



9 December 2019

This week's edition contains two weeks' worth of news.

Important announcement: Register to receive Americas Tax Roundup via new EY delivery platform

The Americas Tax Roundup is now being sent out through EY's *Tax News Update: Global Edition* (GTNU) email subscription service.

We will be sending the AT Roundup via **both** the GTNU and the current email distribution system, but we urge you to register for the GTNU platform as soon as possible ([instructions available here](#)) in order to continue receiving the Roundup.

If you have any questions, issues or comments, please email Global Tax News Update Help at globaltaxnewsupdatehelp@ey.com.

Latest news - Americas

Brazil announces comprehensive tax reform to be implemented in 2020

Members of the executive branch of the Brazilian Federal Government have announced that they will start implementing the comprehensive tax reform proposals in phase to allow the government to manage the impact of the reform on the economy and tax collection. The proposals would considerably change the Brazilian tax system and require taxpayers to rethink their local structures and the way they do business in Brazil.

BEPS 2.0: OECD hosts public consultation on Pillar One, while US expresses 'serious concerns', and EY submits comments on Pillar Two

The OECD hosted a public consultation meeting on 21-22 November on its *Secretariat Proposal for a "Unified Approach" under Pillar One*, which was released by the OECD in October in connection with BEPS 2.0. Businesses and other organizations, including EY, participated in the consultation to discuss their perspectives. While opinions differed as to the pace of change, comments at the consultation generally reflected a common view that the existing global transfer pricing system, based on the arm's-length principle, needs to be changed and should at least be augmented by some more formulaic rules.

In a related development, the US Treasury Secretary told the OECD on 3 December that the US has "serious concerns" about aspects of Pillar 1.

EY submitted a letter to the OECD on 2 December with comments on the OECD's Pillar Two public consultation document as well as responses to specific questions raised in the Pillar Two document.

US issues findings of investigation regarding France's DST; proposes imposition of tariffs

The US Trade Representative (USTR) announced that it has determined that the French Digital Services Tax (DST) creates an unreasonable or discriminatory burden to US commerce. In response, it has proposed that the US impose tariffs of up to 100% on approximately US\$2.42 billion of French-origin goods. Companies that import French-origin goods should closely monitor the progression of the proposed USTR actions and negotiations between the two nations.

US issues final and proposed base erosion and anti-abuse tax (BEAT) regulations

The US Treasury Department has released final regulations on the BEAT under Code Section 59A. The final regulations are generally consistent with the proposed regulations published in December 2018, but do reflect some modifications. Treasury also issued new proposed regulations on the BEAT.

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General EY Publications

- [Worldwide Digital Tax Guide](#)
- [2019 Outlook for global tax policy and controversy | 9th edition](#)
- [2019 Worldwide Corporate Tax Guide](#)
- [2018-2019 EY Worldwide Transfer Pricing Reference Guide](#)
- [2019 Worldwide VAT, GST and Sales Tax Guide](#)
- [2019 Indirect Tax – updated worldwide developments map](#)
- [2019 Global Oil and Gas Tax Guide](#)
- [2019 Worldwide Capital and Fixed Assets Guide](#)
- [2019 Worldwide Estate and Inheritance Tax Guide](#)
- [2018-19 Worldwide Personal Tax and Immigration Guide](#)
- [2019 Worldwide R&D Incentives Reference Guide](#)
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Tax Insights Magazine

Tax Insights Magazine is a series of publications, produced by EY, that will help you to gain a more thorough understanding of tax issues. It features the insights of high-level executives and professionals, as well as contributions from leading policy-makers and academics.

US releases final and newly proposed foreign tax credit regulations

The US Treasury Department has published final regulations on determining foreign tax credits under the Internal Revenue Code. The final regulations are generally consistent with the proposed regulations published in November 2018, but reflect some important modifications and clarifications. Treasury also proposed new regulations addressing the allocation and apportionment of expenses.

Ecuador ratifies tax treaty with Japan

Ecuador has ratified the Treaty to Avoid Double Taxation with Japan. When effective, the treaty will apply to the income tax in Ecuador and various taxes in Japan. It also will include a definition for permanent establishment and new withholding tax rates for cross-border payments between Ecuador and Japan.

OECD releases Brazil Stage 1 peer review report on implementation of BEPS Action 14 minimum standard

Brazil was among the jurisdictions assessed in the OECD's recently released [seventh batch of peer review reports](#) relating to the implementation of the BEPS minimum standard under Action 14 on improving tax dispute resolution mechanisms. Overall the report concludes that Brazil meets most of the elements of the Action 14 minimum standard.

Puerto Rico Treasury Department issues 2019 informative return forms for deducting expenses

The Puerto Rico Treasury Department has released 2019 informative return forms for deducting expenses, which are required by the tax reform enacted in 2018. The changes introduced under the tax reform will likely increase the number of forms businesses will be required to file, beginning with the year 2019 informative returns.

EY Canada releases latest issue of *TaxMatters@EY*

TaxMatters@EY, a monthly bulletin prepared by EY Canada, provides a summary of recent Canadian tax news, publications, and resources. The December 2019 issue covers year-end remuneration planning considerations for private business owners and a Federal Court of Appeal decision on whether an "advantage" received in the first year from tax-free savings account swap transactions continued to produce an advantage in subsequent years.

This week's tax treaty news in the Americas

- **Brazil and Senegal:** social security agreement negotiations ongoing
- **Chile and India:** Union Cabinet of India authorized tax treaty signing
- **Colombia and Italy:** Colombian Congress approved tax treaty
- **Colombia and Luxembourg:** tax treaty negotiations planned
- **Mexico and Uruguay:** free trade agreement protocol signed

This week's EY Global Tax Alerts

Global Tax Alerts

- [Report on recent US international tax developments - 6 December 2019 \(6 December 2019\)](#)
- [Ecuador's President proposes another tax reform bill \(6 December\)](#)
- [Brazil's Social Contribution on Net Income for Brazilian banks increases 1 March 2020 \(5 December 2019\)](#)
- [Taiwan releases draft regulations on undistributed earnings tax exemption for substantive investments \(5 December 2019\)](#)
- [Hong Kong and Macao sign income tax treaty \(5 December 2019\)](#)
- [Belgium issues draft mandatory disclosure regime legislation \(5 December 2019\)](#)
- [Brazilian Federal Government announces comprehensive tax reform to be implemented in 2020 \(5 December 2019\)](#)

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Comments

If you have any questions or suggestions about this newsletter, please contact [Amy Gist](#)

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[Forward to a colleague](#)

- Puerto Rico Treasury Department releases 2019 informative return forms for deducting expenses (4 December 2019)
- Ecuador ratifies Treaty to Avoid Double Taxation with Japan (4 December 2019)
- EU: Public Country-by-Country Reporting fails to move forward in latest European vote (4 December 2019)
- Jordan amends social security law (2 December 2019)
- German Federal Council approves Research Allowance Act (29 November 2019)
- Report on recent US international tax developments - 27 November 2019 (27 November 2019)
- UAE identifies Regulatory Authorities for Economic Substance Regulations (27 November 2019)
- Spanish Central Tax Court applies the doctrine of the ECJ Danish cases to deny withholding tax exemption on interest payments to EU lenders (26 November 2019)
- Finland publishes draft proposal on Mandatory Disclosure Rules (26 November 2019)
- Spanish Supreme Court issues favorable decision on reclaims for US RICs (26 November 2019)

OECD Alerts

- US Treasury Secretary tells OECD that United States has “serious concerns” over Pillar 1 (5 December 2019)
- OECD releases Brazil Stage 1 peer review report on implementation of Action 14 minimum standard (4 December 2019)
- OECD releases seventh batch of peer review reports on BEPS Action 14 (3 December 2019)
- OECD hosts public consultation on proposed “unified approach” under Pillar One of BEP 2.0 project (27 November 2019)

Transfer Pricing Alerts

- Taiwan issues tax ruling on one-time transfer pricing adjustments (6 December 2019)
- Australia: A detailed review of the ATO compliance approach to related party derivative arrangements and total return swaps (5 December 2019)
- Australian Taxation Office issues guidance on compliance approach to related party derivative arrangements and total return swaps, for tax returns and risk management (3 December 2019)
- Thailand publishes transfer pricing disclosure form (27 November 2019)

Indirect Alerts

- US issues findings of Section 301 investigation regarding France’s Digital Services Tax; proposes imposition of tariffs (4 December 2019)
- Dutch Customs postpones requirement that non-EU company can no longer act as exporter from The Netherlands until 1 April 2020 (26 November 2019)

Law Alert

- Greece: Impact of new EU rules for online platforms and business users (3 December 2019)

Human Capital Alerts

- Switzerland's work permit quota update for 2019 and outlook for 2020 (5 December 2019)
- IRS issues early release of the 2020 percentage method tables for automated payroll systems (4 December 2019)
- Austria's new wage tax withholding obligation for foreign employers without a permanent establishment discussed (26 November 2019)

Upcoming webcasts

No new webcasts this week.

Recently archived webcasts now available on-demand

East to west: 2019 and 2020 tax reforms in India, Brazil, and Mexico

The business tax landscape in India, Brazil, and Mexico is poised to change dramatically over the next year. In a recent webcast, our panelists provided an update on important international tax initiatives across the globe, including India's 2019 tax cut legislation, the Brazilian tax reform agenda, and Mexico's proposed 2020 tax reform and its impact on foreign investment.

EY industry, service and issue publications

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