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1 June 2021

Americas Tax Roundup

Latest news – Americas

[Argentine Chamber of Deputies approves bill that would raise the corporate income tax rate](#)

The Argentine Chamber of Deputies approved a bill that would increase the corporate income tax rate from the current 25% flat rate to a progressive system in which the top marginal rate is 35% for tax years beginning 1 January 2021 and onwards. It also would extend the 7% withholding tax rate currently in force to dividends from profits accrued in tax years beginning 1 January 2021 and thereafter. The bill has been sent to the Chamber of Senators for final approval.

[Argentina corporate legal authorities modify regime for foreign companies](#)

The Argentine corporate legal authorities published General Resolution No. 8/2021, modifying the regime for foreign companies registered as "investment vehicles" or "special purpose vehicles" (SPVs). The resolution clarifies the rules for foreign companies to obtain SPV status.

[Peruvian tax authority establishes guidelines for the application of the new thin capitalization rules](#)

The Peruvian tax authority established guidelines for the application of the new thin capitalization rules for companies with interest expenses during their preoperative stage or companies recently incorporated. The new guidelines also clarify when the deduction for interest expenses will be limited.

[US IRS modifies guidance on accounting method changes for certain foreign corporations](#)

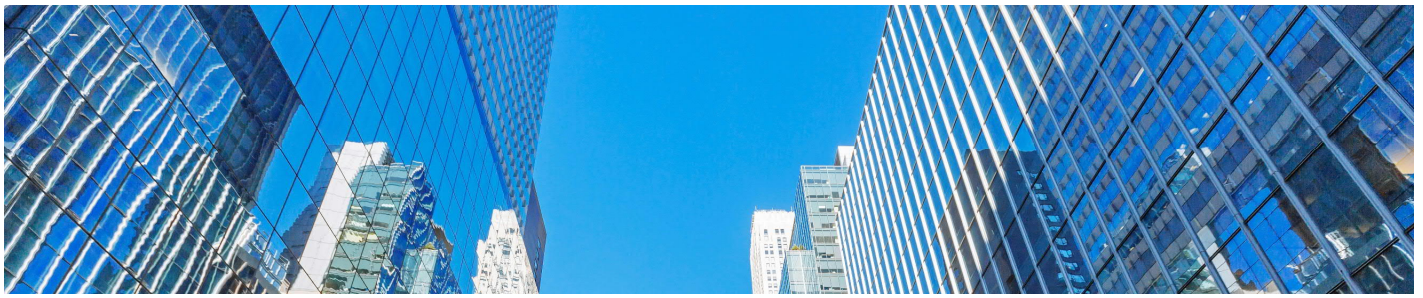
In Revenue Procedure 2021-26, the US Internal Revenue Service (IRS) establishes procedures under IRC Section 446(e) for certain foreign corporations to obtain automatic consent to change their method of accounting to the alternative depreciation system (ADS) under IRC Section 168(g). The revenue procedure also: (i) provides additional terms and conditions applicable to IRC Section 481(a) adjustments arising from accounting method changes of foreign corporations; and (ii) clarifies an existing rule that limits audit protection for certain foreign corporations (the 150% rule).

[Uruguay extends reduced 13% value-added tax rate to operations in the tourism sector](#)

Uruguay published Decree No. 128/021, which extends the reduced 13% VAT rate (normally 22%) to certain operations in the tourism sector. The VAT reduction applies until 30 June 2021.

[Costa Rica's General Directorate of Customs authorizes a new category of goods that may be imported under the temporary import regime](#)

Costa Rica's General Directorate of Customs has published a resolution authorizing a new category of imported goods under the temporary import regime called "Temporary Imports of Goods by National Emergency Declaration, by means of Resolution RES-DA-186-2021." The resolution makes it easier for certain government agencies to import goods needed for national emergencies, such as medical supplies.



[Uruguayan Executive Power issues decree regulating the new 10-year option under 'tax holiday' regime](#)

The Uruguayan Executive Power issued a decree that regulates the 10-year “tax holiday” option for individuals who applied for the tax holiday regime before 2021. To qualify for the 10-year option, individuals must meet certain conditions.

This week's tax treaty news in the Americas

- ▶ Jamaica and United Arab Emirates: start of negotiations for income tax treaty authorized by Jamaica
- ▶ United States and Macau: FATCA agreement ratified by Macau
- ▶ United States and Switzerland: competent authority arrangement on dividends withholding exemption for pensions signed

Upcoming webcasts

[What you need to know for Q2 2021 financial reporting \(10 June\)](#)

Are you up-to-date with current accounting and regulatory developments? Can you identify the implications for your company's financial accounting and reporting? During this webcast, panelists will discuss current financial reporting matters and standard-setting activities.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 26 May 2021](#)

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

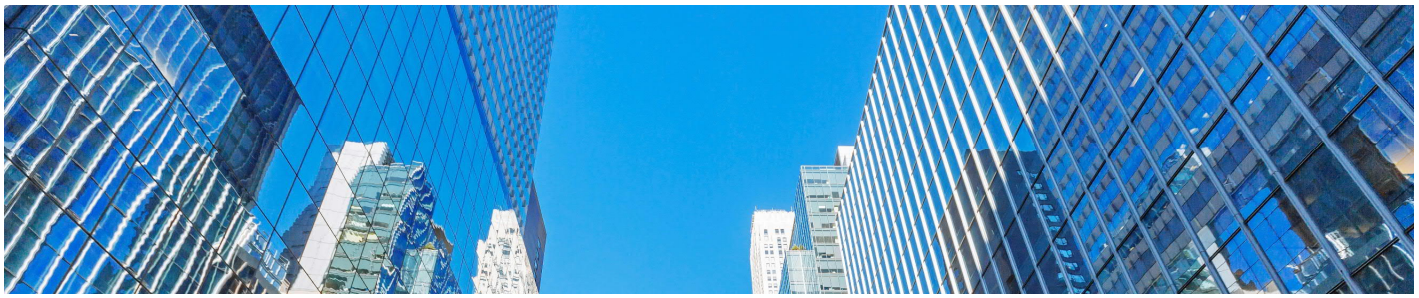
- ▶ US Senate Finance Committee hearing discusses US international tax proposals
- ▶ Biden Administration, Senate Republicans trading infrastructure proposals

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

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments - 26 May 2021](#)
- ▶ [Uruguayan Executive Power issues decree regulating new 10-year option under "tax holiday" regime](#)
- ▶ [Peruvian Tax Authority establishes guidelines for application of new thin capitalization rules](#)
- ▶ [US IRS modifies guidance on accounting method changes for certain foreign corporations](#)
- ▶ [Argentina corporate legal authorities modify regime for foreign companies](#)
- ▶ [Argentine Chamber of Deputies approves bill that would raise corporate income tax rates](#)



Other Global Tax Alerts

- ▶ [German Parliament advances several tax proposals](#)
- ▶ [Italy extends accounting step-up election to financial year 2021](#)
- ▶ [Greece implements income tax reductions and other tax amendments](#)
- ▶ [Kenyan Government presents Finance Bill, 2021 to Parliament](#)
- ▶ [Turkey issues guidance on financing expense deduction restriction, taxation of share buybacks and reduced income tax rate for publicly held companies](#)

Transfer Pricing Alerts

- ▶ [EU General Court annuls Commission's decision on Luxembourg transfer pricing State aid case](#)
- ▶ [Sweden: Open disclosures may be used to manage risks of tax penalties due to COVID-19 related transfer pricing adjustments](#)

OECD Alerts

- ▶ [OECD: Conference of the Parties of the MLI approve opinion for MLI interpretation and implementation](#)

Human Capital Alerts

- ▶ [Travel of US Citizens with expired passports discussed](#)
- ▶ [UK's 2021 to 2025 immigration priorities announced](#)

Indirect Tax Alerts

- ▶ [Uruguay extends reduced 13% value-added tax rate to operations in the tourism sector](#)
- ▶ [Portugal clarifies VAT rules related to nonresident taxable persons](#)
- ▶ [Poland proposes optional e-invoicing from 1 October 2021](#)
- ▶ [Italy postpones plastic packaging tax to 2022](#)

EY Industry and Tax Services publications

Industries

Banking & Capital Markets

- ▶ [How banks are reimagining tax and finance functions to deliver value](#)

Consumer Products & Retail

- ▶ [How cybercriminals are using malicious bots to disrupt e-commerce](#)

Power & Utilities

- ▶ [How confidence pushed P&U dealmaking in Q3 18](#)

Oil & Gas

- ▶ [How to accelerate digital transformation in oil and gas](#)



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