



International Tax Europe and Africa July 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 July and 31 July 2016**.

Belgium	Gibraltar	Poland	Sweden
Czech Republic	Italy	Portugal	Switzerland
EU	Luxembourg	Romania	UK
France	Macedonia	South Africa	
Germany	Netherlands	Spain	

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

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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	Patent box regime	30 June 2016	The Parliament has approved a law modifying the Belgian regime of patent income deduction. The legislation provides for the repeal of the current patent box regime, effective 30 June 2016. Read more
	Corporate tax	July 2016	The Belgian parliament approved proposed legislation to harmonize and combine several Belgian bank taxes and levies into a single "bank tax." Read more
Administrative and case law	Reporting requirements	14 July 2016	A "program law" extends a requirement to report payments totaling at least EUR€100,000 per financial year, when the payments are remitted to persons or

			entities located in “tax haven” states or jurisdictions. Read more
Treaties	Dividends	30 June 2016	The Court of Justice of the European Union (CJEU) issued a judgment concluding that the freedom of capital does not preclude an EU Member State from treating dividends received from another EU Member State less favorably than those received from a third country, as a result of an obligation arising from a tax treaty concluded with the third country. Read more

[Back to top](#)

Czech Republic

Administrative and case law	VAT	July 2016	A committee of the Chamber of Deputies and the General Financial Directorate discussed several VAT related issues. Read more
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[Back to top](#)

EU

Tax legislation adopted and regulatory update	Supply chain	15 July 2016	The European Commission today announced that the European Union and China have agreed to expand the “smart and secure trade lanes” (SSTL) pilot project that allows testing end-to-end supply chain security instruments and mechanisms in line with WCO SAFE framework of standards. Read more
	Brexit implications	July 2016	Following the “Brexit” vote, there are questions concerning what the UK’s trade relationships will look like. Whatever those may be in the future, right now it appears to be clear that the goods produced in or coming from the UK will lose their status of EU preferential origin. Read more
Proposed legislation	Tax transparency /Anti-avoidance measures	5 July 2016	European Commission’s proposal on UBO registers and Communication on tax transparency, anti-avoidance and anti-evasion measures. Read more

[Back to top](#)

France

Proposed legislation	Corporate tax	6 July 2016	French Prime Minister Manuel Valls announced certain tax measures and incentives as part of a plan to attract new investments – particularly in the financial sector – into France. Read more
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[Back to top](#)

Germany

Proposed legislation	BEPS	June 2016	The Ministry of Finance (BMF) published a ministerial draft bill in June 2016 on implementation of Country-by-Country (CbC) reporting and other measures under the base erosion and profit shifting (BEPS) project. Read more
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[Back to top](#)

Gibraltar

Proposed legislation	Brexit implications	5 July 2016	The first “post-Brexit” budget was presented on 5 July 2016, and includes the following tax measures. Read more
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[Back to top](#)

Italy

Administrative and case law		June 2016	A June 2016 decree, issued by the Ministry of Economy and Finance, implements a “fast-track” advance tax ruling program that aims at enhanced taxpayer certainty in dealings with the tax authority. Read more
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[Back to top](#)

Luxembourg

Proposed legislation	Tax reform	July 2016	The Luxembourg government filed draft legislation with the parliament to implement tax reform, as announced earlier this year. Read more
		1 July 2016	As announced by the Luxembourg government earlier this year, the reduction of the tax rate on gains realized from the disposal of certain real estate owned by private individuals is now in force as of 1 July 2016 Read more

[Back to top](#)

Macedonia			
KPMG Publications	General tax issues	July 2016	The KPMG member firm in Macedonia prepared a tax card for 2016—a quick reference guide providing the most common tax rates and issues. Read more

[Back to top](#)

Netherlands			
Proposed legislation	VAT	July 2016	There is a pending bill that would simplify the refund process for value added tax (VAT) and energy tax in instances when the invoice for payment—the invoice that includes VAT or energy tax—will not be paid. Read more
Administrative and case law	VAT	17 July 2016	An appeal pending before the Dutch Supreme Court is from a judgment of the Court of Appeals that held that value added tax (VAT) on costs that are not “recharged” by a pension fund to the employer is non-deductible. Read more
	Corporate tax	July 2016	The Dutch Supreme Court has referred two issues to the Court of Justice of the European Union (CJEU) concerning questions related to fiscal unity under the Corporate income tax law. Read more

[Back to top](#)

Poland			
Tax legislation adopted and regulatory update	GST	6 July 2016	The Sejm (Senate) passed a bill to enact a retail sales tax. The retail sales tax legislation has an effective date of 1 September 2016. Read more

[Back to top](#)

Portugal			
Administrative and case law	Withholding tax	July 2016	The Court of Justice of the European Union (CJEU) issued a judgment concluding that Portugal's withholding tax on interest paid to non-resident financial institutions was contrary to EU law because

			the tax was imposed on the gross amount of the interest paid—whereas resident financial institutions were taxed on their net income. Read more
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[Back to top](#)

Romania

Administrative and case law	VAT	15 July 2016	Guidance (Order no. 2048) issued in July 2016 by the tax authorities makes changes to Form 088 with respect to value added tax (VAT) reporting requirements. Read more
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[Back to top](#)

South Africa

KPMG Publication	Voluntary Disclosure Programme	13 July 2016	Johan van der Walt, Head of Tax Controversy, KPMG South Africa, outlines the latest developments in South Africa's Special Voluntary Disclosure Programme. Read more
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[Back to top](#)

Spain

Treaties	Brexit implications	July 2016	Initial impressions indicate that the Spanish tax implications of the UK's vote to leave the European Union will concern cross-border transactions, trade-related matters, and the structure of Spanish groups operating in the UK—until and depending on any future agreements reached by the United Kingdom with the EU and third countries. Read more
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[Back to top](#)

Sweden

Administrative and case law	Tax transparency	July 2016	The government has directed the Swedish tax agency (Skatteverket) to review and consider a requirement that large companies must make their tax policy publicly available (such as posting the tax policy on their websites). Read more
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[Back to top](#)

Switzerland			
Proposed legislation	Tax rates	23 June 2016	Following the latest discussions on federal level regarding the Corporate tax Reform III, the Zurich cantonal government decided to reduce its ordinary tax rate from the current 21.1 percent to 18.2 percent (effective tax rate for federal, cantonal and communal tax purposes) which is ultimately beneficial to all Zurich companies. Read more
KPMG Publication	Brexit implications	July 2016	What does "Brexit" mean for resident non-domiciles and their existing or future Swiss connections? Read more
	Tax transparency	June 2016	The purpose of the Automatic Exchange of Information (AEOI) is the prevention of tax evasion by holding assets abroad. Read more

[Back to top](#)

United Kingdom			
Proposed legislation	Corporate tax	July 2016	A number of Government amendments have been proposed to the draft hybrid mismatch rules (Part 6A TIOPA 2010) in Finance Bill 2016. Read more
	Brexit implications	July 2016	The Committee Stage is complete and the date for the Report Stage has been set for September 2016. Read more
	VAT	July 2016	Following the UK referendum, the impact of leaving the EU will have far reaching implications for VAT and Customs Duty. Read more
	Corporate tax	July 2016	In a recent interview, George Osborne announced plans to reduce the UK CT rate to 15 percent. Read more
	Withholding tax	July 2016	The Finance Bill amendments include changes to the tax treatment of royalties arising in the UK. Read more
Administrative and case law	Leasing rules	July 2016	HMRC are to publish a discussion document on changes to the UK tax rules for leased plant and machinery. Read more

KPMG publications	Corporate tax	25 July 2016	The report covers various research into corporate tax reform initiatives both domestically and internationally. Read more
	Brexit implications	July 2016	Our briefing document addresses the initial accounting and reporting impacts. Read more
		July 2016	We consider the issues surrounding the use of the UK as a holding company jurisdiction post-Brexit. Read more

[Back to top](#)

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