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By PwC Deutschland | 14 October 2016

Packet of measures against profit reduction and profit shifting: Federal Government responds to the Bundesrat’s comments.

On 23 September 2016, the Federal Assembly (Bundesrat) gave its response to the draft of the Act to Implement the Amendments to the EU Mutual Assistance Directive and to Introduce Further Measures to Combat Profit Reduction and Profit Shifting (“the draft Act”) and proposed some further measures

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On 12 October 2016 the Federal Government gave its response to the Bundesrat. Among others the following suggestions of the Bundesrat were adopted:

- Reintroduction of the taxation of short selling for private transactions;
- Statutory definition of professional activity under Section 32d ITA to be defined further;
- Qualification of severance payments as remuneration for a previous employment activity for tax treaty purposes;
- Special Non-Business Expenditure Deduction for Limited Taxpayers.

*Further information may be found **here**.*

Keywords

BEPS, EU Mutual Assistance Directive