on ongoing tax reform.

Among other items, the Roadmap includes commitments to further action for public consultation and consideration in the following areas: (i) introduction of interest limitation rules; (ii) legislating for the reverse hybrid aspects of EU's Anti-Tax Avoidance Directive; (iii) the possibility of Ireland moving to a territorial tax regime; (iv) introduction, if necessary, of further defensive measures against countries on the EU's list of non-cooperative jurisdictions; and (v) adoption of the Authorized OECD Approach (AOA) for the attribution of profits to branches.

See EY Global Tax Alert, [Ireland publishes updated Corporation Tax Roadmap](#), dated 21 January 2021.

Italy

On 29 January 2021, the Italian Revenue Agency issued a press release announcing that the Italian guidance relating to MDR (in its final version) will be issued soon and will clarify that no penalties will be applied for late filing provided the submissions of reportable arrangements are made by 28 February 2021.

See EY Global Tax Alert, [Italy announces non-application of penalties for submission of mandatory disclosure reports made by 28 February 2021](#), dated 2 February 2021.

On 15 January 2021, the Italian Tax Authorities released the final guidelines on the Digital Services Tax (DST) on their official website, considering the comments received during the public consultation of the draft guidelines issued on 16 December 2020.

DST is effective from 1 January 2020, however, the deadlines for 2020 have been postponed to 16 March 2021 for the tax payment and 30 April 2021 for the annual return for 2020.

The guidelines clarify that the tax is applied to businesses who, individually or as a group, in the previous calendar year (i.e., 2019 for 2020 tax) have: (i) accrued a total amount of global revenues of at least €750 million; and (ii) cashed revenues from digital services in Italy of at least €5.5 million.

The guidelines provide clearer definitions of most of the items set forth in the DST Law.

See EY Global Tax Alert, [Italian Tax Authorities issue final guidelines on Digital Services Tax](#), dated 20 January 2021.

On 30 November 2020, Ministerial Decree of 17 November 2020 (the Decree) was published in the *Official Gazette* of the Italian Republic, a few days after the issuance of Ruling 364425 of 26 November 2020 (the Ruling) by the Director of the Italian Tax Authorities. Both the Decree and the Ruling provide guidance for the introduction in Italy of MDR provided for under EU Directive 2018/822 (DAC6) and implemented in Italy by Legislative Decree 30 July 2020 no. 100 (the Law). The most important clarifications contained in the Decree relate to the relevance of the hallmarks and the timing of the filing.

The last component issued is an interpretative tool represented by a Circular Letter released by the Italian Tax Authorities providing clarifications on reportable cross-border arrangements that was open to public consultation until 15 January 2021.

See EY Global Tax Alert, [Italy publishes ministerial guidance on Mandatory Disclosure Rules](#), dated 4 December 2020.

Korea

On 22 December 2020 and 29 December 2020, Korea enacted the 2021 tax reform bill. Among other items, the tax reform includes the following: (i) the deadlines for Master File and Local file filings were changed to "within 12 months from the next day of the fiscal year end" (previously it was "within 12 months from the fiscal year end"); (ii) an extension to carryforward losses from 10 to 15 years; and (iii) introduction of a capital gains tax for the disposal of virtual assets.

The Law is effective from 1 January 2021 and the introduction of the capital gains tax for the disposal of virtual assets applies to transactions occurring after 1 January 2022.

See EY Global Tax Alert, [Korea enacts 2021 tax reform bill](#), dated 21 January 2021.

Luxembourg

On 28 January 2021, the Luxembourg Parliament adopted [Bill no. 7547](#) which disallows the tax deductibility of interest and royalties owed by Luxembourg corporate taxpayers to a related enterprise established in a country or territory included on the EU list of non-cooperative jurisdictions for tax purposes (the EU list).

The Bill introduced a few changes to the draft Bill including the postponement of the entry into force date which was initially expected to be 1 January 2021 and the change to definitions so that the new measures only apply to interest and royalties "owed" and not to interest and royalties actually paid.

For the first year, the Bill will only be applicable to those jurisdictions still officially listed on the EU list as of 1 March 2021. For the following years, it will apply to all jurisdictions that are listed on the most recent EU list as of 1 January of the relevant year. If a jurisdiction is removed from the EU list during the year, the new provisions will cease to apply as from the official date of publication in the *Official Journal of the EU*.

The new law will enter into force on 1 March 2021 and applies to interest and royalties accruing as from that date.

On 26 January 2021, Luxembourg published a Decree in the *Official Gazette* updating the list of jurisdictions with which the Luxembourg Tax Authorities will exchange CbC reports. The Decree adds Andorra, Monaco, Panama and Seychelles to the list of jurisdictions.

The change will be effective as from 30 January 2021 and the CbC reporting concerns fiscal years beginning on or after 1 January 2018.

Malta

On 4 January 2021, the Commissioner for Revenue in Malta issued guidelines in connection with the mandatory automatic exchange of information in relation to cross-border arrangements (DAC6). These guidelines should be read and construed as one with the applicable legislation in Malta.

The guidelines provide additional guidance on terms such as "intermediaries," "relevant taxpayer" and "reportable cross-border arrangement." Moreover, the guidelines describe the individual hallmarks, the information to be reported and the penalty regime.

Mexico

On 2 February 2021, Mexico's tax authorities published the agreement [13/2021](#) in the Mexican *Official Gazette* to establish a threshold for reportable cross-border arrangements under the Mandatory Disclosure Regime in Mexico. The agreement provides that taxpayers or tax

advisors must report arrangements with an aggregate tax benefit of more than \$100 million Mexican pesos (approx. US\$5 million). In order to calculate the threshold, taxpayers or tax advisors must aggregate the tax benefit for all transactions that meet a hallmark for reporting and have at least one tax year in common.

This threshold does not apply to generic transactions or transactions meeting the hallmark for avoiding the exchange of information with foreign tax authorities.

See EY Global Tax Alert, [Mexico establishes threshold for reporting customized transactions under the mandatory disclosure regime](#), dated 3 February 2021.

Morocco

On 18 December 2020, Morocco published [Finance Law 2021](#) in the *Official Gazette*. Finance Law 2021, among others, introduces Master File and Local File requirements in Morocco to companies involved in international intercompany transactions. According to the new rules, a Master File and Local File must be submitted during an audit (within 30 days of request or by the end of the tax audit) if the company's turnover is higher than MAD50 million (approximately US\$5.6 million) or the company's total assets is higher than MAD50 million. Further, failure to comply with these new rules may result in a penalty of 0.5% of the amount of the relevant transactions, with a minimum penalty of MAD200,000 (approximately US\$22,500) per audited year. It is important to note that the burden of proof remains unchanged insofar as transfer pricing documentation that is not submitted during tax audits cannot be presented by the taxpayer for the first time before the local commission of taxation or national commission of tax appeals.

The Law is applicable from 1 January 2021.

Poland

On 2 February 2021, the Polish Government released a draft of the *Act on additional revenues of the National Health Fund, the National Monuments Protection Fund and the establishment of the Fund for Supporting Culture and National Heritage in the Media* (the Bill) to generate additional funds to address the COVID-19 pandemic. The Bill proposes to introduce a new levy on online advertising and traditional media.

The Bill explains that online advertising is understood to be a digital service, that is, a service provided using minimal human participation and broadcast, received or transmitted entirely by means of a telecommunications network. A key element is the data-dependent targeting of advertising based on data collected about the recipient. The levy for online advertising applies to entities whose global revenues reach €750 million for the year and revenues from online advertising in Poland of €5 million for the year.

With respect to traditional media, the Bill includes advertising through television, radio, cinema, and outdoor advertising media. The levy rate for traditional media starts at 7.5% and can be up to 15% for qualified products if the income exceeds PLN50 million (approximately US\$13.4 million).

The proposal is under consultation and the deadline for comments is 16 February 2021. The Bill would enter into effect on 1 July 2021.

See EY Global Tax Alert, [Poland announces consultation period for regulations on premium to be imposed on advertising activity](#), dated 8 February 2021.

South Africa

On 20 January 2021, South Africa published the [Taxation Laws Amendment Act No. 23 of 2020](#) (the *Taxation Act*) introducing new tax provisions. Among others, the *Taxation Act* introduces certain anti-avoidance measures, such as: (i) a deemed disposal by the shareholders of a South African resident company that changes its residence; (ii) extension of transfer pricing rules to cover a tax benefit derived by any resident in respect of a controlled foreign company.

The law entered into effect on 1 January 2021.

Sweden

On 27 June 2021, the Swedish Tax Agency (STA) updated its guidance on MDR with respect to reporting deadlines. In its updated guidance, the STA confirms that the so-called “Sunday rule” applies in determining statutory deadlines for reporting arrangements, meaning that if the standard 30-day deadline for reporting falls on a Saturday, Sunday, or a public holiday, then the information must be reported on the next working (business) day.

The above also applies for the initial 31 January 2021 deadline and the 28 February 2021 deadline. Consequently, the information on reportable arrangements due by those deadlines must be submitted by 1 February 2021 and 1 March 2021, respectively.

Taiwan

In response to global trends around transfer pricing (TP) and effective anti-tax avoidance for cross-border related party transactions, the Taiwan Ministry of Finance has issued Tai-Tsai-Shuei-Zi Ruling No. 10904654700 on 28 December 2020 to detail the amendments to the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm’s-Length Transfer Pricing (TP Regulations). The official amendments will apply to the 2020 Taiwan corporate income tax filings. Among others, the amendments: (i) redefine the definition of intangibles; (ii) prescribe steps that the profit-seeking enterprise and the tax authorities shall follow when evaluating the comparability of the risks borne by the enterprise under a controlled transaction; (iii) require comparability analysis on DEMPE activities in the valuation of intangible transactions; (iv) add Income-based Approach as a TP method in the valuation of intangibles; and (v) stipulate penalties for the undisclosed controlled transactions.

United States

On 4 February 2021, the United States (US) Internal Revenue Service (IRS) updated its [website](#) which includes an up-to-date listing of the jurisdictions with which the US Competent Authority has entered into a Competent Authority Arrangement (CAA) for the automatic exchange of CbC reports and the jurisdictions that are in negotiations for a CAA. In this update, the IRS added Argentina to the list of countries with which the US has signed a CAA for the automatic exchange of CbC reports.

Uruguay

On 20 January 2021, the General Directorate of Taxation from Uruguay published [Resolution 75/2021](#) to extend the deadline for submission of CbC reports. The resolution provides that CbC report filing has been extended until 28 February 2021 for fiscal years ending from 1 January 2020 to 31 January 2020. Prior to this extension, the deadline for CbC report filing was within 12 months following the end of the reporting fiscal year.

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