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International Tax - Europe and Africa
Newsletter

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 December and 31 December 2013**.

Austria	Germany	Nigeria	South Africa
Belgium	Hungary	OECD	Spain
Bulgaria	Ireland	Poland	Sweden
Czech Republic	Luxembourg	Romania	Switzerland
European Union	Malta	Russia	Ukraine
France	Netherlands	Serbia	United Kingdom

To contact the International Tax Group in Russia and the CIS go to the Contacts section

	Tax area concerned	Relevant date/case reference	Description of measures and publication link *(Considerations in italic where necessary)*
Austria			
Proposed legislation	Corporate income tax	2014	The newly formed Austrian government on 13 December 2013 announced its proposals for tax reform. Read more

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Belgium			
Tax legislation adopted and regulatory update	R&D	December 2013	The European Commission announced the launch of “an in-depth investigation” to determine whether Belgium’s implementation of a system of support for innovative companies—i.e. R&D incentives—is in line with EU rules on state aid. Read more

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Bulgaria			
Tax legislation adopted and regulatory update	VAT	1 January 2014	Changes to Bulgaria's VAT law, published in the official gazette in November and December 2013, are effective 1 January 2014. Read more

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Czech Republic			
Tax legislation adopted and regulatory update	Investment incentives	Beginning of 2014	An important fact that may indirectly affect the tax liability of Czech corporations is the end of the current seven-year (2007-2013) period for receiving regional aid through EU programs and the beginning of a new one, which will be associated with new rules in this area beginning 2014. Read more

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European Union			
Tax legislation adopted and regulatory update	Customs	1 May 2016	The European Commission posted a reminder that the substantive provisions of the Uniform Customs Code (that entered into force 30 October 2013) will be effective 1 May 2016. Read more
		1 January 2014	The European Commission announced new forms are to be used as from 1 January 2014, with respect to customs enforcement of intellectual property rights. Read more
	Jet fuel duties	1 January 2014	The European Commission announced that duties on jet fuel imports will be suspended as from 1 January 2014. Read more
	Tax fraud and evasion	5 December 2013	The European Commission issued a report on progress in its efforts to address tax fraud and evasion. Read more
Proposed legislation	Customs	13 December 2013	The European Commission proposed a directive to establish a framework for addressing customs infringements and align the rules of the 28 EU Member States. Read more

	Digital taxation	12 December 2013	The European Commission opened the first meeting of the “high level expert group on digital taxation” which will consider how best to tax the digital economy—particularly in light of measures to address corporate tax avoidance. Read more
Administrative and case law	Excise tax	*European Commission v Ireland and Others* C-272/12 P	The Court of Justice of the European Union (CJEU) issued a judgment that, for a second time, set aside a judgment of the EU General Court that had annulled a decision of the European Commission finding exemptions from excise tax on mineral oils used as fuel for alumina production granted by France, Ireland, and Italy to be in breach of EU state aid rules. Read more

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France			
Tax legislation adopted and regulatory update	Transfer pricing	(5 May 2014)—or before 5 November 2014	Recently enacted transfer pricing legislation includes a new requirement for large taxpayers to file annually an “abridged” version of their transfer pricing documentation. Read more
	Exceptional tax	2013-4	France's Finance Bill for 2014 (published 30 December 2013) includes an “exceptional” tax (surcharge) on salaries and remunerations exceeding €1 million when paid to individuals in 2013 and 2014 by enterprises established in France. Read more
	Transfer pricing	2014	The Finance Bill for 2014 (published 30 December 2013) contains transfer pricing provisions, but certain controversial provisions were “censured”—i.e., rejected as unconstitutional—by the Constitutional Court (Conseil Constitutionnel). Read more
Proposed legislation	Transfer pricing	2014	Part 2 of the draft Finance Bill for 2014 is still under discussion in the French National Assembly, after it was rejected by the Senate in late November 2013. Read more

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Germany			
Proposed legislation	Tax evasion / FATCA	November 2013	A coalition agreement in late November 2013 includes an explanation of the tax policies

			proposed by the coalition parties of the German lower house. Read more
Administrative and case law	VAT	December 2013	Germany's federal tax court addressed whether the amount of VAT input is to be deducted only until the year when the invoice is issued, instead of an earlier year when the supplies are provided. The decision has consequences for the assessment of interest on VAT liabilities. Read more

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Hungary			
Tax legislation adopted and regulatory update	Various taxes	2014	Tax law changes in Hungary that generally are effective in 2014 include the corporate income tax, VAT, excise tax, and individual (personal) income tax provisions. Read more

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Ireland			
Proposed legislation	Various taxes	December 2013	Ireland's Finance (No. 2) Bill 2013 is expected to be enacted as Finance (No. 2) Act 2013 by the end of December 2013. Read more

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Luxembourg			
Tax legislation adopted and regulatory update	Exchange of information	2014-5	Legislation transposing an EU directive for the automatic cooperation in taxation into Luxembourg tax law is scheduled to provide for the first automatic exchange of information to occur in 2015 with respect to information concerning 2014. Read more
Treaties	DTT	1 January 2014	An income tax treaty between Luxembourg and the Seychelles entered into force 19 August 2013, and is effective beginning 1 January 2014. Read more

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Malta

Treaties	FATCA	16 December 2013	Representatives of the governments of Malta and the United States on 16 December 2013 signed an intergovernmental agreement to implement the FATCA provisions under U.S. law. Read more

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Netherlands			
Tax legislation adopted and regulatory update	Corporate income tax/ Additional Tier 1 capital	1 January 2014	The Dutch Deputy Minister of Finance on 16 December 2013 announced that banks will be able to deduct, for tax purposes, the returns realized on “additional Tier 1 capital” even if issued after 1 January 2014. Read more
	Transfer pricing	27 November 2013	The Dutch Deputy Minister of Finance in late November 2013 issued a decree that generally unifies and clarifies prior transfer pricing guidance, and withdraws and cancels prior decrees from 2001 and 2004. Read more
	Non-residents registration	6 January 2014	A law that will be effective 6 January 2014 in the Netherlands will replace the social security number and will introduce the RNI as a means of registering non-residents. Read more
	Pension plans	1 January 2014	Because Dutch tax relief for accrued pension rights will be scaled back beginning in 2014, taxpayers need to review all pension plans to confirm they are acceptable for tax purposes and, if necessary, amend the plans. This review must be completed prior to 1 January 2014 to manage penalty risk (which could be substantial). Read more
	DTT	1 January 2014	In recent years, the Netherlands concluded a number of tax treaties containing a “Limitation of Benefits” (LOB) article that includes a “catch all” clause. Such clauses are found in the income tax treaties concluded with the United States, Japan, Barbados, Kuwait, Bahrain, Hong Kong, and Panama. The authority to deal with such requests is being transferred to the APA/ATR team of the Dutch Tax and Customs Administration in Rotterdam. Read more
Proposed legislation	Pension plans	1 January 2015	An agreement reached among the parliamentary parties and the government

			would provide for changes to the tax rules for pension plans in the Netherlands. Read more
Administrative and case law	Dividend withholding tax	December 2013	The Dutch Supreme Court filed with the CJEU requests for preliminary rulings in three cases concerning the imposition of Dutch withholding tax on dividends distributed to Belgian shareholders and withholding tax on dividends distributed to a French bank. Read more
Treaties	FATCA	18 December 2013	Representatives of the Netherlands and the United States signed an intergovernmental agreement for the automatic exchange of data between the tax authorities of both countries—and thus implementing the U.S. legislation known as FATCA. Read more
	Avoidance of double taxation	12 December 2013	Representatives of the governments of the Netherlands and Curaçao on 12 December 2013 reached an agreement on a new regulation for the avoidance of double taxation between the two countries (referred to as the BRNC). Read more

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Nigeria			
Tax legislation adopted and regulatory update	Tax compliance	December 2013	Nigeria's state internal revenue authorities are reported to be more aggressive in recent dealings with taxpayers. Read more

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OECD			
Tax legislation adopted and regulatory update	Tax revenue statistics	December 2013	The OECD announced that tax revenues continue to rise across the OECD. Read more
Proposed legislation	Transfer pricing	December 2013	The transfer pricing of intangibles has attracted political and media attentions as governments try to understand and limit tax BEPS. Read more

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Poland

Tax legislation adopted and regulatory update	VAT	Beginning of 2014	The rules in Poland concerning claims of input credits for VAT paid with respect to the acquisition of motor vehicles for the time being will remain unchanged beginning in 2014. Read more
		1 January 2014	Changes to Poland's VAT law that are effective 1 January 2014 include: • the date when VAT liability arises (the tax point date) • a new definition of taxable base • new rules for input VAT deductions • new provisions of intra-Community acquisitions of goods • rules for partial deductions for real estate transactions and certain financial transactions and services • changes to the rules for VAT exemptions • changes to the rules for when to supply VAT invoices. Read more

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Romania			
Tax legislation adopted and regulatory update	VAT	25 November 2013	Romania's Minister of Public Finances approved guidance concerning the procedure for granting the import VAT deferment payment certificate and issuing the guarantee for imports of goods. Read more

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Russia			
Tax legislation adopted and regulatory update	Customs	3 December 2013	The European Commission reported on 3 December 2013 that the Russian customs service announced that the application of the TIR procedure in Russia will continue. This announcement revises an earlier statement (as previously reported by the EC). Read more

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Serbia			
Proposed legislation	Various taxes	2014	The Serbian government recently proposed tax law amendments that are now for discussion by

			the Serbian Parliament. Read more

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South Africa			
Tax legislation adopted and regulatory update	Energy taxation & incentives	December 2013	Specific taxes and incentives for renewable energy in South Africa include: • carbon emissions incentives - Certified emissions reduction exemption • energy efficiency incentives - Industrial policy projects additional allowance • energy efficiency savings allowance (legislation that is not yet effective) • production of renewable energy and fuels allowance • R&D allowance • environmental incentives - Environmental treatment and recycling or waste disposal asset allowance • government grants/subsidies. Read more

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Spain			
Tax legislation adopted and regulatory update	Financial institutions	1 January 2014	New law (RDL 14/2013) transposes into Spanish tax law the EU directives and regulations concerning the supervision and solvency of financial institutions. Read more
	Tax compliance	January 2014	There is a new reporting requirement for Spanish companies holding balances or conducting transactions with foreign companies that exceed €1 million during 2013. The information reports can be due as early as January 2014. Read more

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Sweden			
Tax legislation adopted and regulatory update	R&D	1 January 2014	Legislation recently passed by the Swedish Riksdag enables companies with personnel working with R&D to reduce their employer social security costs. Read more

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Switzerland			
Proposed legislation	Corporate income tax	19 December 2013	The Swiss Federal Council on 19 December 2013 released a final report on a plan known as “Corporate Tax Reform III.” Read more

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Ukraine			
Tax legislation adopted and regulatory update	Corporate income tax/ VAT/ Tax accounting	2014	The Verkhovna Rada of Ukraine on 19 December 2013 passed Law No. 3757 that establishes tax rates and tax accounting rules for 2014. Read more

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United Kingdom			
Tax legislation adopted and regulatory update	Country-by-country reporting	December 2013	Regulations—Capital Requirement (Country-by-Country Reporting) Regulation 2013—and associated guidance have been published, and implement Article 89 of the Capital Requirements Directive IV requiring credit institutions and investment firms to report information on activities, employees, turnover (and ultimately profit, corporate taxes paid and subsidies) on a country-by-country basis. Read more
Proposed legislation	Finance Bill/ Corporate income tax	2014	The release of the Finance Bill 2014 draft clauses is the next stage in the UK’s tax policy cycle. Read more
			Draft clauses for the United Kingdom's 2014 Finance Bill follow the 2013 "Autumn Statement" on Thursday, 5 December. Read more
			The KPMG member firm in the UK has prepared a report that pulls together and describes the tax proposals in the 2013 “Autumn Statement.” Read more
			The UK Chancellor on Thursday 5 December, delivered his “Autumn Statement.” Read more

Administrative and case law	Tax refunds	Test Claimants in the Franked Investment Income Group Litigation v. Commissioners of Inland Revenue, C-362/12 (12 December 2013).	The CJEU issued a judgment concluding that EU law precludes UK measures that had the effect of depriving taxpayers—without notice and retroactively—of a remedy for a refund of tax that was levied in breach of EU law. Read more

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

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