



International Tax Europe and Africa January 2016

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG member firms in the Europe and Africa regions between **1 January and 31 January 2016**.

Belgium	EU	France	Gibraltar	Ireland	Italy
Mauritius	Norway	Poland	Serbia	South Africa	UK

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	Tax area concerned	Relevant date/Case reference	Description of measures and publication link (<i>Considerations in italic where necessary</i>)
Belgium			
Tax legislation adopted and regulatory update	Corporate income tax / WHT	28 December 2015	A law that implements into Belgian tax law a judgment of the Court of Justice of the European Union (CJEU) was published in the Belgian official gazette. The Belgian income tax law has been changed to comply with the CJEU judgment that addressed the different treatment allowing resident companies to claim a dividends-received deduction and to credit the withholding tax on dividends from participations below 10 percent, but above EUR 1.2 million (at that time, currently EUR 2.5 million) against Belgian corporate income tax, but not allowing a non-resident company to claim the same treatment. Read more
Administrative and case-law	Corporate income tax / State aid	January 2016	The European Commission announced it has concluded that selective tax advantages granted by Belgium under its "excess profit" tax regime are illegal under EU state aid rules. The EC's investigation showed that the regime derogated from normal

			practice under Belgian company tax rules and the "arm's length principle." Read more
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EU			
Tax legislation adopted and regulatory update	Trade	January 2016	The EU has lifted nuclear-related economic and financial sanctions imposed against Iran now that the International Atomic Energy Agency has verified that Iran has implemented its nuclear-related commitments under the Joint Comprehensive Plan of Action. Read more
Proposed legislation	BEPS / Country-by-country reporting	28 January 2016	The European Commission ("EC") unveiled new measures to address corporation tax avoidance. The EC presented an anti-tax avoidance package that includes two legislative proposals addressing certain anti-base erosion and profit shifting issues and non-public country-by-country reporting as well as a common approach to tax good governance towards third countries and recommendations to address treaty abuse. Read more
Administrative and case-law	Corporate income tax / State aid	21 January 2016	The EC issued a release announcing that it is requiring the Netherlands to repeal an exemption from corporate tax for six seaports, to align the tax regime with EU state aid rules. The EC also proposed in two separate decisions that Belgium and France align their taxation of ports with state aid rules. Read more

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France			
Tax legislation adopted and regulatory update	Various tax areas	January 2016	Several pieces of legislation have been published in the official journal. They refer to: <ul style="list-style-type: none"> — parent-subsidiary regime — withholding tax exemption regime, dividends paid to European parent company — revenue distributed to foreign companies in liquidation — taxation regime of intragroup dividends paid between EU entities — country-by-country reporting — transfer pricing declaration

			<ul style="list-style-type: none"> — French “company social solidarity contribution” — “exceptional depreciation” provided by the Macron Act. <p>Read more</p>
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Gibraltar			
Tax legislation adopted and regulatory update	Tax compliance	January 2016	<p>New statutory provisions in Gibraltar revise the filing obligations of companies incorporated in Gibraltar that declare dividends.</p> <p>Read more</p>

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Ireland			
Tax legislation adopted and regulatory update	Knowledge development box	January 2016	<p>The government in 2015 proposed the “knowledge development box” tax incentive as a replacement for the “double Irish” regime. The final version of the knowledge development box as unveiled in the budget 2016, however, is somewhat different—it is narrower in scope, and contrary to expectations, those taxpayers that may benefit the most from the knowledge development box in the short term are likely to be Irish small and medium size enterprises, rather than large corporations whose Irish operations were originally intended to gain the most.</p> <p>Read more</p>

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Italy			
Tax legislation adopted and regulatory update	Various tax areas	30 December 2015	<p>The budget was published in the Italian official gazette on 30 December 2015. The budget law introduces significant changes relating to Italy’s corporate income tax, including:</p> <ul style="list-style-type: none"> — reduced corporate income tax rate, effective 2017 (reduced from 27.5 percent to 24 percent from 2017) — increased corporate income tax rate for credit and financial institutions — extended statute of limitations for VAT and income tax assessments (extended from four years to five years)

			<ul style="list-style-type: none"> — new penalty system for noncompliance with tax rules, effective 2016 — changes to anti-avoidance rules relating or involving “black list” (i.e., preferential tax) jurisdictions for deductible costs and expenses, and CFC rules — country-by-country reporting — measures to address international tax evasion — amendments to the “patent box” regime — new definition of “permanent establishment” for the gaming business — additional “bonus” depreciation of certain tangible assets — amortization period reduced to five years for higher values of goodwill and trademarks resulting from business reorganizations — “step-up” of business assets for accounting and tax purposes. <p>Read more</p>
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Mauritius			
Tax legislation adopted and regulatory update	Country-by-country reporting	January 2015	<p>The Mauritius Revenue Authority in announced that the date for implementing the common reporting standard (CRS) has been deferred. The original implementation date for CRS had been set for 1 January 2016.</p> <p>Read more</p>

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Norway			
Proposed legislation	Country-by-country reporting	January 2015	<p>The Norwegian Ministry of Finance published a public consultation paper regarding country-by country reporting for tax purposes. The proposal suggests that multinational groups—when the ultimate parent company is a resident in Norway—would be required to submit country-by country reports. The reporting requirements could also affect foreign group entities that are residents in Norway if certain conditions are met.</p> <p>Read more</p>

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Poland			
Tax legislation adopted and regulatory update	R&D	1 February 2016	Grants to fund research and development projects are being made available in Poland. The grant program will provide support to businesses and a consortia of companies. The application process for grant funding is available beginning 1 February and will be ending 1 March 2016. Read more
Proposed legislation	Tax compliance	23 December 2015 / 1 July 2016	The Ministry of Finance announced draft guidelines of the structure and format of electronic tax records and accounting documents that will constitute the "standard" tax audit file. Read more

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Serbia			
Tax legislation adopted and regulatory update	Excise tax	1 January 2016	Changes to Serbia's tax laws, effective 1 January 2016, concern tax administration and tax procedure provisions and the excise tax (duties) imposed on certain oil and gas products, alcoholic beverages, and supplies of electricity. Read more

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South Africa			
Tax legislation adopted and regulatory update		7 January 2016	Binding General Ruling (BGR) No. 30 has been issued to clarify the treatment of expenses of insurance companies, acceptable to the South African Revenue Service. BGR No. 30 thus applies for allocation of direct and indirect operating expenses within and between the funds that are required to be established by insurers. Read more

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UK			
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