

International Tax 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 January and 31 January 2014**.

Albania	Gibraltar	Netherlands	Spain
Belgium	Greece	OECD	Switzerland
Bulgaria	Ireland	Poland	Turkey
Czech Republic	Italy	Romania	Ukraine
Estonia	Liechtenstein	Serbia	United Kingdom
European Union	Luxembourg	Slovakia	
France	Mauritius	South Africa	

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 (<i>Considerations in italic where necessary</i>)
Albania			
Tax legislation adopted and regulatory update	Corporate income tax/ VAT	December 2013	The Albanian Parliament in late December 2013 approved an increase in the rate of corporate income tax to 15 percent (up from 10 percent). Other changes affect the VAT with respect to hydrocarbon operations and medicines and medical supplies. Read more

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Belgium			
Tax legislation adopted and regulatory update	VAT	January 2014	The Belgian VAT authorities issued guidance that describes and comments on the conditions and application of a "self-billing" system. Read more
Proposed legislation	Expatriates taxation	January 2014	The Belgian government has proposed legislation to amend the rules for determining the non-resident

			individual income tax as applicable to expatriates. Read more
Other	Taxation of credit institutions	January 2014	The European Commission requested that Belgium amend its law on the taxation of transactions in certain securities. The Belgian law only allows credit institutions established in Belgium to operate settlement systems with tax clearing. The settlement systems in question are those that permit the holding and transfer of fixed-interest securities. Read more

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Bulgaria			
Tax legislation adopted and regulatory update	Tax avoidance	1 January 2014	A new law in Bulgaria (effective 1 January 2014) aims to counter tax avoidance by preventing companies located in “preferential tax regime jurisdictions” (and persons related to such companies) from acquiring public funds, participating in privatization transactions, or managing financial resources. Read more
	Renewable energy sector	1 January 2014	Changes to Bulgaria’s renewable energy law are effective 1 January 2014 and include: <ul style="list-style-type: none"> • limited volume of produced electricity purchased via feed-in tariff • a fee relating to electricity produced by solar PV and wind power plants. Read more

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Czech Republic			
Tax legislation adopted and regulatory update	Real estate tax	2014	Certain taxpayers in the Czech Republic must file real estate tax returns in 2014, even if they neither acquired nor sold real estate. Yet, there may be a decrease in the amount of the tax liability for some of these taxpayers. Read more

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Estonia			
Treaties	DTT	1 January 2014	Six new income tax treaties joined Estonia’s income tax treaty network beginning 1 January 2014. The six new agreements that entered into force are with Bahrain, Thailand, Cyprus, Mexico, Turkmenistan, and Uzbekistan. Read more

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European Union			
Tax legislation adopted and regulatory upd	VAT	June 2013	The European Commission announced that the EU VAT Forum extended for another year a pilot project aimed at improving legal certainty for SMEs in their cross border VAT transactions. Read more
	Custom duties	October 2013	The European Commission issued a press release announcing that a major joint customs operation, which targeted smuggled cigarettes, diesel fuel, and vodka, prevented a significant potential loss to the budgets of the European Union and its Member States. According to preliminary estimates, this would have amounted to about €9 million in the form of evaded customs duties and taxes. Read more
		1 January 2014	The new Generalized System of Preferences regime in the European Union was effective 1 January 2014. Read more
		January 2014	The European Commission has prepared a manual with guidelines explaining how holders of intellectual property rights can file applications for customs departments to protect the rights at customs borders. Read more
		1 January 2015	As of 1 January 2015, imports of goods originating from China, Ecuador, the Maldives, and Thailand will no longer benefit from a zero or reduced EU customs duty rate, unless these countries enter into free trade agreements with the European Union. Read more
	VAT	2014	The European Commission released a report listing the VAT rates applicable in the EU Member States for 2014. Read more
Proposed legislation	Digital taxation	14-15 January 2014	The European Commission's "high level expert group on digital taxation"—which is considering how best to tax the digital economy, particularly in light of measures to address corporate tax avoidance—held its second meeting on 14-15 January 2014. Read more
	Taxation of mobile EU citizens	2014	The European Commission announced a targeted initiative to consider whether EU citizens residing in an EU Member State, other than their own, are penalized and taxed more heavily as a result of their

			mobility. Read more
	Customs duties	1 May 2016	The customs treatment of royalties and license fees is a crucial part in the development of new EU customs legislation—known as the Union Customs Code (UCC). The UCC and its implementing provisions are scheduled to be effective 1 May 2016, and would replace the current Community Customs Code and its implementing provisions. Read more

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France			
Tax legislation adopted and regulatory update	VAT	1 January 2014	The rates of VAT in France, effective 1 January 2014, are as follows: <ul style="list-style-type: none"> • The standard 19.6 percent VAT rate is increased to 20 percent. • The intermediary 7 percent VAT rate (applicable to the food service industry, work performed on residential properties, domestic passenger transport, hotel industry, drugs authorized for marketing but not covered by social security, etc.) has been increased to 10 percent. • The 8 percent rate applicable in Corsica (construction work, etc.) has been increased to 10 percent. While initially, there was legislative action that would have lowered the “reduced VAT rate” of 5.5 percent to 5 percent, that change was not enacted. Consequently, the “reduced VAT rate” of 5.5 percent is still effective. Read more
	Finance Act 2014	2014	Tax legislative packages in France—known as the “Finance Act for 2014” and the “Corrective Finance Act for 2013”—were approved by the French Parliament on 19 December 2013; scrutinized by the Constitutional Court on 29 December 2013; and eventually enacted into law on 30 December 2013. Read more

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Gibraltar			
Tax legislation adopted and regulatory update	Royalties taxation	1 January 2014	In Gibraltar, recently enacted legislation amends the income tax treatment of royalties. The changes are effective 1 January 2014. Read more

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Greece			
Tax legislation adopted and regulatory update	Real estate tax	December 2013	Legislation concerning real estate tax was passed by the Greek Parliament in late December 2013. Read more

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Ireland			
Tax legislation adopted and regulatory update	FATCA	25 April 2014	The Irish Revenue Commissioners have confirmed that there will not be a separate Irish registration process for Irish financial institutions pursuant to FATCA, and that Irish financial institutions will only need to register for a Global Intermediary Identification Number (GIIN) with the IRS. The next major milestone in the road to FATCA compliance will be to register online via the IRS portal to obtain a GIIN by 25 April 2014 in order to be included on the first list of approved foreign financial institutions to be published by the IRS on 2 June 2014. Read more
	Tax compliance	31 March 2014	The deadline for filing information returns for 2013 concerning employee-share participation schemes (plans) is 31 March 2014. Read more

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Italy			
Treaties	FATCA	10 January 2014	Representatives of the governments of Italy and the United States signed an intergovernmental agreement to implement provisions of U.S. law known as FATCA. Read more

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Liechtenstein			
Treaties	TIEA	26 January 2014	A tax information exchange agreement between Liechtenstein and Canada entered into force on 26 January 2014. Read more

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Luxembourg			
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Treaties	DTT	December 2013	An income tax treaty between Kazakhstan and Luxembourg entered into force in December 2013. Read more
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Mauritius			
Treaties	TIEA/FATCA	January 2014	Representatives of the governments of Mauritius and the United States signed a tax information exchange agreement and an intergovernmental agreement to implement provisions under U.S. law known as FATCA. Read more

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Netherlands			
Tax legislation adopted and regulatory update	Labor market rules	1 January 2014	New law in the Netherlands (known as the “Foreign Nationals Employment Act” and effective 1 January 2014) concerns changes to the current labor market rules. Read more
	VAT	2014	Entrepreneurs not established in the Netherlands but subject to VAT can appoint a fiscal representative to fulfill their VAT obligations. Read more
		2013	A “taxable person”—for VAT purposes—with company cars that are also used by employees for private purposes will need to make a VAT adjustment (generally, an adjustment of 2.7 percent of the catalog price of the car). Read more
Proposed legislation	Pension plans	2014	A proposal, presented on 20 January 2014, would amend pension accrual rates and would impose a limit on “pensionable” income. Read more
Treaties	FATCA	18 December 2013	A memorandum of understanding provides certain relief and clarifications concerning the intergovernmental agreement for the automatic exchange of data between the tax authorities of the Netherlands and the United States, implementing the U.S. legislation known as FATCA. Read more

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OECD

Tax legislation adopted and regulatory update	BEPS	23 January 2014	The OECD on 23 January 2014 presented a webcast, <i>BEPS action plan: update on 2014 deliverables</i> . Read more
Proposed legislation	BEPS	23 February 2014	The OECD released an initial draft of revised guidance on transfer pricing documentation and country-by-country reporting pursuant to Action 13 under the BEPS Action Plan. Read more

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Poland			
Proposed legislation	VAT	March 2014	A draft of changes to the rules for input VAT deduction for vehicles has been published, and is likely to be effective from March 2014. Read more
KPMG publications	Government grants/ Financing programs	2014	KPMG in Poland has produced reports concerning government grants or financing programs. Read more

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Romania			
Tax legislation adopted and regulatory update	Indirect taxes	Beginning of 2014	KPMG in Romania prepared reports on the following changes that generally are effective beginning in 2014: <ul style="list-style-type: none"> • Ordinance no. 111/2013 was published in the official journal in December 2013, and contains tax law changes for the VAT cash accounting system and for postponing a planned increase in excise tax duties for certain energy products. • Order no. 3713/2013 was published in the official journal in December 2013 and concerns rules for filing the form for application of the VAT reverse-charge mechanism on trades of electricity. Read more

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Serbia			
Tax legislation adopted and regulatory update	Individual income tax/ Tax compliance	15 May 2014	The due date for individual income tax returns for the 2013 tax year is 15 May 2014. Filing extensions may be allowed, provided that certain conditions are satisfied. Read more

Treaties	DTT	1 January 2014	Serbia added four new income tax treaties—treaties with Canada, Georgia, Tunisia, and Vietnam—to its income tax treaty network as of 1 January 2014. Read more
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Slovakia			
Tax legislation adopted and regulatory update	Various tax issues	1 January 2014	Changes to the income tax law of Slovakia, effective 1 January 2014, include a reduced rate of corporate income tax to 22 percent; a clarification that PEs are not required to maintain double-entry accounts; a user fee for APAs; and a narrowed definition of a non-treaty partner country. Read more

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South Africa			
Tax legislation adopted and regulatory update	Various taxes	2014	The tax implications in relation to the assumption of contingent liabilities in partial settlement of the purchase price of assets acquired as part of a going concern have been addressed by South African Revenue Service. Read more
Proposed legislation	Budget	2014	South Africa's 2014 budget speech will be presented on 26 February 2014. Read more

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Spain			
Tax legislation adopted and regulatory update	VAT	1 January 2014	Changes to Spain's VAT law—made by Law 14/2013, Royal Decree 828/2013, Order 2214/2013, Royal Decree 1042/2013, and Law 22/2013—generally were effective beginning 1 January 2014. Read more

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Switzerland			
Tax legislation adopted and regulatory update	Financial regulations	January 2014	Swiss companies that are not in the financial services sector need to be aware of effects of certain rules that, at first glance, only appear to affect the financial services industry. Read more
	FATCA	January 2014	Although the primary focus of FATCA is on foreign financial institutions, Swiss non-financial groups and

entities also may be subject to FATCA in their role as a U.S. payor/withholding agent or as a foreign payee/recipient of payments subject to FATCA.

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Turkey			
Tax legislation adopted and regulatory update	Transfer pricing	2014	New guidance issued by Turkey's Capital Markets Board (Sermaye Piyasasi Kurulu) requires additional information reporting about controlled transactions of listed companies and, thus, may affect the transfer pricing disclosures by these companies. Read more
	Consumption tax	1 January 2014	Changes to Turkey's special consumption tax rates are effective beginning 1 January 2014. Read more

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Ukraine			
Tax legislation adopted and regulatory update	Transfer pricing	December 2013	The Ukraine Cabinet of Ministers in late December 2013 approved a resolution identifying jurisdictions where the corporate income tax rate is five or more percentage points less than the rate applied in Ukraine—a list of countries to be used in identifying which “controlled transactions” between Ukrainian taxpayers and foreign entities are subject to the transfer pricing rules. Read more

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United Kingdom			
Tax legislation adopted and regulatory update	Various tax issues	January 2014	Recent tax developments in the United Kingdom include updates to tax dispute resolution policy, guidance concerning CFC financing arrangements, and draft regulations expanding the “white list” for certain UK and offshore funds. Read more
Proposed legislation	Finance Bill 2014	10 December 2013	The House of Lords Economic Affairs Committee established a Finance Bill sub-committee to inquire into the draft Finance Bill 2014 (as published 10 December 2013). Read more
	Tax avoidance	24 February 2014	Consultation documents, issued by HM Revenue and Customs, include proposals for taxpayers to

			make accelerated payment of tax that is in dispute or subject to enquiry and for identifying “promoters” of tax avoidance schemes. Read more
Administrative and case law	Dividend taxation	<i>BT Pension Scheme Trustees v HM Revenue & Customs</i> [2014] EWCA Civ 23	The England and Wales Court of Appeal issued a decision concerning the time limits for making foreign income dividend (FID) claims and “Manninen claims” (i.e., repayment claims for tax credits in respect of FIDs and overseas dividends prior to a change in law introduced by F(No2)A 1997) in a test case for the FID and Tax Credit Group Litigation. Read more
Treaties	DTT	Beginning 2014	An income tax treaty between the United Kingdom and China entered into force on 13 December 2013, and is effective beginning 2014. The new tax treaty replaces the 1984 income tax treaty between the United Kingdom and China. Read more

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Should you have any questions please do not hesitate to contact us:

[Anna Voronkova](#)
Partner,
Head of International Tax
+7 (495) 937 44 24

[Evgenia Wolfus](#)
Partner,
International Tax
+7 (495) 937 44 19

[Alexander Tokarev](#)
Senior Manager,
International Tax
+7 (495) 937 44 77

[Olga Ermolaeva](#)
Senior Manager,
International Tax
+7 (495) 937 44 77

[Elena Dolgova](#)
Manager,
International Tax
+7 (495) 937 44 77

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