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23 November 2020

# Americas Tax Roundup

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## 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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### [Mexico introduces bill to amend labor and tax laws to prohibit outsourcing](#)

Mexico's executive branch has introduced a bill that would amend various tax and labor laws to prohibit individuals and entities from outsourcing services. If enacted, the amendments could present significant labor and tax challenges for service company structures, which are common in Mexico. Taxpayers should continue to monitor the bill's progress and evaluate how the bill, if enacted, would affect their operations. Restructuring may be required for taxpayers to comply with the new rules.

### [US and Mexico renew competent authority agreement on unilateral APAs for maquiladoras](#)

The US IRS has announced that it has reached an agreement with the Mexican Tax Authority (SAT) to renew the competent authority agreement arrangement known as the Qualified Maquiladora Approach Agreement (QMA). Under the QMA, a US taxpayer can avoid double taxation on its maquiladora contract manufacturing and assembly functions by entering into a unilateral advance pricing agreement (APA) with SAT's large taxpayer division under terms agreed in advance by the US and Mexican competent authorities. Taxpayers with maquiladoras, particularly those with an outstanding accounts receivable balance, should consider the impact of recent revisions to Mexico's transfer pricing rules and the renewed QMA.

### [Costa Rica publishes regulation updating criteria for selecting people and items subject to customs control](#)

Costa Rica's President and the Minister of Finance have published in the official gazette a regulation updating the selection criteria for determining which people and items will be subject to customs control. The regulation went into effect on 16 November 2020. Taxpayers should review the regulation and determine how it affects their operations.

### [Canada: Quebec Bill 42 receives Royal Assent – mandatory disclosure requirements for nominee agreements come into effect](#)

Quebec Bill 42, which contains measures relating to new mandatory disclosure requirements with respect to nominee agreements, has received Royal Assent. The new measures require a taxpayer who is a party to a nominee agreement entered into in the course of a transaction having tax consequences to disclose the agreement by way of a mandatory information return by 23 December 2020 or 90 days after conclusion of the nominee agreement, whichever is later.



### EY's 'Latest on BEPS and Beyond' for November 2020

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. Highlights of the November 2020 edition include: (1) Argentina's new Mandatory Disclosure Rules for domestic and international arrangements through which the taxpayer obtains a tax advantage or other tax benefits in Argentina or in any other jurisdiction, and (2) Costa Rica's new rules on the requirements for obtaining authorization to increase the limit on non-bank interest deductibility.

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## Recently issued EY podcasts

### US Cross-Border Taxation weekly podcast, 20 November 2020

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: IRS to release revenue procedure on interaction of GILTI and CFC change of accounting method; US, Mexico renew CA agreement on unilateral APAs for maquiladoras; new IRS guidance on stock-based compensation re cost sharing arrangements coming; PLRs possible on tax treatment of virtual currency transactions; OECD issues consultation document on BEPS Action 14, Making Dispute Resolution More Effective. You can register for this weekly podcast on iTunes [here](#).

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

### Additional Global Tax Alerts

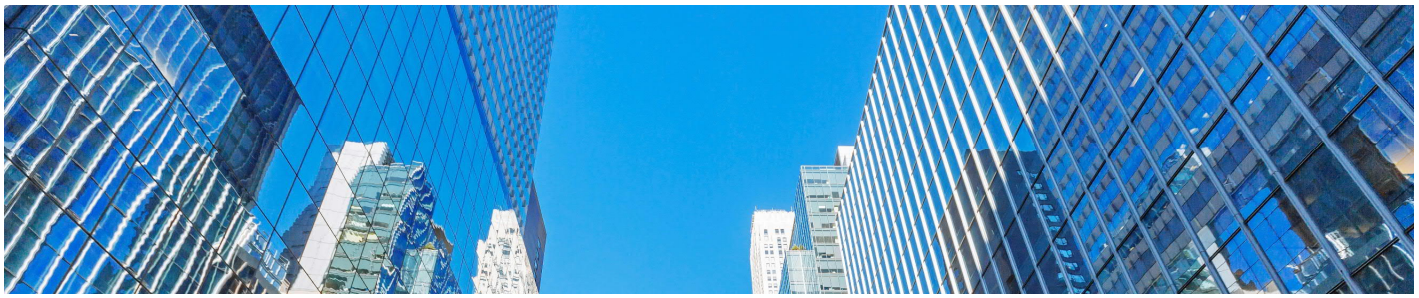
- ▶ [Report on recent US international tax developments - 20 November 2020](#)
- ▶ [Canada: Quebec's mandatory disclosure requirements for nominee agreements come into effect](#)
- ▶ [UK proposes to amend hybrid and other mismatches regime - implications for US multinationals](#)
- ▶ [Canada releases draft legislation for Canada Emergency Rent Subsidy](#)
- ▶ [Mexico introduces bill to amend labor and tax laws to prohibit outsourcing](#)
- ▶ [German Ministry of Finance publishes draft law on extraterritorial taxation of IP and modernization of withholding tax relief](#)
- ▶ [Italy publishes draft 2021 Budget Law](#)
- ▶ [Ghana establishes Independent Tax Appeals Board](#)

### Transfer Pricing Alerts

- ▶ [US and Mexico renew competent authority agreement on unilateral APAs for maquiladoras](#)

### Human Capital Alerts

- ▶ [Germany's new entry registration and quarantine requirements discussed](#)



## Indirect Alerts

- ▶ Costa Rica's President and Minister of Finance publish regulation updating criteria for selecting people and items subject to customs control
- ▶ European Court of Justice rules payments made for exclusive distribution right are to be added to customs value
- ▶ EU publishes list of US products subject to additional duties following WTO authorization
- ▶ UK Government issues details of new Plastics Packaging Tax effective 1 April 2022

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## EY Industry and Tax Services publications

### Industries

#### Energy / Power and Utilities

- ▶ How green hydrogen could change the renewables landscape
- ▶ If green energy is the future, how can technology lead the way?
- ▶ Why artificial intelligence is a game-changer for renewable energy

#### Oil & Gas

- ▶ Can a single source of truth power your tomorrow, today?
- ▶ How digitalization can streamline oil and gas operations

#### Government & Public Sector

- ▶ Can we warm a cooling economy by cooling a warming planet?

#### Financial Services

- ▶ How the right conversations can empower finance transformation strategies

#### Technology

- ▶ Three ways companies can be more customer-obsessed using tech
- ▶ How mixed reality and AI have the power to transform tax
- ▶ How artificial intelligence will empower the tax function

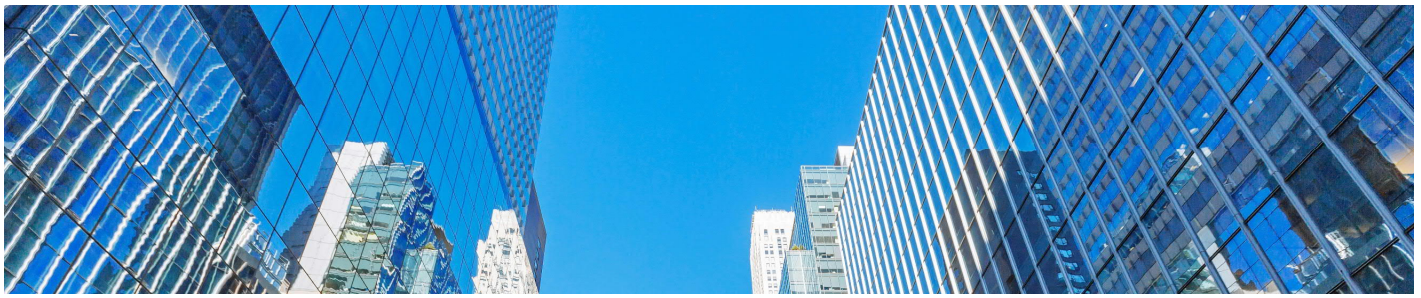
### Services

#### Tax

- ▶ Beyond COVID-19: Why agile tax operations are critical to recovery
- ▶ Why businesses need to revisit digital economy taxation post-COVID-19
- ▶ How to prepare for year-end tax accounting during a pandemic

#### People and workforce

- ▶ How to get the benefits of a neurodiverse workforce
- ▶ Is the employee experience you're delivering the one your people want?
- ▶ What are the right transition choices when your business is part of the family?
- ▶ How has the world changed for EMEIA private businesses in 2020? How has the world changed for EMEIA private businesses in 2020?



## Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: [globaltaxnewsupdatehelp@ey.com](mailto:globaltaxnewsupdatehelp@ey.com).

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