The Latest on BEPS – 8 October 2018

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OECD

On 27 September 2018, Aruba became the 118th member to join the BEPS Inclusive Framework. As a new BEPS member, Aruba committed to comply with the BEPS minimum standards, which are contained in Action 5 (countering harmful tax practices), Action 6 (preventing treaty abuse), Action 13 (transfer pricing documentation) and Action 14 (enhancing dispute resolution). Aruba will also participate on an equal footing with the members of the Inclusive Framework on the remaining standard setting, as well as the review and monitoring of the implementation of the BEPS package.

Also on 27 September, the OECD announced that four additional jurisdictions, i.e., Australia, France, Japan and the Slovak Republic, have deposited their instrument of ratification, acceptance or approval of *the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS* (MLI) – bringing the total number to 15. At the time of depositing the instrument of ratification, jurisdictions must confirm their MLI positions. Accordingly, Australia confirmed its MLI positions but it removed its tax treaty with Taiwan/Taipei from its list of Covered Tax Agreements (CTAs) and it added a reservation to part VI of the MLI (Mandatory Binding Arbitration), pursuant to Article 23(a) of the MLI. France confirmed its MLI positions but it added three additional tax treaties to its list of CTAs (namely Algeria, Oman and Panama). It also added a reservation to Article 14 of the MLI (permanent establishment – contract splitting rule), and it amended the reservation of Article 28(2)(a) of the MLI (Mandatory Binding Arbitration) by adding a new paragraph. Japan added four tax treaties (namely, Egypt, Kazakhstan, United Arab Emirates, and Ukraine) to its list of CTAs and it amended the reservation of Article 28(2)(a) of the MLI (Mandatory Binding Arbitration) by adding a new paragraph. The Slovak Republic has confirmed its

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preliminary MLI positions without any change. The MLI will enter into force for Australia, France, Japan and the Slovak Republic on the first day of the month following the expiration of a period of three calendar months beginning on the date of the deposit by these jurisdictions of their instrument of ratification, acceptance or approval, i.e., on 1 January 2019.

European Union

On 2 October 2018, the Economic and Financial Affairs Council (ECOFIN) found Liechtenstein and Peru compliant with all its commitments on tax cooperation, and as a consequence, it removed these two countries from annex II of the Council conclusions of 5 December 2017 (the "grey list"), which includes jurisdictions that have undertaken sufficient commitments to reform their tax policies. They remain subject to close monitoring. Furthermore, Palau was removed from the European Union's (EU's) list of non-cooperative jurisdictions for tax purposes during the ECOFIN meeting and it has been moved to Annex II of the Council conclusions. The Finance and Economic Affairs Ministers of the EU Member States agreed that a de-listing was justified in light of an expert assessment of the commitments made by these jurisdictions to address deficiencies identified by the EU. The decision leaves 6 jurisdictions on the list of non-cooperative jurisdictions out of the 17 announced initially on 5 December 2017. These are American Samoa, Guam, Namibia, Samoa, Trinidad and Tobago and the US Virgin Islands.

Australia

On 2 October 2018, the Australian Treasury released a discussion paper on a fairer and more sustainable tax system for the digitalized economy in Australia as announced in the 2018-19 Federal Budget.

The discussion paper does not provide any recommendations on taxation of digital activities at this stage. The paper includes detailed discussion on long-term solutions and interim solutions including those proposed by the United Kingdom and EU and global consideration of a turnover tax on digital activities.

The Australian Treasury is seeking feedback by 30 November 2018 on 13 discussion questions on areas including user-created value and value associated with intangibles, changes to existing profit attribution rules, changes to existing nexus rules, options for broader reform and design considerations for interim options.

See EY Global Tax Alert, *Australian Treasury releases discussion paper on taxation of digital economy*, dated 2 October 2018.

On 26 September 2018, the Australian Taxation Office (ATO) released, in relation to the Diverted Profits Tax (DPT), the final law companion ruling (LCR 2018/6) and practical compliance guideline (PCG 2018/5).

The LCR and PCG follow public consultations on earlier drafts in February-March 2018. Both the LCR and PCG have additional content and refinements which improve the transparency of the DPT laws and taxpayer's engagement with ATO but there is no fundamental change.

The PCG and LCR are important for all significant global entities (SGEs) including members of large groups headed by private companies, trusts or investment entities, which may not be SGEs under the existing definition but are categorized as an SGE under the broader definition introduced in Parliament in September 2018.

See EY Global Tax Alert, *Australian Taxation Office issues final guidance on Diverted Profits Tax risk assessment and compliance approach*, dated 26 September 2018.

On 20 September 2018, the Australian Government introduced into Parliament the *Treasury Laws Amendment (Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures) Bill 2018* which, consistent with the 2018-19 Federal Budget announcements, includes measures to extend Goods and Services Tax (GST) to offshore accommodation booking services. This will require offshore suppliers of rights or options to use commercial accommodation in Australia to include these supplies in working out their GST turnover.

See EY Global Tax Alert, *Australia introduces various tax bills into Parliament*, dated 25 September 2018.

Burkina Faso

On 12 September 2018, the Council of Ministers of Burkina Faso submitted a draft bill to the National Assembly to ratify the MLI. Burkina Faso signed the MLI during the first signing ceremony of the MLI on 7 June 2017. Once the domestic ratification process has been completed, Burkina Faso would need to deposit its instrument of ratification of the MLI with the OECD and confirm its MLI positions.

China-Congo

On 5 September 2018, China and Congo signed a Double Tax Treaty (the Treaty), which contains a number of treaty-based recommendations from the BEPS project contained in Action 2 (neutralizing the effects of hybrid mismatch arrangements), Action 6 (preventing the granting of treaty benefits inappropriate circumstances), and Action 14 (making dispute resolution mechanisms more effective).

The Treaty contains a preamble which clarifies that the tax treaty is not intended to be used to generate double non-taxation or reduced taxation through tax evasion. It also contains a provision dealing with fiscally transparent entities and a Principal Purpose Test. Furthermore, the Treaty provides a period of three years for submission of a mutual agreement procedure (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.

The MLI has no effect on the Treaty as Congo has not signed the MLI, and though China has signed the MLI, it has not included this Treaty as a CTA. For the MLI provisions to have effect on the Treaty, Congo would need to first sign the MLI, and then both jurisdictions would need to include the Treaty in their respective list of CTAs, indicating whether the Treaty falls within the scope of any of the reservations made by that respective jurisdiction.

Cyprus

On 19 September 2018, the Cypriot Tax Department issued an announcement regarding Country-by-Country (CbC) Reporting (CbCR). According to the announcement, when Cyprus and the country of tax residence of the Ultimate Parent Entity (UPE) have a Qualifying Competent Authority Agreement (QCAA) within 12 months after the last day of the reporting fiscal year (RFY), Cyprus will not trigger local filing. The announcement further clarifies that no exchange information agreement is expected to be signed with the United States (US) prior to 31 December 2018 and thus local filing will arise in Cyprus where an MNE group' filed its CbC report in the US. Cypriot Constituent Entities subject to local filing must file a CbC report within 12 months after the last day of the RFY (for example, for a calendar year MNE group this would mean 31 December 2018). Moreover, the CbCR notifications submitted prior to this announcement should be revised in line with the above by the end of December 2018 so penalties are not imposed.

See EY Global Tax Alert, *Cyprus issues announcement on Country-by-Country Reporting obligations related to CbCR exchange relationships*, dated 24 September 2018.

Czech Republic

On 13 June 2018, the Czech Ministry of Finance submitted a draft law implementing the EU Anti-Tax Avoidance Directive (ATAD) to the Czech Parliament. The proposal introduces the following rules: (i) A new provision that limits deductibility for exceeding borrowing costs to 30% of the taxpayer'staxable earnings before interest, tax, depreciation and amortization (tax EBITDA). The tax EBITDA-based limitation should not apply to exceeding borrowing costs up to CZK80 million (approx. €3 million). The new provision will apply alongside the existing thin capitalization rules; (ii) Controlled foreign company (CFC) rules broadly in line with the ATAD. The draft bill proposes approach A, i.e., CFC taxation of certain categories of income; (iii) Hybrid mismatch rules that apply to hybrid mismatches between associated enterprises resulting from different legal classification in two or more jurisdictions; (iv) Exit taxation rules, targeting certain transfers of assets out of the Czech Republic; and (v) A general anti-abuse rule (GAAR) inspired by the ATAD. If approved by the Czech Parliament, the provisions are expected to enter into effect from 1 January 2019 (exit taxation and hybrid mismatch rules as of 2020).

Finland

On 27 September 2018, the Finnish Ministry of Finance has issued a bill introducing new interest deduction limitation rules for the implementation of the EU ATAD. The new interest deduction limitation rules will apply as of 1 January 2019. The new rules significantly expand and tighten the scope and effect of the current Finnish interest deduction rules. The thresholds for the application of the rules would remain the same as in the draft bill published in January (i.e., 25% of tax EBITD i.e., adding back interest expenses, tax depreciations and net group contribution to the taxable profit/loss). The non-deductible net interest expense could be carried forward without time limitation similar to current rules. The bill also proposes certain exceptions to the new interest deduction limitation rules, including an equity ratio based rule.

See EY Global Tax Alert, *Finland publishes new interest deduction limitation rules to be effective as of 1 January 2019*, dated 1 October 2018.

France

On 24 September 2018, the French Government presented the draft Financial Bill for 2019. Among others, the draft bill proposes amendments to the interest limitation rule and implementation of the GAAR in line with the EU ATAD. More specifically, and as a matter of principle, net interest expenses would be deductible from the taxable income of a company only to the extent that they do not exceed the higher of the two following thresholds: (i) €3 million or (ii) 30% of the adjusted taxable income of the company. Interest expenses that are excluded from the deductible expenses of a given fiscal year can be carried forward indefinitely. The draft bill also proposes to transpose into French domestic law the general anti-abuse provision provided by article 6 of the ATAD. The new rules would apply to FYs open as of 1 January 2019.

Furthermore, the draft bill proposes adjustment of the favorable tax regime applicable to patent-related income to comply with the nexus approach of BEPS Action 5. The application of the regime will be conditioned upon the actual performance by the claiming taxpayer of research and development (R&D) activities in France. This modified regime would apply to fiscal years beginning on or after 1 January 2019, irrespective of the date of creation or acquisition of the qualifying patent.

The draft Finance Bill for 2019 will be discussed by the French Parliament over the following weeks and may be subject to amendments. The final version of the Financial Bill for 2019 will be enacted by the end of December 2018.

See EY Global Tax Alert, *French Government releases draft Finance Bill for 2019*, dated 25 September 2018.

Greece

On 25 September 2018, the Greek Independent Authority for Public Revenue (IAPR) published a list of frequently asked questions (FAQs) providing clarifications on CbCR. The FAQs takes into account OECD Guidance on CbCR. Moreover, it provides an overview on the content and the submission of the CbC report, including the status of the exchange relationships with other tax jurisdictions, highlighting the adoption of the *Law on the Ratification of the arrangement Between the Competent Authority of the United States of America and the Competent Authority of the Hellenic Republic on the Exchange of CbC Report*s, signed by the Governor of the IAPR in Oslo on 27 September 2017. According to the FAQs, the IAPR has undertaken to exchange CbC reports with the competent tax authorities within 15 months starting from the end of the reporting period. For the first period, i.e., for reporting fiscal year ending on 31 December 2016, the FAQs state that the IAPR will exchange CbC reports by 30 June 2018. Businesses will not be notified by the IAPR about the actual time of the exchange. In the current situation, there are no countries with which Greece has stated that there is "systemic weakness" (the term "systematic weakness" used in the FAQs seems to be equivalent to the term "systematic failure" of the OECD BEPS Action 13), i.e., that the exchange requirements do not work effectively. In the case of future "systemic weakness," there will be an announcement by the IAPR. Moreover, the FAQs include further clarifications on: (i) who is required to submit the CbC report; (ii) when a surrogate parent entity can be designated; and (iii) certain exceptions to the obligation to file the report. The FAQs also include examples of CbCR and notification obligations. The document is also available in English on the website of the Greek IAPR.

Latvia

On 15 August, 2018, the Latvian Ministry of Finance issued draft amendments to its tax law, introducing CFC rules. The amendments aim to implement the CFC provisions included in the EU ATAD. Based on the draft amendments, Latvia would opt to apply option B of the ATAD, imposing an obligation on Latvian taxpayers to pay tax on non-distributed income of its CFCs derived by from non-genuine arrangements. According to the draft bill, the new rules would enter into force as of 1 January 2019.

Latvia-Switzerland

On 3 September 2018, the amending protocol, which was signed on 2 November 2016 and amends the tax treaty between Latvia and Switzerland (the Treaty), entered into force. It will take effect from 1 January 2019. The amending protocol contains a number of treaty-based recommendations from the BEPS project contained in Action 6 (preventing the granting of treaty benefits inappropriate circumstances) and Action 14 (making dispute resolution mechanisms more effective).

The amending protocol contains the new preamble language that clarifies that the tax treaty is not intended to be used to generate double non-taxation or reduced taxation through tax evasion and avoidance. It also contains a Principal

Purpose Test and it requires a minimum shareholding period of one year to be satisfied in order for a company to be entitled to a reduced rate on dividends from a subsidiary. Furthermore, the amending protocol adds that for any unresolved issued under the Treaty, the MAP provision be submitted to arbitration if the person so requests.

Both Latvia and Switzerland have signed the MLI and this Treaty is not included as a CTA on their preliminary positions. It is expected that the Treaty will not be further modified by the MLI, particularly given that the amending protocol has incorporated the treaty-related BEPS minimum standards into the Treaty.

Netherlands

On 25 September 2018, the Dutch Ministry for Finance launched an internet consultation announced during the Dutch tax budget proposals (see below) on: (i) the Dutch tax treaty policy; and (ii) the list of low-taxed jurisdictions. The list of low-taxed jurisdictions is an important part of the proposed CFC measures. These measures target only undistributed tainted passive income if the CFC is tax resident in: (a) a low-taxed jurisdiction (statutory rate lower than 7%) and included on the exhaustive list that is currently under consultation; or (b) in a jurisdiction that is included on the EU list of non-cooperative jurisdictions. The consultation proposes to include the following jurisdictions on the list: Anguilla, the Bahamas, Bahrain, Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, the Isle of Man, Jersey, Kuwait, Palau, Qatar, Saudi Arabia, the Turks and Caicos Islands, the United Arab Emirates, and Vanuatu.

On 18 September 2018, the Dutch Government published its tax budget proposals (the Proposals) for fiscal year 2019. The Proposals are generally in line with earlier announcements by the Dutch Government.

The Proposals include a gradual reduction of the headline corporate income tax rate to 22.25% (16% over the first €200,000) in 2021 and the abolishment of the Dutch dividend withholding tax as of 1 January 2020. Furthermore, the Proposals include several measures that the EU ATAD requires to be implemented before 1 January 2019, including the introduction of earnings stripping rules and CFC rules for low-taxed controlled foreign companies and permanent establishments.

The Dutch Government also announced plans for further tax changes that have already been announced. The Dutch Government restated its aim to implement the anti-hybrid rules of the ATAD as of 1 January 2020. A public consultation is planned to start before the end of 2018. Furthermore, it is expected that the ratification process of the MLI developed by the OECD will not be completed in 2018. Consequently, the MLI will in principle not take effect before 1 January 2020 with respect to withholding taxes.

See EY Global Tax Alert, *The Netherlands publishes 2019 Budget Proposals*, dated 18 September 2018.

New Zealand

On 30 August 2018, the OECD released the fourth batch of peer review reports relating to the implementation of the BEPS minimum standard under Action 14 on improving tax dispute resolution mechanisms. New Zealand was among the assessed jurisdictions in the fourth batch. New Zealand requested that the OECD also provide feedback concerning their adoption of the Action 14 best practices, and therefore, in addition to the peer review report, the OECD has released an accompanying best practices report.

Overall the report concludes that New Zealand meets almost all of the elements of the Action 14 minimum standard. In the next stage of the peer review process, New Zealand's efforts to address any shortcomings identified in its Stage 1 peer review report will be monitored.

See EY Global Tax Alert, *OECD releases New Zealand peer review report on implementation of Action 14 minimum standard*, dated 1 October 2018.

Nigeria

On 6 September 2018, Nigeria's Federal Inland Revenue Service (FIRS) issued a public notice directing multinational enterprise groups that meet the filing requirement to comply with the CbCR Regulations. The issuance of the public notice aims at boosting the enforcement of the CbCR Regulations. Non-compliance with the CbCR Regulations triggers severe penalties, i.e., NGN10 million in the first instance (approximately US$27,484) and NGN1 million for every month in which the default continues (approximately US$2,748).

In August 2018, the FIRS released *The Income Tax (Transfer Pricing) Regulations, 2018* (new Regulations), with an effective date of 12 March 2018. The new Regulations replace the Income Tax (Transfer Pricing) Regulations, 2012 (old Regulations) and shall apply to financial years beginning after 12 March 2018.

The new Regulations were issued to reflect some of the main transfer pricing (TP) related changes introduced to the 2017 edition of the *Organisation for Economic Co-operation and Development Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD TPG) and the United Nations Practical Manual on Transfer Pricing for Developing Countries* (UN TP Manual). Among others, the new Regulations provide that in justifying the arm's-length nature of an intragroup service charge, taxpayers must conduct the benefit test to establish that services are actually rendered, as well as ensure costs associated with shareholders' activities are not considered in the determination of the intragroup service charge. Furthermore, while the old Regulations were silent on the ways to price commodity transactions, the new Regulations prescribe rules that should apply to transactions involving import and export of commodities. Moreover, the new Regulations include detailed guidance on the determination of arm's-length conditions for controlled transactions involving the exploitation of intangibles.

The new Regulations also incorporate the Master File and Local File requirements as recommended under BEPS Action 13 on TP documentation. Additional requirements beyond the BEPS standard recommendations apply for the Local File. The Master File and Local File should be available at the time of filing income tax returns, which is the earlier of 18 months after incorporation or 6 months after a company's year-end. The Master File and Local File will have to be submitted upon request within 21 days. Significant penalties for non-compliance are included in the new Regulations.

See EY Global Tax Alert, *Nigeria releases new transfer pricing regulations*, dated 7 September 2018.

Panama

On 29 August 2018, Panama's Minister for Foreign Affairs proposed Bill No. 678 to the National Assembly to initiate the process of ratifying the MLI. For more details, see *The Latest on BEPS*, dated 27 August 2018.

See EY Global Tax Alert, *Panama's Minister for Foreign Affairs proposes bill to ratify the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS*, dated 25 September 2018.

Poland

On 25 September 2018, the Polish Government submitted a bill to Parliament, introducing significant changes to the tax law which should come into force from 1 January 2019. The bill affects a broad range of tax aspects. Among others, the following measures are included: (i) introduction of a beneficial Intellectual Property regime (see *The Latest on BEPS* dated 10 September 2018); (ii) implementation of the EU Directive (2018/822) on mandatory disclosure rules in Poland; (iii) clarification changes to the GAAR and the Polish CFC rules in line with the EU ATAD; (iv) introduction of exit taxation rules in line with the EU ATAD; and (v) introduction of rules related to virtual currencies.

See EY Global Tax Alert, *Poland's MoF releases 2019 tax reform – summary of key changes affecting multinational groups*, dated 11 September 2018.

On 20 August 2018, the Polish Ministry of Finance released draft decrees on transfer pricing, which will be replacing the current ones. The new regulations should come into force from 1 January 2019. The package covers the: (i) the decree on the manner of ensuring compliance of conditions between related entities with arm's-length principle; (ii) the decree on the procedure for eliminating double taxation in the event of adjustment of related parties income; (iii) the decree with the list of countries and territories applying harmful tax competition; (iv) the decree on the detailed scope of elements of Local File and Masterfile; and (v) the decree on the detailed scope of data to be provided in the information on transfer prices.

The decrees are part of a broader transfer pricing reform in Poland aimed at: (i) limiting the administrative burden put on taxpayers with regard to preparation of transfer pricing documentation; and (ii) increasing the power/authorization of tax authorities during TP audits.

Qatar

On 9 September 2018, Qatar published in the *Official Gazette* the Ministerial Decision No. 21 of 2018 which introduces CbCR requirements. Under the new rules, a

Qatar tax resident UPE of a multinational enterprise (MNE) group that has annual consolidated group revenue of at least QAR3 billion (approximately US$824 million) in the preceding year will have to prepare a CbC report for financial years starting on or after 1 January 2017. The CbC report should be submitted within 12 months after the end of the reporting fiscal year, i.e., on 31 December 2018 for the first reporting that covers financial year ended 31 December 2017 (FY2017). Furthermore, the UPE should file the annual CbCR notification with Qatar's competent authority by the last day of the reporting year. However, for the first reporting year (FY2017), the CbCR notification could be submitted on or before 31 December 2018.

In addition, any Qatar tax resident constituent entity of an MNE group that has met the QAR3 billion revenue threshold may be required to locally file a CbC report to Qatar's competent authority, if one of the following conditions applies: (i) The UPE of the MNE group is not obligated to file a CbC report in its jurisdiction of tax residence; (ii) The UPE's jurisdiction of tax residence does not have a QCAA in effect with Qatar by 12 months after the last day of the relevant fiscal year; (iii) There has been a systemic failure of the UPE's jurisdiction of tax residence and Qatar's competent authority has notified the constituent entity in Qatar of the systemic failure. However, a constituent entity that is tax resident in Qatar will not be required to locally file a CbC report in Qatar if certain conditions are met (e.g., the Surrogate Parent Entity's (SPE's) jurisdiction of tax residence has a QCAA with Qatar, etc.).

Moreover, for a Qatari tax resident constituent entity that is neither the UPE nor the SPE of an MNE group, it will have to submit a CbCR notification to Qatar's competent authority before 31 December 2018 in respect of the first reporting year FY2017. For the succeeding years, the CbCR notification should be filed with Qatar's competent authority by the last day of the reporting year.

For entities and taxpayers that are registered in the Qatar Financial Centre (QFC), the QFC Tax Department has issued a written notice on 26 September 2018 which effectively adopts the CbCR requirements under the Decision No. 21 of 2018 issued by the Ministry of Finance.

See EY Global Tax Alert, *Qatar introduces Country-by-Country Reporting requirements*, dated 25 September 2018.

Sweden

On 13 September 2018, the Swedish Tax Agency (Skatteverket) updated the transfer pricing guidance by referring to the OECD's new guidance on the application of the approach to hard-to-value intangibles (HTVI) that was published on 21 June 2018. The updated guidance contributes to the OECD's aim to reach a common understanding and practice among tax administrations on how to apply adjustments resulting from the application of the HTVI approach, which is intended to improve consistency and reduce the risk of economic double taxation.

See EY Global Tax Alert, *OECD releases guidance for tax administrations on application of approach to hard-to-value intangibles*, dated 27 June 2018.

Switzerland

On 28 September 2018, the Swiss Parliament approved the final draft of its tax reform. The tax reform foresees the replacement of certain preferential tax regimes with a new set of internationally accepted measures. Among others, the tax reform includes the introduction of a patent box regime, a super deduction for domestic R&D as well as the disclosure of hidden reserves at the moment of transition from preferential to ordinary taxation. As some of the measures are optional, the cantons can tailor their legislation to their specific circumstances. Furthermore, the legislative changes of the tax reform will go along with the intention of a broad reduction of the cantonal corporate tax rates in order to secure the long-term tax attractiveness of Switzerland as a business location.

See EY Global Tax Alert, *Swiss Parliament approves tax reform package*, dated 28 September 2018.

United States

On 13 September 2018, the US Treasury Department and Internal Revenue Service issued highly-anticipated proposed regulations under the global intangible low-taxed income (GILTI) regime. The regulations package also includes proposed amendments and additions to the subpart F income and consolidated return regulations (collectively, the Proposed Regulations). The Proposed Regulations include provisions: (i) describing the manner of calculating the fundamental elements underlying the GILTI inclusion (e.g., "tested income" and "QBAI"); (ii) revising the definition of "pro rata share," for purposes of inclusions of both GILTI and subpart F income; (iii) setting out anti-abuse rules in respect of certain basis "step-up" transactions for purposes of the GILTI regime; (iv) adopting a hybrid "aggregate/entity" approach to US partnerships and their partners for purposes of the GILTI regime; and (v) generally requiring a consolidated group to compute its GILTI inclusion as a group, rather than member-by-member. Generally, the Proposed Regulations, when finalized as final regulations, are effective for tax years of foreign corporations beginning after 31 December 2017, and to tax years of US shareholders in which or with which such tax years of foreign corporations end.

See EY Global Tax alert, *US proposed GILTI regulations implement international tax reform changes*, dated 17 September 2018.

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