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22 February 2021

Americas Tax Roundup

Latest news – Americas

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[US IRS's Advance Pricing and Mutual Agreement Program continues case closures despite COVID restrictions](#)

The US Internal Revenue Service's (IRS) program to resolve transfer pricing disputes (Advance Pricing and Mutual Agreement Program (APMA)) has adapted well to the virtual environment resulting from the COVID-19 pandemic, according to an article in the tax press. Speaking at a Tax Council Policy Institute conference, Douglas O'Donnell, Commissioner of the IRS Large Business and International Division, said case closures have been "surprisingly robust" despite the fact the work has become completely virtual.

[Uruguayan Executive Power increases tax benefits granted to investment projects](#)

In Decree No. 268/020, the Uruguayan Executive Power modified the methodology for evaluating investment projects to increase the applicable tax benefits. Specifically, the decree expands access to the investment project regime and increases the corporate income tax exemption.

[Uruguayan Executive Power modifies the promotional regime for construction activities considered 'great economic dimension projects'](#)

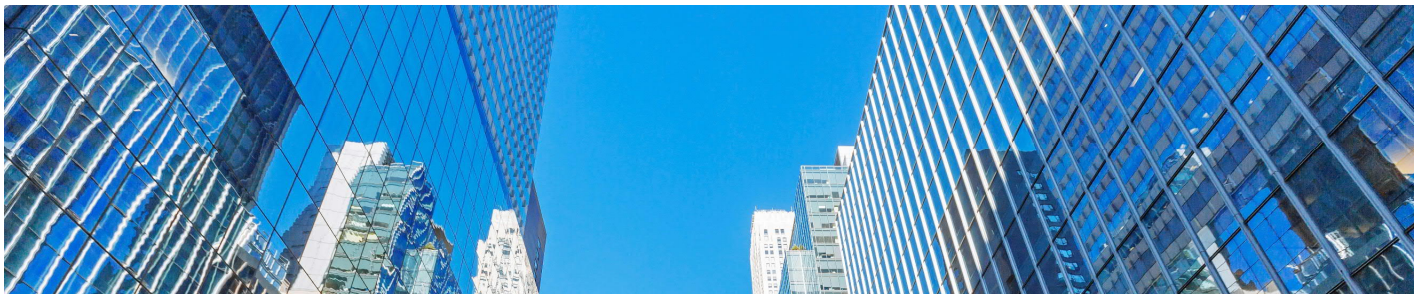
In Decree No. 316/020, the Uruguayan Executive Power modifies certain aspects of Decree No. 138/020 on construction projects considered "great economic dimension projects." The modifications expand the regime to investment projects of more than 20,000,000 Indexed Units (approx. US \$2,250,000) and establish exemptions for certain investment projects.

[OECD, UN, IMF and World Bank Group present toolkit on the implementation of effective transfer pricing documentation requirements](#)

The Platform for Collaboration on Tax – a joint effort of the Organisation for Economic Co-operation and Development, United Nations, International Monetary Fund and World Bank Group – recently released a [toolkit](#) (the Toolkit) designed to help developing countries with the successful implementation of effective transfer pricing documentation requirements. The Toolkit compiles information on transfer pricing documentation and analyzes policy choices and legislative options.

[Canada confirms hotel quarantine measures and airport and land border testing](#)

Prime Minister Trudeau announced new testing and "quarantine upon arrival" requirements on 12 February. There are somewhat different rules in place, depending on whether the international traveler is arriving in Canada via a land border, or arriving at one of the four designated airports accepting international passenger traffic during the pandemic (Vancouver, Calgary, Toronto, and Montreal). In addition to this new information, there continues to be a 14-day quarantine requirement for all new international arrivals to Canada, unless a person is otherwise specifically exempted.



[OECD releases 10th batch of peer review reports on BEPS Action 14 related to improving dispute resolution](#)

On 16 February 2021, the OECD released the 10th batch of peer review reports, which relate to the implementation by Aruba, Bahrain, Barbados, Gibraltar, Greenland, Kazakhstan, Oman, Qatar, Saint Kitts and Nevis, Thailand, Trinidad and Tobago, United Arab Emirates, and Vietnam of the BEPS Action 14 minimum standard (Making Dispute Resolution Mechanisms More Effective). Overall, the reports conclude that most of the assessed jurisdictions meet almost all or the majority of the elements of the Action 14 minimum standard, with the exception of Kazakhstan and Vietnam, which meet less than half of the elements of the Action 14 minimum standard.

[EY's 'Latest on BEPS and Beyond' for February 2021](#)

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. Americas highlights of the February 2021 edition include: (1) Chile and the Netherlands's signing of a double tax treaty containing a number of treaty based recommendations from the BEPS project, (2) the Mexican tax authorities publication of Agreement 13/2021, establishing a threshold for reportable cross-border arrangements under the mandatory disclosure regime in Mexico, and (3) the US Internal Revenue Service's updated list of the jurisdictions with which the US Competent Authority has entered into a Competent Authority Arrangement (CAA) for the automatic exchange of country-by-country reports and the jurisdictions that are in negotiations for a CAA.

This week's tax treaty news in the Americas

- ▶ Venezuela and Turkey: income tax treaty approved by Turkish Parliament

Upcoming webcasts

[The outlook for global tax policy and controversy in 2021 \(25 February\)](#)

Join a panel of EY tax policy and controversy leaders as they discuss the findings reported in the upcoming EY 2021 Tax Policy & Controversy Outlook, focusing on the most significant tax law and administration trends and highlighting leading practices for companies as they navigate tax developments around the world in the year ahead.

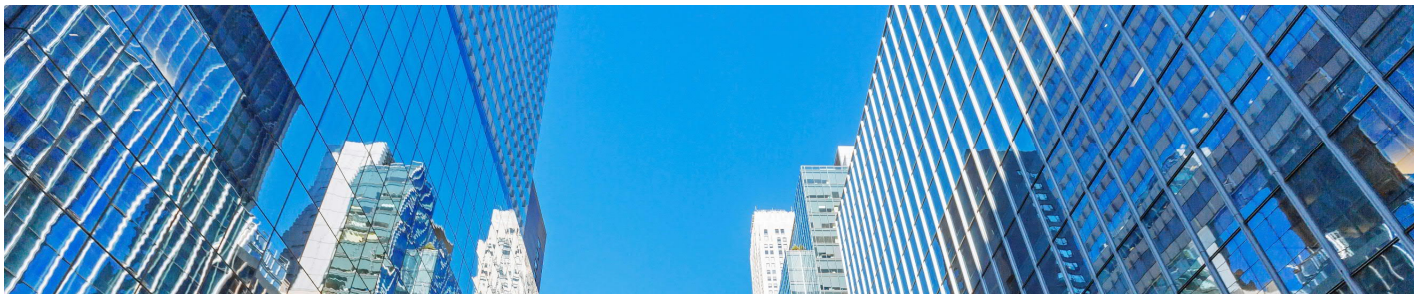
Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 19 February 2021](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ US Congressional tax leader says no consensus on international tax changes
- ▶ "Platform for Collaboration on Tax" releases toolkit to help developing countries with effective transfer pricing documentation requirements
- ▶ OECD Forum on Tax Administration releases new handbook for International Compliance Assurance Program (ICAP)
- ▶ OECD issues 2021 Global Forum Capacity Building Report

You can register for this weekly podcast on iTunes [here](#).



This week's EY Global Tax Alerts

Global Tax Alerts

- ▶ Report on recent US international tax developments – 19 February 2021
- ▶ Uruguayan Executive Power modifies promotional regime for construction activities considered “great economic dimension projects”
- ▶ Uruguayan Executive Power increases tax benefits granted to investment projects
- ▶ German Ministry of Finance publishes working draft of Act to Combat Tax Avoidance and Unfair Tax Competition
- ▶ Luxembourg implements defensive measures related to EU-listed non-cooperative jurisdictions
- ▶ Israeli Tax Authority publicly presents its view on profit split application for R&D centers
- ▶ Cyprus Tax Authorities publish 10-year government bond yield rates for NID purposes
- ▶ Hungarian Ministry of Finance issues guidance on Mandatory Disclosure Rules

OECD Alerts

- ▶ OECD releases 10th batch of peer review reports on BEPS Action 14 related to improving dispute resolution
- ▶ OECD, UN, IMF and World Bank Group present toolkit on the implementation of effective transfer pricing documentation requirements

Transfer Pricing Alerts

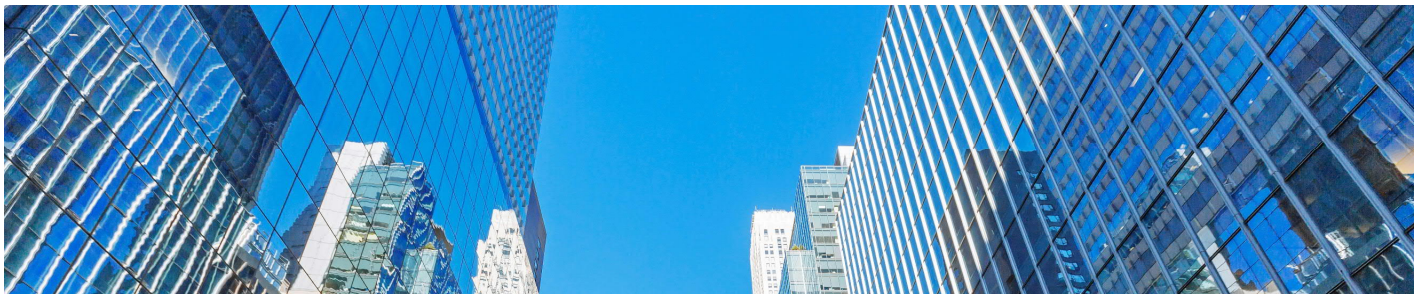
- ▶ US IRS's Advance Pricing and Mutual Agreement Program continues case closures despite COVID restrictions

Human Capital Alerts

- ▶ Canada confirms hotel quarantine measures and airport and land border testing
- ▶ Future social security healthcare reciprocity between the UK and EU discussed

Indirect Tax Alerts

- ▶ United States: Maryland enacts new taxes on digital advertising and sales of digital goods
- ▶ High court of Kenya rules that transportation services for goods in transit are subject to VAT and input tax incurred in making exempt supplies is non-deductible
- ▶ Thailand enacts new VAT rules for foreign e-business and digital services



EY Industry and Tax Services publications

Industries

Automotive

- ▶ [How the mobility sector can adapt to disruptive waves of change](#)

Consumer Products & Retail

- ▶ [How to elevate customer experience in a post COVID-19 world](#)

Energy

- ▶ [How energy companies can approach strategy to thrive amid change](#)

Insurance

- ▶ [Are your insurance solutions in tune with new consumer needs?](#)
- ▶ [How can US insurers adapt, now that consumers' lives have changed?](#)
- ▶ [How the pandemic impacted Canadian customers' insurance needs](#)
- ▶ [How can insurance protect the small businesses that need it most?](#)

Private Equity

- ▶ [How private equity firms are rethinking tax to meet multiple pressures](#)

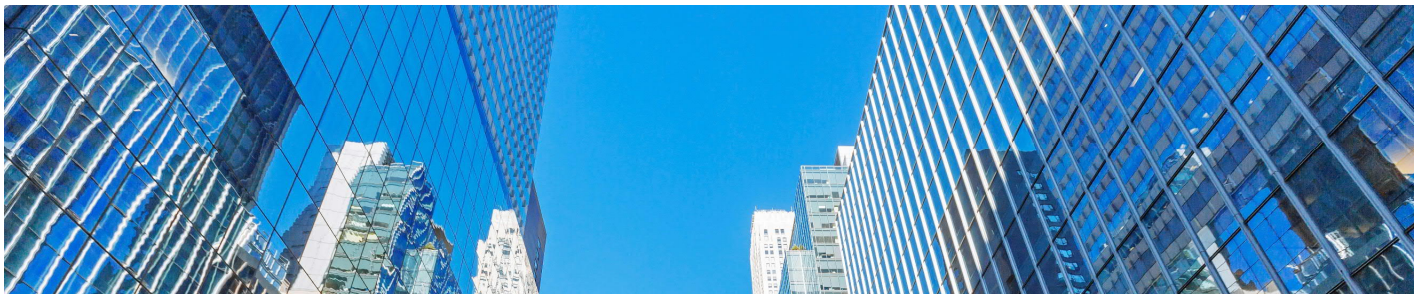
Services

Tax

- ▶ [How tax is building a more sustainable working world](#)
- ▶ [How your payroll model is holding back your people strategy](#)

Comments

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