



**Building a better  
working world**

12 July 2021

# Americas Tax Roundup

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## Latest news – Americas

### [G20 Finance Ministers endorse OECD/G20 conceptual agreement in BEPS 2.0 project](#)

G20 Finance Ministers during their 9-10 July 2021 meeting endorsed the recent OECD/G20 Inclusive Framework (IF) agreement on BEPS 2.0 (which now includes 132 of the 139 jurisdictions) and called for finalization by October 2021. The OECD on 1 July released a [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising From the Digitalisation of the Economy](#), which describes agreed components with respect to both elements of the BEPS 2.0 project: Pillar One on revisions to nexus and profit allocation rules and Pillar Two on new global minimum tax rules.

### [Argentina issues new transfer pricing regulations](#)

The Argentine federal tax authorities (AFIP) published General Resolution 5010/2021 (GR 5010), which includes changes to the transfer pricing (TP) regulations established by General Resolution 4717/2020, extends the due dates for TP filings and introduces a simplified regime for international transactions. In a divergence from the OECD Transfer Pricing Guidelines and most countries' rules, GR 5010 adds a new rule stating that taxpayers cannot use an entity with operating losses as a comparable for TP purposes, unless the taxpayer meets certain requirements.

### [Uruguay expands COVID-19 tax relief measures](#)

On 22 June 2021, Uruguay enacted Law No. 19,956 to expand the list of activities that qualify for the COVID-19 tax relief measures introduced in Law No. 19,942 and establish tax exemptions. The list of activities that may qualify for the COVID-19 tax relief measures includes radio operator desks (i.e., the communication systems used by taxis), border tax-exempt shops, and sports and recreational education. Additionally, Law No. 19,956 exempts certain employers from paying social security pension contributions and establishes a corporate income tax exemption for the minimum monthly corporate income tax payments accrued from January to June 2021.

### [Brazil announces new entry rules for Venezuelan nationals, maritime crew and individuals who recovered from COVID-19](#)

Brazil announced that the following categories of travelers may now enter the country, subject to heightened testing requirements: maritime crew entering by sea or air without work authorization, and individuals who recovered from COVID-19 in the 90 days preceding their desired entry. In addition, Venezuelan nationals and residents may now enter Brazil by land.

### [Argentina's automatic extensions of expiring/expired immigration documents to come to an end](#)

The Argentine Ministry of the Interior recently instructed the country's immigration authorities to stop issuing automatic extensions for expired and expiring immigration documents held by foreigners who are in or outside of Argentina.



### [Canada: 2021 Budget implementation bill receives Royal Assent](#)

On 29 June 2021, Bill C-30, Budget Implementation Act, 2021, No.1, received Royal Assent. Bill C-30 implements certain tax measures announced in the 2021 federal budget, the 30 November 2020 federal fall economic statement, and the 2019 federal budget, as well as other previously announced tax measures. Bill C-30 also contains the tax measures that were included in the notice of ways and means motion tabled on 28 April 2021, with one notable addition dealing with the Canada Emergency Wage Subsidy.

### [OECD publishes international exchange framework and optional module for Model Reporting Rules for sellers in the sharing economy](#)

On 22 June 2021, the OECD published Model Reporting Rules for Digital Platforms: International Exchange Framework and Optional Module for Sale of Goods ([the report](#)). The report includes an international legal framework in the form of the Multilateral Competent Authority Agreement that operationalizes the exchanges of information under the [Model Rules](#) for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy that were adopted on 3 July 2020.

### [EY publication highlights 2021 Q2 tax policy developments across the Americas](#)

The second quarter of 2021 ushered in several significant tax policy developments across the Americas. The latest edition of the Americas Tax Policy Update highlights (1) proposed tax reform in Brazil, (2) the enactment of increased corporate tax rates in Argentina, (3) Mexico's prohibition on outsourcing services, and (4) US President Biden's tax proposals in the FY2022 budget.

### [PE Watch: Latest developments and trends, July 2021](#)

The latest edition of the EY's PE Watch is available and highlights a ruling issued by the Chilean Internal Revenue Service on the tax treatment of a split-up of a foreign entity with a PE in Chile.

### [Latest edition of EY's 'TradeWatch' available now](#)

EY's TradeWatch outlines key recent legislative and administrative developments for customs and trade around the world. Highlights from the Americas include: (1) Brazil's "single-window" customs system, (2) nearshoring opportunities in Costa Rica and Panama, and (3) the labor implications of the United States-Mexico-Canada agreement.

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

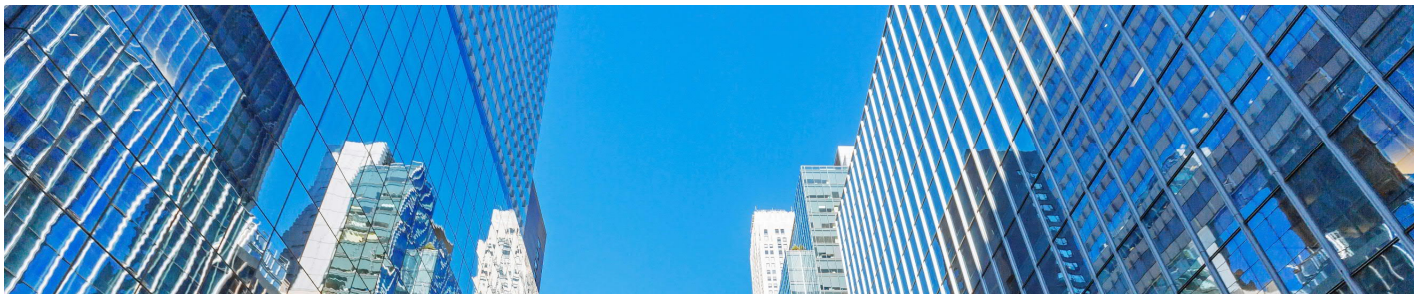
- ▶ Chile and Korea (Rep.): fifth round of negotiations on amending the free trade agreement was held
- ▶ Chile and Switzerland: most-favored nation clause activated on income and capital tax treaty
- ▶ Colombia and Japan: income tax treaty approved by Colombian Congress
- ▶ Mexico and Uruguay: amending protocol to free trade agreement entered into force
- ▶ Uruguay and Korea (Rep.): social security agreement ratified by Uruguay

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## Upcoming webcasts

### [Taxation of the digital economy: What's next \(21 July\)](#)

In this webcast, panelists will update the audience on BEPS 2.0 after the 30 June - 1 July 2021 OECD Inclusive Framework meeting and the 9-10 July G20 Finance Ministers and Central Bank Governors meeting. They will discuss technical policy developments, questions that remain open and key country perspectives, as well as the impact on specific digital economy taxation matters, including Digital Services Tax developments.



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## Recently issued EY podcasts

### [Monthly ITTS Washington Dispatch \(June 2021\)](#)

EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. Highlights of this month's edition include:

- ▶ Bipartisan infrastructure deal reached, but road to passage uncertain
- ▶ House passes corporate disclosure package requiring CbC tax reporting for multinationals
- ▶ Biden Administration's proposed 15% minimum tax could come with requirement to disclose book-tax differences
- ▶ IRS announces plans to amend BEAT regarding qualified derivative payment reporting
- ▶ G7 Finance Ministers express strong support for global tax changes under BEPS 2.0
- ▶ OECD publishes model rules for information exchange for digital platforms

The Newsletter PDF is available [here](#), and you can register for this monthly podcast on iTunes [here](#).

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## This week's EY Global Tax Alerts

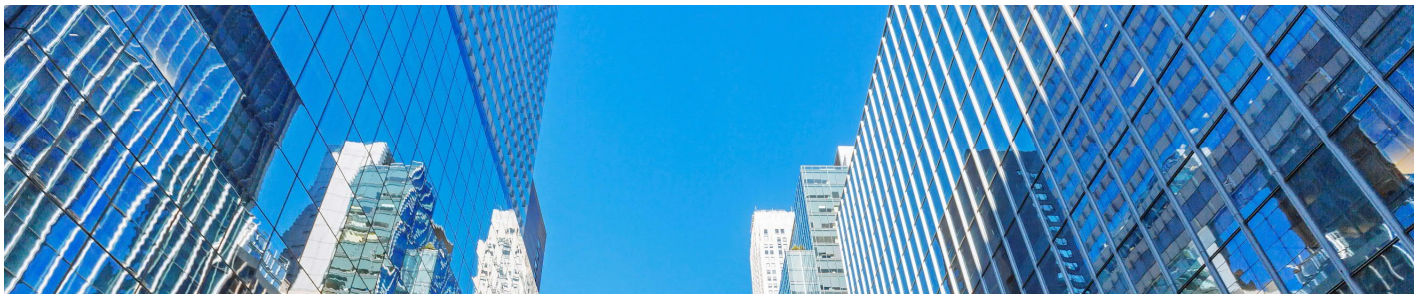
### Americas Tax Alerts

- ▶ [Report on recent US international tax developments - 2 July 2021](#)
- ▶ [Uruguay expands COVID-19 tax relief measures](#)
- ▶ [Canada: 2021 Budget implementation bill receives Royal Assent](#)
- ▶ [Argentina issues new transfer pricing regulations](#)
- ▶ [Brazilian Congress approves five-percentage-point increase to the social contribution tax for banks, insurance companies and other financial services entities](#)
- ▶ [Brazilian Government proposes changes to corporate income tax system as second phase of comprehensive tax reform](#)
- ▶ [PE Watch: Latest developments and trends, July 2021](#)

### Other Global Tax Alerts

- ▶ [Spanish National High Court overturns denial of withholding tax exemption on dividend payments to EU shareholder](#)
- ▶ [Ireland broadly supports OECD agreement with reservation on rate](#)
- ▶ [Nigeria's Federal High Court Issues Practice Directions on tax matters related to the Federal Inland Revenue Service](#)
- ▶ [Polish Ministry of Finance publishes decree deferring certain provisions of the new withholding tax reform to 31 December 2021](#)
- ▶ [South Sudan implements an electronic tax system](#)
- ▶ [Denmark publishes draft bill relaxing transfer pricing documentation requirements in relation to domestic controlled transactions](#)
- ▶ [Danish Supreme Court denies refund of dividend withholding tax to nonresident investment funds](#)
- ▶ [Australian Taxation Office issues draft tax ruling expanding scope of royalty withholding tax on software related payments](#)





## Human Capital Alerts

- ▶ U.S. District Court vacates Department of Labor's high-skilled wage rule
- ▶ USCIS extends flexibility for responding to agency requests
- ▶ Argentina's automatic extensions of expiring/expired immigration documents to come to an end
- ▶ New entry rules for Venezuelan nationals, maritime crew and individuals who recovered from COVID-19
- ▶ Vietnam launches COVID-19 Vaccine Passport Pilot Program in July 2021

## Indirect Tax Alerts

- ▶ Poland introduces VAT option on financial services to be effective 1 January 2022
- ▶ China announces new Stamp Duty Law

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## EY Industry and Tax Services publications

### Industries

#### Automotive

- ▶ Podcast: How the chip crisis is driving carmakers to rethink supply chain tactics

#### Banking & Capital Markets

- ▶ How banks can win at payments
- ▶ Why payments data is the key to unlocking new customer value
- ▶ How card issuers can transform amid digital disruption

#### Consumer Products & Retail

- ▶ Why D2C is a mindset, not a channel

#### Energy & Resources

- ▶ A clean COVID-19 pandemic recovery: the global opportunity

#### Financial Services

- ▶ How finance can use data to create value across the enterprise

#### Private Equity

- ▶ How private equity CFOs seek to expand diversity within
- ▶ How private equity CFOs are stepping up after last year's challenges
- ▶ Why private equity should look at new ways to retain female talent

#### Technology

- ▶ How much of the value of content comes from the flexibility to consume it?
- ▶ The Board Imperative: How can data and tech turn risk into confidence?

#### Real Estate, Hospitality & Construction

- ▶ How to build (in) the future

#### Services

##### Tax

- ▶ How to tackle more transfer pricing controversy with limited resources
- ▶ Why the G7's global minimum tax call creates more risk for businesses
- ▶ How the global financial crisis recovery set the stage for COVID-19 fiscal policy



## Comments

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).

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