



Building a better  
working world

20 February 2023

# Americas Tax Roundup

## Latest news – Americas

Tax information at your fingertips  
Access tax technical data on 150+ jurisdictions from anywhere in the world.  
[Download EY's tax guides here.](#)

### [US stock buyback excise tax – Potential implications for Canadian public companies](#)

Recently released US IRS [Notice 2023-2](#) could have important implications for Canadian public companies with US affiliates. Notice 2023-2 provides interim guidance on the application of the new 1% excise tax on repurchases of certain corporate stock under Internal Revenue Code Section 4501. Many Canadian public companies have active share repurchase programs (including through normal course issuer bids), and those repurchases could be subject

to the 1% US excise tax to the extent they are funded by their US affiliates.

### [Costa Rica is added to EU list of non-cooperative jurisdictions \(Annex I\) for the first time](#)

On 14 February 2023, the Council of the European Union updated the EU list of non-cooperative jurisdictions for tax purposes and added Costa Rica in the Annex I (so called “blacklist”) because of its foreign source income exemption regime. As a result, EU Member States may include Costa Rica on their lists of non-cooperative jurisdictions for tax purposes under their domestic laws and may apply defensive measures.

### [Panama's Tax Authority publishes resolution that modifies Service Rendering and Sales Report for VAT purposes](#)

On 6 February 2023, Panama's Tax Authority issued Resolution No. 201-1139, which modifies the Service Rendering and Sales Report (Form No. 1027), applicable to taxpayers of Value Added Tax (VAT) in Panama (in Spanish, *Impuesto de Transferencia de Bienes Corporales Muebles y la Prestación de Servicios – ITBMS*).

### [Uruguayan Tax Authority publishes adjustments in interest taxation under Double Tax Treaty between Chile and Uruguay](#)

The Uruguayan Tax Administration announced on its website that the rate at which interest can be taxed under the [Uruguay-Chile Income and Capital Tax Treaty](#) was modified due to the application of the most favored nation (MFN) clause in the double tax treaty protocol. As a result of the MFN clause, the tax rate is reduced from 15% to 10% of the gross amount of interest.

### [Canada releases semi-annual list of trade compliance verification priorities](#)

The Canada Border Services Agency released its semi-annual list of trade compliance verification (audit) priorities in January 2023. The list is designed to update the importing community on ongoing verification priorities and set the stage for new priorities for the upcoming calendar year.

### [Canada: Northwest Territories budget 2023-24 discussed](#)

Northwest Territories Finance Minister Caroline Wawzonek tabled the territory's fiscal 2023-24 budget on 8 February. The budget contains no new taxes and no income tax increases. The minister anticipates an operating surplus of CD \$40 million for 2022-23 and projects an operating surplus of CD \$178 million for 2023-24.



### [Global Tax Policy and Controversy Watch | February 2023 edition](#)

EY's publication, Global Tax Policy and Controversy Watch, highlights recent policy and administrative developments around the world. This month's publication highlights (1) the US IRS release of interim guidance on the 15% corporate alternative minimum tax; (2) Brazil's new tax recovery measures; and (3) Peru's new rules for tax incentives for research and development.

---

### This week's tax treaty news in the Americas

- ▶ Brazil and Uruguay: income and capital tax treaty approved by Brazilian Chamber of Deputies
- ▶ United States and Germany: agreement on exchange of country-by-country reports approved by German lower house

---

### Upcoming webcasts

#### [US Corporate alternative minimum tax: what the latest interim guidance could mean for companies \(28 February\)](#)

While IRS Notice 2023-7 (the notice) addressed several taxpayer issues around the new 15% corporate alternative minimum tax (CAMT), many questions remain unanswered. As the CAMT is effective beginning in tax year 2023, companies need to understand the notice now to determine how to comply. Join Ernst & Young LLP professionals for a discussion of the technical aspects, implications and uncertainties of this notice.

#### [Are you Pillar Two-ready? | Banking and Capital Markets: Current industry insights \(8 March\)](#)

Please join us for an industry-focused discussion in which panelists will examine the latest guidance from the OECD on the BEPS 2.0 project as it relates to the banking and capital markets industry. Panelists will explore the current legislative landscape as jurisdictions begin to release further guidance and draft legislation on the global minimum tax rules under BEPS Pillar Two.

#### [Pillar Two administrative guidance and safe harbors: implications for US multinationals \(9 March\)](#)

Recent administrative guidance from the OECD on the Global Anti-Base Erosion (GloBE) rules under BEPS Pillar Two addresses many critical issues for US multinationals but also raises many (unanswered) technical questions. The OECD's transitional safe harbor rules, released at the end of 2022, could help relieve compliance burdens for US companies. Please join our team of Ernst & Young LLP subject matter professionals for a detailed discussion of these developments and practical approaches to help manage the reporting and tax-rate implications.

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, 17 February 2023](#)

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

- ▶ IRS will not release proposed PTEP regulations until latter half of 2023
- ▶ Democratic Senate Finance Committee members introduce bill to quadruple stock buyback excise tax
- ▶ US-Chile tax treaty stalls in Congress

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



---

## This week's EY Global Tax Alerts

### Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments – 17 February 2023](#)
- ▶ [OECD releases revised methodology for BEPS Action 14 peer reviews and updates on reporting of MAP and APA statistics](#)
- ▶ [Global Tax Policy and Controversy Watch | February 2023 edition](#)
- ▶ [Brazilian Supreme Court overrules use of res judicata in cases where such use is against the Supreme Court's holding](#)
- ▶ [Costa Rica is added to EU list of non-cooperative jurisdictions \(Annex I\) for the first time](#)
- ▶ [US stock buyback excise tax – Potential implications for Canadian public companies](#)
- ▶ [US Tax Court approves agreement by Eaton Corporation and the IRS resolving APA cancellation case](#)

### Other Global Tax Alerts

- ▶ [Botswana's Government presents 2023 Budget to Parliament](#)
- ▶ [ECOFIN adopts revised list of non-cooperative jurisdictions for tax purposes](#)
- ▶ [Germany implements new UBO reporting obligations for foreign entities with direct or indirect ownership in German real estate](#)
- ▶ [Germany | Updated EU list of non-cooperative jurisdictions may trigger significant German tax consequences for business relationships with Russia](#)
- ▶ [Kenya gazettes Income Tax \(Financial Derivatives\) Regulations, 2023](#)
- ▶ [Kenya publishes draft National Green Fiscal Incentives Policy Framework](#)
- ▶ [Qatar enacts amendments to Income Tax Law](#)
- ▶ [Spain releases final List of Non-Cooperative Jurisdictions for Tax Purposes](#)
- ▶ [Switzerland significantly increases safe harbor interest rates for 2023](#)
- ▶ [Türkiye reduces withholding tax to 0% on share-buy-back transactions](#)
- ▶ [Uganda mandates all companies to file beneficial owner's information](#)

### Human Capital Alerts

- ▶ [China resumes visa issuance and 72/144-hour visa-free transit policy for South Korean nationals](#)
- ▶ [Malaysia introduces new Multiple Entry Visa for business visitors and other travelers](#)
- ▶ [South African President announces significant immigration changes expected in the future](#)

### Indirect Tax Alerts

- ▶ [Brazil's Federal Supreme Court restarts analysis on imposition of ICMS on transfers between branches of same legal entity](#)
- ▶ [Kenya High Court dismisses petitions challenging imposition of VAT on exported services](#)
- ▶ [Panama's Tax Authority publishes resolution that modifies Service Rendering and Sales Report for VAT purposes](#)



---

## EY Industry and Tax Services publications

### Industry

#### Consumer Products & Retail

- ▶ [How retailers' value propositions need to evolve for success](#)
- ▶ [Podcast: Is data delivering an improved customer experience?](#)

#### Technology, Media & Entertainment, and Telecommunications

- ▶ [The CIO Imperative: How emerging tech can accelerate a path to sustainability](#)

### Services

#### Tax

- ▶ [Why tax engagement in an ERP overhaul delivers business-wide benefit](#)

#### People and workforce

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

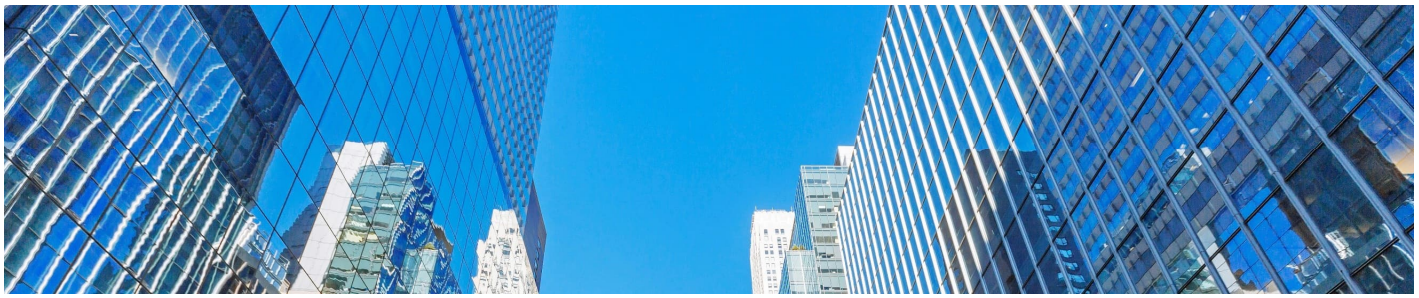
### Comments

EY's *Americas Tax Roundup* is produced and distributed by Ernst & Young LLP's Tax Technical Knowledge Services Group.

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

[globaltaxnewsupdatehelp@ey.com](mailto: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](http://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](http://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](http://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.](#)