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13 July 2020

Americas Tax Roundup

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.

[Canadian Federal Court of Appeal rejects Crown appeal of Tax Court of Canada decision in Cameco transfer pricing case](#)

Canada's Federal Court of Appeal has released its decision in *The Queen v. Cameco Corporation*, upholding the underlying Tax Court of Canada decision and setting out a succinct interpretation of the transfer pricing recharacterization provisions in the Income Tax Act. Among other takeaways, the decision indicates that Canada's foreign affiliate regime has a legitimate purpose to allow Canadian companies to conduct business outside of Canada on a tax-effective basis, and taxpayers are entitled to structure their affairs within this regime without triggering adverse consequences.

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[Canadian federal government delivers its 2020 Economic and Fiscal Snapshot](#)

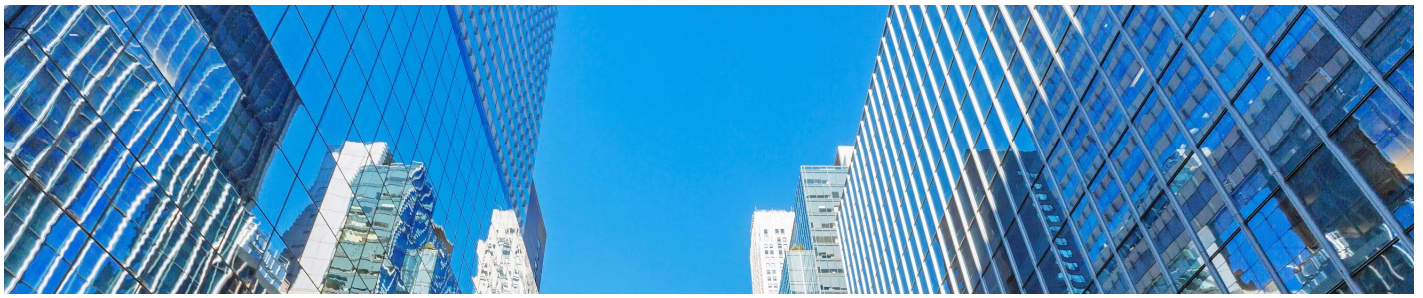
Canada's Federal Finance Minister delivered a 2020 Economic and Fiscal Snapshot on 8 July, taking into account the more than \$230 billion in economic measures introduced to support individuals and businesses impacted by the COVID-19 crisis. The snapshot, which outlines Canada's current economic situation, does not include any new tax measures affecting individuals or corporations.

[US Treasury releases final FDII/GILTI regulations](#)

The US Treasury Department has released final regulations under Code Section 250, which allows an annual deduction to a domestic corporation for its Foreign-derived Intangible Income (FDII) and Global Intangible Low-taxed Income (GILTI) inclusion. The final regulations retain the basic approach and structure of the proposed regulations but contain several significant, and mostly taxpayer-favorable, changes.

[OECD releases model rules for data reporting by platform operators for sellers in the sharing economy](#)

The OECD has released *Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy*, as approved by the OECD/G20 Inclusive Framework on BEPS. The Model Rules lay out a system for requiring digital platforms to collect information on the income realized by those offering accommodation, transport and personal services through platforms and to report the information to tax authorities.



[EY report reviews latest global permanent establishment developments](#)

EY's *PE Watch* surveys the latest global activities with respect to permanent establishments (PEs). Highlights of the July 2020 issue include: (1) a Colombian Tax Authority opinion clarifying that profits distributed by a Colombian branch to its home office in Spain are not dividends and (2) Canada's extension of the application period of its guidance on international income tax issues raised by the COVID-19 crisis, including PE issues.

This week's tax treaty news in the Americas

- ▶ Canada and Austria: Austrian Council of Ministers authorized signing of social security agreement
- ▶ Colombia and Italy: Italian Senate approved tax treaty
- ▶ Ecuador and Italy: Italian Senate approved tax treaty
- ▶ Jamaica and Italy: Italian Senate approved tax treaty
- ▶ Peru and Japan: Japan ratified tax treaty
- ▶ Uruguay and Italy: Italian Senate approved tax treaty

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 10 July 2020](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: US Treasury releases final FDII/GILTI regulations; OMB completes review of final regulations on GILTI high-tax exclusion, proposed rules under Section 954(b)(4) high-taxed subpart F income and Section 964 re: E&P of a foreign corporation; IRS seeing more multilateral APA requests; OECD releases model rules for reporting by platform operators regarding sellers in the sharing and gig economy.

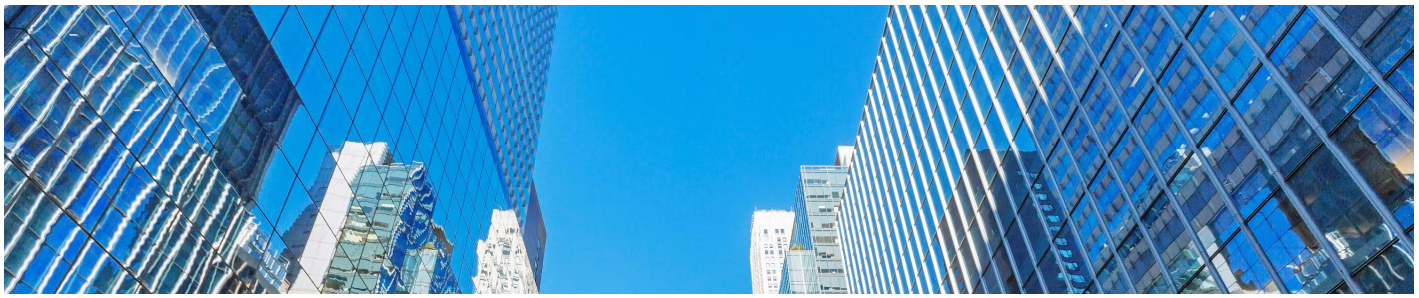
[Monthly ITTS Washington Dispatch \(June 2020\)](#)

EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. Highlights of this month's edition include: US Supreme Court declines to hear Altera case; US Treasury Secretary calls for 'pause' in BEPS 2.0 Pillar 1 discussions; USTR initiates investigations into implemented / proposed DSTs in 10 jurisdictions; IRS LB&I official offers insights to TCJA compliance campaign; IRS seeks 2020-2021 Priority Guidance Plan recommendations; among other topics.

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: Austria, Canada, Cyprus, the EU, Germany, Kenya, Luxembourg, the Netherlands, Oman, Poland, Spain, Sweden, the United Kingdom and the United States. Access the Alerts and other COVID-19 related materials [here](#).



Additional Global Tax Alerts

- ▶ Report on recent US international tax developments – 10 July 2020
- ▶ Liechtenstein and Netherlands sign tax treaty
- ▶ Poland defers MDR deadlines for cross-border and other tax arrangements
- ▶ PE Watch: Latest developments and trends, July 2020
- ▶ Spain proposes amendments to MDR Bill to introduce extension of MDR filing deadlines
- ▶ Germany announces no postponement of MDR reporting deadlines
- ▶ Luxembourg publishes draft legislation extending MDR reporting deadlines for six months
- ▶ Sweden extends MDR reporting deadlines for six months
- ▶ Luxembourg enacts law amending CRS and FATCA laws and submits draft law extending 2019 reporting deadlines
- ▶ Poland's implementation of EU ATAD 2 anti-hybrid measures enters into force from 1 January 2021
- ▶ The Spanish Constitutional Court confirms minimum interim payment on account of Corporate Income Tax is unconstitutional

OECD Alerts

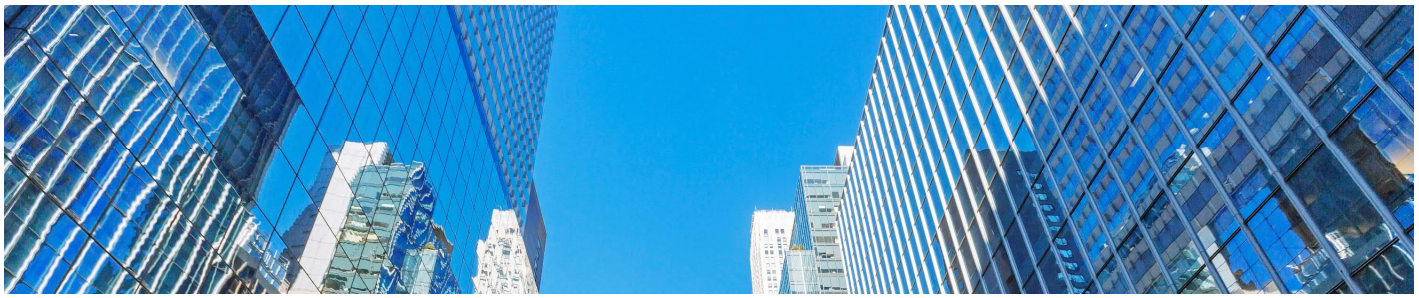
- ▶ OECD releases model rules for data reporting by platform operators for sellers in the sharing economy

Transfer Pricing Alerts

- ▶ Canada: Federal Court of Appeal rejects Crown appeal of Tax Court decision in Cameco transfer pricing case
- ▶ Cape Verde amends certain tax regimes and introduces Country-by-Country Reporting

Indirect Alerts

- ▶ Cyprus: Reduced VAT rate of 5% applies to hotel accommodation, restaurant and catering and transportation services on a temporary basis
- ▶ UK Tax Authority introduces temporary cut in VAT rate for hospitality and tourism sector
- ▶ Indonesia issues implementing regulations for VAT collection on digital transactions
- ▶ US Government suspends defense exports and EAR export license exceptions for exports to Hong Kong



EY Industry and Tax Services publications

Industries

Real Estate, Hospitality & Construction

- ▶ [How digital transformation opened new channels for growth](#)

Private Equity

- ▶ [How the easing of lockdowns has impacted IPO activity](#)

Health & Life Sciences

- ▶ [How telehealth is helping address the challenges of COVID-19](#)

Services

People and workforce

- ▶ [Updated! How COVID-19 is disrupting immigration policies and worker mobility: a tracker](#)
- ▶ [Where does employee centricity meet the future of work?](#)

Issues

Risk

- ▶ [Why corporate integrity is more crucial now than ever](#)

Growth

- ▶ [How entrepreneurs survive and thrive in a crisis](#)

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