



# International Tax Europe and Africa September 2017

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 September and 30 September 2017**.

<a href="#">Austria</a>	<a href="#">France</a>	<a href="#">Netherlands</a>	<a href="#">Spain</a>
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For a full summary of global tax developments, visit [kpmg.com/TaxNewsFlash](http://kpmg.com/TaxNewsFlash).

To contact the International Tax Team email [internationaltax@kpmg.com](mailto:internationaltax@kpmg.com).

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	Tax area concerned	Relevant date	Description of measures and publication link
<b>Austria</b>			
Administrative and case law	Corporate income tax	September 2017	The Austrian Administrative Supreme Court issued judgments that address the treatment of certain situations concerning the application of the Austrian corporate group taxation regime rules. <a href="#">Read more</a>

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<b>Belgium</b>			
Proposed legislation	Corporate income	2019	The Belgian notional interest deduction regime allows a deduction for a percentage of the adjusted equity capital of a company, from the basis of its

	tax/notional interest		assessment for corporate income tax. The rate for the notional interest deduction that applies for assessment year 2019 will be 0.746 percent (subject to official confirmation). <a href="#">Read more</a>
Administrative and case law	VAT	21 September 2017	In Belgium, a provision on the VAT exemption applicable for 'independent group of persons' or IGP was effective 1 July 2016. In light of recent judgments from the Court of Justice of the European Union (CJEU), the IGP regime may be amended. <a href="#">Read more</a>

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### Cyprus

Tax legislation approved and regulatory update	VAT	25 August 2017	Recent amendments were made to the Cyprus VAT Act in relation to the procedure that they will have to follow when submitting an appeal against an assessment issued by the tax authorities. <a href="#">Read more</a>
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### Czech Republic

Tax legislation approved and regulatory update	VAT	1 July 2017	An amendment to the VAT law effective 1 July 2017 accelerates the process of terminating VAT group registrations. <a href="#">Read more</a>
Administrative and case law	Corporate income tax	14 September 2017	The Supreme Administrative Court in the Czech Republic addressed measures in effect until the end of 2014 concerning the treatment of non-deductible expenses with 'directly related revenue'. <a href="#">Read more</a>

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### European Union

Proposed legislation	Digital economy	21 September 2017	The European Commission released a communication on a 'fair and efficient tax system' in the European Union for a single digital market. <a href="#">Read more</a>
Administrative and case law	Treaties	12 September 2017	The CJEU rendered its decision in the Republic of Austria v. Federal Republic of Germany case, concerning a dispute between two Member States

			brought before the Court pursuant to Article 273 of the Treaty on the Functioning of the European Union. The case is <i>C-648/15</i> . <a href="#">Read more</a>
Administrative and case law	Various taxes	4 September 2017	A summary of recent CJEU judgments, infringement procedures and referrals to CJEU. <a href="#">Read more</a>

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France			
Tax legislation approved and regulatory update	VAT	1 January 2018	The new requirements provide that as of 1 January 2018, all VAT taxpayers established in France and entering into transactions with 'private customer' are to use a cash system or software for purposes of recording the sales of goods or sales of services provided. <a href="#">Read more</a>
Proposed legislation	Corporate income tax	27 September 2017	The French government unveiled the draft budget for 2018, including certain tax measures aimed at increasing the competitiveness of companies established in France. They include: <ul style="list-style-type: none"> <li>— A progressive reduction of the corporate tax rate to 25 percent. The 3.3 percent surtax on the standard corporate income tax would remain unchanged.</li> <li>— A repeal of one of the interest deductibility limitations.</li> </ul> <a href="#">Read more</a>
KPMG Publication	WHT	7 September 2017	CJEU rendered its decision in the <i>Eqiom and Enka</i> case. The case concerned the refusal by France to grant an exemption from withholding tax on dividend distributions by a resident subsidiary to its parent company located in the EU, which is controlled by shareholders in third states. The case is: <i>C-6/16</i> . <a href="#">Read more</a>

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Germany			
Tax legislation approved and regulatory update	Corporate income tax/Tax avoidance	1 June 2017	The legislative processes have been completed concerning the anti-patent box law tax and the law on tax avoidance. <a href="#">Read more</a>

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Ireland			
Other	Beneficial owner/Tax transparency	September 2017	Irish incorporated companies and other legal entities have been required since 15 November 2016 to create and maintain a beneficial ownership register. KPMG in Ireland has prepared an article providing a summary of the type of information to be maintained in a beneficial ownership register and discussing who will have access to the central register once established. <a href="#">Read more</a>
Other	Corporate income tax	12 September 2017	In Ireland, a report released — <i>Review of Ireland's Corporation Tax Code</i> — includes recommendations for future changes to Ireland's corporation tax regime, but no recommendations for changes to the 12.5 percent rate of corporation tax. <a href="#">Read more</a>
Other	REIT	September 2017	KPMG in Ireland has prepared a report including a summary of the tax consequences for Real Estate Investment Trusts (REITs) and their shareholders. <a href="#">Read more</a>

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Italy			
Tax legislation approved and regulatory update	Anti-avoidance	11 August 2017	In Italy, a decree re-defines the anti-avoidance rules that apply with respect to the 'allowance for corporate equity'. The new rules are effective beginning from the first fiscal year following the effective date of the decree (2018 for calendar year taxpayers). However, intra-group transactions subject to the anti-avoidance rules may have occurred in previous years; as such, taxpayers need to examine their group transactions and consider filing an application for a tax ruling if necessary. <a href="#">Read more</a>
	Corporate income tax/Branch taxation	August 2017	A 'branch exemption' regime that allows Italian resident enterprises to elect an exemption for the profits (and losses) of their foreign permanent establishments (branches) — an alternative to ordinary tax treatment with a tax credit system — has been effective since 2016. Because there have not been any implementing regulations, the branch exemption regime has not been available. The Italian tax authority recently published a regulation that

			contains measures to implement the branch exemption regime. <a href="#">Read more</a>
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Luxembourg			
Administrative and case law	VAT	September 2017	The Court of Justice of the European Union (CJEU) issued judgments that have effectively determined that the VAT exemption for services supplied by independent groups of persons to their members would not apply for companies active in the insurance and/or financial sector. <a href="#">Read more</a>

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Netherlands			
Proposed legislation	WHT	1 January 2018	A bill presented to the Lower House would repeal the difference in tax treatment when there are profit distributions by holding cooperatives — in principle, not subject to dividend withholding tax — and profit distributions by private limited liability companies (BVs) or public limited companies (NVs) that are, in principle, subject to tax. The bill generally reflects a draft bill that was opened for public consultation in May 2017, and if passed and enacted, the bill would be effective 1 January 2018. <a href="#">Read more</a>
Proposed legislation	Various tax areas	2018	The caretaker cabinet presented the 2018 tax plan to the Lower House. It contains the following bills: — 2018 tax plan — bill on withholding obligation holding cooperative and expansion of withholding exemption — repeal of the VAT agricultural scheme law. <a href="#">Read more</a>

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Nigeria			
Tax legislation approved and regulatory update	Anti-abuse/ Individual tax	September 2017	The tax agency for the Nigerian state of Lagos issued a series of public notices on tax matters, in particular to address the perceived abuse of tax avoidance schemes by individual taxpayers and to provide clarifications in certain provisions of the individual

			(personal) income tax law. <a href="#">Read more</a>
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Poland			
Proposed legislation	Special economic zones	2018	A new system of special economic zones has been proposed to apply from the first quarter of 2018, and without an expiration date (unlike the current system of zones). <a href="#">Read more</a>
Proposed legislation	VAT	September 2017	A draft amendment would introduce the 'split payment' mechanism to VAT legislation. <a href="#">Read more</a>

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Romania			
Tax legislation approved and regulatory update	R&D	September 2017	Guidance concerning the exemption from income tax of salary paid to employees conducting research and development (R&D) and innovation activities was issued to reflect changes to the tax law. <a href="#">Read more</a>

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Slovakia			
Proposed legislation	Various tax areas	September 2017	A draft amendment to the income tax law of the Slovak Republic would introduce a number of new provisions, including: <ul style="list-style-type: none"> <li>— a 'patent box' regime to support industrial R&amp;D</li> <li>— an 'exit tax' when a taxpayer transfers assets or business activities abroad</li> <li>— controlled foreign companies (CFC) rules that would be effective as of 1 January 2019</li> <li>— the rules for business combinations by domestic companies — for instance, contributions in-kind, mergers, amalgamations or demergers of companies — would be amended to be measured at fair value for tax purposes.</li> </ul> <a href="#">Read more</a>

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Spain			
Tax legislation approved and regulatory update	Tax compliance	September 2017	A new form for reporting related-party transactions and transactions involving parties located in countries or territories identified as 'tax havens' has been added to the reporting requirements for corporate taxpayers. <a href="#">Read more</a>

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Switzerland			
Tax legislation approved and regulatory update	VAT	1 January 2018	The rates of VAT in Switzerland will be reduced effective 1 January 2018. <a href="#">Read more</a>

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United Kingdom			
Tax legislation approved and regulatory update	Tax evasion	September 2017	HM Revenue and Customs (HMRC) have finalized their guidance on the new corporate criminal offence of failing to prevent the facilitation of tax evasion. <a href="#">Read more</a>
Draft legislation	Bank levy	13 September 2017	Draft legislation was issued, implementing the government's previously announced decision to restrict the scope of the bank levy to UK balance sheets from 2021. <a href="#">Read more</a>
	Corporate income tax	September 2017	Following a recommendation made for simplifying the corporation tax computation, the Office of Tax Simplification published a 'scoping document' for its anticipated review of capital allowances. <a href="#">Read more</a>
	Partnerships	September 2017	Draft legislation has been published which provides additional clarity over certain aspects of the taxation of partnerships. <a href="#">Read more</a>
	WHT	13 September 2017	The government is introducing an exemption from withholding tax for UK source interest on debt traded on a multilateral trading facility. <a href="#">Read more</a>
Treaties	Trade agreements	21 September 2017	The Comprehensive Economic and Trade Agreement between the EU and Canada entered into force on 21 September 2017. <a href="#">Read more</a>

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