



Americas Tax Roundup

23 December 2019

In observance of holidays this week and next, the Americas Tax Roundup will not be released on 30 December. The ATR will resume publication on 6 January 2020.

Happy Holidays

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

Argentine tax reform bill sent to Congress

The Argentine Executive Power has sent a tax reform bill to the House of Representatives. The bill would modify the income tax, personal assets tax, and tax on debits and credits in local bank accounts rules. It also would establish a new tax on certain purchases of foreign currency and a new tax debt settlement plan for certain taxpayers, and it authorizes the Executive Power to increase export duties. The bill is expected to be enacted before year end and would be effective 1 January 2020.

US and China reach 'Phase One Agreement' on trade

The US and China have reached a framework for a formalized agreement to address ongoing trade tensions that have resulted in a series of tariff actions over the past two years. Key components of the deal, referred to as the "Phase One Agreement," were first agreed to in principle in October 2019. Companies involved in US-China trade should actively monitor the enforcement of the currently announced deal, as well as subsequent negotiations of Phase Two and beyond.

In a related development, the [US Trade Representative published three notices related to exclusions for goods subject to the punitive tariffs levied on Chinese origin goods](#).

US House approves USMCA implementing bill

On 19 December, the US House of Representatives approved the US-Mexico-Canada Agreement (USMCA) implementing legislation after Democratic leaders announced a week earlier that agreement had been reached with the Trump Administration on the deal sought by both parties. The US Senate is expected to consider the agreement in early 2020.

Mexico's tax reform affects banking and capital markets activities

Mexico's recently enacted tax reform may significantly affect multinational financial groups operating in Mexico and their clients. The tax reform makes significant changes to Mexico's Income Tax Law, which could affect banking and capital markets activities. In light of the reform, financial entities should review their financing structures and cross-border transactions.

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- [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.

Brazilian National Attorney General regulates recently enacted conflict resolution system

Brazil's National Attorney General's Office has published measures regulating the eligibility and application requirements for the conflict resolution system, which is intended to reduce controversy between Brazilian taxpayers and federal tax authorities. Taxpayers with outstanding tax liabilities should assess whether they could benefit from the conflict resolution system.

Argentina reorders income tax law and its regulatory decree, updates list of 'non-cooperating' jurisdictions for tax purposes

The Argentine government has reordered the Income Tax Law (ITL) for ease of reference and interpretation. It has also reordered the ITL's Regulatory Decree and incorporated provisions that were contained in different regulations (e.g., taxation of nonresident investors, tax rules applicable to real estate transactions and severance payments). In addition, the government has updated the list of countries that should be considered "non-cooperating" for tax purposes.

Peru extends income tax and VAT exemptions

Peru has enacted decrees extending income tax and value-added tax (VAT) exemptions. The extensions are good news for taxpayers with transactions that qualify for these exemptions, as they will be able to claim them for another year.

Peru issues regulations on indirect foreign tax credit

Peru's Minister of Economics has issued regulations on the indirect foreign tax credit. Peruvian entities may qualify for the indirect foreign tax credit for dividends received from nonresident entities. To claim the credit, certain requirements and conditions must be met.

Costa Rica modifies transfer pricing documentation regulations

The Costa Rican tax authorities have published a resolution requiring taxpayers to prepare certain transfer pricing documentation for the corporate group and local taxpayer. Taxpayers must prepare and maintain various pieces of corporate documentation, including a description of the most significant business restructurings over the past five years and a consolidated income statement for the most recent period.

Costa Rica modifies information return for reporting financial and professional transactions between taxpayers

Costa Rica's tax authorities have issued a modified Form D-151, "Annual Return for Customers, Suppliers and Specific Expenses," which is used to report financial and professional transactions between taxpayers. Taxpayers should prepare now for the new forms. Because taxpayers who complete transactions through an electronic invoice do not have to report those transactions on Form D-151, fewer taxpayers may be required to file the form.

Colombia-UK tax treaty will enter into force in 2020

On 13 December, Colombia and the UK exchanged notes informing each other that they have completed the approval processes for the Treaty to Avoid Double Taxation. With this step completed, the treaty will apply from 1 January 2020 for Colombia. For the UK, the treaty generally will apply from 1 April 2020; for taxes withheld at source, however, the treaty will apply from 1 January 2020.

Uruguay announces tax benefits for certain economic sectors

Uruguay's Ministry of Economy and Finance has announced 14 measures aimed at encouraging the growth of certain economic sectors. The measures offer a variety of tax rate reductions, exemptions, and credits.

Puerto Rican recipients of certain services must file Form 480.7E for tax year 2019

The Puerto Rico Treasury Department has determined that recipients of telecommunications, internet, insurance premium, and television services must prepare and file Form 480.7E for tax year 2019. Taxpayers making payments for these types of services must file this form for tax year 2019 on or before 28 February 2020 so that they can deduct these expenses for alternative basic tax (in the case of individuals) and the alternative minimum tax (in the case of businesses).

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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

OECD officials discuss BEPS 2.0 project at conference in Washington, DC

Pascal Saint-Amans, Director of the OECD Center for Tax Policy and Administration, told a conference in Washington, DC, on 19 December that the OECD plans to work to create a new taxing right aimed at reallocating more taxable profits of multinational enterprises to market jurisdictions. It will leave for the future a more political determination as to how to address US Treasury concerns that a deviation from arm's-length principles would make it difficult to gain political consensus in the US Congress.

EY publication highlights 2019 Q4 tax policy developments across the Americas

The fourth quarter of 2019 ushered in several significant tax policy developments across the Americas. The *Americas Tax Policy Update* highlights the top tax policy developments from October through December 2019. Highlights in this edition include Mexico's recently enacted tax reform, Brazil's regulation of the social contributions calculation, and tax reform proposals in Brazil, Chile, Colombia, and Ecuador.

EY's 'Latest on BEPS and Beyond' for December 2019

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 December 2019 edition highlights the OECD's public consultations on the two pillars of BEPS 2.0, the entry into force of the new Ecuador-Japan tax treaty, the signing of new Peru-Japan and Uruguay-Japan tax treaties, the approval of Mexico's economic package, and the US base erosion and anti-abuse tax (BEAT) regulations.

This week's tax treaty news in the Americas

- **Argentina and Austria:** tax treaty details available
- **Argentina and Israel:** tax treaty negotiations underway
- **Uruguay and South Korea:** National Assembly of Korea ratified social security agreement

This week's EY Global Tax Alerts

Global Tax Alerts

- [Report on recent US international tax developments - 20 December 2019 \(20 December 2019\)](#)
- [French Parliament approves Finance Bill for 2020 \(20 December 2019\)](#)
- [Colombia-UK tax treaty will enter into force in 2020 \(20 December 2019\)](#)
- [Luxembourg Parliament adopts draft law implementing EU ATAD 2 on hybrid mismatch arrangements \(19 December 2019\)](#)
- [Argentine tax reform bill sent to Congress \(19 December 2019\)](#)
- [Costa Rica's tax authorities modify information return for reporting financial and professional transactions between taxpayers \(19 December 2019\)](#)
- [India passes Amendment Bill approving reduced tax rates for Indian companies \(19 December 2019\)](#)
- [Hong Kong clarifies certain profits tax issues \(19 December 2019\)](#)
- [Mexico's tax reform affects banking and capital markets activities \(19 December 2019\)](#)
- [Peru extends income tax and VAT exemptions \(18 December 2019\)](#)
- [Spanish Supreme Court decision may have favorable impact on reclaims by sovereign funds and pension funds \(18 December 2019\)](#)
- [Kenyan employers requested by Higher Education Loans Board to register on its online portal by 31 December 2019 \(18 December 2019\)](#)
- [Cyprus Tonnage Tax re-approved by European Commission for new 10-year period as of 1 January 2020 \(18 December 2019\)](#)
- [Luxembourg: 2020 tax considerations for MNEs \(17 December 2019\)](#)
- [Argentina reorders income tax law and its regulatory decree and issues list of jurisdictions considered "non-cooperating" for tax purposes \(17 December 2019\)](#)

- [Australian Government issues Exposure Draft Bill to amend the hybrid mismatch rules for public consultation \(17 December 2019\)](#)
- [Turkey amends protocol with Turkish banks on collection of taxes, duties and penalties related to banking system \(17 December 2019\)](#)
- [Japan release 2020 tax reform outline \(17 December 2019\)](#)
- [Belgium publishes draft proposal on Mandatory Disclosure Rules \(17 December 2019\)](#)
- [Equatorial Guinea's Ministry of Finances issues new Ministerial orders on VAT and Corporate Income Tax \(17 December 2019\)](#)
- [German Government postpones adoption of draft ATAD implementation law \(17 December 2019\)](#)

OECD Alerts

- [Officials Discuss OECD BEPS 2.0 Project at DC Conference \(19 December 2019\)](#)
- [Latest on BEPS and Beyond - December 2019 \(17 December 2019\)](#)

Transfer Pricing Alert

- [Costa Rica modifies transfer pricing documentation regulations \(16 December 2019\)](#)

Indirect Alerts

- [Swiss Tax Authority clarifies that disclosure of worldwide turnover in Swiss VAT returns by non-Swiss entities is no longer required \(20 December 2019\)](#)
- [USTR issues amendments to granted exclusions to Lists 1 and 2 for China origin goods; grants new exclusions to List 3 \(19 December 2019\)](#)
- [US and China Reach Phase One Agreement on Trade \(16 December 2019\)](#)
- [Costa Rica requests comments on proposed Authorized Economic Operator Regulation \(16 December 2019\)](#)

Human Capital Alerts

- [Kenyan employers requested by Higher Education Loans Board to register on its online portal by 31 December 2019 \(18 December 2019\)](#)
- [UK general election and immigration outlook discussed \(13 December 2019\)](#)

Upcoming webcasts

No new webcasts this week.

Recently archived webcasts now available on-demand

How Mexico Tax Reform 2020 impacts foreign investment

In a recent webcast, EY professionals discussed the new provisions contained in the Mexican Tax Reform for 2020 and the impacts for foreign investments in Mexico.

EY industry, service and issue publications

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Automotive & Transportation

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- [Consumer products M&A activity remains strong as the upcycle continues](#)

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