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20 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.

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[Chile ratifies 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting'](#)

The Chilean Congress has ratified the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (MLI), which is now pending the Chilean President's approval. Once approved by the President, the MLI will be published in the Official Gazette and enacted upon publication. Once the MLI enters into force, numerous double tax treaties signed by Chile will be automatically updated without requiring bilateral renegotiations.

[US Trade Representative formalizes duty actions regarding France's Digital Services Tax with deferred implementation to 2021](#)

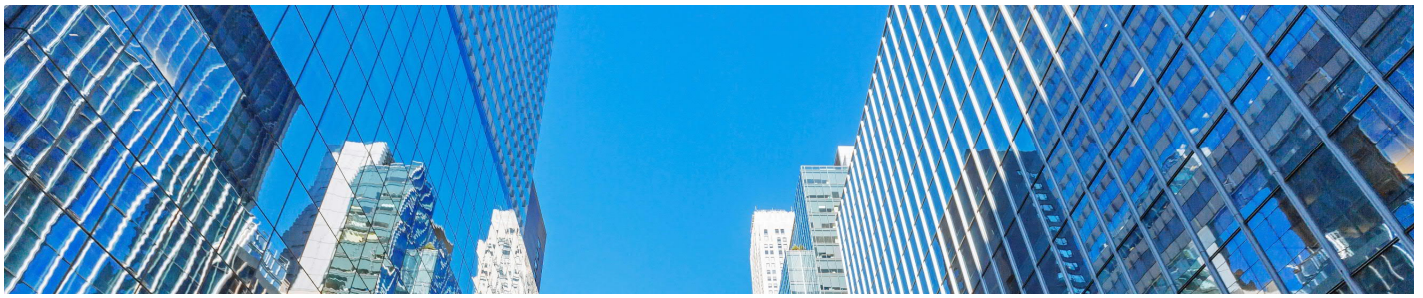
The US Trade Representative (USTR) has announced that the US would take action against France's Digital Services Tax (DST) in the form of an additional 25% ad valorem duty on specified French-origin goods. The tariffs are scheduled to take effect on 6 January 2021, 180 days after the determination of action. The announcement comes after the US withdrew from negotiations regarding DSTs at the OECD level in June.

[US imposes new economic sanctions related to China that will produce additional supply chain diligence responsibilities](#)

The US has taken actions imposing new economic sanctions related to China, including sanctions targeting foreign actors involved in the erosion of Hong Kong's autonomy and democratic processes and sanctions targeting gross human rights violations involving Uyghur and other Muslim minority groups in the Xinjiang region. Businesses should assess their operations and conduct appropriate due diligence on their counterparties and supply chains to detect any involvement in sanctionable conduct that is being targeted by these actions.

[OECD releases new corporate tax statistics including anonymized and aggregated Country-by-Country report statistics](#)

The OECD has released the second edition of the annual Corporate Tax Statistics publication together with an updated database. For the first time, the database includes anonymized and aggregated Country-by-Country reporting statistics. The new data reflects information for 2016 provided by 26 member jurisdictions of the Inclusive Framework on BEPS and cover about 4,000 multinational enterprise groups that operate across more than 100 jurisdictions worldwide. The OECD views this new data as suggesting a number of preliminary insights, which could have an impact on the negotiations of the BEPS 2.0 project.



This week's tax treaty news in the Americas

- ▶ [US and Kenya: free trade agreement negotiations launched](#)

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 17 July 2020](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: IRS releases new draft partnership forms for 2021, Schedule K-2 and K-3 (Form 1065); Treasury delivers two international tax-related regulatory projects to OMB's OIRA for review; USTR announces action on France's Digital Services Tax; OECD expects blueprint proposals for BEPS 2.0 Pillar 1 and 2 by October 2020; OECD releases new corporate tax statistics, including aggregated CbCR data.

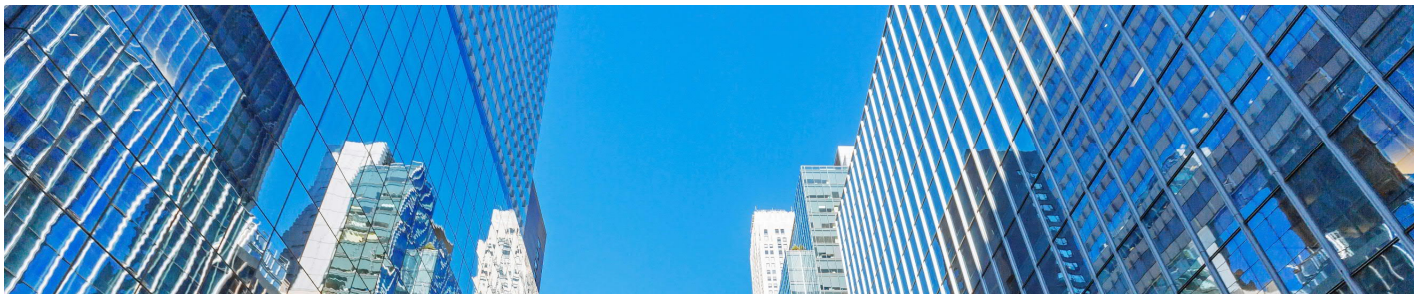
This week's EY Tax Alerts

Global Tax Alerts

- ▶ [Report on recent US international tax developments - 17 July 2020](#)
- ▶ [Italy's Supreme Court recognizes beneficial ownership of a Luxembourg sub-holding in light of CJEU Danish cases](#)
- ▶ [European Commission publishes communication on Brexit readiness](#)
- ▶ [European Commission adopts package for fair and simple taxation](#)
- ▶ [Greece publishes draft proposal to implement Mandatory Disclosure Rules](#)
- ▶ [Hong Kong enacts tax concession legislation for ship lessors and ship leasing managers](#)
- ▶ [US Final FDII regulations retain proposed regulations' structure, but reduce documentation burden, defer effective date and make important substantive changes to the computation of Section 250 deduction](#)
- ▶ [Vietnam implements taxation of digital transactions](#)
- ▶ [Chile ratifies Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS](#)
- ▶ [Liechtenstein and Netherlands sign tax treaty](#)
- ▶ [Netherlands: Opposition party proposes inclusion of an exit tax in the Dutch Dividend Withholding Tax Act](#)
- ▶ [Saudi Arabia exempts investment of oil and hydrocarbon producing companies into Saudi-listed companies](#)

OECD Alerts

- ▶ [OECD releases new corporate tax statistics including anonymized and aggregated Country-by-Country report statistics](#)



Indirect Alerts

- ▶ [East African Community implements trade and duty changes](#)
- ▶ [European Commission publishes new rules for applying tariff quota in agricultural sector as of 1 January 2021](#)
- ▶ [US imposes new economic sanctions related to China and issues Executive Order on Hong Kong normalization status that will produce additional supply chain diligence responsibilities](#)
- ▶ [European Court of Justice rules royalty paid for know-how required for manufacture of finished products in the EU may need to be added to customs value of imported semi-finished products](#)
- ▶ [EU-Vietnam Free Trade Agreement enters into force as of 1 August 2020](#)
- ▶ [UK Government releases guidance on moving goods between the EU and Great Britain as of 1 January 2021](#)
- ▶ [European Commission publishes communication on Brexit readiness](#)
- ▶ [USTR formalizes duty actions regarding France's Digital Services Tax with deferred implementation to 2021](#)

EY Industry and Tax Services publications

Industries

Financial Services

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

Banking & Capital Markets

- ▶ [COVID-19 pandemic: How banks can increase resilience against financial crime](#)

Consumer Products & Retail

- ▶ [Next up: Mark Oshima - farming up](#)
- ▶ [Divesting is helping consumer-facing companies rebalance portfolios](#)

Real Estate, Hospitality & Construction

- ▶ [Can robots prevent the return of the cubicle?](#)

Technology

- ▶ [Why unbiased AI is essential to building a better working world](#)

Services

People and workforce

- ▶ [How organizations can create a humanized change experience](#)
- ▶ [How private businesses can reset their strategies in the wake of COVID-19](#)
- ▶ [COVID-19: How firms can protect their workforce, operations and values](#)

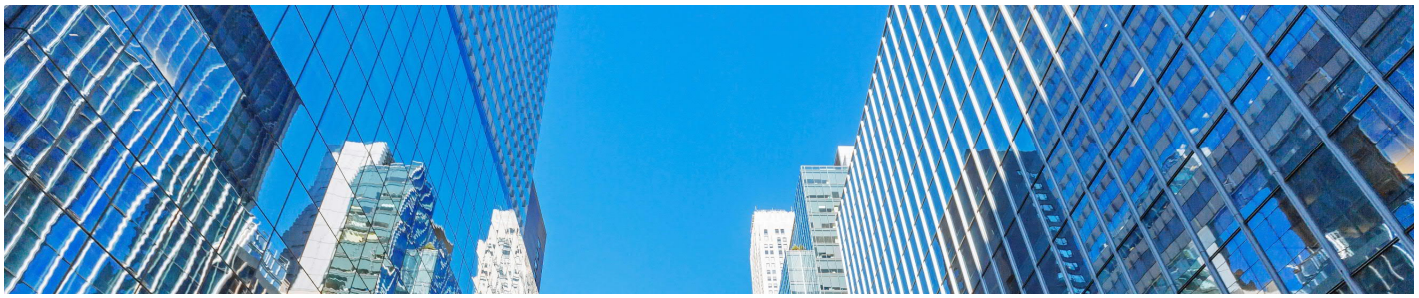
Tax

- ▶ [Updated tracker! COVID-19: How countries are adjusting their transfer pricing approach](#)
- ▶ [What new capital options are on the rise as markets change](#)
- ▶ [Why tax certainty is an elusive goal](#)

Issues

Risk

- ▶ [How chief audit executives are responding to COVID-19 in the next](#)



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