

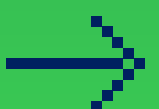
The Weekly **Global** **Tax & TP** Brief



08 Dec '25 – 12 Dec '25

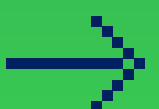
France

- ▶ On 10 December 2025, France announced strengthened transfer pricing documentation requirements under the 2024 Finance Act.
- ▶ Lower threshold for mandatory TP documentation: revenue or gross assets cut from €400 m → €150 m, significantly expanding scope.
- ▶ TP documentation (Master & Local File) must be available at the start of a tax audit and is more likely to be requested.
- ▶ Minimum penalty for missing/incomplete documentation jumps €10 k → €50 k per audited year.
- ▶ Transfer pricing documentation must now be provided immediately at the start of a tax audit or within the statutory notice period when requested by the French tax authorities.
- ▶ On 9 December 2025, the French tax authority issued new administrative guidance on the application of the Pillar Two global minimum tax.
- ▶ It releases the GloBE Information Return (Form 2259-SD) and provides detailed filing instructions for in-scope multinational enterprise (MNE) groups.
- ▶ For most groups, the first applicable fiscal year ends on 31 December 2024, resulting in an initial filing deadline of 30 June 2026.
- ▶ It clarifies administrative compliance mechanics, including required information, documentation expectations and interaction with French reporting systems.



Cayman Islands

- ▶ CbC reporting is now live on the DITC Portal, enabling submission by MNE groups with Cayman Islands constituent entities.
- ▶ In-scope groups must re-register on the DITC Portal following decommissioning of the previous reporting system.
- ▶ The 2024 CbC reporting deadline for reporting dates between 31 July and 31 December 2025 is extended to 27 February 2026.
- ▶ The Cayman Islands published CRS regulatory amendments under the International Tax Cooperation Act, updating definitions, thresholds and reporting requirements.
- ▶ Most of the new rules come into force on 1 January 2026, with certain provisions (including detailed return requirements) effective 1 January 2027.
- ▶ Reporting timelines will be brought forward: for the 2026 reporting period, both the annual CRS return and the CRS compliance form must be filed by 30 June 2027, instead of the current later deadlines under the previous regime.
- ▶ The amendments also update reportable information fields and data formats, aligning with OECD guidance on Common Reporting Standard specifications.



Cyprus

- ▶ The Cyprus Tax Department issued a notice on 25 November 2025 regarding the bilateral Competent Authority Agreement (CAA) with the United States for exchange of Country-by-Country (CbC) reports.
- ▶ The notice states that the CbC exchange agreement with the US is anticipated to become effective for Reporting Fiscal Years starting on or after 1 January 2025.
- ▶ This means a Cypriot constituent entity must file the CbC report in Cyprus for FY ending 31 December 2024, even if the CbC report is (or will be) submitted in the US.



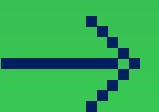
Australia

- ▶ The ATO released its administrative approach for granting exemptions from public Country by Country reporting.
- ▶ The guidance applies to reporting periods for entities subject to Australia's public CbC reporting regime, which generally applies to periods commencing on or after 1 July 2024.
- ▶ Exemption requests will be assessed case by case, mainly where public disclosure would reveal commercially sensitive information.
- ▶ Exemptions may be full or partial, meaning an entity may be exempt from all publication obligations for a period, or from publishing certain items or jurisdictions, depending on circumstances. Public CbC reporting obligations remain in force unless and until an exemption is formally granted under the ATO's discretion.
- ▶ ATO data show that around 70 % of current income tax audits involve behavioural risks in cross-border dealings, signalling heightened focus on transfer pricing issues.
- ▶ The ATO's scrutiny increasingly targets mischaracterisation risks from supply chain and financing to insurance and intangible migration beyond traditional pricing methods.
- ▶ Settlements remain common, but average settlement variance was about 36 % in 2024–25, reflecting tougher negotiation stances by the ATO and the high stakes involved.



Qatar

- ▶ On 10 December 2025, The General Tax Authority (GTA) announced the launch of the TABADOL electronic portal for Country by Country (CbC) reporting.
- ▶ In-scope entities are required to register on TABADOL to meet Qatar's CbCR compliance obligations.
- ▶ The launch marks a shift to fully electronic CbC compliance, replacing prior submission or transitional arrangements.
- ▶ The update provides administrative clarity on how and where CbC filings must be made in Qatar going forward.



Argentina

- ▶ The Argentine tax authority ARCA has initiated a public consultation on a draft regulation on transfer pricing and international transactions on 9 December 2025.
- ▶ The draft proposes updates to transfer pricing documentation, reporting formats and compliance procedures.
- ▶ The consultation allows stakeholders to submit comments before finalisation, signalling potential regulatory changes ahead.
- ▶ Once finalised, the regulation is expected to modernise and standardise Argentina's TP framework, aligning administrative practices with current audit needs.



Tunisia

- ▶ Tunisia has mandated electronic submission of tax returns and the transfer pricing declaration through the tax authority's "TEJ" digital platform.
- ▶ The requirement applies to in scope taxpayers, replacing prior paper based or non-electronic filing methods.
- ▶ The mandate covers both annual tax returns and TP disclosure obligations, strengthening digital compliance controls.
- ▶ The change formalises Tunisia's move toward mandatory electronic tax and TP reporting, with compliance enforced through the tax administration system.



Algeria

- ▶ Algeria has gazetted the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, formally incorporating it into domestic law.
- ▶ The gazetting enables international administrative cooperation, including exchange of information, assistance in tax collection and service of documents.
- ▶ The Convention provides the legal basis for automatic, spontaneous and on-request information exchange with other participating jurisdictions.
- ▶ This step completes the domestic ratification process, allowing Algeria to operationalise mutual assistance measures under the Convention.



Romania

- ▶ The Constitutional Court (CCR) rejected the constitutional challenge to the fiscal measures law, allowing it to proceed to promulgation.
- ▶ The decision confirms that tax increases may apply from the month following adoption, without waiting for a new fiscal year.
- ▶ The ruling covers increases to property, vehicle, capital market and crypto taxes, as well as changes to the health contribution ceiling and insolvency regime.
- ▶ Romania has transposed the EU DAC8 Directive into national law, introducing new reporting and automatic exchange obligations for crypto assets and service providers.



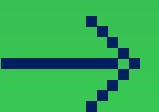
India

- ▶ The Mumbai ITAT quashed a ₹444.93 crore transfer pricing adjustment against Netflix Entertainment Services India LLP for AY 2021-22.
- ▶ It was reaffirmed that Netflix India operates as a limited-risk distributor rather than an entrepreneurial content or technology provider.
- ▶ The tribunal held that routine distribution and support functions justify a fixed return under TNMM.
- ▶ It clarified that mere user base or infrastructure does not establish IP ownership without proven DEMPE functions.
- ▶ The ruling provides greater certainty for digital and OTT businesses operating under limited-risk models in India.
- ▶ An Indian appellate authority upheld an at-cost transfer pricing outcome for intercompany transactions.
- ▶ The taxpayer was characterised as performing routine functions with no significant risks or intangibles, supporting an at-cost result.
- ▶ The ruling accepted that no markup was warranted where the facts demonstrated a pass-through or cost-recovery arrangement.
- ▶ This provides judicial support for captive or low-risk arrangements where economic substance does not justify a profit element.



Germany

- ▶ A German tax court decision confirms that business emails can qualify as tax-relevant records and may be requested during tax audits.
- ▶ The obligation applies where emails are functionally part of accounting records or tax documentation, not to all correspondence by default.
- ▶ Tax authorities cannot demand a complete email journal (i.e., all emails irrespective of tax relevance), but taxpayers must independently identify and provide emails that are tax-relevant (“initial qualification right”).
- ▶ Taxpayers must be able to provide emails in an evaluable electronic format if they are stored digitally and relevant for taxation.
- ▶ The ruling strengthens the tax authority’s ability to access digital business records, increasing audit exposure for electronic communications.



OECD – Automatic Exchange of Information

- ▶ The OECD released new reports confirming additional jurisdictions' commitment to automatic exchange of information under the CRS framework.
- ▶ These commitments expand global participation in cross border financial account information exchange, strengthening tax transparency and compliance.
- ▶ 26 jurisdictions have pledged to implement the Multilateral Competent Authority Agreement on the Automatic Exchange of Readily Available Information on Immovable Property (IPI MCAA), extending automatic exchange beyond financial accounts to offshore real estate holdings, transactions, values, and rental income, with implementation expected by 2029/2030.
- ▶ The reports reflect continued expansion of the OECD tax transparency network and reinforce the expectation of universal CRS participation over time.
- ▶ Tax authorities are expected to use the expanded data sets to enhance detection of offshore non-compliance and improve risk assessment.



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