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19 October 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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[Global Tax Guides app](#)

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[OECD's Inclusive Framework releases BEPS 2.0 documents and agrees to continue work with target of conclusion by mid-2021](#)

The OECD Inclusive Framework on BEPS has released a series of documents in connection with the ongoing project on addressing the tax challenges arising from the digitalization of the economy (BEPS 2.0). Although the documents make clear that the Inclusive Framework will not reach a consensus agreement in 2020, the member jurisdictions of the Inclusive Framework have agreed to keep working with an aim to bring the process to a successful conclusion by mid-2021.

In a related development, the [G20 Finance Ministers and Central Bank Governors issued a joint communiqué](#) reaffirming the G20's commitment to making further progress on the BEPS 2.0 two-pillar approach and stressing the importance of addressing the remaining issues to reach a global and consensus-based solution by mid-2021.

[Argentina issues guidance on foreign exchange regulations](#)

The Argentine Central Bank (BCRA) has issued several communiqués over the last few months with guidance on the foreign exchange regulations issued in September 2019. The communiqués address various requirements entities must satisfy under these regulations. Companies doing business in Argentina and multinational groups interested in the Argentine market should evaluate the regulations and monitor the developments related to the foreign exchange market.

[Peruvian tax authorities address merger of nonresident entities with one entity having a permanent establishment in Peru](#)

The Peruvian tax authorities have published a Public Ruling addressing the merger of two nonresident entities when the absorbed entity has a permanent establishment (PE) in Peru. The ruling states that if two nonresident entities merge and the absorbed entity has a PE in Peru, the absorbed entity will have to pay tax on the income from the transfer of the PE.

[Peruvian Tax Court rules Peruvian payor may not consider double tax treaty benefits when determining the withholding tax because the Certificate of Residency was issued retroactively](#)

The Peruvian Tax Court has held that a nonresident must provide a Peruvian payor with a Certificate of Residency when withholding is triggered (i.e., not retroactively) for the payor to apply double tax treaty benefits when calculating the withholding tax on the transaction. If the certificate is submitted retroactively, the nonresident may request a refund directly from the Peruvian tax authorities.



[Puerto Rico: statement by government official suggests that US proposed foreign tax credit regulations would not affect the credit claimed by US related parties for the excise tax paid to Puerto Rico under Act 154](#)

Puerto Rico's Treasury Secretary Parés Alicea and the US Department of Treasury's Assistant Secretary for Tax Policy David Kautter recently discussed the impact of the US proposed foreign tax credit regulations on the excise tax paid to Puerto Rico under Act 154. According to a press release from Secretary Parés Alicea following the meeting, Assistant Secretary Kautter indicated that the proposed regulations were not intended to affect taxpayers' ability to claim a foreign income tax credit under federal income tax law for Puerto Rico's excise tax under the Act 154 regime.

[US elections and tax policy: Latest EY insights](#)

Washington Council Ernst & Young LLP (WCEY) has released publications addressing the upcoming US election and tax policy, including a new "Eye on the Election" document and two updated election overviews. "[Eye on the Election](#)" looks at the themes, mechanics, and polls of the 2020 elections. The WCEY election overviews provide updates on [congressional activity and the political landscape](#) and [tax policy issues that may be on the agenda post-election](#).

This week's tax treaty news in the Americas

- ▶ Brazil and Germany: potential tax treaty negotiations discussed
- ▶ Brazil and UK: potential tax treaty negotiations discussed

Upcoming webcasts

[Latin America 'nearshoring' webcast series: Panama session \(21 October\)](#)

To provide information and help answer questions about nearshoring (i.e., transferring of a business operation to a nearby country from a more distant one) in Latin America, EY is sponsoring a series of webcasts featuring our local country professionals. The series will kick off with a session on Panama.

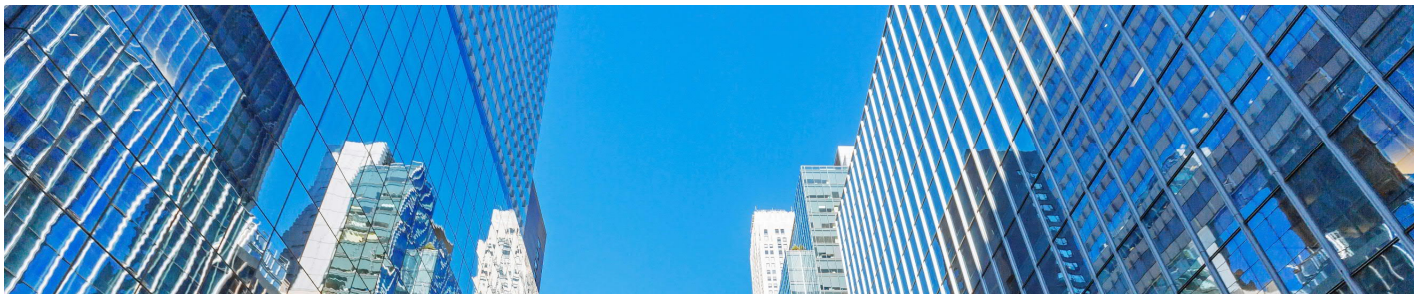
[Taxation of the digitalized economy: What's next \(28 October\)](#)

In this webcast, panelists discuss the latest developments in the taxation of the digitalized economy. Topics include the interaction of BEPS 2.0 and country digital services taxes (DSTs), the US presidential election, and the likely next steps for the many stakeholders involved in this global debate.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 16 October 2020](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: OECD and Inclusive Framework release series of documents on Pillar 1 and 2 of BEPS 2.0 Project, with new mid-2021 completion; G20 Finance Ministers approve progress and timeline; EU agrees to abide by new OECD Inclusive Framework timeline; UN releases new proposed model treaty article and commentary on taxing digital economy.



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: Luxembourg. Access the Alerts and other COVID-19 related materials [here](#).

Additional Global Tax Alerts

- ▶ [Report on recent US international tax developments – 16 October 2020](#)
- ▶ [South Africa issues new regulations to implement Common Reporting Standard](#)
- ▶ [Luxembourg Draft Budget Law 2021 – A look at the tax measures affecting companies](#)
- ▶ [Spanish Parliament approves Law on Financial Transaction Tax](#)
- ▶ [Spanish DST is enacted, effective 2021](#)
- ▶ [Statement by US government official suggests proposed foreign tax credit regulations would not affect the credit claimed by US related parties for excise tax paid to Puerto Rico under Act 154](#)
- ▶ [US: Final regulations under Section 1446\(f\) set forth rules on withholding on transfers of partnership interests](#)
- ▶ [Oman ratifies automatic exchange of information](#)
- ▶ [Egypt amends income tax and stamp duty law provisions](#)
- ▶ [Peruvian tax authorities address merger of nonresident entities with one entity having a PE in Peru](#)
- ▶ [Portuguese Government submits Draft State Budget Law for 2021 to Parliament](#)
- ▶ [Peruvian Tax Court rules Peruvian payor may not consider double tax treaty benefits when determining withholding tax because the Certificate of Residency was issued retroactively](#)
- ▶ [Saudi Arabia extends economic relief initiatives until 31 December 2020](#)
- ▶ [Argentina issues guidance on foreign exchange regulations](#)
- ▶ [Norway proposes 15% withholding tax on interest, royalty and certain lease payments to related parties tax resident in a low-tax jurisdiction](#)

OECD Alerts

- ▶ [G20 Finance Ministers and Central Bank Governors' meeting communiqué extends mandate of Inclusive Framework to continue negotiations on BEPS 2.0 project until mid-2021](#)
- ▶ [OECD's Inclusive Framework releases BEPS 2.0 documents and agrees to continue work with target of conclusion by mid-2021](#)

Transfer Pricing Alerts

- ▶ [Israel's Tax Authority releases draft bill to significantly amend transfer pricing rules and regulations](#)
- ▶ [EY Global Tax Controversy Flash Newsletter \(Issue 27\) | Managing transfer pricing risk in a rapidly changing environment](#)



Indirect Alerts

- ▶ USTR issues Statement asserting lack of legal basis in response to WTO Authorization of EU Countermeasures on US goods under Aircraft Dispute
- ▶ Oman introduces VAT law
- ▶ Ireland issues Budget for 2021: Review of indirect tax and environmental measures
- ▶ UK issues new guidance on Brexit and UK imports
- ▶ European Commission requests feedback on proposed directive to transform EU's VAT Committee into a "Comitology Committee"
- ▶ European Union imposes further anti-dumping duties on steel imports

EY Industry and Tax Services publications

Industries

Financial Services

- ▶ How to pivot to a wedge strategy to drive customer acquisition and growth
- ▶ Ten ways FIs can address climate-related risks and opportunities

Oil & Gas

- ▶ Three steps for managing liquidity in an uncertain oil and gas market
- ▶ Three oil and gas M&A markets emerge from the COVID-19 crisis
- ▶ How trading can turn oil and gas volatility into opportunity
- ▶ How COVID-19 could accelerate digital in oil and gas

Private equity

- ▶ Three reasons private equity firms should pay attention to cybersecurity

Technology, Media & Entertainment, and Telecommunications

- ▶ Three actions technology execs can take to unlock M&A cost synergies

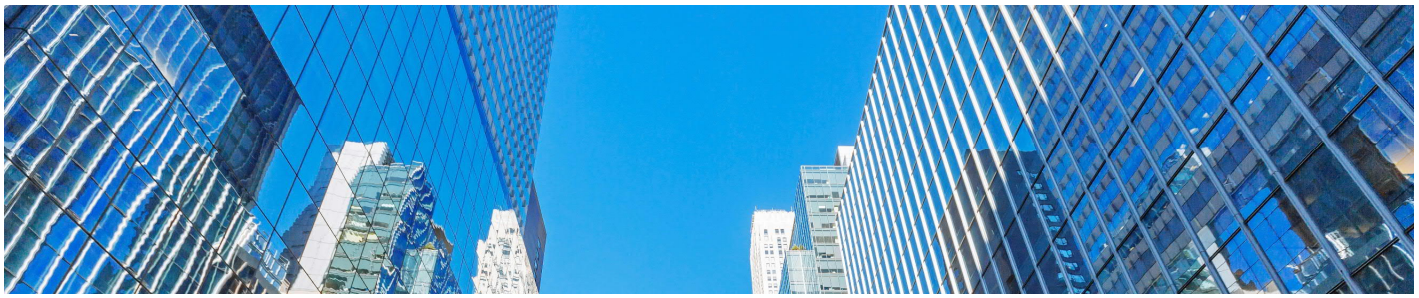
Services

Consulting

- ▶ What challenges arise when managing an ISO 27001 certification program
- ▶ Four trends shaping digital transformation in 2019 and beyond
- ▶ What enterprises can do to help solve the supply chain talent gap
- ▶ How to build resilient supply chains in times of crisis
- ▶ Three oil and gas M&A markets emerge from the COVID-19 crisis

People and workforce

- ▶ How employers and employees are envisioning the reimagined workplace
- ▶ Updated! How COVID-19 is disrupting immigration policies and worker mobility: a tracker
- ▶ Four ways boards can oversee risk management beyond COVID-19



Comments

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