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13 December 2021

Americas Tax Roundup

Latest news – Americas

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[Colombia and Uruguay sign double tax treaty](#)

The governments of Colombia and Uruguay have signed a double tax treaty. The treaty includes reduced withholding tax rates on passive income, permanent establishment rules and rules for taxing capital gains.

[Mexico City's 2022 economic proposal includes imposition of new taxes on certain digital services](#)

The Mexico City economic proposal for 2022 (the CDMX Proposal) was submitted to the local Congress. The CDMX Proposal would establish a new tax on deliveries set up through digital platforms, make owners of a lodging service jointly liable for the lodging service tax and subject shows that are broadcasted live through digital means to the tax on public shows.

[Supreme Court of Canada dismisses Crown's appeal in *The Queen v. Loblaw Financial Holdings Inc.* regarding FAPI rules](#)

In *The Queen v. Loblaw Financial Holdings Inc.*, 2021 SCC 51, the Supreme Court of Canada (SCC) has unanimously dismissed the Crown's appeal concerning the interpretation of foreign accrual property income (FAPI) rules in the Income Tax Act. In its decision, the SCC considered whether a parent company that contributes capital (or makes loans) to, and exercises corporate oversight over, its controlled foreign affiliate (CFA) can be considered to "conduct business" with such affiliate. The SCC held that intra-group funding transactions and corporate oversight, coordination and collaboration should not be viewed as part of the conduct of the affiliate's business for these purposes. Accordingly, the CFA's income did not constitute taxable FAPI to the Canadian parent.

[Canada | Employer obligation on deemed supplies made to pension and master pension entities](#)

Participating employers with a monthly Goods and Services Tax/Harmonized Sales Tax/Québec Sales Tax (GST/HST/QST) filing frequency must remit the GST/HST/QST liability on the deemed supplies made to certain pension entities and master pension entities by 31 January 2022. As such, it is important that employers obtain the relevant information required to report the tax in a timely manner. The respective pension entities will be ineligible to claim rebates to the extent that such amounts are not remitted on time.

[US Senate Finance Committee proposes significant technical changes to international tax provisions in budget reconciliation bill](#)

On 11 December 2021, the US Senate Finance Committee Chairman released updated text of the Finance Committee's title of the Build Back Better Act. The updated text includes proposed changes to the international tax provisions in the House of Representatives version of the bill, which passed on 19 November 2021.



This week's tax treaty news in the Americas

- ▶ Brazil and Bermuda: exchange of information agreement approved by Brazilian Chamber of Deputies
- ▶ Brazil and Guernsey: exchange of information agreement approved by Brazilian Chamber of Deputies
- ▶ Uruguay and Australia: investment protection agreement approved by Uruguayan Chamber of Representatives

Upcoming webcasts

[Tax aspects of the LIBOR transition: What to consider for year-end \(16 December\)](#)

In this webcast, panelists will discuss tax considerations of the London Interbank Offered Rate (LIBOR) transition and what steps multinational companies can take before the year-end to prevent disruption.

[BEPS 2.0: Focus on Pillar Two \(21 December\)](#)

This webcast continues the series of EY Global webcasts addressing BEPS 2.0 developments. Panelists will discuss the key elements of the Pillar Two model rules, highlighting recent developments. They also will share perspectives on how the European Union and other jurisdictions plan to incorporate these model rules into domestic law.

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, 10 December 2021](#)

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

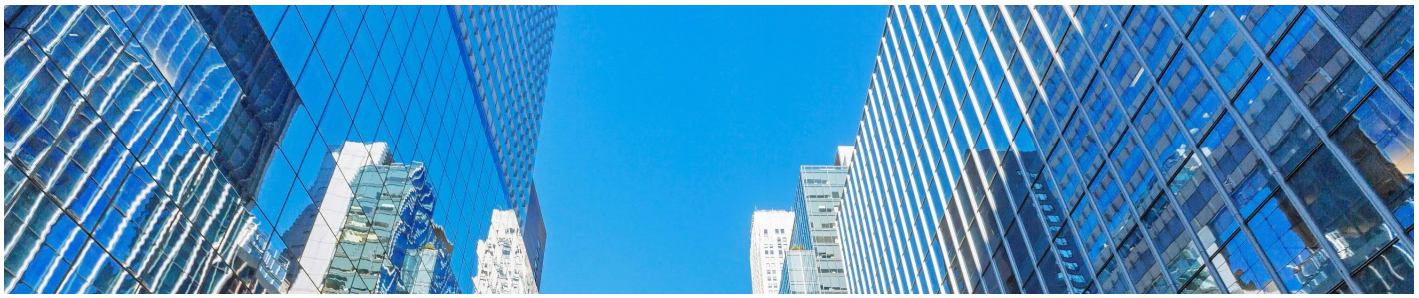
- ▶ US Senate Democratic BBBA meetings with Parliamentarian concluded; bipartisan "Byrd bath" meetings begin next week
- ▶ Senate Foreign Relations Committee Republicans urge vote on proposed 2010 US-Chile tax treaty
- ▶ Treasury's FinCEN published proposed regulations on beneficial ownership

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 - 10 December 2021](#)
- ▶ [PE Watch: Latest developments and trends, December 2021](#)
- ▶ [Supreme Court of Canada dismisses Crown's appeal in The Queen v. Loblaw Financial Holdings Inc.](#)
- ▶ [Mexico City's 2022 economic proposal includes the imposition of new taxes on certain digital services](#)
- ▶ [Colombia and Uruguay sign double tax treaty](#)
- ▶ [Brazil introduces new quarantine requirement for unvaccinated travelers, lifts prohibition on entry by land for fully vaccinated travelers](#)
- ▶ [Canada | Employer obligation on deemed supplies made to pension and master pension entities](#)



Other Cross-border Alerts

- ▶ Recent Israeli developments regarding 'Trapped Earnings,' changes to Preferred Enterprise regime require year end analysis
- ▶ Taiwan and UK sign protocol to amend tax treaty
- ▶ Taiwan: Tax treaty with Saudi Arabia enters into force
- ▶ Belgium: Double tax treaty with Netherlands now subject to MLI
- ▶ Poland publishes statistics on MDR information submitted between January 2019 and September 2021

Transfer Pricing Alerts

- ▶ Portugal modifies transfer pricing regime

Human Capital Alerts

- ▶ Philippines introduces new Economic Zone Authority (PEZA) visa
- ▶ Singapore | Changes to COVID-19 tax and Central Provident Fund support measures for individuals and employers for Year of Assessment 2022

Indirect Tax Alerts

- ▶ UK: Imminent December deadline for VAT refund claims for non-registered and non-established EU and non-EU businesses

EY Industry and Tax Services publications

Industries

Automotive

- ▶ Why mobility companies are cautiously optimistic about accelerated growth

Consumer Products & Retail

- ▶ The CEO Imperative: How can one operating model delight many consumers?

Technology

- ▶ Top 10 opportunities for technology companies in 2022
- ▶ How can we ensure that AI benefits everyone

Services

Assurance

- ▶ The CFO Imperative: How do you transform data into insight?

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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