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working world**

19 July 2021

Americas Tax Roundup

Latest news – Americas

[Canada's proposed changes to taxation of employee stock options now law](#)

Significant changes to the taxation of employee stock options in Canada, which were first proposed in 2019, received Royal Assent on 29 June 2021 and are now law. The new rules introduce a CA\$200,000 annual limit on employee stock options that may qualify for the 50% stock option deduction. This limit will generally not apply to stock options granted by Canadian-controlled private corporations (CCPCs) or non-CCPCs with annual gross revenue of CA\$500 million or less. The changes will apply to stock options granted on or after 1 July 2021.

[Canada: Bill C-208 amends capital gains stripping and anti-surplus rules related to transfers of small business or family farm or fishing corporation](#)

On 29 June 2021, private member's Bill C-208, An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation), received Royal Assent. Bill C-208 contains amendments to provide exceptions to the application of the capital gains stripping and anti-surplus stripping rules in sections 84.1 and 55 of the Income Tax Act in the context of qualified small business corporation shares or shares of the capital stock of a family farm or fishing corporation, and thus to facilitate their transfer to family members.

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

Brazil announced on 24 June 2021, 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.

[Peru implements new, stricter requirements for residence visa applications](#)

The Peruvian Government recently implemented new, stricter requirements for obtaining residence visas, including work visas and visas for dependent family members. Under the new requirements, residence visa applicants must submit translated, apostilled criminal record checks with their applications. In addition, dependent spouses of Peruvian citizens and residence visa holders must submit apostilled or legalized marriage certificates that were issued no more than six months prior to the visa application filing date.

[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 July 2021 issue include: (i) a recent Canada Revenue Agency (CRA) technical interpretation that clarifies the treatment of a deemed gain under subsection 55(2) for purposes of the business limit investment income grind for Canadian-controlled private corporations, and (ii) a recent Federal Court decision that rejected a taxpayer's claim that the CRA was unjustly enriched by refund checks not received by the taxpayer.



This week's tax treaty news in the Americas

- ▶ Brazil and Curaçao: air transport agreement entered into force
- ▶ Paraguay, Council of Europe and OECD: multilateral convention on mutual administrative assistance in tax matters enters into force 1 November 2021

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.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 16 July 2021](#)

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

- ▶ Senate Budget Committee Democrats agree on \$3.5 trillion budget resolution, paving way for "human infrastructure" paid for with tax increases
- ▶ Bipartisan \$1 trillion infrastructure negotiators given 21 July deadline
- ▶ Biden Administration wants global minimum tax in budget reconciliation package; Pillar Two elements on slower track

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 - 16 July 2021](#)
- ▶ [Canada: Bill C-208 amends capital gains stripping and anti-surplus rules related to transfers of small business or family farm or fishing corporation](#)
- ▶ [Canada: Proposed changes to taxation of employee stock options now law](#)
- ▶ [PE Watch: Latest developments and trends, July 2021](#)
- ▶ [Peru implements new, stricter requirements for residence visa applications](#)
- ▶ [Brazil announces new entry rules for Venezuelan nationals, maritime crew and individuals who recovered from COVID-19](#)



Other Global Tax Alerts

- ▶ European Commission proposes legislative package including environmental tax measures to support EU climate ambitions
- ▶ Germany enacts EU ATAD Implementation Law including anti-hybrid rules
- ▶ Spain approves Anti-Tax Fraud Law
- ▶ Spain: EU ETFs no longer qualify for traspasos regime
- ▶ Ireland's Department of Finance opens consultation on EU ATAD Interest Limitation Rule and Anti-Reverse Hybrid Rule effective 1 January 2022
- ▶ German Ministry of Finance issues updated guidance on extraterritorial taxation of IP extending deadline for applicability of retroactive exemption in "clear" treaty cases
- ▶ Taiwan amends capital gains tax law for transfers of real property
- ▶ Turkey issues Communiqué on Ultimate Beneficial Owner declaration requirement
- ▶ French Parliament approves Amending Finance Bill for 2021
- ▶ Russia: Law on activities of foreign Internet companies in Russia signed by the President

OECD Alerts

- ▶ G20 Finance Ministers endorse key components of global tax changes and invite holdouts to back the agreement

Human Capital Alerts

- ▶ Peru implements new, stricter requirements for residence visa applications
- ▶ Brazil announces new entry rules for Venezuelan nationals, maritime crew and individuals who recovered from COVID-19
- ▶ India releases significant international travel announcements
- ▶ South Korea launches pilot project 'Electronic Travel Authorization' for visa-free entry for foreign nationals; official launch in September 2021

Indirect Tax Alerts

- ▶ Nigerian Tax Authority issues guidance on Stamp Duties compliance
- ▶ Saudi Arabia clarifies GCC origin of goods

EY Industry and Tax Services publications

Industries

Health & Life Sciences

- ▶ How telehealth is helping address the challenges of COVID-19

Technology

- ▶ How divestments can re-energize the technology growth story



Comments

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