



Building a better
working world

15 November 2021

Americas Tax Roundup

Latest news – Americas

Tax information at your fingertips

[Global Tax Guides app](#)

Access tax technical data on 150+ jurisdictions from your iPad® anywhere in the world.

[Download the guides here.](#)

[US: Latest version of Build Back Better proposal would modify international tax proposals in House Ways and Means bill](#)

The latest version of the Build Back Better Act (the BBBA Draft), which the House Rules Committee released on 28 October 2021, includes significant changes to the international tax provisions of the Internal Revenue Code (IRC). These and other tax changes are generally intended to fund expanded social programs such as health coverage, affordable housing, universal pre-kindergarten and childcare, clean energy and climate investments, among other proposed spending provisions. Although largely consistent with the House Ways

& Means Committee draft released on 13 September 2021, the BBBA Draft contains many important changes to those proposed provisions, such as updates to the effective dates to make proposals prospective only.

[US: Reinstatement and expansion of superfund excise taxes under Infrastructure Investment and Jobs Act could mean taxpayers in multiple sectors must pay tax on products they manufacture or import](#)

On 5 November 2021, the US House of Representatives passed [H.R. 3684](#), the Infrastructure Investment and Jobs Act (IIJA). President Joe Biden is expected to sign the bill into law as early as the week of 15 November. Effective 1 July 2022, the IIJA will (1) expand and reinstate superfund excise taxes on both the domestic production of certain chemicals and the importation of "taxable substances" that were previously subject to the superfund excise tax, (2) broaden the scope of "taxable substances" sold or used by the importer by lowering the taxable chemical content threshold for qualifying as a taxable substance and (3) impose the tax at twice the historic rate for base chemicals.

[Canada's deadline to convert Health and Welfare Trusts to Employee Life and Health Trusts is imminent](#)

The Canada Revenue Agency's (CRA) existing administrative rules with respect to Health and Welfare Trusts (HWTs) are only effective until 31 December 2021. Existing HWTs should consider their options to minimize their exposure to adverse tax consequences now.

[Costa Rica's General Customs Directorate issues guidelines on processes and operations in free trade zones for public comment](#)

Costa Rica's General Customs Directorate issued "Guidelines for the Procedures Carried out by Free Zone Companies for the Category of Logistics Services" for public comment. The guidelines would help companies make the proper adjustments to their processes and operations for logistics services provided in free trade zones.



[Dominican Republic's Ministry of Finance and General Directorate of Internal Taxes issue guidance on non-invoiced inventory outflows](#)

The Dominican Republic's Ministry of Finance and General Directorate of Internal Taxes issued guidance (General Rule No. 09-2021) strengthening the rules for non-invoiced inventory outflows of perishable products. Non-invoiced inventory outflows are inventory outflows that have not been invoiced to a client or have been taken out of the inventory process and cannot be traced. The guidance also sets out the rules non-invoiced inventory outflows must meet to not trigger a taxable event for income tax and value-added tax purposes.

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

The latest edition of EY's PE Watch is available, providing an update on Mexico's transfer pricing rules for maquiladoras and the amending protocol to the tax treaty between Germany and Mexico.

This week's tax treaty news in the Americas

- ▶ Brazil and Benin: air services agreement approved by Brazilian Chamber of Deputies
- ▶ Brazil and Vietnam: air transport agreement approved by Brazilian Chamber of Deputies
- ▶ Chile and Korea (Rep.): sixth round of negotiations on amending the free trade agreement held

Upcoming webcasts

[Biden tax reform and the Build Back Better Act \(18 November\)](#)

As the US Congress continues to refine the Build Back Better Act (H.R. 5376) reconciliation bill, companies must determine which provisions remain in play and how to respond to the proposed changes. Please join us as we examine the latest version of the bill and what it could mean for your business. Topics to be discussed include: (i) current state of the bill and its prospects for passage; (ii) corporate minimum tax; (iii) international provisions (global intangible low-taxed income/subpart F, foreign tax credits, foreign-derived intangible income, base erosion and anti-abuse tax); (iv) interest expense limitations; and (v) what companies should be doing now.

[M&A environment and emerging tax trends \(30 November\)](#)

Join EY panelists as they discuss (1) the global macroeconomic and deal environment, and key future trends, (2) tax reform and policy agenda around substance, transparency and sustainability, (3) key M&A tax trends such as increased diligence scope, tax risk around supply chain arrangements and diligence around sustainable operating models, and (4) other M&A tax trends such as special purpose acquisition vehicles (SPACs), deal challenges in Europe / APAC and debt restructuring considerations.

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, 12 November 2021](#)

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

- ▶ President Biden to sign infrastructure legislation next week with crypto provisions; House Speaker wants reconciliation vote week of 15 November
- ▶ Final foreign tax credit regulations expected before year-end
- ▶ Proposed PTEP regulations moving forward

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 – 12 November 2021](#)
- ▶ [PE Watch: Latest developments and trends, November 2021](#)
- ▶ [US: Latest version of Build Back Better proposal would modify international tax proposals in House Ways and Means bill](#)
- ▶ [Dominican Republic's Ministry of Finance and General Directorate of Internal Taxes issue guidance on non-invoiced inventory outflows](#)
- ▶ [Ecuador's National Assembly to discuss tax reform bill](#)
- ▶ [Brazilian Tax Authority limits nonresident capital gains tax on the sale of Brazilian shares by a Portuguese investor to 15%](#)
- ▶ [Canada: Deadline to convert Health and Welfare Trusts to Employee Life and Health Trusts is imminent](#)
- ▶ [Costa Rica's General Customs Directorate issues guidelines on processes and operations in free trade zones for public comment](#)

Other Cross-border Alerts

- ▶ [European Parliament provides final approval needed for formal adoption of public CbCR Directive](#)
- ▶ [UK Autumn Budget 2021 | Considerations for Japanese groups operating in the UKs](#)
- ▶ [Indonesia passes wide-ranging tax law amendments](#)

OECD Alerts

- ▶ [OECD releases Hong Kong Stage 2 peer review report on implementation of Action 14 minimum standard](#)

Human Capital Alerts

- ▶ [Finland announces new policies relating to Posted Workers](#)

Indirect Tax Alerts

- ▶ [Kenya Tax Appeal Tribunal rules on the use of Transaction Value Method for customs valuation](#)
- ▶ [Singapore: Update on Goods and Services Tax](#)



EY Industry and Tax Services publications

Industries

Climate change and sustainability

- ▶ [What to watch as global ESG reporting standards take shape](#)
- ▶ [Four ways tax can help businesses fight against climate change](#)

Consumer Products & Retail

- ▶ [Three priorities for accelerating your operating model transformation](#)

Technology

- ▶ [How integrating your systems and e-commerce platform transforms sales](#)
- ▶ [How B2B e-commerce can be more than transactional](#)

Services

People and workforce

- ▶ [Is your workforce still a force to be reckoned with?](#)

Tax

- ▶ [How tax is influencing the design of sustainable supply chains](#)
- ▶ [Three steps to future-proofed customer tax withholding and reporting](#)

Issues

Risk

- ▶ [What unseen megatrends will shape your transformation?](#)
- ▶ [Why information governance is more important than ever for privacy](#)

Comments

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



EY | Building a better working world

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit www.ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

Important Commercial Notice: This email may constitute an advertisement or solicitation under US law, if its primary purpose is to advertise or promote the products or services of Ernst & Young LLP or any of its client-serving affiliates. Our principal postal address is 5 Times Square, New York, NY 10036.

Use the link below to opt-out if you would prefer not to receive any advertising or promotional email from Ernst & Young LLP or any of its affiliates (except for Ernst & Young Online and the ey.com website, which track email preferences through a separate process). Your email address will be immediately removed from our central mailing list for newsletters and alerts, and all emails from Ernst & Young LLP and its affiliates designated as advertising or promotional will be automatically blocked as soon as necessary modifications to our email system are completed.

[Remove me from all EY commercial emails.](#)