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7 June 2021

Americas Tax Roundup

Latest news – Americas

[G-7 Finance Ministers express strong support for global tax changes under BEPS 2.0](#)

G-7 Finance Ministers meeting at the end of last week affirmed their support for the BEPS 2.0 Pillar One and Pillar Two negotiations, including the removal of unilateral Digital Services Taxes. The communique issued at the end of the meeting stated that the G-7 commits to an “equitable solution on the allocation of taxing rights, with market countries awarded taxing rights on at least 20% of profits exceeding a 10% margin for the largest and most profitable multinational enterprises.” The communiqué also stated their commitment to a “global minimum tax of at least 15% on a country by country basis.” This support from the G-7 is aimed at encouraging the broader Inclusive Framework to reach agreement in connection with the July G-20 Finance Ministers meeting. The full statement is available [here](#).

[US Treasury Green Book offers new details on international tax proposals in President Biden's FY2022 Budget](#)

On 28 May 2021, the US Treasury released its FY 2022 explanation of the Biden Administration's revenue proposals ([the Green Book](#)), offering new details on the various proposals included in the President's "Made in America" tax plan. The plan would increase the corporate income tax rate from 21% to 28% and make significant changes to international tax provisions. Those changes include: (1) increasing tax rates and making other changes to the regime for global intangible low-taxed income, (2) establishing country-by-country limitations on foreign tax credits, (3) repealing of the deduction for foreign-derived intangible income, and (4) replacing the base erosion and anti-abuse tax (BEAT) with a newly proposed "SHIELD" (Stopping Harmful Inversions and Ending Low-tax Developments).

[Colombia reopens borders with several neighboring countries; ends ban on flights from UK; announces new restrictions on flights from India](#)

The Colombian Interior Ministry recently announced important measures that will lead to the reopening of air, land and maritime borders with several of Colombia's neighbors in South America, as well as air travel from the United Kingdom. The new measures also include a temporary ban on flights from India.

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

On 20 May 2021, the OECD published an [Opinion](#) of the Conference of the Parties of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) (the Opinion), as approved by the Parties to the MLI under written procedure on 3 May 2021. The opinion sets out six principles for interpretation and implementation of the MLI.



[Canada: Newfoundland and Labrador issues budget 2021–22](#)

On 31 May 2021, Newfoundland and Labrador Finance Minister Siobhan Coady tabled the province's fiscal 2021–22 budget. The budget contains several tax measures affecting individuals and no changes affecting corporations.

[EY Canada issues latest edition of TaxMatters@EY](#)

TaxMatters@EY, a monthly bulletin prepared by EY Canada, provides a summary of recent Canadian tax news, publications, and resources. Highlights of the June 2021 issue include: (i) the tools the Canada Revenue Agency (CRA) has at its disposal with respect to the use of indirect and alternative methods of verification in its audits, and (ii) a recent Federal Court of Appeal decision that found a settlement a taxpayer reached with the CRA included both partnership gains and losses in income, instead of just the losses.

This week's tax treaty news in the Americas

- ▶ Ecuador and United Arab Emirates: income tax treaty ratified by Ecuador
- ▶ MERCOSUR and Korea: sixth round of negotiations for a free trade agreement to be held
- ▶ Quebec and Tunisia: third round of negotiations for a social security agreement and an administrative arrangement held

Upcoming webcasts

[Tax in a dynamic global sustainability landscape: The challenges around the 'E' in ESG \(8 June\)](#)

On this webcast, we will focus on tax considerations and opportunities in the global effort to make the environment a top policy priority. The tax department is a critical voice in the environmental, social, governance (ESG) conversation and should work hand-in-hand with sustainability, operations and the C-suite as businesses both proactively develop strategies to align with the "E" in the ESG framework and respond to legislative and policy developments across the globe.

[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, 4 June 2021](#)

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

- ▶ US Treasury 'Green Book' details Biden Administration's international tax proposals
- ▶ President Biden, Senate Republicans continue infrastructure talks
- ▶ USTR announces and suspends tariffs over digital services taxes
- ▶ G-7 officials begin meeting; expected to pledge support for BEPS 2.0 talks

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 – 4 June 2021](#)
- ▶ [Argentine Senate approves tax reform bill that would raise corporate income tax rates](#)
- ▶ [US Treasury Green Book offers new details on international tax proposals](#)
- ▶ [Canada: Newfoundland and Labrador issues budget 2021–22](#)

Other Global Tax Alerts

- ▶ [Taiwan proposes amendments to domestic regulations governing application of tax treaties](#)
- ▶ [Denmark passes bill on CFC taxation](#)
- ▶ [The Netherlands and Cyprus sign double tax treaty](#)
- ▶ [Italy enacts exceptional 15% Notional Interest Deduction or equivalent tax credit for 2021](#)
- ▶ [Cyprus announces extension of the non-application of administrative fines for DAC6 submissions until 30 September 2021 and an update to the Cypriot XML schema](#)

Transfer Pricing Alerts

- ▶ [EU co-legislators reach agreement on public CbCR](#)

OECD Alerts

- ▶ [G7 Finance Ministers express strong support for global tax changes under BEPS 2.0](#)
- ▶ [OECD releases fifth batch of Stage 2 peer review reports on dispute resolution](#)

Human Capital Alerts

- ▶ [Changes to immigration rules designed to restrict entry of foreigners into Vietnam and manage spread of COVID-19 discussed](#)

Indirect Tax Alerts

- ▶ [USTR announces 25% punitive tariffs on six specific countries in response to their Digital Services Taxes; Suspends tariffs for 180 days](#)
- ▶ [UK to begin accession process to join Trans-Pacific Partnership](#)
- ▶ [UAE amends VAT penalty rules](#)

EY Industry and Tax Services publications

Industries

Energy

- ▶ [If tech powers the future, who powers the tech?](#)

Oil & Gas

- ▶ [Why earnings calls suggest Q1 2021 is a turning point](#)



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