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25 January 2021

# Americas Tax Roundup

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## Latest news – Americas

### [US President Biden takes office](#)

Joe Biden is now US president, and Kamala Harris is vice president and the tie-breaking vote in the Senate now that three new Democrats have been sworn in. With Democratic control in Washington cemented, the next question is how, and how soon, they can act on Biden's \$1.9 trillion COVID/stimulus plan and the rest of his agenda.

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### [Brazilian Superior Court of Justice addresses whether technical service fees are subject to withholding tax under treaty with Spain](#)

The second chamber of the Brazilian Superior Court of Justice (STJ) has addressed whether technical service fees paid by a Brazilian entity to a Spanish tax resident are subject to taxation in Spain (where the service provider is resident) or to withholding tax in Brazil under the Brazil-Spain tax treaty. The apparent change in the STJ's position in the case with respect to Article 7 of the OECD model treaty could have a significant effect on future cases.

### [Peru enacts new tax measures for 2021](#)

Several tax measures enacted by Peru in 2020 are generally effective as of 1 January 2021. These include measures affecting the thin capitalization rules, the special depreciation regime for buildings and construction, and exemptions for income taxes and value-added taxes, among other measures

### [Peru: new regulations outline financial information banks must report to Peruvian tax authority](#)

The Peruvian tax authority has issued regulations outlining what financial information banks must report to the tax authority. The regulations are effective as of 1 January 2021, and banks must begin reporting the requisite information monthly.

### [Peru no longer requires certain recipients of corporate income from investment funds to keep accounting books and records](#)

Peru has eliminated the requirement to keep accounting books and records for resident individuals who receive corporate income from investment funds. The change is effective as of 1 January 2021.

### [Peru-Japan income tax treaty will apply beginning 1 January 2022](#)

All necessary procedures for the entry into force of the tax treaty between Peru and Japan have been completed. The treaty will enter into force on 29 January 2021 and will generally apply from 1 January 2022.



### [Peru enacts new preferential tax regime for agribusiness](#)

Peru has enacted a new preferential tax regime for agribusiness effective as of 1 January 2021. The new regime replaces the prior preferential tax regime for agribusiness that was repealed on 6 December 2020. Benefits of the new regime include reduced corporate income tax rates, accelerated depreciation rates for certain investments, and early value-added tax (VAT) refunds.

### [US Trade Representative releases findings of investigation on DST regimes of Austria, Spain, and the UK, and on Vietnam's currency valuation practices](#)

The US Trade Representative (USTR) has released the findings in its investigations of the Digital Services Tax (DST) regimes of Austria, Spain, and the UK, as well as the findings in its investigation of Vietnam's acts, policies, and practices related to currency valuation. The USTR is not taking any specific actions in response to its findings at this time. However, potentially affected companies should closely monitor any changes to the USTR's decision against taking actions following the investigations, particularly as the Biden Administration assumed office days after the findings were released.

### [EY's 'Latest on BEPS and Beyond' for January 2021](#)

EY's *Latest on BEPS and Beyond* monthly newsletter reviews global and regional BEPS-related policy trends, as well as recent BEPS-driven developments in individual countries. Americas highlights of the January 2021 edition include: (1) the Argentinian Tax Authorities' launching on their website of the *Regimen IPF* to ensure compliance with the new Mandatory Disclosure Regime, (2) the Peruvian Tax Administration's enforcement of the deadline to file CbC reports for reporting fiscal years 2017, 2018, and 2019, and (3) the US Trade Representative's decision to suspend tariff action in the France digital services tax (DST) investigation.

### [EY's 'Latest on BEPS and Beyond' – 2020 review edition](#)

A special edition of EY's monthly *Latest on BEPS and Beyond* report reviews OECD and country-specific developments from 1 January - 31 December 2020. It also highlights global and regional policy trends.

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

- ▶ Argentina and Qatar: Argentina ratified tax treaty
- ▶ Uruguay and Japan: Uruguay ratified tax treaty

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## Upcoming webcasts

### [BorderCrossings: Latest transfer pricing \(TP\) news about India and US-India TP controversy \(28 January\)](#)

On this webcast, EY transfer pricing professionals who have been involved in the US-India competent authority negotiations over the past several years will provide an update on the overall US-India tax authority relationship.

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 22 January 2021](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: President Biden inaugurated as US president, Treasury-designate Janet Yellen confirms tax increases to be delayed; US to re-engage in OECD BEPS 2.0 negotiations.

You can register for this weekly podcast on iTunes [here](#).



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## This week's EY Global Tax Alerts

### Global Tax Alerts

- ▶ [Report on recent US international tax developments – 22 January 2021](#)
- ▶ [Peru-Japan income tax treaty will apply beginning 1 January 2022](#)
- ▶ [Peru enacts new preferential tax regime for agribusiness](#)
- ▶ [Peru enacts new tax measures for 2021](#)
- ▶ [Peru no longer requires certain recipients of corporate income from investment funds to keep accounting books and records](#)
- ▶ [Peru: New regulations outline financial information banks must report to Peruvian tax authority](#)
- ▶ [German Government issues draft law on modernization of withholding tax relief and various additional topics](#)
- ▶ [Zambian Government issues 2021 Tax Amendment Acts and Regulations](#)
- ▶ [Italian Tax Authorities issue final guidelines on Digital Services Tax](#)
- ▶ [Spain delays first reporting of Digital Services Tax and Financial Transaction Tax](#)
- ▶ [Korea enacts 2021 tax reform bill](#)
- ▶ [Ireland publishes updated Corporation Tax Roadmap](#)

### OECD Alerts

- ▶ [The Latest on BEPS and Beyond | January 2021 edition](#)
- ▶ [The Latest on BEPS and Beyond: a 2020 review](#)

### Human Capital Alerts

- ▶ [US DOL publishes final rules on computing prevailing wages](#)
- ▶ [President Biden's executive order reverses travel ban](#)

### Indirect Alerts

- ▶ [USTR releases findings of Section 301 investigation on DST regimes of Austria, Spain and the UK, and 301 findings on Vietnam's currency valuation practices](#)
- ▶ [Italian Tax Authorities issue final guidelines on Digital Services Tax](#)
- ▶ [Spain delays first reporting of Digital Services Tax and Financial Transaction Tax](#)



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## EY Industry and Tax Services publications

### Industries

#### Automotive

- ▶ [How electric vehicles could lead the post-pandemic charge](#)

#### Financial Services

- ▶ [How can sustainable finance support the road to net-zero?](#)

#### Private Equity

- ▶ [How can PE firms find new routes to value creation?](#)

#### Health & Life Sciences

- ▶ [Delivering tailor-made cancer treatments at scale](#)

#### Technology, Media & Entertainment, and Telecommunications

- ▶ [How TMT companies are transforming the tax function](#)

### Services

#### People and workforce

- ▶ [Updated! How COVID-19 is disrupting immigration policies and worker mobility: a tracker](#)

#### Tax

- ▶ [How tax will play a vital role in the coming recovery](#)
- ▶ [How HR can lead the way in reimagining work](#)

### Issues

#### Managing Risk

- ▶ [Can resilience help you grow opportunities before they become risks?](#)
- ▶ [How boards can build organizational resilience in a time of crisis](#)

### 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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