17 December 2018

Global Tax Alert

The Latest on BEPS - 17 December 2018

OECD

On 13 December 2018, the OECD released the second annual peer review report (the report) relating to the compliance by members of the Inclusive Framework (IF) on BEPS (BEPS IF) to the minimum standard on Action 5 for the compulsory spontaneous exchange on certain tax rulings (the transparency framework).

The report covers 92 of the 124 BEPS IF jurisdictions including all IF members that joined prior to 1 September 2017 and Jurisdictions of Relevance identified by the IF prior to 1 September 2017.

The report assesses the 2017 calendar-year period. This report will be followed by annual reviews performed at least until 2020, which is the end of the current agreed review period. In next year's peer review process, each assessed jurisdiction's efforts to address any shortcomings identified in the current peer review report will be monitored, and an update on exchange of information statistics will be provided.

As one of the major conclusions it was indicated that until 31 December 2017 almost 16,000 tax rulings in the scope of the transparency framework had been issued by the jurisdictions being reviewed. By 31 December 2017, around 21,000 exchanges of information had taken place, with almost 14,000 exchanges undertaken during 2017 and over 6,000 exchanges during 2016.

Overall, the report concludes that all the assessed jurisdictions either have implemented, or have undertaken steps to implement, the necessary legal framework for the spontaneous exchange of information on rulings for the year in review. Also, the report highlights that the peer review process itself has proven to be very effective, with 60% of recommendations issued in the first annual report just one year ago already successfully addressed.

Building a better working world

See EY Global tax alert, *OECD releases second annual peer review report on Action 5 on the exchange of tax rulings*, dated 14 December 2018.

On 4 December 2018, the OECD announced that Qatar signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the MLI). At the time of signature, Qatar submitted a list of its tax treaties in force that they would like to designate as Covered Tax Agreements (CTAs), i.e., treaties to be amended through the MLI. Together with the list of CTAs, Qatar also submitted a preliminary list of its reservations and notifications in relation to the CTAs (MLI positions) in respect of the various provisions of the MLI. The definitive MLI positions for Qatar will be provided upon the deposit of its instrument of ratification, acceptance or approval of the MLI. As part of the options contained in the MLI, jurisdictions may opt into mandatory binding arbitration, an element of BEPS Action 14 on dispute resolution. Qatar did not opt in for mandatory binding arbitration.

On 30 November 2018, the OECD issued a report to the G20 Leaders (the report) at their summit in Buenos Aires, Argentina, updating them on progress in key areas of the G20/OECD's tax work.

The report contains two parts. Part I provides an update to G20 Leaders on the developments in delivering on the G20's commitments to fight tax evasion and avoidance, advance the tax certainty agenda, and to ensure that developing countries are in a position to leverage the international standards to mobilize their own domestic resources. Part II reports on the activities and achievements of the Global Forum on Transparency and Exchange of Information for Tax Purposes, as well as the next steps to be taken to address the remaining and emerging challenges.

At the conclusion of their summit, the G20 Leaders also issued a communiqué. The communiqué, while touching on the topic of digital on some five occasions, notes that "We will continue our work for a globally fair, sustainable, and modern international tax system based, in particular on tax treaties and transfer pricing rules" and that "We will continue to work together to seek a consensus-based solution to address the impacts of the digitalization of the economy on the international tax system with an update in 2019 and a final report by 2020." Both comments reflect language in the report, and are targeted at ongoing discussions on digital tax solutions being discussed at the European Commission.

See EY Global Tax Alert, *OECD publishes tax report to G20 leaders*, dated 6 December 2018.

On 9 November 2018, the OECD updated the list of signatories of the Multilateral Competent Authority Agreement on the exchange of Country-by-Country (CbC) reports (CbC MCAA). According to this latest update, Peru signed the CbC MCAA on 9 November 2018. The total number of jurisdictions that have joined the CbC MCAA is now 75.

Recently, the OECD released additional exchange relationships that have been activated under the CbC MCAA. Currently, together with the exchange relationships under the European Union (EU) Council Directive 2016/881/EU and the bilateral competent authority agreements for exchanges under Double Tax Conventions or Tax Information Exchange Agreements, there are over 2,000 automatic exchange relationships established among jurisdictions committed to exchanging CbC reports. The full list of automatic exchange relationships that are in place and an update on the implementation of the domestic legal framework for CbC reporting (CbCR) in jurisdictions are available on the OECD website. With this update, Andorra and Peru have been included on the list of countries that have activated for the first time exchange relationships for CbCR. Andorra has activated 45 exchange relationships, while Peru activated 41 exchange relationships.

European Union

On 7 December 2018, a notice from the European Commission on the measures that are equally effective to the interest limitation rules in Article 4 of the Anti-tax Avoidance Directive (ATAD) was published in the *Official Journal of the EU*. Article 4 of the ATAD requires the Member States to introduce interest limitation rules that shall be transposed into national law by 31 December 2018. According to Article 11(6) ATAD, Member States which have national targeted rules for preventing BEPS risks at 8 August 2016, which are equally effective to the interest limitation rule set out in the ATAD, may apply these targeted rules until the end of the first full fiscal year following the date of publication of the agreement between the OECD members on a minimum standard with regard to BEPS Action 4, but at the latest until 1 January 2024. To that end, Member States should have communicated to the Commission before 1 July 2017 all information necessary for evaluating the effectiveness of the national targeted rules for preventing BEPS risks. The evaluation by the EU Commission of the notified rules involved two criteria: (i) the notified measure should, as a minimum requirement, not produce significantly less revenue than the interest limitation rule on the basis of Article 4 ATAD, and (ii) the notified national measure was deemed "equally effective" to Article 4 ATAD when its application would lead to a similar or higher tax liability for a majority of large undertakings (all firms except small and medium-sized enterprises) as compared with the estimated result under the ATAD interest limitation rule. The EU Commission considered the domestic rules of France, Greece, Slovakia, Slovenia and Spain, as notified by the Member State concerned, to be equally effective to the ATAD interest limitation rules. As per Article 11(6) ATAD, these member states may apply these rules at the latest until 1 January 2024.

On 4 December 2018, members of the Economic and Financial Affairs Council (ECOFIN, or the Council) discussed the European Commission's proposal to establish a digital services tax (DST) during their monthly meeting.

According to a press release issued at the conclusion of the meeting, ministers based their discussions on two key documents: (i) A DST compromise text containing the elements that the Austrian Presidency says have the most support from Member States; (ii) A joint declaration by the French and German delegations, which was put forward to the ministers, in which they invite the European Commission and the Council to amend and refocus its draft directive for a DST to a tax base referring to the provision of advertisements only, on the basis of a 3% tax on turnover.

The Austrian Presidency recommended that the Council working group continues working on the basis of the latest Presidency compromise text as well as the elements proposed in the Franco-German declaration, with the aim of reaching an agreement as soon as possible. Pierre Moscovici, the European Commissioner for Economic and Financial Affairs, Taxation and Customs, is reported as mentioning a March timeframe. Any agreement, importantly, would come after an anticipated January 2019 communication from the OECD on digital taxation.

In addition to discussions on digital taxation, the Council also adopted three short legislative acts aimed at adjusting some of the EU's value added tax (VAT) rules, in order to fix four specific issues pending the introduction of a new VAT system. Ministers also endorsed a report to the European Council on tax issues, as well as a report by the Code of Conduct group on business taxation, together with Council conclusions, which also addressed cooperation with jurisdictions outside the EU.

See EY Global Tax Alert, *ECOFIN agrees to extend discussions on Digital Services Tax, taking into account a new proposal from France and Germany*, dated 4 December 2018.

Argentina

On 20 November 2018, the Argentine Public Revenues Secretary has published on its website a draft decree (the Decree), which contains proposed regulations to implement the tax reform enacted by Law 27,430 (the Law). Among others, the Decree would introduce (i) guidelines and parameters for the application of TP methods and the documentation requirements, including the local file, master file and CbC report, (ii) clarifications on profit attribution, fixed place of business, and dependent agents, (iii) substantive guidelines on "personal and material means" requirements in the context of controlled foreign corporation (CFC) rules, and (iv) a clarification that 30% of the earnings before interest, taxes, depreciation and amortization limit may not apply to interest subject to withholding tax, even when the provisions of a tax treaty (e.g., reduced rates or exemptions) apply. The Decree will enter into force once the Executive Power has it published in the *Official Gazette*.

See EY Global Tax Alert, *Argentina publishes draft regulatory decree to implement tax reform*, dated 6 December 2018.

Australia

On 28 November 2018, the ATO issued a notice giving Significant Global Entities required to file CbC reporting obligations (i.e. Local file, Master file and Country-by-Country report) for the year ended 31 December 2017 by 31 December 2018 with an extension until 15 January 2019.

Belgium

On 7 December 2018, the Belgian Tax Authorities announced that they will grant an extension for the filing of some BEPS 13 related documentation which were due between 31 December 2018 and 28 February 2019. Specifically, an extension is granted for the filing of the Master File (form 275MF), the Local File (form 275LF) and the CbCR notification (form 275CBCNOT). For those transfer pricing documentations, the reporting deadline has been extended until 28 February 2019. The extension does not apply for the CbC report (form 275CBC) nor for the corporate income tax return.

Bulgaria

On 27 November 2018, the amendments to the *Corporate Income Tax Act* were published in the *Official Gazette* of Bulgaria. The amendments will enter into force on 1 January 2019. Among others, Bulgaria transposed the CFC rules and the interest limitation rule in line with the EU ATAD. For more information, see the Latest on BEPS, dated 22 October 2018.

Colombia

On 16 November 2018, the Colombian National Tax Authority issued Administrative Regulation No. 0055 of 2018 (the Regulation) that provides information on the filing of the CbC report for tax year 2017. Among others, the Regulation provides information on the scope of application of the CbC rules, the information to be included in the CbC report, and the procedure to file the CbC report through the official form.

Czech Republic

On 9 November 2018, the Czech Tax Authorities have released a new guidance on advance pricing agreements (APA). The new APA guidance contains three parts and it discusses (i) the common principles of issuing APAs, (ii) the specific issues regarding issuing APAs for the determination of the applicable transfer pricing method used between related parties and (iii) the method for determining the taxable base of permanent establishments of nonresidents. The new APA guidance will apply for taxable periods starting on or after 1 January 2018.

Denmark

On 30 November 2018, the Danish Government released for public consultation a draft law for the implementation of the MLI. According to the draft law, Denmark will implement all provisions of the MLI without any reservations. However, Denmark intends narrow the scope of the provision on Arbitration to specific cases. The public consultation is available until 4 January 2019. The law is expected to be enacted before summer 2019.

See EY Global Tax Alert, *Denmark releases draft bill to implement OECD's MLI for public comment*, dated 4 December 2018.

Germany

On 13 December 2018, the Competent Authority of the United States and the Competent Authority of the Federal Republic of Germany signed a new Joint Statement on the implementation of the spontaneous exchange of CbC reports for 2017 fiscal years. The new Joint Statement covers CbC reports with respect to fiscal years of multinational enterprise (MNE) groups commencing on or after 1 January 2017 and before 1 January 2018. Also, the two countries are currently negotiating a Competent Authority Agreement to allow for the automatic exchange of CbC reports.

Hungary

On 13 November 2018, the Hungarian Parliament approved the tax bill that implements certain provisions of the EU ATAD that have not yet been transposed to Hungarian legislation, as well as adjusts some already introduced provisions thereto. Among others, the adopted law introduces the following: (i) Interest limitation rule of a 30% earnings before interest, taxes, depreciation and amortization (EBITDA) – which does not apply to interest expense up to €3 million. Companies will be able to carry forward interest expenses disallowed due to the 30% EBITDA rule. The limitation does not apply to back-to-back financing. Existing thin capitalization rules will be abolished; (ii) Amendments to the rules on CFCs will introduce Option B (non-distributed income from non-genuine arrangements) instead of Option A (predefined categories of non-distributed (passive) income). The previous rules which allowed for an exemption based on a publicly traded test will be abolished as it was concluded not to be compliant with ATAD. Foreign entities and permanent establishments (PE) that meet certain profitability thresholds will be excluded from the CFC rules. Non-EU PEs the income of which is exempt in Hungary based on the relevant double tax treaty will also be excluded from the CFC rules.

The measures will apply as of 1 January 2019.

Iceland

On 5 December 2018, the Icelandic Minister of Finance and Economic Affairs issued a proposal amending the national existing legislation on the deductibility of interest expenses and CFC rules. Iceland already has rules in its domestic tax law limiting the deduction of net interest expense (article 57b of the *Income Tax Act*) and targeting the CFC (article 57a).

The purpose of the proposed amendments is to align the Icelandic domestic tax law with the ATAD requirements. It is proposed that the restrictions of interest payments do not apply to group of companies entitled to joint taxation, when all companies of the group are resident in Iceland. The proposal is expected to be adopted before 31 December 2018. If the proposal will be adopted the amendments will be affected as of 1 January 2019.

India

On 22 November 2018, the Indian tax administration issued an instruction to the Indian tax authorities outlining the recommended approach to deal with templates received from foreign jurisdictions containing information with respect to certain taxpayer-specific rulings. By background, one of the priorities as per Action 5 of the BEPS project is to improve transparency and it recommends, inter alia, spontaneous exchange of certain taxpayer-specific rulings between jurisdictions, which could give rise to BEPS concerns in absence of such exchange. Pursuant to this transparency framework under Action 5, India is receiving templates containing such information from foreign jurisdictions. The instruction provides a brief description of each type of ruling exchanged under Action 5, the significance thereof and the approach recommended to deal with such rulings in the taxation of residents in India. The instruction also indicates that further information could be obtained from the relevant foreign jurisdictions through the mechanism of exchange of information. The instruction emphasizes that the any information received is subject to requirements of confidentiality under the tax treaties with the respective jurisdictions and the Indian tax authorities are directed to strictly follow detailed internal guidelines on maintaining confidentiality. The Instruction comes into force with immediate effect.

Indonesia

On 21 November 2018, Indonesia's Director General of Taxation (DGT) issued DGT Regulation No. 25/PJ/2018 (PER-25) revising the anti-tax treaty abuse rules in Indonesia. PER-25 is effective as of 1 January 2019. PER-25 includes the introduction of a new treaty claim form (Form DGT), a simplified procedure for the nonresident to provide Form DGT to Indonesian counterparts and also some modifications to both the anti-tax treaty abuse and beneficial ownership (BO) tests.

A new provision within the anti-tax treaty abuse test involves wording similar to the principal purposes test as recommended under BEPS Action 6 of the OECD and in the MLI, where the nonresident should confirm that there is no arrangement of transactions, either directly or indirectly with the objective to obtain benefits from the income tax treaty, such as reduction of tax burden and/or double non-taxation in any country or jurisdiction, which contradicts the purpose and objectives of the income tax treaty. This new provision makes it clear that there is an overarching purpose test which could lead to significant uncertainty in practice and require detailed consideration of the "purposes and objectives" of a treaty.

Another relevant update concerns the BO test, specifically on the question to confirm on whether the nonresident uses 50% or more of its income to fulfil obligations to other parties. Unlike the prior rules, a distribution of profits as dividends to shareholders does not constitute an excluded payment for this purpose. As a result, questions will be expected as to the eligibility of a treaty claim in certain structures when an initial recipient of Indonesian income passes the income in the form of dividends to its shareholders.

See EY Global Tax Alert, *Indonesia releases amendments to the anti-tax treaty abuse rules*, dated 6 December 2018.

Italy

On 28 November 2018, the Italian Council of Ministers approved the Legislative Decree for the transposition of the EU ATAD I and ATAD II into domestic law. For more information, see *The Latest on BEPS*, dated 24 September 2018.

Japan

On 16 November 2018, the Japanese government published the synthesized text of the Japanese tax treaties with Australia as modified by the MLI. The Japanese government also published the synthesized text of the Japanese tax treaties with France on 3 December 2018. The synthesized text reflects the agreement reached between the relevant authorities of both Japan and these jurisdictions on how the treaties should be impacted by the MLI.

Luxembourg

On 6 December 2018, the Luxembourg Government issued an updated draft law which will implement the ATAD, taking into consideration the comments made by the State Council on 14 November 2018. The amendments compared to the initial draft law are mainly of a linguistic nature and do not impact the substance of the provisions concerned. Among others, the updated draft law proposes (i) the replacement of the wording of the grandfathering provision in relation with the interest limitation rule by the exact wording of the grandfathering provision of the ATAD; (ii) amendment of the anti-hybrid mismatch provisions, where it has been clarified that only payments may give rise to a deduction without inclusion, to align with the wording of the ATAD; and (iii) some further clarifications on the CFC rules. The draft law should be enacted before year-end in order to be applicable to financial years starting on or after 1 January 2019.

See EY Global Tax Alert, *Luxembourg Government adopts amendments to Draft ATAD Implementation Law*, dated 7 December 2018.

Malaysia

On 2 November 2018, Malaysia released its 2019 Budget proposals, followed up the release of draft legislation on 19 November 2018 and the passing of the draft legislation (with some changes) by the lower house on 10 December 2018. Among the key proposals are the (i) introduction of a definition for "place of business" in Malaysia (which is similar in some ways to the PE concept in tax treaties); (ii) introduction of "earnings stripping" provisions; (iii) the amendment of the definition of "control" for transfer pricing purposes which is broadened to include situations where the share capital held by a person or a third person is 20% or more (combined with certain other factors being present) and (iv) various changes to the Labuan tax regime. The place of business definition is effective once the legislation is adopted whilst the earning stripping provisions, the control definition changes and Labuan tax regime changes will be effective 1 January 2019.

The new place of business definition includes situations where another person (an agent) acts on behalf of the nonresident and habitually concludes contracts or habitually playing the principal role leading to the conclusion of contracts that are routinely concluded without material modification; habitually maintains a stock of goods or merchandise in that place of business from which such person delivers goods or merchandise; or regularly fills orders on his behalf. However, exclusions for activities which are regarded as preparatory or auxiliary have not been included in the place of business definition. In addition, the definition states that a warehouse is considered as a place of business. It should be noted that the place of business definition would generally only be relevant to persons from countries which have not concluded a tax treaty with Malaysia. Where a tax treaty is in force, the provisions of the tax treaty would be referred to, to assess whether a permanent establishment exists in Malaysia. It is expected that guidelines or a public ruling will be issued to clarify how this place of business definition will be implemented in practice.

Although the earning stripping provisions have been introduced in the draft legislation, the implementation mechanics have not been specified yet and it is not yet known to what extent interest expenses will be restricted. The provisions are subject to Rules, to be released. It is expected that the Rules will provide more details on the earnings stripping provisions.

Among the key changes to the Labuan tax regime are the following: (i) Labuan entities are allowed to carry on activities in Ringgit Malaysia and/or with Malaysian residents, and still fall within the scope of the Labuan tax regime; (ii) The flat RM20,000 (US$5,000) tax will be repealed; consequently, Labuan companies carrying out a Labuan trading activity will be taxed at 3% of net audited profits; (iii) Income generated from intellectual property assets held by a Labuan entity will be subject to tax under the *Malaysian Income Tax Act 1967* and can no longer be taxed under the Labuan tax regime; (iv) Malaysian residents will not be allowed a tax deduction on any payment made to Labuan entities unless certain conditions are complied with – these conditions will be laid out in Rules, which have yet to be issued; and (iv) Labuan activities will be subject to substantive conditions as determined by a committee.

See EY Global Tax Alert, *Malaysia releases 2019 Budget*, dated 4 December 2018.

Malta

On 11 December 2018, the Minister for Finance transposed the provisions of ATAD 1 by L.N. 411 of 2018 (L.N. 411). ATAD 1 put forward some major tax policy changes to Maltese law because it provided for a genre of norms that were previously not contemplated in Maltese tax law at all. Among these new rules are structured mandatory CFC rules aimed at deterring profit shifting to a low/no tax country. In terms of the newly introduced CFC rules, the non-distributed income of low-taxed CFCs arising from 'non-genuine arrangements which have been put in place for the essential purpose of obtaining a tax advantage' (Option B) must be included in the tax base of the Maltese taxpayer, limited to amounts generated through assets and risks which are linked to significant people functions carried out by the Maltese taxpayer. L.N. 411 provides for the de minimis thresholds for CFCs allowed by ATAD 1. Exit taxes as envisaged by ATAD 1 are another new concept to be introduced in Maltese law by way of L.N. 411. Updated interest limitation rules have also been introduced by way of L.N. 411. These new rules limit the deductibility of exceeding borrowing costs to 30% of the taxpayer's EBIDTA or a higher percentage if the taxpayer can demonstrate that the ratio of its equity over total assets is equal to or higher than the equivalent ratio of the group. The EBIDTA-based limitation will not apply for exceeding borrowing costs of up to €3 million and with respect to loans used to fund certain long-term public infrastructure projects or concluded before 17 June 2016. It will also not apply with respect to standalone entities and financial undertakings. Malta has chosen to provide its taxpayers with the right to carry forward, without time limitation, exceeding borrowing costs and, for a maximum of 5 years, unused interest capacity, which may not be deducted in the current tax period. L.N. 411 also puts forward a general anti-abuse rule (GAAR) to counteract aggressive tax planning. Given that the wording of the GAAR contemplated by ATAD is comparable to the wording already contained in Article 51 of the *Income Tax Act*, ATAD 1's introduction of a new GAAR is not expected to leave a huge impact.

The provisions of LN. 411 shall apply from 1 January 2019 (and from 1 January 2020 in the case of exit taxes) to all companies as well as other entities, trusts and similar arrangements that are subject to tax in Malta in the same manner as companies, including entities that are not resident in Malta but have a permanent establishment in Malta provided that they are subject to tax in Malta as companies (taxpayers).

Mauritius

On 10 October 2018, Mauritius submitted an updated draft MLI position to the OECD Secretariat in preparation of Mauritius' definitive MLI Position to be provided upon the deposit of its instrument of ratification. According to the updated MLI position, Mauritius added 18 additional treaties to the list of tax treaties in force that it would like to designate as CTAs, i.e., treaties to be amended through the MLI. Furthermore, Mauritius updated some of its notifications. The MLI will enter into force for Mauritius 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 Mauritius of its instrument of ratification with the OECD.

Switzerland

On 4 December 2018, the Swiss Council of States approved the draft bill of the MLI. The MLI has been submitted for further approval by the National Assembly. Once the ratification process is completed, Switzerland will need to deposit its instrument of ratification of the MLI with the OECD. The MLI will enter into force for Switzerland on the first day of the month following the expiration of a period of three calendar months beginning on the date of the deposit of such instrument.

Taiwan

On 3 December 2018, the Taiwan Ministry of Finance (MOF) published the list of countries with which Taiwan has concluded a bilateral Competent Authority Agreement (CAA) on the Exchange of CbC reports. The released list comprises two jurisdictions, namely Japan (newly added) and New Zealand. This information is relevant for determining whether an MNE group would be subject to CbC local filing in Taiwan for reporting fiscal year 2017.

Tanzania

In November 2018, the Government of Tanzania issued the Tax Administration (Transfer Pricing) Regulations, 2018 (the Regulations), which revoke and replace the Income Tax (Transfer Pricing) Regulations of 2014. The new Regulations introduce additional transfer pricing rules and requirements that were not included in the previous regulations. Among others, the Regulations introduce the following measures: (i) for taxpayers with related party transactions of Tanzanian shillings (TZS) 10 billion (i.e., approximately US$4.3 million) or more in a taxable year, the new Regulations require them to file the transfer pricing documentation with the final return of income. Taxpayers that do not reach the TZS10 billion threshold do not have to submit the contemporaneous transfer pricing documentation to the Tanzania Revenue Authority (TRA), but must have it in place by the due date for filing the corporate income tax return for that year. Upon request, the transfer pricing documentation should be submitted to the TRA within 30 days; (ii) in the context of intra group services, the Regulations introduce requirements regarding the acceptability of allocation keys used when non-directly allocable services are performed for various related parties; (iii) regarding commodity transactions, the Regulations regulate that controlled commodity transactions should be priced using the comparable uncontrolled price method.

See EY Global Tax Alert, *Tanzania issues new Transfer Pricing Regulations*, dated 5 December 2018.

United Kingdom

On 6 December 2018, HM Revenue & Customs (HMRC) published the synthesized text of the 2006 UK-Poland Double Taxation Convention, displaying the modifications made to the treaty by the MLI. The synthesized text reflects the agreement reached between the relevant tax authorities of both UK and Poland on how the treaty should be impacted by the MLI. The provisions of the MLI entered into force for Poland on 1 July 2018 and on 1 October 2018 for the UK. The provisions of the MLI will have effect with respect to the UK-Poland Double Taxation Convention on (i) 1 January 2019 for taxes withheld at source in both jurisdictions, (ii) 1 April 2019 with respect to all other taxes levied by Poland and for corporation tax in the UK, and (iii) 6 April 2019 for income tax and capital gains tax in the UK.

United States

On 11 December 2018, the Internal Revenue Service (IRS) added Hungary to the list of countries with which the United States has signed a Competent Authority Agreement (CAA) for the automatic exchange of CbC reports. The IRS maintains a website that includes an up-to-date listing of the jurisdictions with which the US Competent Authority has entered into CAAs and the jurisdictions that are in negotiations for a CAA. The IRS is in the process of negotiating CAAs with another six countries and is expected to update this database as other agreements are concluded.

Also, on the same date, the IRS released a joint statement on the Exchange of Country-by-Country Reports which was signed between France and the United States. The joint statement explains that the two countries are negotiating a CAA to allow for the automatic exchange of CbC reports. However, the Competent Authorities, without waiting for the negotiation's conclusion, desire to exchange CbC reports with respect to fiscal years of MNE groups commencing on or after 1 January 2017. The Competent Authorities intend to spontaneously exchange CbC reports for fiscal years of MNE groups commencing on or after 1 January 2017 and before 1 January 2018. The new Joint Statement is similar the Joint Statement signed for Fiscal Year 2016, though one difference is that the spontaneous exchange is intended no later than 15 months after the last day of the fiscal year of the MNE group (previously it was 18 months).

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