



Americas Tax Roundup

16 December 2019

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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.

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Latest news - Americas

USMCA trade deal expected to pass US Congress

US House Speaker Nancy Pelosi (D-CA) and Ways and Means Committee Chairman Richard Neal (D-MA) on 10 December announced that a deal has been reached on the US-Mexico-Canada Agreement (USMCA). The announcement paves the way for the US Congress to approve the trade deal, although an exact timetable is not yet clear.

Mexico enacts tax reform for 2020

Mexico has enacted the final economic package (Reform), most of which will be effective 1 January 2020 (with exceptions for the digital services rules and certain rules on fiscally transparent entities). The Reform has significant tax provisions that may affect multinationals operating in Mexico. Businesses should take a close look at financing structures and cross-border transactions with Mexican affiliates to avoid surprising results in the form of non-deductible payments or additional compliance obligations.

To help businesses prepare for the 1 January 2020 effective date, an EY article highlights [five major Mexican tax reform changes for multinationals to focus their year-end efforts on](#).

Colombian Congress approves tax reform bill in first debate

The Colombian Congress has approved the text of a tax reform proposal submitted by the Executive Power. If enacted, the proposal would replace the 2018 tax reform that was declared unconstitutional by the Constitutional Court in October 2019. The proposed text includes new tax rates and changes to the statute of limitations for certain provisions; many provisions are expected to be effective in 2020.

Ecuador's president proposes another tax reform bill

Ecuador's President Moreno has proposed a new tax reform bill following the National Assembly's recent rejection of the President's last bill. The new bill maintains many of the income tax and value-added tax (VAT) rules proposed in the first bill with some modifications. The bill would repeal the tax exemption for dividends and would subject dividends distributed by Ecuadorian companies to nonresident entities to dividend withholding tax. The bill would also impose a 12% VAT rate on digital services when the consumer is an Ecuadorian resident.

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](#)
- [A complete list of EY Tax Guides](#)

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.

OECD hosts public consultation on global anti-base erosion (GloBE) proposal under Pillar Two

The OECD on 9 December 2019 hosted a day-long public consultation on the consultation document titled “Global Anti-Base Erosion (GloBE) Proposal – Pillar Two.” The OECD Secretariat laid out a timeline for future work on the GloBE proposal, including plans to issue an additional and more detailed consultation document on Pillar Two early in 2020.

US Trade Representative proposes new tariffs on EU; WTO Appellate Body set to disband

The US Trade Representative has announced a review of actions taken on EU origin goods subject to punitive tariffs under the Section 301 investigation pertaining to the EU Large Civil Aircraft Subsidies dispute. Proposed actions include the addition of 365 new tariff codes to be subject to punitive tariffs of up to 100%, as well as increased tariffs on products that are currently subject to punitive tariffs up to 100.

UK Conservative Party wins Parliamentary majority in general election; Brexit and tax policy implications

The UK Conservative Party won a clear majority in the 12 December general election, paving the way for Brexit and with tax policy implications. The government’s tax policy focus is likely to remain on keeping the UK tax burden as low as possible, consistent with increased spending commitments, and ensuring that all tax due is collected.

This week’s tax treaty news in the Americas

- **Argentina and Austria:** tax treaty signed
- **Argentina and France:** tax treaty protocol signed
- **Barbados and Kenya:** tax treaty signed
- **Brazil and India:** Union Cabinet of India authorized signing of social security agreement
- **Jamaica and Japan:** tax treaty signed
- **Quebec and Bulgaria:** Bulgarian Council of Ministers approved social security agreement

This week’s EY Global Tax Alerts

Global Tax Alerts

- [Report on recent US international tax developments – 13 December 2019 \(13 December 2019\)](#)
- [Brazilian National Attorney General regulates recently enacted conflict resolution system \(13 December 2019\)](#)
- [Peru issues regulations on indirect foreign tax credit \(13 December 2019\)](#)
- [Uruguay’s Ministry of Economy and Finance announces tax benefits for certain economic sectors \(13 December 2019\)](#)
- [UK Conservative party wins clear majority in General Election: Implications for Brexit and tax policy \(13 December 2019\)](#)
- [Germany publishes draft ATAD implementation law \(12 December 2019\)](#)
- [US IRS further delays certain Section 987 foreign currency regulations \(12 December 2019\)](#)
- [Sweden publishes new draft legislation on Mandatory Disclosure regime \(12 December 2019\)](#)
- [EU Code of Conduct Group issues update report, including new guidance \(12 December 2019\)](#)
- [Luxembourg State Council publishes opinion on draft law implementing EU ATAD 2 on hybrid mismatch arrangements \(12 December 2019\)](#)

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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

- French Tax Authorities release final draft on new reporting of recalcitrant account holders for CRS purposes (11 December 2019)
- Israeli Court rules in favor of taxpayer on business restructuring (11 December 2019)
- Colombian Congress approves tax reform bill in first debate (11 December 2019)
- Luxembourg: 2019 year-end corporate tax action items (11 December 2019)
- Mexico enacts significant tax reform: Measures for businesses to consider (10 December 2019)
- Nigeria: Update on Finance Bill 2019 (10 December 2019)
- Poland's draft decree proposes deferral of certain provisions of new withholding tax reform (10 December 2019)
- US final and proposed regulations provide additional guidance for determining allowable foreign tax credits (10 December 2019)
- OECD releases Hong Kong's Stage 1 peer review report on implementation of BEPS Action 14 minimum standard (9 December 2019)
- US final and proposed BEAT regulations provide some relief for taxpayers (9 December 2019)
- Belgium: 2019 year-end tax planning for MNEs (9 December 2019)
- Mexican tax reform for 2020 enacted (9 December 2019)
- Turkey enacts law introducing new taxes and amending various tax laws (9 December 2019)

OECD Alerts

- OECD hosts public consultation on global anti-base erosion (GloBE) proposal under Pillar Two of BEPS 2.0 project (13 December 2019)
- OECD releases Hong Kong's Stage 1 peer review report on implementation of BEPS Action 14 minimum standard (9 December 2019)

Indirect Alert

- USTR proposes new tariffs on EU under Section 301; WTO Appellate Body set to disband (11 December 2019)

Upcoming webcasts

No new webcasts this week.

Recently archived webcasts now available on-demand

No new archived webcasts this week.

EY industry, service and issue publications

Industry

Automotive

- [How agility becomes critical in the face of rapid market shifts](#)
- [How digital twins give automotive companies a real-world advantage](#)

Banking & Capital Markets

- [Banking and capital markets look to M&A as a gateway to new markets](#)

Life Sciences

- [Confident views of health sector and global growth sustain M&A appetite](#)

Power & Utilities

- [In an accelerated energy transition, can US utilities fast-track transformation?](#)

Technology, Media and Telecom

- [TMT execs remain focused on M&A despite geopolitical and regulatory concerns](#)

Services

Advisory

- [Embrace the Human Enterprise](#)
- [How IBOR reform opens the door for technology-enabled contract review](#)

People and workforce

- [Embrace the Human Enterprise](#)
- [What can the EU show the world about creating long-term value?](#)

Issues

Growth

- [How burning ambition can become a beacon for the future](#)

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