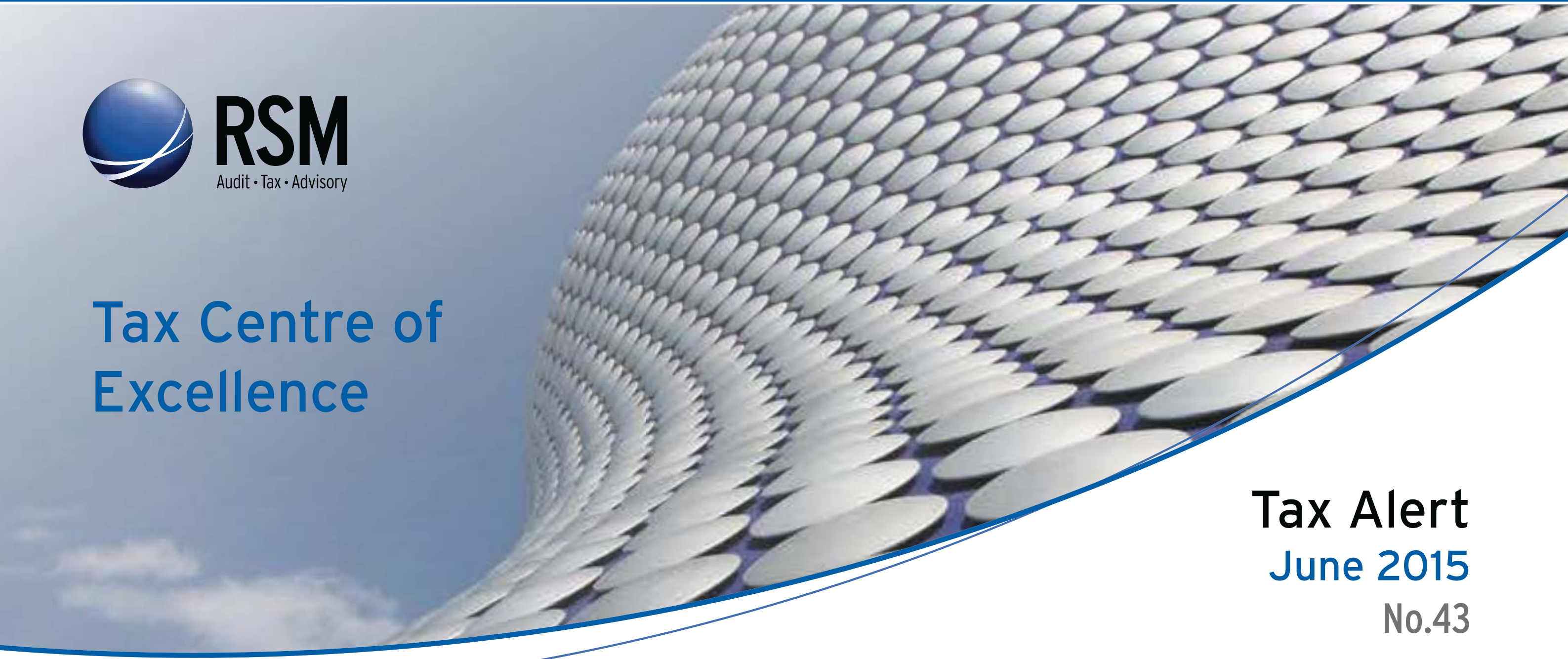

Tax Centre of Excellence

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The RSM Europe Tax Centre of Excellence is a group of tax specialists from RSM member firms across Europe. The European Tax Centre of Excellence understands the client's business objectives enabling them to deliver tailor made solutions.

RSM is the world's 6th largest network for providing tax and international tax services worldwide. The RSM Europe Tax Centre of Excellence works closely together with dedicated teams of tax professionals in RSM member firms around the world. In particular, RSM has international tax experts based in major global business centres such as North America and Asia Pacific, to provide a seamless service wherever our client's businesses are located.

Europe:

European Commission adopts the fourth Anti Money Laundering Directive

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New developments on the CCCTB

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OECD:

OECD releases public comments received on discussion drafts on cost contribution arrangements of BEPS – Action 8

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Slovakia:

New Transfer Pricing documentation guidelines published

On 26 May 2015, the Ministry of Finance of Slovakia published new guidelines on transfer pricing documentation requirements. The guidelines will apply as of 1 January 2015 and replace the previous guidelines of October 2014. read more »

Germany/Netherlands:

Treaty between Germany and Netherlands – details

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Europe:

European Commission adopts the fourth Anti Money Laundering Directive

On 20 May 2015, the members of the European Parliament adopted rules to combat money laundering and terrorist financing. This is one of the key actions in the European Security Agenda that was announced last month (28 April 2015).

The new European anti-money laundering legislation is supposed to contribute to the fight against terrorist financing and money laundering by:

- Facilitating the work of Financial Intelligence Units from different Member States to identify and follow suspicious transfers of money and facilitate the exchange of information
- Establishing a coherent policy towards non-EU countries that have insufficient anti-money laundering and counter-terrorist financing regimes
- Ensuring full traceability of money transfers within, to and from the European Union

The official publication of the new Directive is due around June/July 2015. A process to guide member states in implementing the Directive into national law is anticipated to be published in the next few months. Member states will have two years to implement the Directive into their local legislation.

Europe:

New developments on the CCCTB

On 27 May 2015, the European Commission held an orientation debate on how to develop a fairer and more efficient corporate tax system. Vice-President Dombrovskis of the European Commission held a speech afterwards to point out the main topics that were discussed:

- International tax rules date back to the first half of the 20th century and are based on an industrial economy that differs from our current mobile and digital economy. International tax rules should fit into the current global economy and therefore, corporate taxation is high on the agenda of the European Commission

- The European Commission will focus on three things:
    1. A growth friendly corporate taxation which should support the recovery of the economy.
    2. Companies with business abroad should pay their fair share. The Vice-President points out that this is particularly important because small and medium enterprises have to compete in the same market, which means that a fair level playing field has to be guaranteed.
    3. Increasing tax transparency.

- The European commission discussed the principles that should underline corporate taxation. They agreed on the need to combat tax avoidance and the need to bring taxation in line with the business activities which are carried out

- A cornerstone of the abovementioned approach is the reiteration of the 2011 proposal for a Common Consolidated Corporate Tax Base (CCCTB). The Vice-President acknowledges that a full consolidation of the tax base across Europe is the most difficult part

- When the CCCTB is relaunched, the European Commission will reconsider if a purely voluntary use of the CCCTB underpinning their 2011 proposal is sufficient to fight tax avoidance. Therefore, they will consider to adapt a compulsory approach

OECD:

OECD releases public comments received on discussion drafts on cost contribution arrangements of BEPS – Action 8

On 1 June 2015, the OECD published the comments it has received on this discussion draft. In the past, the OECD had invited comments from interested parties on a discussion draft on revisions to Chapter VIII of the Transfer Pricing Guidelines on Cost Contribution Arrangements (work that relates to Action 8 of the OECD's BEPS Action plan). A public consultation meeting on this topic will be held on 6/7 July 2015 in Paris at the OECD Conference Centre. Details of how to attend the public consultation meeting will be available on the OECD website. Speakers and other participants at the public consultation will be selected from among those providing timely written comments on the discussion draft.

Slovakia:

New Transfer Pricing documentation guidelines published

On 26 May 2015, the Ministry of Finance published new guidelines on transfer pricing documentation requirements. The Guideline will apply as of 1 January 2015 and replaces the previous guidelines of October 2014.

The requirements, with respect to transfer pricing documentation, generally follow the recommendation included in the OECD Transfer Pricing Guidelines and the EU Code of Conduct on Transfer Pricing Documentation.

The new guidelines also apply to domestic related parties (the previous guidelines were only applicable to transactions of residents with foreign related parties). The guidelines make a distinction between keeping 'complete documentation' and keeping 'basic documentation'. If a taxpayer has to keep complete documentation, this means both a Master File and a Local File have to be filed.

Taxpayers that are required to keep a complete documentation are:

- Taxpayers that are obliged to keep their accounts under IFRS
- Taxpayers whom conduct transactions with related parties that are established in a non-treaty state (also where secondary adjustments are required)
- Taxpayers that apply for an advance tax ruling
- Taxpayers that claim a deduction of losses in excess of EUR 300,000 (incurred in previous years)
- Taxpayers that, in the two following tax periods, claim deduction of losses in excess of EUR 400,000 incurred in previous years
- Taxpayers that claim tax relief under the Research and Development Incentives Act or Investment Incentive Act

All other taxpayers are allowed to keep the basic documentation, which consists of a simplified Master File and a Simplified Local File. There are specific exceptions for taxpayers that qualify as micro-accounting entities. For more information, please contact your trusted advisor.

Germany/Netherlands:

Treaty between Germany and Netherlands – details

On 15 May 2015, the Netherlands ratified the Germany-Netherlands Income Tax Treaty 2012. This new treaty will replace the Germany-Netherlands Income and Capital Tax Treaty of 1959. The Treaty is in line with the OECD Model tax treaty.

The maximum withholding tax rates included in the treaty are:

- 15% on dividends, 10% for Dutch pension funds and 5% if the receiving company owns directly at least 10% of the capital of the company paying the dividend. The 5% rate does not apply if the shareholder is organised as a partnership
- 0% on interest. However, the treaty allows the contracting states to apply their domestic law treatment with regard to income from profit-sharing bonds
- 0% on royalties

Both states provide for the credit and exemption-with-progression methods to avoid double taxation. A switch-over clause provides that, in order to benefit from an exemption method, a German resident deriving business profits from a PE in the Netherlands or dividend income from a Netherlands-based company must demonstrate that the relevant income is 'active' income. Furthermore, a subject-to-tax clause provides that the exemption method in Germany only applies if the income from Dutch sources has been 'effectively taxed' in the Netherlands.

Contact

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