



**Building a better
working world**

1 November 2021

Americas Tax Roundup

Latest news – Americas

[US President Biden releases new framework on \\$1.75 trillion package](#)

On 28 October 2021, US President Joe Biden announced a new framework outlining the Democrats' \$1.75 trillion social spending package. The package includes funding for expanded health coverage, affordable housing, universal pre-kindergarten and child care, clean energy and climate investments, along with other items. According to the Administration, the package is "fully paid for and will reduce the deficit" through various tax provisions, including a 15% minimum tax on corporate profits; a 15% global minimum tax; a surtax on the income of the wealthiest .02% of Americans; and an overhaul of tax administration, among other provisions.

[G20 leaders confirm commitment to global tax changes under BEPS 2.0](#)

On 30-31 October 2021, the leaders of the G20 met in Rome for the G20 Summit. The G20 Rome Leaders' declaration issued at the conclusion of the summit embraces the agreement reached in the OECD/G20 Inclusive Framework on BEPS on global tax changes in connection with the BEPS 2.0 project as a historic achievement. The declaration also calls for swift action as contemplated in the implementation plan included in the agreement, with the aim of ensuring that the new rules come into effect globally in 2023.

[Mexican Congress approves 2022 tax reform](#)

Both Houses of Congress in a fast-track process approved the Economic Proposal for 2022, which includes tax reform that focuses on eliminating loopholes in the legislation to address perceived abuses by taxpayers. The President is expected to sign and publish the tax reform legislation soon. The tax reform would be effective 1 January 2022.

[OECD releases Brazil Stage 2 peer review report on implementation of Action 14 minimum standard](#)

The OECD released the Stage 2 peer review report for Brazil relating to the outcome of the peer monitoring of the implementation of the BEPS minimum standard on dispute resolution under Action 14 of the BEPS project. In short, the Stage 2 peer review found that the Brazilian network of tax treaties should be updated in specific areas for greater alignment with the Action 14 minimum standard.

[Argentine Government extends the promotional regime for industrial entities located in Tierra del Fuego, Antarctica and Southern Atlantic Islands](#)

On 23 October 2021, the Argentine Government published, in the Official Gazette, Decree 727/2021, which extends until 31 December 2038 the promotional regime for industrial companies that are located in the Special Customs Area of Tierra del Fuego, Antarctica and the Southern Atlantic Islands (the Special Customs Area) and have projects in the works as of 23 October 2021.



[Paraguayan Tax Authority issues new transfer pricing rules](#)

The Paraguayan Tax Authority (Subsecretaría de Estado de Tributación) issued General Resolution No. 96/2021, which establishes new rules for applying the transfer pricing methods in Paraguay, among other things. The resolution establishes new rules for performing a transfer pricing analysis and clarifies “related parties.”

[Paraguayan Government modifies transfer pricing provisions related to the exportation of certain commodities](#)

On 14 October 2021, the Paraguayan Government issued Decree No. 6105/21, which modifies certain provisions of the transfer pricing regime applicable to the exportation of certain agricultural products.

Taxpayers must register their purchase-sale agreements concluded before 1 November 2021 for exports made after 1 July 2021 by 31 December 2021.

[Costa Rica’s Economic Affairs Commission of the Legislative Assembly approves reform of General Customs Law](#)

Costa Rica’s Economic Affairs Commission of the Legislative Assembly approved a bill that would reform the General Customs Law. The bill would modify the provisions aimed at preventing smuggling, establish new rules for deferred payments, and modify the procedural rules for imports.

[Costa Rica’s Ministry of Finance increases taxes on packaged non-alcoholic beverages and ‘toilet’ soap](#)

Because of variations in the consumer price index, Costa Rica’s Ministry of Finance increased the taxes on packaged non-alcoholic beverages and “toilet” soap by 0.16%. This tax does not apply to: (1) milk; (2) all products included in the register kept by the Ministry of Health and the Costa Rican Social Security Fund; and (3) therapeutic and medical beverages used in health and hospital establishments in Costa Rica.

[Six country Joint Statement on transitional approach to existing unilateral measures during period before Pillar One is in effect](#)

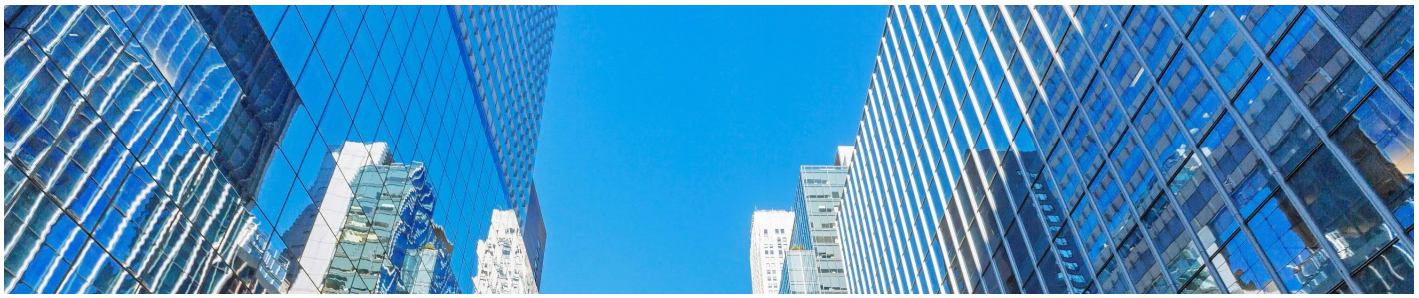
On 21 October 2021, a [Joint Statement](#) from Austria, France, Italy, Spain, the United Kingdom (UK) and the United States (US) was released describing a compromise reached by the countries on a transitional approach to the treatment of existing digital services taxes (DSTs) and other relevant similar measures during the interim period before new BEPS Pillar One rules come into effect.

[OECD releases outcomes of fourth phase of peer reviews on BEPS Action 13](#)

The OECD released the [compilation of the outcomes of the fourth phase of peer reviews](#) (the Compilation) of the minimum standard on BEPS Action 13 (Transfer Pricing Documentation and Country-by-Country Reporting). According to the executive summary accompanying the Compilation, over 100 jurisdictions have introduced legislation to impose a filing obligation for country-by-country reporting on MNE groups, covering almost all MNE groups with consolidated group revenue of at least €750 million.

[OECD releases seventh batch of Stage 2 peer review reports on dispute resolution](#)

The OECD released the [seventh batch of Stage 2 peer review reports](#) relating to the outcome of the peer monitoring of the implementation by Brazil, Bulgaria, China, Hong Kong, Indonesia, Russia, and Saudi Arabia (the assessed jurisdictions) of the BEPS Action 14 minimum standard on dispute resolution. The reviews reflect that Brazil and Hong Kong have addressed none of the deficiencies identified in the Stage 1 review. Apart from the limited progress in Brazil and Hong Kong, the outcomes of this batch of Stage 2 peer review reports generally demonstrate positive changes across the assessed jurisdictions.



This week's tax treaty news in the Americas

- ▶ Canada and Austria: social security agreement approved by Austrian Federal Council
- ▶ Uruguay and Korea (Rep.): social security agreement entered into force

Upcoming webcasts

[International tax talk quarterly series with the EY Global Tax Desk Network \(9 November\)](#)

This webcast features panelists from Europe, Latin America and the Asia-Pacific region, who will discuss the following: (i) recent EU tax legislative changes affecting intragroup transactions and holding, financing and intellectual property arrangements; (ii) key changes under the proposed Latin-America tax reform in Brazil and Mexico; (iii) trends, developments and the potential impact of global tax reform in the Asia-Pacific region; and (iv) foreign tax considerations in preparing for proposed US legislative changes, with a focus on developments that may require action by 31 December 2021.

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, 29 October 2021](#)

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

- ▶ New \$1.75 trillion US budget reconciliation framework and legislative text released; tax items not fully settled

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 – 29 October 2021](#)
- ▶ [Mexican Congress approves 2022 tax reform](#)
- ▶ [Six country Joint Statement on transitional approach to existing unilateral measures during period before Pillar One is in effect](#)
- ▶ [Paraguayan Government modifies transfer pricing provisions related to the exportation of certain commodities](#)
- ▶ [Paraguayan Tax Authority issues new transfer pricing rules](#)
- ▶ [Argentine Government extends the promotional regime for industrial entities located in Tierra del Fuego, Antarctica and Southern Atlantic Islands](#)
- ▶ [US IRS revises Forms W-8ECI, W-8BEN-E, W-8BEN](#)
- ▶ [Peruvian Tax Court establishes guidelines that entities must meet to qualify as beneficial owners under Peru-Chile income tax treaty](#)



Other Cross-border Alerts

- ▶ Vietnam releases a Circular on digital tax
- ▶ UK Chancellor delivers second Budget of 2021
- ▶ Italy issues Law Decree with urgent tax measures including voluntary disclosure for R&D tax credit
- ▶ Kenya: Action required for LIBOR transition

OECD Alerts

- ▶ OECD releases outcomes of fourth phase of peer reviews on BEPS Action 13
- ▶ G20 leaders confirm commitment to global tax changes under BEPS 2.0
- ▶ OECD releases seventh batch of Stage 2 peer review reports on dispute resolution
- ▶ OECD releases Brazil Stage 2 peer review report on implementation of Action 14 minimum standard
- ▶ OECD releases People's Republic of China Stage 2 peer review report on implementation of Action 14 minimum standard

Human Capital Alerts

- ▶ US: Presidential Proclamation regarding new United States air travel rules
- ▶ China: New requirements for Official Invitation (PU) letters sponsored by companies based in Beijing
- ▶ India: New policies for inbound travelers
- ▶ Nigerian Government publishes its list of approved COVID-19 vaccines; removes Brazil, South Africa and Turkey from its red list
- ▶ Nigeria updates policies for inbound travelers
- ▶ Sweden extends its entry ban and adds new categories of travelers to its exemption list

Indirect Tax Alerts

- ▶ Costa Rica's Ministry of Finance increases taxes on packaged non-alcoholic beverages and "toilet" soap
- ▶ Costa Rica's Economic Affairs Commission of the Legislative Assembly approves reform of General Customs Law
- ▶ Indian tax authorities may be preparing to enforce GST and EL compliance on payments to US universities for online courses
- ▶ Ghana Revenue Authority issues Practice Notes on certain provisions of the VAT Act
- ▶ Italian Government approves 2022 Budget document and proposes postponement of Italy's Sugar Tax and Plastic Tax to 2023
- ▶ Portugal proposes changes to VAT law



EY Industry and Tax Services publications

Industries

Climate change and sustainability

- ▶ [If climate change is everybody's business, how can all benefit from green leadership by the few?](#)

Financial Services

- ▶ [How can FS firms turn carbon ambition into real-world action?](#)

Consumer products & retail

- ▶ [How collaboration can drive value for you, your partners and the planet](#)

Insurance

- ▶ [The class of 2020: how insurance start-ups can thrive now](#)

Comments

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

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