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Compilation of the recent international tax updates and news

International tax is experiencing hectic days with the studies (the Base Erosion and Profit Shifting; "BEPS" project started in 2013) carried out by OECD as well as regulations made by European Union and changes made in domestic tax regulations of countries, and their draft bill proposals.

Especially, the recent agenda which includes the studies on harmful tax competition, preventing the aggressive tax planning of companies, increasing the tax base of the countries leads to make new international and national tax regulations.

Although it is quite challenging to keep up with the intense flow of international tax developments worldwide, we would like to compile some current headlines especially occurred last year. In this regard, it was observed that countries 2022 budget have included numerous tax changes and especially changes on the withholding tax regulations are scope of the countries. Such as in the Netherlands, Poland, Sweden have introduced some new proposal or amend their current tax legislation in line with their political/lawful interest. All these changes in the local legislation includes provisions that are expected to impact the taxation of investments and business activity in the relevant countries. Also, income tax and corporate tax are another tax types which the countries can seek different approach on their tax law system. For instance, The United Arap Emirates (UAE) introduced a federal corporate tax regime which leads to a great surprise in the world. It is now curiously awaiting how the implication of the new regimes will affect the current corporations resides in the UAE. In other country side, such as Canada, it is proposed hybrid mismatch arrangement rules which is dealing with the Action 2 covered by the BEPS project conducted under the OECD.

Evaluating the context of the OECD agenda, while the studies on all the BEPS action plans are being maintained, developments regarding Pillar I and Pillar 2 currently keeps the international tax agenda busy. In the aspect of important developments in the EU, it can be stated that with the adoption of the public country-by-country reporting directive can be significant for the businesses that is in the scope of the directive. For many businesses, this will require the reporting of such information publicly for the first time. Also, pillar II directive published by EU and the EU draft ATAD III/ Unshell Directive are other headlines which can be worthwhile mentioned.

Considering new regulations can directly affect the investment and commercial decisions of companies, it would be crucial for taxpayers to closely monitor the recent international tax developments in order to take necessary actions.