

Malta and United States Sign Competent Authority Arrangement Under Tax Treaty Regarding Interpretation of NAFTA and USMCA

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Report from IBFD Tax Treaties Unit

According to an update of 31 July 2023, published by the US Internal Revenue Service (IRS), Malta and the United States signed a competent authority arrangement under the [Malta - United States Income Tax Treaty \(2008\)](#) on 10 September 2020.

The [competent authority arrangement](#) regards the interpretation of the term "North American Free Trade Agreement" referred to in subparagraph d) of [paragraph 8 of article 22](#) (limitation on benefits) of the treaty and the arrangement explains that the references to the North American Free Trade Agreement (NAFTA) shall be understood as references to the United States-Mexico-Canada Agreement (USMCA) upon entry into force of the USMCA.

This information only recently became available to IBFD.