



# PKF Legal Newsletter

April 2026

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# Welcome

We're delighted to welcome you to the first issue of our PKF Legal Newsletter for 2026.

Our aim remains clear: to provide a reliable global resource for legal professionals, businesses and decision makers navigating an increasingly complex regulatory environment.

In this edition, we share updates on recent legislative changes, take a closer look at developments in case law and explore emerging legal trends. Each article offers practical insights and actionable takeaways to support compliance, shape strategy and inform decision-making across industries and jurisdictions.

As a global network with 546 offices in 150 countries, we're well placed to support professionals navigate the legal landscape with clarity and confidence. Our legal experts specialise in providing high-quality legal advisory services to international and domestic organisations in all our markets.

We hope you find our PKF Legal Newsletter both insightful and informative. Contact details for our legal experts are provided at the end of each country contribution. Please contact the relevant PKF legal expert directly should you wish to discuss any legal matter further or, alternatively, please contact any PKF firm (by country) at [www.pkf.com/pkf-firms](http://www.pkf.com/pkf-firms).

# Belgium

## Legal update 2026: What you need to know

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The start of 2026 brought a cluster of legal changes that directly affect Belgian businesses.

From the way you manage employees that are on sick leave to how you send invoices, the rules are shifting – and the consequences of falling behind are real.

### E-invoicing is now mandatory

From 1 January 2026, all Belgian VAT-registered businesses must issue invoices electronically via the Peppol network in a B2B context. This is not just a technical change but also has legal implications. Since Peppol works with structured data files, attachments may not be processed correctly. It is equally important that your general terms and conditions have been accepted by the client before the invoice is issued, whether through a quote, order form or contract. If they have not, your invoice may be legally vulnerable.

### Employment law: A number of changes to act on

**Medical force majeure:** The threshold for terminating an employee on grounds of medical force majeure has been reduced from nine to six months of uninterrupted incapacity. This change requires employers to review their HR procedures.

**Long-term sick employees:** Employers must now include a formal procedure for maintaining contact with long-term sick employees directly in their work regulations. If your regulations are not yet updated, now is the time.

**Internal investigations:** The Private Investigation Act has been in force since 16 December 2024. If your company conducts internal investigations into fraud or misconduct, you must now maintain a register of all investigations and include a dedicated internal policy in your work regulations. Non-compliance does not just risk fines – evidence gathered incorrectly may be ruled entirely inadmissible, undermining any subsequent disciplinary or legal action.

**Liability:** Since 1 January 2025, the liability landscape has shifted considerably: external contractors, subcontractors, independent service providers and even certain employees can now be held directly liable by those who suffer damage. A thorough review of contracts and general terms and conditions is strongly recommended.

**The bottom line:** 2026 demands a proactive approach.

Whether it is updating your work regulations or getting your invoicing infrastructure in order, the cost of early action is far lower than the cost of getting it wrong.



### PKF Comment

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# Germany

## Compulsory share according to German law – Understanding and legal options

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### I. What family members should know – and why early planning is crucial

When people consider their own succession, they often think first of a will. However, a continuing misconception remains: 'If I disinherit someone, they receive nothing.' German law sets clear limits in this regard. The so called compulsory share (*Pflichtteil*) ensures that close relatives participate in the estate even against the testator's wishes.

The reason why this right is relevant to German foreigners is set out in Article 21 of the EU Succession Regulation (EuErbVO). Accordingly, the general rule is that a succession is governed by the law of the state in which the deceased had their habitual residence at the time of death. Where the habitual residence was in Germany and no valid choice of law was made by the deceased, German succession law applies in its entirety – including the provisions on compulsory shares.

#### 1. What is a compulsory share – and who is entitled to it?

The compulsory share is not a share of the inheritance itself, but a purely monetary claim against the heirs. It arises whenever a statutory heir is excluded from succession by a will or an inheritance contract. The legal basis is section 2303 of the German Civil Code (*Bürgerliches Gesetzbuch*).

Only close relatives are entitled to a compulsory share:

- descendants, i.e. children, grandchildren and further lineal descendants, including children who have not yet been born at the time of death;
- the spouse or registered civil partner; and subsidiarily

- the parents, provided there are no descendants.

While surviving children take precedence over their descendants, parents are only taken into account if the testator has no children. Other relatives, such as siblings or nieces and nephews, have no entitlement to a compulsory share.

The claim arises upon the death of the testator, becomes immediately due and payable and may even be inherited or assigned. For the heirs, this often entails an immediate financial burden, as compulsory share claims must be satisfied in cash, irrespective of the composition of the estate.

### 2. How is the compulsory share calculated?

The calculation is carried out as follows:

#### Compulsory share = one half of the statutory share of inheritance

The decisive factor is therefore, firstly, what statutory share the entitled person would have received in the absence of a will. Under the statutory rules of succession, children are entitled to equal shares of the estate. The spouse's share of the inheritance, however, depends on the matrimonial property regime (for example, community of accrued gains or separation of property).

The resulting percentage is then applied to the value of the estate. In practice, most often the value of the estate causes the greatest disputes: what forms part of the estate, and how should it be valued? Real estate, shareholdings in companies or private loans can significantly complicate valuation and not infrequently give rise to conflicts between heirs and compulsory share beneficiaries.

The compulsory share is also relevant for tax purposes. While the claim itself is subject to inheritance tax, it simultaneously reduces the heirs' tax burden, as it qualifies as a liability of the estate.

## II. Claim for the augmentation of compulsory shares in the event of gifts

Many testators wish to transfer assets during their lifetime, for example to individual children or to their spouse. What is often overlooked is that certain gifts are taken into account when calculating the compulsory share, even if they were made many years before death.

The claim for the augmentation of compulsory shares in the event of gifts (*Pflichtteilsergänzungsanspruch*) ensures that lifetime gifts are fictionally added back to the estate. This mechanism is intended to prevent the compulsory share from being 'eroded' through previous transfers of assets.

Of central importance is the observation of the 10 year period: gifts made to non-spouses are taken into account in full in the first year during this period. With each subsequent year, the value to be included is reduced by one tenth. Once 10 years have elapsed, the gift is no longer taken into account. This reduction is of considerable practical importance for succession planning.

## III. Gift subject to a right of usufruct

One particularly common structuring technique is a gift subject to a right of usufruct (*Vorbehaltsnießbrauch*). In this arrangement, the testator transfers ownership (for example, of a property) while retaining the right to continue using it or to receive the income it generates (such as rental income).

This has two important consequences for compulsory share purposes.

First, the value of the gift is reduced by the capitalised value of the usufruct. In this context, the decisive factors are in particular the life expectancy of the beneficiary and the annual value of the retained use.

Secondly, the 10-year period does not begin to run until the usufruct comes to an end, since the recipient only at that point in time obtains full economic control over the received asset.

Usufruct structures therefore do not allow for the exclusion of compulsory share claims, but they do enable a more nuanced balance between the transfer of assets and the donor's own financial security.

## IV. Conclusion: The compulsory share is no marginal issue

The compulsory share affects almost every succession arrangement. Those who ignore it risk significant conflicts and financial burdens for the heirs. At the same time, the law does offer scope for structuring solutions – provided that planning is undertaken at an early stage.

Individual advice helps to align the family situation, asset structures and personal objectives, and to minimise the risk of disputes at a later stage.



### PKF Comment

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## Germany introduces mandatory 'withdrawal button' for online contracts

Germany is implementing new EU consumer protection requirements that will significantly impact online businesses. From 19 June 2026, companies offering distance contracts via websites or apps must provide a 'withdrawal button' allowing consumers to withdraw from contracts as easily as they conclude them. While the obligation is rooted

in EU law and will apply across Member States, its practical relevance will depend on national implementation.

The new rules apply to contracts concluded through digital user interfaces, covering in particular e-commerce businesses, SaaS providers, platform operators and digital content services. Contracts concluded via telephone, fax or similar channels are not affected, nor are contracts without a statutory right of withdrawal.

The withdrawal function must be clearly visible, continuously accessible during the withdrawal period and labelled in an unambiguous manner (e.g. 'Withdraw contract'). Consumers must generally be able to use the function without prior login. Only if the contract was concluded via an app may the withdrawal process be limited to that environment.

The withdrawal process itself must follow a two-step structure. Businesses may request only the information necessary to identify the contract and send a confirmation; requiring reasons for withdrawal is not permitted. The withdrawal must then be submitted via a separate confirmation button. Upon receipt, the business must confirm the withdrawal on a durable medium (usually email), including the relevant details and timestamp. In addition to technical implementation, companies must update their withdrawal notices to reflect the new process and ensure that privacy policies cover the associated data processing.

Failure to comply carries significant legal risks, including unfair competition claims, administrative fines and an extension of the withdrawal period to up to 12 months and 14 days. This can have considerable financial implications, particularly for subscription-based models. Businesses operating in Germany should therefore review their digital interfaces and legal documentation at an early stage to ensure timely and compliant implementation.

## Pay transparency – Expansion of employer obligations

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The EU Pay Transparency Directive will significantly expand employer obligations under the German Pay Transparency Act (*Entgelttransparenzgesetz*). Employers will be required to implement transparent, gender-neutral criteria for determining pay and pay progression and make this information accessible to employees. Transparency obligations will also extend to the recruitment stage, including salary disclosures, while pay secrecy clauses and questions on salary history will be prohibited.

The concept of 'equal work or work of equal value' will be further specified, requiring objective assessment based on criteria such as skills, responsibility, effort and working conditions. Employees will benefit from enhanced information rights and shorter response deadlines. Reporting obligations on gender pay gaps will be extended to companies with 100 or more employees. Where unjustified gaps of at least 5% are identified, employers may be required to carry out a joint pay assessment.

These changes will increase documentation requirements and litigation risks. In particular, non-compliance may trigger a reversal of the burden of proof in discrimination claims, alongside potential fines and reputational exposure. Employers should therefore review and standardise remuneration frameworks, ensure objective and well-documented pay decisions and prepare for increased scrutiny in both internal processes and external reporting.



### PKF Comment

If you believe the above may impact your business or personal situation or require any advice with respect to legal matters in Germany, please contact Dr Dirk Moldenhauer at [dr.dirk.moldenhauer@pkf-wms.de](mailto:dr.dirk.moldenhauer@pkf-wms.de) or call +49 541 94422 3611.

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# Italy

## General principles and sector-specific provisions under Italian Law No. 132/2025 on artificial intelligence

Recently adopted Law No. 132/2025 establishes the first national framework governing the development and use of artificial intelligence (AI) in Italy. The law, which entered into force on 10 October 2025, complements the European framework established by the EU AI Act (Regulation (EU) 2024/1689) and aims to ensure that the deployment of AI technologies is consistent with fundamental rights, transparency and human oversight.

Article 1 expressly ties the national rules to the EU AI Act, clarifying that the Italian legislation must be interpreted and applied in line with the European regulation. At the same time, the law introduces additional provisions in certain sectors that the EU framework leaves to the competence of individual Member States.

The law largely functions as a framework and enabling statute, delegating to the government the issue of subsequent implementing legislative decrees and regulatory measures. As a matter of fact, only a limited number of rules have immediate practical effects, while the law mainly focuses on guiding principles and institutional responsibilities, laying the groundwork for future implementing measures that will define the operational rules for public authorities, businesses and individuals.

### General principles

The initial provisions of the law (articles 1–3) define the scope and provide the key definitions and the general principles for the use of AI in Italy. According to these provisions, a number of core values shall guide both public authorities and private operators in the development and deployment of AI systems, such as:

- transparency and accountability;
- data protection and cybersecurity;
- non-discrimination and gender equality;
- sustainability and reliability of data;
- human autonomy in decision-making;
- prevention of harm and human oversight;
- explainability and accessibility of AI systems; and
- protection of democratic and institutional processes.

The law also emphasises the importance of ensuring accessibility of AI technologies for persons with disabilities, as well as maintaining adequate levels of cybersecurity throughout the entire lifecycle of AI systems.

### Sector-specific principles

Articles 7–18 of the law then address several specific sectors, outlining the principles that should guide the development and use of AI in those contexts.

#### AI in healthcare

In the healthcare sector, the law acknowledges the significant role of AI in supporting diagnosis, prevention and treatment, confirming that AI systems cannot replace medical professionals who shall retain full responsibility for clinical decisions.

Patients must receive clear and transparent information on AI involvement in their diagnostic or therapeutic pathways.

The legislation also promotes the use of AI as an inclusive tool capable of enhancing the autonomy of persons with disabilities rather than creating new barriers.

## AI in the workplace

In the context of employment, article 11 imposes a specific transparency duty to inform employees whenever AI tools are used in the organisation, management or evaluation of their work. The aim is to prevent opaque decision-making processes based on algorithms, particularly in areas such as recruitment, shift allocation, performance assessment or other aspects of workforce management.

Furthermore, the law explicitly prohibits algorithmic discrimination and encourages the use of AI systems to improve workplace safety and working conditions. It also promotes monitoring the evolution of AI in employment relationships and establishes a national observatory on AI in the workplace within the Ministry of Labour. The observatory will analyse the impact of AI on employment, promote new skills and support the development of appropriate protections for workers.

Some trade unions expressed some concerns regarding the limited scope of these provisions, alleging that the law mainly introduces information obligations already partly provided under the existing legislation, without establishing stronger mechanisms for collective bargaining or worker protection in the face of increasingly advanced forms of workplace automation.

## AI in regulated professions

Regulated professions are also addressed by the law. Article 13 provides that professionals – including lawyers, accountants, engineers and other regulated practitioners – must inform their clients whenever AI systems are used in the performance of professional services.

The underlying objective is similar to that pursued in other sectors: ensuring transparency towards users while reaffirming that the final decision-making authority and professional responsibility remain with the human professional.

In other words, the legislation promotes the use of AI as a complementary tool, rather than as a substitute for human expertise in intellectual and professional activities.



### PKF Comment

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## International inheritance – Cross-border successions

Upon death, an individual's wealth is transferred to their heirs, identified by law or by will. It may happen that the deceased (*de cuius*) does not reside in the country of which they are a citizen, or that they have assets across different countries. Such cases are referred to as international succession. As regards the EU, the applicable rules are laid down in EU Regulation 650/2012. The following examples illustrate the principles of international succession.

### Example 1

Mr Rossi is a Portuguese citizen. He has properties in Portugal, Spain and Italy. After legally separating from Maria, he moves with his new partner Giulia to Montalcino, a small town in the Tuscan countryside, where he owns a farmhouse and produces wine. He dies in 2025 without a will. What law applies to Mr Rossi's succession?

According to Article 21(1) of EU Regulation 650/2012, it is Italian law, i.e. the law of the country in which the deceased had their habitual residence at the time of death. The rule expressly states that, 'Unless otherwise provided for in this Regulation, the law applicable to the succession as a whole shall be the law of the State in which the deceased had his habitual residence at the time of death.' Therefore, according to the provisions of the Italian Civil Code, his separated wife Maria inherits. Nothing goes to his more uxorio partner Giulia.

## Example 2

Mr Bianchi is an Italian citizen, but has been working in Germany for several years, where he has established his residence. His children, however, have remained in Italy, where they run a small company, in which their father also has a 30% stake. Mr Bianchi himself has real estate properties in Italy, across the peninsula, as well as several bank accounts in Italian banks. He dies in January 2026. Which law applies?

In this case, Article 21(2) of EU Regulation 650/2012 applies, according to which 'Where, by way of exception, it is clear from all the circumstances of the case that, at the time of death, the deceased was manifestly more closely connected with a State other than the State whose law would be applicable under paragraph 1, the law applicable to the succession shall be the law of that other State.' This is, of course, an exception to the general rule laid down in Article 21(1).

## Example 3

Mr Verdi, born in 1940 in Italy, where he lived for 20 years, moved to Germany for professional reasons, took up residence there and also acquired German citizenship. Over time, he purchased a number of properties in Bavaria, in addition to those he already owned in Italy, in Matera and Bari. He died in February 2026, leaving a holographic will dated December 2025, in which, in addition to naming his sons Mario and Ugo as his heirs and leaving the Munich flat to his wife Ingrid, he indicated that Italian law should apply to his succession. What is the law applicable to Mr Verdi's succession?

The rule of Article 22 of EU Regulation 650/2012, which dictates the so-called *professio iuris*, applies. The provision states that, 'A person may choose as the law to govern his succession as a whole the law of the State whose nationality he possesses at the time of making the choice or at the time of death.'

1. A person possessing multiple nationalities may choose the law of any of the States whose nationality he possesses at the time of making the choice or at the time of death.

2. The choice shall be made expressly in a declaration in the form of a disposition of property upon death or shall be demonstrated by the terms of such a disposition.
3. The substantive validity of the act whereby the choice of law was made shall be governed by the chosen law.
4. Any modification or revocation of the choice of law shall meet the requirements as to form for the modification or revocation of a disposition of property upon death.'

## Example 4

A married couple of German nationality habitually resident in Italy conclude an agreement whereby the husband disposes of his wealth in favour of his wife for the time after his death. The wife does the same with regard to her husband. The husband dies in a road accident, leaving his wife and children from his first marriage. *Quid iuris?* What happens?

Italian law applies, so the agreement concluded during the spouses' lifetime is null and void because it constitutes a succession agreement, which is prohibited under article 458 of the Italian Civil Code. Therefore, the children from the first marriage would also inherit.

What could they have done to save the agreement? A *professio iuris* would have been sufficient to save the inheritance agreement. In fact, according to Article 25 of Regulation 650/2012, 'An agreement as to succession regarding the succession of one person shall be governed, as regards its admissibility, its substantive validity and its binding effects between the parties, including the conditions for its dissolution, by the law which, under this Regulation, would have been applicable to the succession of that person if he had died on the day on which the agreement was concluded.'

An agreement as to succession regarding the succession of several persons shall be admissible only if it is admissible under all the laws which, under this Regulation, would have governed the succession of all the persons involved if they had died on the day on which the agreement was concluded.'

Thus, if the German spouses had chosen German law as the law applicable to their succession, which provides for the so-called [Erbvertrag](#), the agreement would have been considered valid, and the children would have been entitled only to the statutory quota (so-called [Pflichtteil](#)).

Finally, please note that EU Regulation 650/2012 introduced the European certificate of succession, which is 'intended for use by heirs, legatees with direct rights to the succession and executors or administrators of the estate who, in another Member State, need to assert their status or exercise, respectively, their rights as heirs or legatees and/or their powers as executors or administrators of the estate' (Article 63).

The court or other authority designated for this purpose in the Member State identified on the basis of Article 4 (habitual residence), Article 7 ([professio iuris](#)), Article 10 (subsidiary jurisdiction based on nationality) or Article 11 (compulsory jurisdiction) is competent to issue the certificate.



### PKF Comment

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# The Netherlands

## 'To the (best) knowledge of the seller' in SPAs: Who knows and what counts?

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Share purchase agreements (SPAs) typically include certain representations and warranties provided 'to the (best) knowledge of the seller' or similar. This is called a knowledge qualifier, which can have significant consequences. It (i) shapes the burden of proof; (ii) raises the evidentiary threshold for warranty claims; (iii) influences interpretation of warranties; and (iv) may create uncertainty if it is not clearly defined. Read on for insight into the Dutch legal implications and pragmatic advice on how to define the knowledge qualifier.

### Burden of proof

If a warranty includes a knowledge qualifier, the relevant purchaser must not only prove that a warranty has been breached, but also that the relevant seller had knowledge of such a breach. Considering that 'knowledge' has no fixed legal meaning, defining the scope of the qualifier is essential.

Where the seller is a legal entity, the central question for a knowledge qualifier is what knowledge falls within the scope of the seller. In M&A practice, this is commonly addressed by defining a contractual 'knowledge group', meaning specific individuals, specific functions or a combination of both. A clear definition serves a dual purpose: it protects the seller from being confronted later with 'latent knowledge' somewhere in its organisation that cannot be linked to a relevant individual, and it gives the purchaser comfort that key knowledge-holders are not (un) intentionally omitted. Under Dutch law, knowledge held by a managing director is in principle not automatically attributed to the legal entity for all purposes. Attribution depends on whether the relevant knowledge can reasonably be deemed to fall within the scope of the director's duties and responsibilities, and whether that knowledge was acquired in that capacity. It is common practice

to include one or more managing directors in the defined knowledge group.

An important principle is that knowledge cannot simply be aggregated across an organisation. Dutch case law confirms that separate fragments of information held by different individuals cannot automatically be attributed to the seller's knowledge. To attribute knowledge, such knowledge must be sufficiently present with at least one member of the defined knowledge group. This prevents arguments such as 'someone in the organisation could have known' from establishing knowledge.

Once it is clear **whose** knowledge is relevant, the next step is to determine **what type** of knowledge counts. SPAs generally distinguish between **actual knowledge** and **constructive knowledge**.

### Actual knowledge

When acting for a seller, limiting the knowledge of the seller to its actual knowledge is preferred. Actual knowledge refers to what a relevant individual actually knows at the time the warranties are given. This is a subjective standard, because proving actual knowledge is inherently difficult. Courts often rely on a presumption of knowledge: what a relevant individual knows or is deemed to know. Some SPAs expand the concept of actual knowledge by including a limited, expressly defined 'reasonable enquiry' obligation. This is not an investigation requirement in the broader sense; its purpose is simply to confirm whether the relevant individual already holds actual knowledge after an internal check. Importantly, such a clause does not transform actual knowledge into an objective 'ought to have known' standard. It remains a subjective form of knowledge.

### Constructive knowledge

When acting for a purchaser, incorporating the seller's constructive knowledge into the definition of warranties is the preferred approach. Constructive

knowledge refers to what the seller **ought** to have known, regardless of what was actually known. This is an objective standard. An SPA may define it as the knowledge a reasonable person should have after conducting an appropriate level of investigation into the administration of the target group, after inquiry with the relevant persons within the organisation and/or the information a relevant individual should have known in the proper performance of their role and responsibilities.

In practice, parties frequently adopt a hybrid formulation, combining elements of both actual and constructive knowledge to strike a balance: avoiding overly expansive attribution to the seller, while ensuring that the purchaser is not deprived of material information.

## Timing

SPAs often only refer to the best knowledge, but not when such knowledge exists. We recommend specifying the point in time or period of time when such knowledge existed, particularly in transactions with a split signing and closing. This could be during the due diligence process or simply at the signing date.

## Pitfalls in the forced share – Points of attention for advisory practice

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In both civil and tax advisory practice, the forced share (*legitieme portie*) continues to be a recurring source of discussion and surprises. Recent case law and practical examples show that seemingly logical assumptions can have major (undesired) consequences for the amount and enforceability of forced heirship claims. This article discusses several important themes and pitfalls that frequently arise in practice.

### The forced share

The forced share constitutes a minimum entitlement for descendants in the estate of a deceased person. The calculation of the amount of this entitlement starts with determining the forced share mass, consisting of the value of the estate, increased by certain gifts and reduced by permissible debts. In practice, errors particularly occur in the attribution of gifts and the question as

to which items should or should not be included in the forced share mass. If a forced heir has not received their full minimum entitlement during the testator's lifetime (through gifts and/or donations) and/or under inheritance law (as an heir and/or by way of legacies), they may recover the shortfall by way of reduction (*inkorting*). As a rule, a statutory order of reduction applies, unless otherwise provided in the will.

### Attribution of gifts within marriage or registered partnership

An important pitfall concerns the attribution of gifts made by a parent who was married or in a registered partnership under a full community of property regime. Recent case law shows that, for the purposes of the forced share, it is decisive who formally acted as the donor. The mere fact that a full community of property existed, or that the other spouse or partner consented to the gift, does not make that spouse or partner a co-donor. This means that gifts made by a married couple or registered partners are not automatically considered to be joint gifts, but rather may fall entirely within the forced share mass of one estate. A careful analysis of the gift documentation is therefore indispensable.

### Quasi-legacies and final settlement clauses

Another point of attention concerns the qualification of final settlement clauses (*finale verrekenbedingen*) upon death. Registered partners or spouses may include in their partnership conditions or prenuptial/postnuptial agreements a provision stating that, upon termination of the relationship by death, a settlement will take place as if they had been married or registered in a full community of property. Several district courts have ruled that such a final 'as if' settlement clause may qualify as a quasi-legacy (*quasi-legaat*), inter alia because the transfer of assets only takes place upon death and there is no reasonable consideration. As a result, the debt arising from the final settlement is not deducted from the forced share mass, which may cause forced share claims to be higher than expected. There is debate on this issue in legal literature, and the profession is awaiting a decision of the Supreme Court. Until such time, advisors should take these lower court rulings into account, particularly when advising blended families.

## Disinheritance and representation by substitution

When drafting a will in which a testator wishes to disinherit a descendant, it is important to take into account the statutory rules on representation by substitution (*plaatsvervulling*) of a disinherited descendant, as well as the manner and order of reduction by the forced heir. In practice, this is often overlooked or insufficiently elaborated, which may lead to unintended consequences of the disinheritance. For example, it is important to exclude such substitution if it is the testator's intention that the descendants of the disinherited child should also not inherit.

## Tax considerations in the administration of the estate

In addition to civil law consequences, tax effects are not always anticipated. Unclearly worded testamentary dispositions, for example heirs' appointments linked to the forced share, may lead to differences in interpretation and thus to delays in the administration of the estate and the filing of the inheritance tax return.

## Conclusion

In practice, the forced share requires precision and tailor-made drafting. Correct attribution of gifts based on formal roles, alertness regarding final settlement clauses and carefully considered drafting in cases of disinheritance are essential to avoid civil law and tax-related surprises. Close coordination between legal and tax advisors continues to be of great importance.



### PKF Comment

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# Spain

In recent months, there have been significant legislative changes that impact various sectors. It is crucial to be aware of these updates and take appropriate measures.

Below is an overview of the main regulatory adjustments.

## Recent legislative changes

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### Royal Decree Law 7/2026 of 20 March approving the Comprehensive Response Plan to the crisis in the Middle East

Royal Decree Law 7/2026 of 20 March approves a Comprehensive Response Plan to the crisis in the Middle East, the main purpose of which is to mitigate the economic and social impact arising from the current geopolitical situation through the adoption of urgent support measures. The measures include:

- tax reductions in the energy sector, the continuation of discounts under the electricity and thermal social bonus schemes and the guarantee of water and energy supply for vulnerable consumers throughout 2026;
- flexibilisation of electricity and gas contracts for households, self-employed workers and companies, as well as an 80% reduction in access tariffs applicable to electro intensive industries;
- promotion of electrification and renewable energies, including support for self consumption, the development of energy communities, the creation of renewable acceleration zones and the improvement of procedures for access to the electricity grid; and
- granting of direct aid to the most affected sectors: transport (€0.20 per litre), agriculture and fisheries (diesel, fertilisers and electricity), together with the extension of ICO MAPA SAECA financing lines.

Taken as a whole, the plan combines immediate actions with measures intended to strengthen

economic resilience in the event of a prolonged conflict.

### Royal Decree 39/2026 of 21 January on the limitation of the initial amount of public pensions and the revaluation of social security pensions, state civil service pensions (Clases Pasivas) and other public social benefits for fiscal year 2026

This royal decree implements the provisions set out in Royal Decree Law 16/2025 and establishes the framework for updating pensions and public benefits for fiscal year 2026, ensuring adequate revaluation in a context marked by the extension of the previous year's budget.

- **Pension revaluation:** Contributory pensions and state civil service pensions are increased by 2.7% (in line with the average CPI), while non contributory pensions and SOVI pensions are also updated on the basis of this standard, reaching their revised 2026 amounts. A gender gap supplement is also contemplated.
- **Benefits and allowances:** Family and orphanhood benefits, severe disability (gran invalidez) assistance and allowances for persons living with HIV are updated. In addition, the income limits for entitlement to minimum supplements are increased.
- **Contribution bases and rates:** The maximum contribution base is set, the mechanism for intergenerational equity (MEI) charge is increased and an additional solidarity contribution is introduced for pay exceeding the maximum base.
- **Regulatory changes:** The obligation to file income tax returns (IRPF) is removed for recipients of unemployment benefits who are not legally required to do so, and a new premium rate for occupational risk contingencies is introduced, aligned with CNAE 2025.

It also regulates additional measures for specific groups, such as forest agents and environmental personnel, as well as the compatibility between

retirement pensions and professional activity for general practitioners and paediatricians in the public system.

### Act 9/2025 of 3 December on sustainable mobility

This Act provides the basis for transforming transport in Spain towards a more equitable and inclusive model, aligned with the objective of achieving climate neutrality by 2050. It introduces new governance instruments and strengthens digitalisation through the Integrated Mobility Data Space.

In the financial sphere, it provides for a state fund for contributions to sustainable mobility, limits state financing of public transport and authorises municipalities to establish charges in low-emission zones.

It also imposes obligations on companies and public administrations, such as workplace mobility plans for centres above a certain size, the calculation and reporting of carbon footprints and the digitalisation of mobility data before 2027. Furthermore, it promotes active and low emission mobility through plans in major activity hubs and the assessment of dedicated lanes.

### Innovation Fund 2025

The European Climate, Infrastructure and Environment Executive Agency (CINEA) has launched the Innovation Fund 2025 calls, with a total budget of €5.2 billion, aimed at supporting innovative and zero emission technologies and accelerating the energy transition in European industry.

The programme is structured into three lines of action:

- regular calls (€2.9 billion) for mature technologies;
- hydrogen auction (€1.3 billion) for renewable or low carbon hydrogen projects; and
- industrial heat auction (€1 billion) for clean industrial heat solutions.

Spain and Germany will complement these calls with additional national funding, expanding their scope and impact, contributing to enhanced European competitiveness in clean technologies and accelerating industrial decarbonisation.



#### PKF Comment

If you believe the above may impact your business or personal situation or require any advice with respect to legal matters in Spain, please contact Carlos Palomino at [cpalomino@pkf-attest.es](mailto:cpalomino@pkf-attest.es) or call +34 944 356 500.

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# United States of America

## US cross-border reporting rules: What they mean for tax, enforcement and financial crime

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US information reporting and tax requirements for foreign-connected assets reflect a broader shift towards increased reporting and withholding on cross-border activities. While different regimes and agencies play different roles, the system is intended to enhance transparency and compliance in cross-border financial flows and to advance several overlapping policy objectives. In addition to deterring tax evasion, these requirements also help authorities identify potential money laundering, detect fraud and address broader law enforcement and national security concerns.

### Information filing, tax and payment requirements

Under the Bank Secrecy Act (31 USC section 5314), US persons, including individual citizens, residents and certain trusts, must report any financial interest in or signature authority over one or more foreign financial accounts with an aggregate value exceeding \$10,000 at any time during the calendar year. This requirement is enforced by the Financial Crimes Enforcement Network (FinCEN), which requires US persons to file FinCEN Form 114 (commonly known as the FBAR). Significant civil and criminal penalties can apply. While the FBAR information complements IRS information, it is distinct from IRS forms and is filed electronically with FinCEN, not the IRS.

Internal Revenue Code (IRC) sections 1446 and 1461 require US partnerships with effectively connected taxable income allocable to foreign partners to withhold taxes on the income. Partnerships have information requirements associated with the withholding; partnerships must file Form 8804 (annual return for partnership withholding tax) and Form 8805 (statement of withholding for each foreign partner) with the IRS. Partnerships are also required to provide Form 8805 to each foreign partner.

There are also several requirements under IRC section 6038A and related regulations. US corporations (including disregarded entities) that are at least 25% foreign owned must file Form 5472 to report transactions between the reporting corporation and related foreign parties, including sales, leases, loans and other financial dealings. Even without independent income tax filing requirements, foreign-owned domestic disregarded entities must also file a simplified Form 1120 with Form 5472 attached.

Under IRC section 6038D, the Foreign Account Tax Compliance Act (FATCA) regime requires certain individuals and certain domestic entities to file Form 8938 if they have an interest in specified foreign financial assets exceeding reporting thresholds. This form, attached to the applicable annual income tax return, requires details on foreign accounts, securities and interests in foreign entities. Notably, FATCA requires foreign financial institutions (FFI) that maintain US accounts to enter into an agreement with the IRS and withhold 30% on certain payments to account holders who do not provide required information, as well as to other FFIs that do not comply with FATCA. This requirement significantly enhances the ability of US authorities to detect non-compliance.

The One Big Beautiful Bill Act (OBBBA) introduced new excise tax requirements relevant to foreign persons with US interests. Amended IRC section 4475 imposes a 1% excise tax on certain cash remittance transfers outside the US, collected by the remittance transfer provider when sent. OBBBA also made changes to other excise tax regimes, such as those affecting digital transactions.

While the use and disclosure of this information is subject to strict statutory limits and regulations, these reporting regimes, together with related Bank Secrecy Act reporting obligations such as suspicious activity reports (SARs) and currency transaction reports (CTRs), provide authorities with significant visibility into cross-border financial activity.

## Information sharing

IRC section 6103 makes tax returns and return information confidential; the IRS is strictly limited in what it can disclose. Notable exceptions include disclosures to other federal agencies for tax administration, law enforcement and certain intelligence purposes, but these are tightly controlled. Recent executive orders also direct agencies to prioritise enforcement and sharing information within existing legal boundaries.

While FinCEN and the IRS operate under different authorities, they may share information for law enforcement and regulatory purposes. FinCEN may share FBAR data with the IRS for tax compliance investigations and both agencies may provide information to other federal, state or international authorities under specific legal provisions relating to money laundering and terrorism, or law enforcement. Such sharing is subject to the privacy and safeguard requirements of IRC section 6103 and the Bank Secrecy Act.

The Trump administration has also placed special emphasis on using technology to advance enforcement priorities, including anti-money laundering and national security objectives, as part of US Treasury Secretary Scott Bessent's push for technological modernisation. On 22 December 2025, the US Treasury announced that, 'FinCEN is now applying high-performance data processing to uncover illicit networks and protect the US financial system from evolving threats.' On 23 March 2026, the Office of the Financial Stability Oversight Council (FSOC) and the Treasury Department's Artificial Intelligence Transformation Office (AITO) announced the launch of a public-private AI innovation series to advance responsible AI adoption across the financial sector, emphasising that expanded use of AI in areas such as fraud detection, credit allocation and operational resilience is becoming increasingly important to US financial stability and economic growth. Together, these initiatives are likely to strengthen the government's ability to detect, investigate and disrupt illicit activity.

## Use by regulators and law enforcement

The reporting and information regulatory requirements convert opaque cross-border activity

into usable investigative data for regulators and law enforcement. What may appear to taxpayers and financial institutions as a series of technical filing obligations can, in practice, provide authorities with leads, corroborating evidence and a roadmap to hidden assets, related-party transactions and illicit networks. As the US government continues to expand the application of technology to data and information sharing, these filings will become even more useful not only for tax administration, but also for investigating fraud, money laundering, sanctions evasion and other financial crimes.



### PKF Comment

PKF O'Connor Davies remains committed to helping clients address the evolving tax, reporting and enforcement requirements affecting cross-border activities. Our **Tax and Forensics, Litigation and Valuation** teams work together to help clients navigate compliance and tax controversy issues, strengthen internal controls, assess critical risks, conduct data analysis and forensic reviews and perform targeted data diagnostics designed to mirror regulatory approaches, so clients have the necessary insights into their own data. We also help clients conduct investigations and respond to potential fraud, money laundering, sanctions and other financial crime matters.

To discuss how these tax, reporting and enforcement requirements may affect your organisation, please contact your PKF O'Connor Davies client service team or:

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# Closing remarks

As the legal landscape continues to evolve, our focus remains on helping you stay informed and prepared. The PKF Legal Newsletter is more than a collection of updates – it's a platform for insight, dialogue and sharing expertise across our global network.

We hope this edition provides meaningful value in your professional practice. We look forward to staying connected and bringing you further updates and thought leadership in the editions ahead.



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LN042026