



**Building a better
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25 October 2021

Americas Tax Roundup

Latest news – Americas

[Peruvian Tax Court establishes guidelines that entities must meet to qualify as beneficial owners under Peru-Chile income tax treaty](#)

The Peruvian Tax Court recently published Resolution 03306-9-2020, establishing guidelines for entities to qualify as beneficial owners, which are entitled to benefits under the Peru-Chile double tax treaty. The Tax Court concluded that only entities qualifying as beneficial owners may claim the reduced tax rate under Article 12 (royalties) of the Peru-Chile double tax treaty. Entities that qualify as a conduit company will not qualify as beneficial owner under the treaty, so payments they receive will be subject to a higher rate of withholding tax under Peruvian tax law.

[Double tax treaty concluded between Colombia and Italy will be effective 1 January 2022](#)

Colombia and Italy completed the exchange of letters procedure, confirming that they concluded their domestic procedures for ratifying the double tax treaty (DTT) signed between both countries. The DTT includes provisions for permanent establishments that are aligned with OECD Model 2017, a mutual agreement procedure for entities with double tax residence, and reduced withholding tax rates for dividends, interest and royalties. The DTT will be effective 1 January 2022.

[Dominican Republic issues regulations on country-by-country reporting](#)

The Dominican Republic's Tax Administration released General Norm 08-2021, establishing the rules for filing the country-by-country report (CbCR) and corresponding notification. Under the General Norm, an ultimate parent entity (UPE) of a multinational entity (MNE) group that is tax resident in the Dominican Republic is required to file the CbCR no later than 12 months after the last day of the reporting tax year of the MNE group. A constituent entity that is tax resident in the Dominican Republic and is not a UPE also is required to file the CbCR no later than 12 months after the last day of the MNE group's reporting tax year, if certain conditions are met.

[US IRS rules gains and losses arising from commodity hedges may be sourced by reference to the underlying hedged inventory property](#)

The United States Internal Revenue Service (IRS) ruled in [PLR 202140016](#) that a taxpayer can source gains or losses arising from certain commodity derivative hedging transactions by reference to the source of gains or losses derived from the sale of the underlying inventory property being hedged. The IRS made its ruling by analogy to the inventory sourcing rules. Although PLR 202140016 solely addresses hedges of inventory property, the ruling may provide insight on the source of gain or loss from hedges of other types of property.

[EY's 'Latest on BEPS and Beyond' for October 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. The September 2021 edition highlights (1) the OECD's statement on the agreement reached by 136 out of the 140 Inclusive Framework members on the core design features of the two-pillar solution developed in the BEPS 2.0 project, and (2) the G20's communique endorsing the OECD's statement on the two-pillar solution.



This week's tax treaty news in the Americas

- ▶ Brazil and Colombia: tax treaty negotiations concluded
- ▶ Colombia and Italy: income tax treaty entered into force

Upcoming webcasts

[BEPS 2.0: Beyond 2021 \(28 October\)](#)

In this webcast, panelists discuss BEPS 2.0 and taxation of the digitalized economy updates after the October OECD/G20 Inclusive Framework and the G20 Finance Ministers and Central Bank Governors meetings.

[BorderCrossings: Valuing customer-related data in a digital economy from a transfer pricing framework \(28 October\)](#)

In this webcast, panelists discuss frameworks for assessing and inventorying customer-related data and valuing them across a spectrum of business models (i.e., data-enabled and data-enhanced models), and will also examine fair market valuations of data and cybersecurity from a transfer pricing perspective.

[International tax talk quarterly series with the EY Global Tax Desk Network: Update on key legislative changes in Europe, Latin America and Asia-Pacific \(9 November\)](#)

In this webcast, panelists discuss pertinent global tax topics and recent developments in Europe, Latin America and the Asia-Pacific regions.

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, 22 October 2021](#)

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

- ▶ Negotiations continue in congress to reach agreement on House reconciliation bill
- ▶ Treasury releases joint statement with several countries on DST Agreement
- ▶ IRS issues commodity derivatives private letter ruling
- ▶ Platform for Collaboration on Tax enhances support to countries in the area of domestic resource mobilization during the COVID-19 pandemic

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 – 22 October 2021](#)
- ▶ [Peruvian Tax Court establishes guidelines that entities must meet to qualify as beneficial owners under Peru-Chile income tax treaty](#)
- ▶ [US IRS rules gains and losses arising from commodity hedges may be sourced by reference to the underlying hedged inventory property](#)
- ▶ [Dominican Republic issues regulations on country-by-country reporting](#)
- ▶ [Double tax treaty concluded between Colombia and Italy will be effective 1 January 2022](#)
- ▶ [United States: Global vaccination status protocol coming into effect 8 November 2021](#)
- ▶ [United Nations launches MAP and Tax Dispute Resolution Handbook](#)

Other Cross-border Alerts

- ▶ [Taiwan proposes to extend concessional tax rate for core revenues for banking and insurance businesses](#)
- ▶ [Italy issues draft legislation for new patent box regime](#)
- ▶ [Italy issues Law Decree on new patent box regime](#)
- ▶ [Nigeria: The Minister of Finance approves Tax Appeal Tribunal \(Procedure\) Rules, 2021](#)
- ▶ [Hong Kong reiterates its commitment to BEPS 2.0 project](#)

OECD Alerts

- ▶ [OECD releases seventh batch of Stage 2 peer review reports on dispute resolution](#)
- ▶ [OECD releases outcomes of fourth phase of peer reviews on BEPS Action 13](#)
- ▶ [The Latest on BEPS and Beyond | October 2021 edition](#)

Transfer Pricing Alerts

- ▶ [German Federal Fiscal Court ruling contradicts position of German Ministry of Finance on Guidance on Financing Structures](#)
- ▶ [Thailand publishes mandatory requirements for Thai transfer pricing documentation](#)

Human Capital Alerts

- ▶ [United States: Global vaccination status protocol coming into effect 8 November 2021](#)
- ▶ [Thailand: New, more lenient quarantine rules](#)

Indirect Tax Alerts

- ▶ [Uganda's Value Added Tax \(Designation of Withholding Agents\) Notice 2020 has implications for newly announced agents](#)
- ▶ [UK's Migration Advisory Committee publishes its report on the Intra Company Transfer route](#)



EY Industry and Tax Services publications

Industries

Energy & Resources

- ▶ [A clean COVID-19 pandemic recovery: the global opportunity](#)
- ▶ [As consumers lead the way, how can energy providers light the path?](#)

Financial Services

- ▶ [How regulatory divergence is challenging cross-border financial firms](#)

Telecommunications

- ▶ [How the upside risks of 5G balance the downside security risks](#)

Technology, Media & Entertainment, and Telecommunications

- ▶ [Why TMT executives need to simplify the complexity of global trade](#)

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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