



International Tax Europe and Africa June 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 June and 30 June 2016**.

Belgium	France	Netherlands	Tanzania
Bulgaria	Germany	Nigeria	Turkey
Czech Republic	Hungary	Poland	Uganda
Denmark	Italy	Rwanda	UK
EU	Kenya	South Africa	
Finland	Luxembourg	Switzerland	

For a full summary of global tax developments, visit kpmg.com/TaxNewsFlash.

To contact the International Tax Team email internationaltax@kpmg.com.

To register for the International Tax webcasts, click [here](#).

	Tax area concerned	Relevant date/Case reference	Description of measures and publication link (<i>Considerations in italic where necessary</i>)
Belgium			
Proposed legislation	WHT	1 July 2016	The Belgian government approved a draft law that would modify the “catch all” clause that imposes a withholding tax on Belgium-sourced income of non-residents that would have been taxable if the income had been received by Belgian residents (in both treaty and non-treaty situations). The draft law has been sent to the Council of State for advice, with the new clause scheduled to be effective 1 July 2016. Read more

[Back to top](#)

Bulgaria			
Tax legislation adopted and regulatory update	Tax incentives	1 July 2016	Changes to the rules for registering companies located in “preferential tax regime” jurisdictions were published in the state gazette and are effective 1 July 2016. Read more

[Back to top](#)

Czech Republic			
Proposed legislation	Tax compliance	1 January 2017	An EU directive—that introduces a system of non-financial reporting—is to be transposed into the Czech legal system by December 2016, and thus requiring the initial disclosure of non-financial information for the accounting period beginning on or after 1 January 2017. The proposed change to the Czech Republic accounting law concerning the non-financial reporting has been submitted to the parliament. Read more

[Back to top](#)

Denmark			
Administrative and case law	WHT	13 June 2016	The Danish tax authorities issued administrative guidance that reduces the statute of limitations for filing Danish dividend withholding refund claims (reclaims) from five years to three years, going forward. The reduction in the statute of limitations is based on a different interpretation of statutory language. Read more

[Back to top](#)

EU			
Tax legislation adopted and regulatory update	Automatic exchanges of information	25 May 2016	The European Council adopted a Directive that amends Directive 2011/16/EU with regard to mandatory automatic exchanges of information in the field of taxation. Read more

Proposed legislation	Customs	June 2016	Electronic products used by consumers and businesses typically are subject to customs duty when imported into the European Union and other jurisdictions. A recently signed World Trade Organization trade agreement on information technology—known as the “ITA expansion”—is expected to eliminate customs duties on a range of electronic products for import into a number of markets, including the EU. Read more
	Tax avoidance	21 June 2016	The European Commission announced that the EU Member States have agreed on new rules to eliminate certain corporate tax avoidance practices. These measures target tax avoidance reportedly practiced by certain large multinationals, and build on standards developed by the OECD in the BEPS project. Read more
Other	Brexit /Customs / VAT	June 2016	With the vote in the UK to leave the European Union, businesses need to give consideration to trade and customs and VAT implications of “Brexit.” Read more
	Trade	June 2016	KPMG in the Netherlands has prepared a report that examines developments concerning EU trade-related sanctions. Read more
	Brexit / Various tax areas	June 2016	UK voters decided on 23 June 2016 in favor of leaving the EU. KPMG has prepared a report on the potential tax consequences of the “Brexit”. Read more

[Back to top](#)

Finland			
Administrative and case law	Corporate income tax / Debt push-down	May 2016	Finland’s Supreme Administrative Court issued decisions concerning the deductibility of interest costs in debt push-down arrangements, holding such interest expenses may not be deductible when the acquired shares to which the debt relates cannot be allocated to a branch’s assets or when the arrangement can be deemed to be tax avoidance transactions. Read more
	WHT	June 2016	Recent developments in Finland concern the treatment of claims for refund of withholding tax or exemption from withholding tax by non-residents of

			Finland. Read more
--	--	--	---------------------------------------

[Back to top](#)

France			
Administrative and case law	VAT	June 2016	The high court in France held that non-refundable and unused multiple-entry movie theater cards and books of tickets are subject to VAT. Read more
Other	Brexit / Various tax areas	June 2016	Fidal, a French law firm that is independent from KPMG and its member firms, prepared a report on the practical consequences of the “Brexit” vote, as well as the timing of their application for French taxpayer. Read more

[Back to top](#)

Germany			
Tax legislation adopted and regulatory update	Various tax areas	June 2016	KPMG in Germany has prepared a report about tax developments in Germany. Read more

[Back to top](#)

Hungary			
Proposed legislation	Various tax areas	June 2016	The Hungarian Parliament passed tax legislation that was proposed by the government in May 2016, and the legislation is currently pending enactment assuming that the president will sign it. Read more

[Back to top](#)

Italy			
Tax legislation adopted and regulatory update	Corporate income tax / Depreciation	June 2016	The Italian revenue agency issued guidance concerning the 40 percent increase in depreciation that may be available with respect to investments in new tangible assets. Read more

Financial transaction tax	June 2016	The Italian tax agency issued regulations that update the “black list” of countries or territories for purposes of the financial transaction tax. Read more
Tax incentives	June 2016	Guidance has been issued to implement a tax break—30 percent of employment income is exempt from the individual income tax made available for certain workers who move to Italy. The tax exemption is available for a five-year period. Read more
Tax rulings	June 2016	A ministerial decree and guidance from the Italian tax agency set forth the processes and procedures for implementing a new version of a tax ruling system for enterprises that intend to make “substantial investments” in Italy (investments of not less than EUR 30 million). Read more

[Back to top](#)

Kenya

Proposed legislation	Various tax areas	9 June 2016	The budget for 2016-2017 in Kenya, reflects what are described as “nominal” tax increases despite an aggressive increase in revenue targets. Accordingly, it is anticipated that tax administration and a focus on revenue collection will be enhanced. Read more
----------------------	-------------------	-------------	--

[Back to top](#)

Luxembourg

Treaties	Double tax treaties	22 June 2016	The Luxembourg government submitted a bill to the Parliament, with respect to a Protocol that would modify the existing income tax treaty between Luxembourg and the United States. Read more
----------	---------------------	--------------	--

[Back to top](#)

Netherlands

Tax legislation adopted and regulatory update	Employment law	17 June 2016	A decree published provides that rules concerning the employment conditions of seconded employees, under EU law, are transposed into Dutch law and
---	----------------	--------------	--

			have entered into force. Read more
	Immigration	1 October 2016	The Dutch Immigration and Naturalization Service announced that Japanese nationals will no longer have free access to the Dutch labor market, effective 1 October 2016. Accordingly, Japanese workers will no longer be exempt from the obligation to obtain a work permit. Read more
Other	Brexit / Various tax areas	June 2016	KPMG in the Netherlands prepared a report on the potential tax consequences of the “Brexit”. Read more

[Back to top](#)

Nigeria			
Tax legislation adopted and regulatory update	Foreign exchange policy	June 2016	The Central Bank of Nigeria announced a “flexible” foreign exchange policy. Read more
	WHT	June 2016	The Federal Ministry of Finance approved recommendations from the Federal Inland Revenue Service to withdraw and revoke a rate reduction for withholding tax. Read more
Administrative and case law	VAT	June 2016	The Tax Appeal Tribunal held that the taxpayer on billing a non-resident affiliate for reimbursable expenses at a mark-up of 12 percent, correctly applied VAT to the mark-up portion only because Nigeria’s VAT law only imposes tax on the supply of goods and services, and not on reimbursable expenses. Read more

[Back to top](#)

Poland			
Tax legislation adopted and regulatory update	R&D	2016	Businesses in Poland can apply up to the end of 2016 for government-sponsored funding and support for research and development projects. Read more

[Back to top](#)

Rwanda			
Tax legislation adopted and regulatory update	Corporate income tax	9 June 2016	The 2016 budget for Rwanda, includes a proposal to repeal corporate income tax for international companies with headquarters in Rwanda and with an investment of USD\$10 million. Read more

[Back to top](#)

South Africa			
Other	Anti-tax avoidance	June 2016	Johan van der Walt, Head of Tax Controversy, KPMG South Africa, explains the possible implications for South African residents of Australia of South Africa's new Special Voluntary Disclosure Programme. Read more

[Back to top](#)

Switzerland			
Proposed legislation	Corporate income tax / R&D	June 2016	Switzerland's National Council—following action of the Council of States—adopted a final decision concerning a package of corporate tax reform referred to as “CTR III” or “corporate tax reform III.” Read more

[Back to top](#)

Tanzania			
Proposed legislation	Corporate income tax / WHT	9 June 2016	The 2016 budget includes a proposal to repeal the tax exemptions on dividends from shares held by a resident person or shares held by a non-resident whose controlling interest in the dividend paying company is less than 25 percent. Also, the 5 percent withholding tax rate on dividends would be increased to 10 percent. Read more

[Back to top](#)

Turkey			
Proposed legislation	Tax incentives	June 2016	A draft law submitted to the Turkish Parliament is intended to enhance the investment environment in Turkey. The draft law proposes to introduce additional

			exemptions and incentives for taxpayers as well as regulating the use of certain financial instruments. Read more
--	--	--	--

[Back to top](#)

Uganda			
Proposed legislation	Various tax areas	9 June 2016	The 2016 budget includes certain tax measures that focus on the oil and gas industry. Read more

[Back to top](#)

UK			
Proposed legislation	Various tax areas	June 2016	A number of amendments have been proposed to this year's Finance Bill. Amendments include: <ul style="list-style-type: none"> — investors' relief — serial tax avoidance — general anti-abuse rule. Read more
	WHT	June 2016	The UK Governments launched a consultation that will consider whether the Double Taxation Treaty Passport scheme is still fit for purpose and the potential to extend its scope. Read more
Other	Brexit / Various tax areas	June 2016	KPMG in the UK hosted a webcast regarding the EU referendum that discussed initial steps that organizations need to consider. Read more
			KPMG prepared several reports on how to manage the Brexit. Read more

[Back to top](#)

kpmg.com/socialmedia



kpmg.com/app





Privacy | Legal

© 2016 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Designed by Evalueserve.
Publication Number: 133639C-G