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17 August 2020

# Americas Tax Roundup

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## Latest news – Americas

### [COVID-19 relief measures continue throughout Americas](#)

*Jurisdictions throughout the region continue to announce new and expanded measures to respond to the COVID-19 pandemic.*

### [US imposes 10% punitive tariff on Canadian-origin aluminum; Canada announces countermeasures in response](#)

US President Trump announced on 6 August that the US would again be imposing a 10% punitive tariff on non-alloyed unwrought aluminum articles of Canadian origin. Canada immediately responded to the tariff action by announcing dollar-for-dollar countermeasures. Companies that import Canadian aluminum into the US should review the scope of the action, assess impact to their business and consider steps to mitigate the impact.

### [Colombia issues regulations on the income tax credit for the VAT paid on Real Productive Fixed Assets](#)

The Colombian Government has issued regulations on the credit against income tax liability for the value-added tax (VAT) paid on the acquisition, importation, formation, or construction of Real Productive Fixed Assets (AFRP per its Spanish acronym). The regulations define AFRP and set forth rules related to claiming the tax credit and associated documentation requirements. Taxpayers paying VAT related to AFRP should review their eligibility for the credit and ensure compliance with the regulations.

### [Ecuador issues regulations on VAT on digital services](#)

Ecuador has published regulations on the VAT on digital services that take effect 16 September 2020. The regulations define the digital services subject to the value-added tax (VAT), specify exempt services, and outline procedures for withholding and payment of the tax. Foreign suppliers of digital services, importers of such services and withholding intermediaries should review their responsibilities under the regulations.

### [Brazil's tax reform proposal would affect taxpayers participating in certain special regimes, including customs incentives](#)

Brazil's proposed Contribution on Goods and Services (CBS for its Portuguese acronym) could apply to taxpayers that were not previously subject to PIS and COFINS Contributions (Social Security Contributions on Sales) due to their participation in special regimes, including customs incentives. While those taxpayers could offset CBS against other taxes or claim a refund of CBS paid, their cash flow could still be disrupted if the CBS refund process is slow or complicated.

### [Panama updates registration mechanism for foreign companies that act as legal representatives of Panamanian corporations](#)

Panama's General Directorate of Revenue has established an updated registration mechanism within the Registry of Taxpayers (*Registro Único de Contribuyentes*, or RUC). The update applies to the tax platform "e-tax 2.0" for foreign companies that act as legal representatives of Panamanian corporations. Affected companies should review the new procedures and requirements and ensure compliance.



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

- ▶ Brazil and Chile: Chilean Senate approved free trade agreement
- ▶ Colombia and Israel: free trade agreement entered into force 11 August 2020

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 14 August 2020](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: US Congress begins August recess, no agreement on coronavirus aid legislation; OMB completes review of final rules on DRD limitation for dividends from certain foreign corporations, proposed rules coordinating certain regulations under Section 245A and Section 951A; Draft Schedules K-2 and K-3 for 2021 tax year IRS partnership Form 1065 guided by need to standardize format, officials say.

### [Monthly ITTS Washington Dispatch \(July 2020\)](#)

EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. Highlights of this month's edition include: IRS issues final and proposed interest expense limitation regulations; Final and proposed GILTI regulations deliver few benefits, some surprises; US announces action against France's DST; G20 Finance Ministers/Central Bank Governors reiterate commitment to BEPS 2.0 pillars; OECD issues model rules for data reporting by platform operators for sellers in sharing/gig economy; among other topics.

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## This week's EY Global Tax Alerts

### COVID-19 | Key Alerts and other resources from EY's Global Tax

Global Tax Alerts were issued this week with updated COVID-19 news, covering the following jurisdictions: Australia, Global related news, Portugal and Slovakia. Access the Alerts and other COVID-19 related materials [here](#).

### Additional Global Tax Alerts

- ▶ [Report on recent US international tax developments - 14 August 2020](#)
- ▶ [Panamanian Tax Authority includes new category for foreign companies acting as legal representatives of Panamanian corporations within Registry of Taxpayers of e-tax 2.0 system](#)
- ▶ [Australian Taxation Office issues final guidance on thin capitalization arm's-length debt test and draft guidance on "outbound" interest-free loans](#)
- ▶ [Portugal postpones MDR reporting deadlines for six months](#)
- ▶ [Slovakia postpones MDR reporting deadlines for six months](#)
- ▶ [Greece amends taxation of legal entities](#)
- ▶ [PE Watch: Latest developments and trends, August 2020](#)
- ▶ [Belgium's Tax Authority publishes MDR FAQs](#)
- ▶ [Russia and Cyprus reach consensus over tax treaty](#)
- ▶ [Saudi Arabia extends economic relief initiatives for three months](#)



## Transfer Pricing Alerts

- ▶ India publishes detailed guidance on Mutual Agreement Procedure
- ▶ Japanese tax authorities reorganize tax audit teams into single unit to cover domestic, international and transfer pricing issues

## Indirect Alerts

- ▶ USTR announces modifications to tariffs on EU goods under Section 301
- ▶ Colombia issues regulations on income tax credit for VAT paid on Real Productive Fixed Assets
- ▶ Ecuador issues regulations on VAT on digital services
- ▶ Brazil's tax reform proposal would affect taxpayers participating in certain special regimes, including customs incentives

## Human Capital Alerts

- ▶ DOS issues guidance on qualifying criteria for national interest exceptions to Presidential Proclamations suspending entry of immigrants and non-immigrants
- ▶ Appellate Court lifts nationwide injunction on Public Charge Regulations, allowing regulations to again apply to certain immigration filings outside Second Circuit
- ▶ Australia's border restrictions and quarantine arrangements to remain in place

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## EY Industry and Tax Services publications

### Industries

#### Automotive

- ▶ Why the fourth time's the charm for your supply chain
- ▶ Podcast: How manufacturers can future-proof their supply chains

#### Financial Services

- ▶ How insurers can understand, plan and prepare for the IBOR phase-out

#### Consumer Products & Retail

- ▶ Agribusiness fuels growth with strategic M&A, regular portfolio reviews

#### Energy

- ▶ Three themes for OFS companies emerging from the COVID-19 price shock

#### Technology

- ▶ How can technology at speed create competitive advantage?

### Services

#### Consulting

- ▶ How to make your sales team relevant, resilient and revenue generating
- ▶ Ten lessons learned in implementing risk appetite frameworks



## 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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