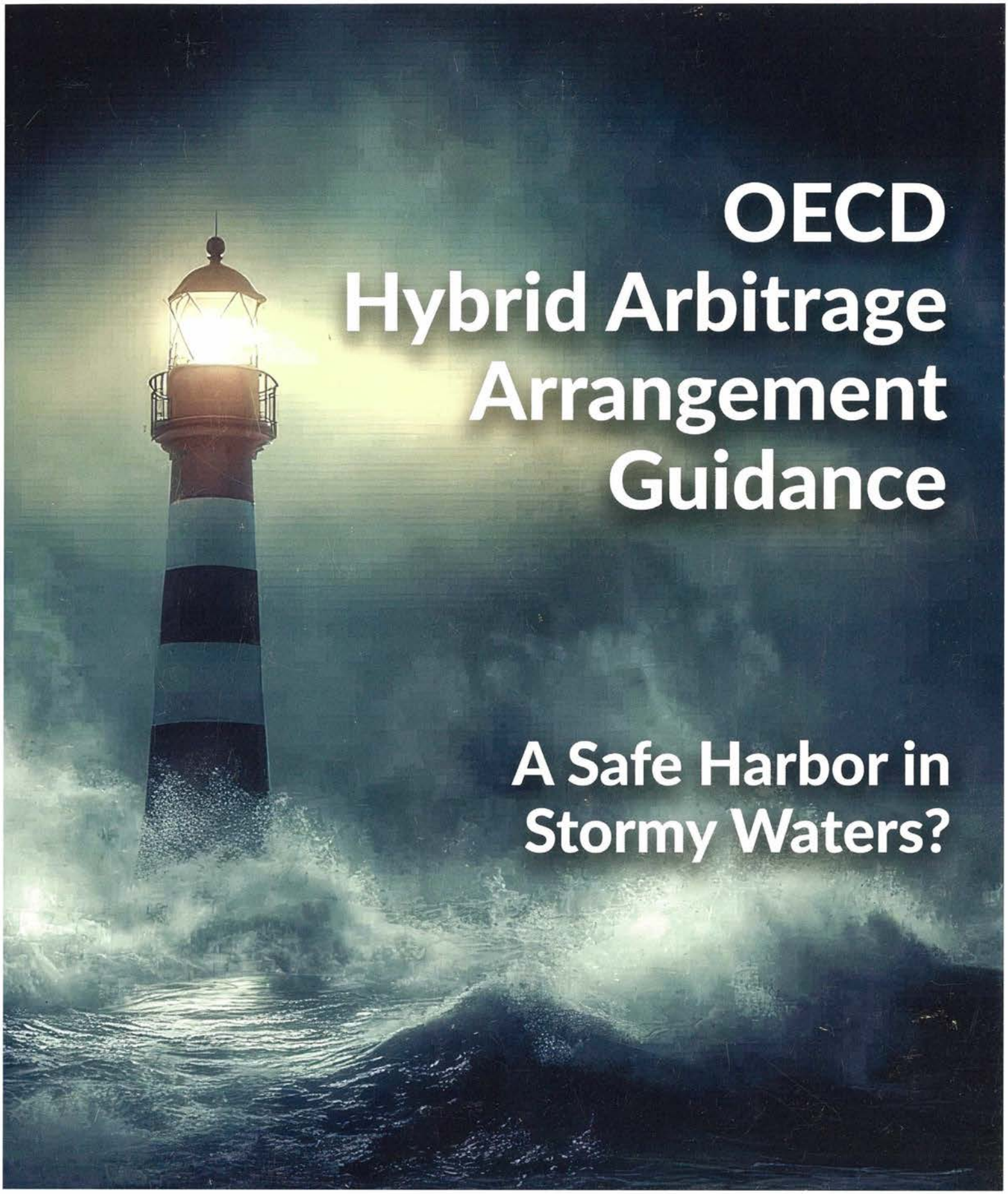
taxnotes® international

Volume 119, Number 4 ■ July 28, 2025



OECD Hybrid Arbitrage Arrangement Guidance

A Safe Harbor in Stormy Waters?

CONTENTS

tax notes international®
Volume 119 ■ Number 4

ON THE COVER

501 Safe Harbor in Stormy Waters: Hybrid Arbitrage Arrangement Guidance
by Raza Janjua

Cover photo: mikkiorso/123rf.com

COMMENTARY & ANALYSIS

511 Brazil: Dividend Taxation and the Stock Market
by Lucas Martini de Aguiar

515 All In: The IRS's High-Stakes Bet on Periodic Adjustments
by Elizabeth J. Stevens and J. Clark Armitage

529 The OBBBA's International Revenue Raisers, Losers, and Fixes
by Mindy Herzfeld

535 New Code Section Restores Domestic Research Deduction
by Carrie Brandon Elliot

541 In Tax We Trust: The Global Reach of H. David Rosenbloom
by Nana Ama Sarfo

549 *Facebook*: Could Market Values Anchor Uses of Discounted Cash Flow?
by J. Harold McClure

PRACTICALLY SPEAKING: TAX CONTROVERSY

559 IRS APA Statistics Highlight Key Country-Specific Trends
by Mark R. Martin, Cameron Taheri, Mark J. Horowitz, Thomas D. Bettge, Caroline Conway, and Caleigh Wallace

U.S. INTERNATIONAL TAX REVIEW

569 One Big Beautiful Bill Act Takes Center Stage Among Rule Changes
by Larissa Neumann and William R. Skinner

THOUGHTS IN BRIEF

579 Revenge Tax Scrapped: What the G7 Agreement Could Mean for U.S. Taxpayers
by Ryan Bray, Matthew Brown, and Jose Rego

REFLECTIONS WITH REUVEN AVI-YONAH

583 Is the OBBBA Compatible With Pillar 2?
by Reuven S. Avi-Yonah

COUNTRY DIGEST

Belgium

589 Belgian Government Agrees to New Batch of Economic Reforms

Brazil

590 Proposed Brazilian Legislation Would Tax Large Digital Companies

Canada

591 Google Withdraws Ad Tax in Wake of Canada's DST Rollback

592 Canadian Government Prevails in Donation Tax Shelter Appeal

593 CRA Prevails in Airbnb Income Classification Dispute

Chile

594 Chilean Court: Inconsistent Arm's-Length Method Defense Fails

Colombia

595 Nontax Rules Sink Taxpayer's Colombian Transfer Pricing Case

European Union

597 EU Countries Give Cold Reception to Proposed New Levies

599 Criticism Keeps Piling Up on EU Corporate Levy Proposal

601 VAT One-Stop Shop Registrations Continue to Climb

602 EU Commission Maps Anti-Fraud Framework Overhaul

603 A DST Could Finance European News Streaming Platform, EP Says

604 EU Commission Seeks Input on Ending Zero VAT for Aviation

Germany

606 Germany Halts Acceptance and Renewal of APAs With China

India

607 India Drops Average Tariff on U.K. Products From 15 to 3 Percent

608 Hyatt's Control of Indian Hotel Establishes a PE, Court Says

Ireland

609 Tariff Fears Loom Over Irish Budget Plans

610 Ireland Should Raise Corporate Taxes, FISC Chair Says

Luxembourg

611 Luxembourg Plans Land, Property Tax Reform Amid Housing Crisis

Malaysia

612 Malaysia's Tenaga Challenges $69 Million Tax Assessment

Mauritius

612 Mauritian Committee: Interest-Free Advance Isn't Arm's Length

Moldova

614 Moldova Imposes New Transfer Pricing Documentation Obligations

Multinational

615 G20 Finance Ministers Vow to Find Common Ground on Pillar 2

617 Oxfam Calls for Wealth Taxes in Oil-Rich Gulf Region

618 Mexico, South Africa Signal Moves Toward Adopting Amount B

619 Source Countries at U.N. Push for Services Taxation Without PE

620 U.N. STTR to Raise More Revenue Than OECD Version, Papers Say

Russia

621 Russia Weighs Tax Reforms to Drive Economic Revival

Switzerland

623 Switzerland Issues Domestic Top-Up Tax Guidance

Turkey

624 Turkey Revises Consumption Tax Rates For EVs and Motor Vehicles

Ukraine

624 Ukraine's Budget Declaration Outlines Key Tax Policy Priorities

United Kingdom

626 U.K. Businesses Have Better Experiences Of HMRC Than Tax Agents

628 HMRC Cancels Making Tax Digital for U.K. Corporation Tax Plans

630 U.K. Proposes More Amendments to Pillar 2 Minimum Taxes

631 U.K. Draft Legislation Targets Tax Avoidance Scheme Promoters

633 Reeves Remains Defiant on Tax Policies As U.K. Borrowing Worsens

635 New HMRC Process for Filing Some U.K. Tax Returns in Insolvency

637 U.K. Tax Authority Urged to Set Stronger Tax Software Standards

638 U.K. CGT Receipts Drop 19 Percent Despite Tiny Rise in Taxpayers

640 U.K. Updates List of Pillar 2 Jurisdictions And Measures

United States

641 All Eyes on Pillar 2 'Quagmire' as Treasury, IRS Draw Up Guidance

643 Trump Administration Defends Tariffs In Consolidated Lawsuits

645 Western Union Challenges Denial of GILTI Tax Year Shift

646 Bessent: August Tariff Deadline for China Likely to Be Postponed

647 IRS Removes Derided Voluntary Disclosure Willfulness Affirmation

648 New Litigation Challenges Presidential Tariff Authority

Vietnam

649 Vietnam Proposes Gain-Based Tax for Equity and Real Estate Sales

651 **TAX CALENDAR**

THE LAST WORD

653 The Tariff Chronicles: Fake Reciprocity As Real Leverage
by Robert Goulder