



Building a better
working world

14 March 2022

Americas Tax Roundup

Latest news – Americas

[US Congress passes \\$1.5t Omnibus spending bill](#)

The US Congress last week passed a long-negotiated \$1.5 trillion, 2,741-page omnibus appropriations bill that does not include a tax title, meaning it does not address any tax extenders or *Tax Cuts and Jobs Act* cliffs. The spending bill will fund the federal government through the remainder of FY2022.

[Peru's President amends the Tax Code](#)

On 3 March 2022, Peru's President enacted Legislative Decree 1528, amending the Tax Code. The amendments allow taxpayers to challenge a tax or fine imposed after the statute of limitations and change the tax claim procedures.

[Peru's President amends law regulating use of Peruvian banking system for tax purposes](#)

On 3 March 2022, Peru's President enacted Legislative Decree 1529, amending Law 28194, which regulates the use of the Peruvian banking system for tax purposes. The legislative decree reduces the threshold at which taxpayers must route payments through the Peruvian banking system. It also allows taxpayers to make payments to nonresidents through foreign banking/financial entities for certain transactions.

[Colombia, Netherlands sign double tax treaty](#)

Colombia and the Netherlands recently signed a double tax treaty that aims to reduce taxation on transactions and investments between both countries, without creating opportunities for non-taxation, tax evasion or tax avoidance, including treaty shopping. The DTT includes rules for when a permanent establishment is triggered as a result of the provision of services and offshore activities. It also has rules for the taxation of passive income and profits from the sale of shares.

[Costa Rica proposes allowing corporations to pay annual tax owed for tax years 2016 through 2021 on legal entities without paying interest and penalties](#)

On 1 March 2022, Costa Rica proposed Bill No. 22.905, which would allow corporations, subsidiaries of foreign companies and limited liability companies to pay the annual tax owed for tax years 2016 through 2021 on legal entities without paying interest and penalties. This benefit would apply from the date the law enters into force through 15 December 2022.

[US IRS withdraws LB&I directives on transaction costs](#)

In a [memorandum](#) for Large Business and International (LB&I) division employees, the US IRS withdrew various LB&I directives, including some related to transaction costs. The withdrawal of these directives confirms that LB&I directives are not reliance guidance.



[US bans imports of Russia energy products; bans exports of oil refinery equipment to Russia](#)

On 8 March 2022, US President Joe Biden announced an Executive Order (EO) on *Prohibiting Certain Imports and New Investments With Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine*, in response to Russia's on-going invasion of Ukraine. The EO specifically prohibits the importation of Russian energy products into the US, as well as any US investment in the Russian energy sector along with any financing or facilitation of such transactions by US persons. The EO was accompanied by a new rule from the Bureau of Industry and Security (BIS) that restricts the export, reexport and transfer (in-country) of critical oil refining equipment to Russia absent an approved license.

[Canada: Yukon issues budget 2022/23](#)

On 3 March 2022, Yukon Premier and Finance Minister Sandy Silver tabled the territory's fiscal 2022/23 budget. The budget contains no new taxes and no tax increases.

[Canada announces new immigration measures to support those impacted by the Ukrainian crisis](#)

On 3 March 2022, the Canadian Government announced new immigration measures for Ukrainian nationals who are seeking entry to Canada to stay safe from the crisis in Ukraine. The Government will create two new streams to support Ukrainians: (1) the Canada-Ukraine Authorization for Emergency Travel, which will facilitate temporary residence in Canada; and (2) the Expedited Path for Ukrainian Family Members through Family Sponsorship.

[PE Watch: Latest developments and trends, March 2022](#)

The latest edition of EY's PE Watch is available, among other things providing an update on the tax treaty signed by Colombia and the Netherlands and transfer pricing country profiles.

This week's tax treaty news in the Americas

- ▶ Brazil and Chile: amending protocol to income tax treaty signed
- ▶ Brazil and Saudi Arabia: air services agreement entered into force
- ▶ Chile and Netherlands: amending protocol to income and capital tax treaty signed
- ▶ Colombia and Italy: income tax treaty details available
- ▶ Colombia and United Arab Emirates: first round of negotiations for a free trade agreement held
- ▶ Costa Rica and Netherlands: mutual assistance agreement will enter into force

Upcoming webcasts

[BEPS 2.0: Implications of Pillar Two for businesses \(22 March\)](#)

Please join us for a detailed discussion of the Pillar Two Model Rules. Panelists will walk through practical examples illustrating the potential effects of core elements of the Model Rules. They also will provide an update on ongoing technical developments in the Inclusive Framework and share perspectives on the plans of some key jurisdictions for moving forward with the global minimum tax.

[Transparency in the sharing economy: What to know about DAC7 and beyond \(24 March\)](#)

In this webcast, panelists will discuss the global adoption of tax reporting rules for digital platforms, including the OECD's Model Rules, the EU's tax automatic exchange of information directive known as DAC7 and the UK's hybrid implementation.

For a full list of upcoming webcasts, please access EY's webcast page on ey.com [here](#).



Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 11 March 2022](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ Congress passes \$1.5t Omnibus spending bill with no tax title
- ▶ Treasury official confirms previously-taxed earnings and profits regulations coming in latter half of 2022
- ▶ IRS official says partial US FTC may only be available on foreign withholding on IP royalties in certain instances

You can register for this weekly podcast on iTunes [here](#).

This week's EY Global Tax Alerts

Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments - 11 March 2022](#)
- ▶ [Peru's President amends the Tax Code](#)
- ▶ [PE Watch: Latest developments and trends, March 2022](#)
- ▶ [Colombia and the Netherlands sign double tax treaty](#)
- ▶ [Peru's President amends law regulating use of Peruvian banking system for tax purposes](#)
- ▶ [Costa Rica proposes allowing corporations to pay annual tax owed for tax years 2016 through 2021 on legal entities without paying interest and penalties](#)
- ▶ [Canada: Yukon issues budget 2022/23](#)

Other Cross-border Alerts

- ▶ [CJEU holds that customer recharge of costs of repair of goods under warranty to its supplier may be deemed consideration for supply by the customer](#)
- ▶ [Italian Tax Authorities issue implementing instructions for new patent box regime](#)
- ▶ [Italy revamps opportunity to tax step-up participations and land](#)

Human Capital Alerts

- ▶ [Canada announces new immigration measures to support those impacted by the Ukrainian crisis](#)
- ▶ [Bahrain introduces Golden Residence Permits](#)

Indirect Tax Alerts

- ▶ [US bans imports of Russia energy products; bans exports of oil refinery equipment to Russia](#)
- ▶ [New Zealand delays introduction of proposed changes to GST invoicing requirements](#)



EY Industry and Tax Services publications

Industries

Mining & Metals

- ▶ [Does cyber risk only become a priority once you've been attacked?](#)

Financial Services

- ▶ [How will you reframe the future of advice if today's client is changing?](#)

Health Care & Life Sciences

- ▶ [The CEO Imperative: Why life sciences focus on supply chain, M&A, ESG](#)

Technology

- ▶ [How tech companies' supply chain constraints have peaked in Q4 2021](#)

Services

People and workforce

- ▶ [Updated: How COVID-19 is disrupting immigration policies and worker mobility: a tracker](#)

Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: globaltaxnewsupdatehelp@ey.com.

EY | Building a better working world

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit www.ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

Important Commercial Notice: This email may constitute an advertisement or solicitation under US law, if its primary purpose is to advertise or promote the products or services of Ernst & Young LLP or any of its client-serving affiliates. Our principal postal address is 5 Times Square, New York, NY 10036.

Use the link below to opt-out if you would prefer not to receive any advertising or promotional email from Ernst & Young LLP or any of its affiliates (except for Ernst & Young Online and the ey.com website, which track email preferences through a separate process). Your email address will be immediately removed from our central mailing list for newsletters and alerts, and all emails from Ernst & Young LLP and its affiliates designated as advertising or promotional will be automatically blocked as soon as necessary modifications to our email system are completed.

[Remove me from all EY commercial emails.](#)