



BRUSSELS | AUGUST 2018



US IRS Release Proposed Regulations Concerning Repatriation of Profits

On 1 August, the US IRS released [detailed proposed regulations](#) concerning the repatriation of foreign subsidiary profits at reduced rates.

The regulations set out comprehensive guidance concerning the rules and definitions that apply to repatriation of profits, including in relation to date of application, double counting of cash and earnings, chains of ownership, deductions and foreign tax credits.

Treasury Secretary Steven Mnuchin said of the regulations “the Tax Cuts and Jobs Act creates a historic opportunity for American companies to bring capital back home from overseas to invest in our domestic economy and create jobs for hardworking Americans.”



Guernsey Opens Consultation on Revising Substance Requirements for Tax Residency

Guernsey opened a [consultation process](#) on 6 August concerning a proposal to introduce legislation imposing compliance with substance requirements for companies that are tax residents in Guernsey.

The proposed legislation follows from tax transparency assessments undertaken by the European Commission Code of Conduct Group in 2017, in which concerns were raised in relation to UK Crown Dependencies being able to demonstrate that tax residents in their jurisdictions had sufficient “substance” to fall within the Dependencies’ tax regimes. Holding companies and collective investment vehicles were singled out as areas of concern.

The legislation would aim to address those concerns by introducing substance requirements in order for companies to be considered tax residents, with a proposed implementation date of 31 December 2018.



The Gambia Signs Economic Partnership Agreement Between EU and West Africa

The Gambia has become the 14th West African nation to sign the [Economic Partnership Agreement](#) with the EU. The Agreement aims to promote trade between the EU and African states. The Agreement will be submitted for ratification when signed by all West African nations.

A joint African, Caribbean, Pacific and EU Ministerial committee on Trade will take place on 26 October to discuss agreements in place between the EU and the countries of those regions.



Australia Enacts OECD's MLI

[Legislation](#) recently enacted by the Australian Parliament received royal assent on 24 August 2018, giving the OECD's BEPS Multilateral Convention the force of law in Australia. The legislation enacts the multilateral tax treaty, which allows jurisdictions to update their existing double tax treaties and transpose measures agreed in the BEPS project without further need for bilateral negotiations. The legislation aims to prevent exploitation of tax treaties for tax avoidance purposes.

In addition, Macedonia has now joined the OECD [BEPS Inclusive Framework](#), becoming the 117th jurisdiction to do so. Members of the Inclusive Framework have the opportunity to work together on an equal footing with other OECD and G20 countries on implementing the BEPS package consistently and on developing further standards to address remaining BEPS issues.



Italia Africa Business Week Conference in Rome on 17 – 18 October 2018

The Italian Ministry of Foreign Affairs and International Cooperation is the co-patron of a two-day [Italian Africa Business Week Conference](#) to be held in Rome on 17 to 18 October 2018, aimed at facilitating entrepreneurial trade, financial partnerships and cooperative agreements.

The Conference is expected to attract attendees from international financial institutions, ministerial departments, capital investment firms and entrepreneurial experts. It is intended to be the first in a series of events. Register [here](#) to attend the Conference.