



## Americas Tax Roundup

3 February 2020

## 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](mailto:globaltaxnewsupdatehelp@ey.com).

### Subscribe to EY's AT Roundup

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## Latest news - Americas

### OECD releases 'Statement by the Inclusive Framework on BEPS' endorsing Unified Approach

According to an OECD [press release](#), the "participants agreed to pursue the negotiation of new rules on where tax should be paid ('nexus' rules) and on what portion of profits they should be taxed ('profit allocation' rules), on the basis of a 'Unified Approach' on Pillar One." The OECD describes the endorsement of the Unified Approach as "a significant step." Read the full statement [here](#). A Tax Alert is [available](#).

### US President signs USMCA

On 29 January, US President Trump signed into law the implementing legislation for the United States-Mexico-Canada Agreement (USMCA). The USMCA, signed by the United States, Mexico and Canada on 30 November 2018, will go into force and supersede the North America Free Trade Agreement (NAFTA) once ratified by all three countries. Mexico was the first of the three countries to [ratify the agreement](#) on 19 June 2019.

### Mexico's tax authorities issue temporary regulations for nonresident providers of digital services

Mexican tax authorities have issued temporary regulations that implement various provisions of the recently enacted tax reform, including new Title 12 on the rendering of digital services. Title 12 establishes new tax obligations for digital service providers, including nonresident providers that otherwise do not have a taxable presence in Mexico. The temporary regulations include requirements for invoices and payments related to digital services. Taxpayers should review the new requirements to determine if new procedures need to be implemented.

An EY-authored article, published in *Tax Notes International*, is also available and discusses details and implications of the [Mexican tax reform's new rules for collecting VAT on digital services](#).

### Argentina allows payments of dividends and profits from new capital contributions to nonresidents without prior authorization

The Central Bank of Argentina (BCRA) has issued a Communiqué that allows access to the foreign exchange market for payments of dividends and profits from new capital contributions to nonresidents without prior authorization if certain conditions are met (i.e., companies can buy US dollars to wire to foreign beneficiaries). Previously, companies had to receive prior authorization from BCRA before they could distribute dividends and profits to nonresidents.

## 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.

### Argentina suspends promotional regime for knowledge-based economy

Argentina's Ministry of Productive Development has suspended the promotional regime for the knowledge-based economy until new provisions are issued on the application process. Taxpayers should continue to monitor the release of new guidance so that they can apply for the regime, which provides various tax benefits aimed at promoting certain knowledge-based and digital activities.

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### US imposes additional tariffs on derivative articles of steel and aluminum; 17 WTO member countries agree to interim remedy to dispute settlement process

On 24 January, US President Donald Trump announced that the US would impose punitive tariffs of 10% on derivative articles of aluminum and 25% on derivative articles of steel. The tariffs are scheduled to take effect 8 February 2020. On the same day, the EU, China, and 15 other member countries of the World Trade Organization (WTO) announced an agreement to create an interim dispute settlement mechanism to counter the now defunct WTO Appellate Body.

### Comments

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

### 'Latest on BEPS and Beyond' year-end review 2019

A special edition of EY's *Latest on BEPS and Beyond* newsletter reviews OECD and country-specific developments from the second half of 2019 and highlights global and regional policy trends. The newsletter contains a section on EU BEPS-related activity and a table with an implementation overview of the exit tax and hybrid rules included in the EU Anti-Tax Avoidance Directive.

### Brief privacy notice

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### EY's 2019-20 'Worldwide Personal Tax and Immigration Guide' is now available

The *Worldwide Personal Tax and Immigration Guide 2019-20*, the latest addition to the suite of EY global tax guides, is now available. This guide summarizes personal tax systems and immigration rules in 163 jurisdictions.

### Aviso de Privacidad Corto

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

- **Brazil and India:** social security agreement signed
- **Quebec and Tunisia:** social security agreement initialed

## This week's EY Global Tax Alerts

### Global Tax Alerts

- [Report on recent US international tax developments – 31 January 2020 \(31 January 2020\)](#)
- [US IRS rules target's capitalized transaction costs do not create a separate and distinct intangible asset \(31 January 2020\)](#)
- [South Africa enacts Tax Amendment Acts for 2020 \(31 January 2020\)](#)
- [Cyprus deposits MLI instrument of ratification \(31 January 2020\)](#)
- [European Commission publishes 2020 Work Programme, including two tax initiatives \(31 January 2020\)](#)
- [Gibraltar implements EU ATAD 2 on hybrid mismatch arrangements \(31 January 2020\)](#)
- [Gibraltar implements EU Exit Tax provisions \(31 January 2020\)](#)
- [UK: Brexit Withdrawal Agreement, future trading relationship, immigration and VAT implications \(30 January 2020\)](#)
- [Argentina allows payments of dividends and profits to nonresidents without prior authorization if certain conditions are met \(30 January 2020\)](#)
- [US: Final regulations on US partner contributions to partnerships with related foreign partners have few changes from prior temporary regulations \(29 January 2020\)](#)
- [US: Updated 2019 Section 1256 qualified board or exchange list \(29 January 2020\)](#)
- [Updated US list of foreign currency futures contracts - starting point for Section 1256 \(29 January 2020\)](#)
- [Bahrain publishes economic substance guidance for non-regulated commercial activities \(28 January 2020\)](#)

## Forward to a colleague

- Luxembourg State Council issues opinion on draft MDR legislation – Application of legal professional privilege to be revised (28 January 2020)
- Argentina suspends promotional regime for knowledge-based economy (27 January 2020)
- Costa Rica's annual tax on legal entities is due 31 January (27 January 2020)
- South Sudan enacts Finance Act 2019/20 (27 January 2020)

## OECD Alert

- The Latest on BEPS and Beyond – 2019 year-end review (29 January 2020)

## Indirect Alerts

- US imposes new trade sanctions on Iran (30 January 2020)
- US imposes additional tariffs on derivative articles of steel and aluminum; 17 member countries agree to interim remedy for WTO dispute settlement process (29 January 2020)
- Brexit: UK HMRC provides guidance to EU businesses and removes opportunity for advance VAT registrations (29 January 2020)
- Italy enacts new VAT provisions including postponement of rate increase (28 January 2020)
- Mexico's tax authorities issued temporary regulations for nonresident providers of digital services (28 January 2020)

## Human Capital Alerts

- UK's Migration Advisory Committee report on new immigration system discussed (30 January 2020)
- Sweden confirms possible introduction of an economic employer concept (29 January 2020)
- Singapore increases penalties in relation to Fair Consideration Framework (29 January 2020)

## Upcoming webcasts

### **How are indirect taxes impacting digital businesses? (6 February)**

This webcast, part of a series aimed at helping businesses navigate the changing tax landscape, will provide up-to-date information and insights about digital service taxes that have been either introduced or proposed around the world.

### **Outlook for global tax policy and controversy in 2020 (19 February)**

This webcast will include a discussion of the latest developments in global tax and controversy policy, including (1) corporate income tax trends in 2020, (2) ongoing BEPS and ATAD-related implementation efforts, and (3) key tax enforcement trends and audit triggers around the world.

### **OECD BEPS 2.0 Update (25 February)**

The OECD project on addressing the tax challenges of the digitalization of the economy (BEPS 2.0) continues to move ahead, with a target for high-level agreement in 2020. This webcast will cover how the project is expected to develop, how countries are taking unilateral actions now, and how to start preparing for changes in the tax landscape.

## Recently archived webcasts now available on-demand

*No new archived webcasts this week.*

## EY industry, service and issue publications

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- [How women can turn emerging technology from a threat to an opportunity](#)

### Issues

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- [Will a new equilibrium in capital markets impact your ambitions?](#)

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- [How the right conversations can empower finance transformation strategies](#)

#### Managing Risk

- [In this transformative age, is trust the most valued currency?](#)

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