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15 March 2021

# Americas Tax Roundup

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## Latest news – Americas

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### [US President signs \\$1.9 trillion COVID-19 relief bill into law](#)

US President Joe Biden signed the \$1.9 trillion COVID-19 relief bill known as the American Rescue Plan Act of 2021 (H.R. 1319). The bill includes provisions on taxes, health care, unemployment benefits, direct payments, state and local funding, and other issues. It does not include the minimum wage increase to \$15 per hour that was included in the original House bill.

### [Brazil would increase social contribution tax by five percentage points for insurance companies, banks and other financial services entities](#)

Brazil's President issued PM 2034/2021, which would increase the social contribution tax on net income by five percentage points for insurance companies, banks and other financial services entities. The new tax rates would apply from 1 July 2021 to 31 December 2021.

### [Brazilian Senate approves three new treaties for the avoidance of double taxation](#)

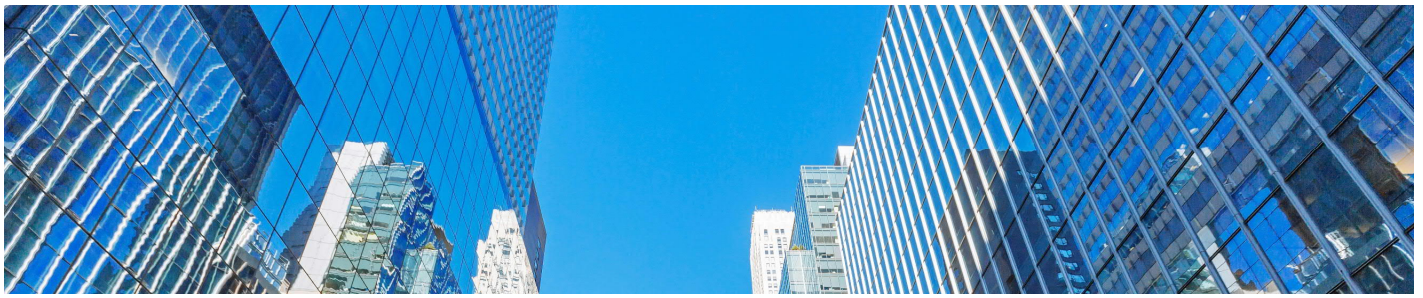
The Brazilian Senate approved three new treaties for the elimination of double taxation and the prevention of tax evasion and avoidance between Brazil and Switzerland, Singapore and the United Arab Emirates (UAE). The treaties are now pending enactment by the President's sanction. Provided the enactment and final notification to the Swiss and UAE governments are concluded in 2021, those treaties will apply beginning 1 January 2022. The treaty with Singapore still needs to be approved by the Singaporean Congress.

### [Ecuador issues immigration guidelines related to COVID-19](#)

The Ecuadorian Government issued immigration guidelines and internal measures related to COVID-19. To enter Ecuador, travelers must take a COVID-19 test no more than 72 hours before travel and carry a certificate that confirms a negative result. There are no quarantine or vaccination requirements.

### [US suspends punitive tariffs on UK- and EU-origin goods for four-month period](#)

The United States Trade Representative (USTR) issued joint statements with the United Kingdom (UK) on 4 March 2021 and the European Union (EU) on 5 March 2021 announcing a four-month suspension of the US punitive tariffs imposed on certain UK- and EU-origin goods in relation to the ongoing dispute on large civil aircraft subsidies. The suspension effective date for the EU has not yet been established, with the USTR indicating the suspension will become effective once internal procedures are completed. The suspension for the UK is effective as of 4 March 2021 and will temporarily relieve punitive tariffs of 15% to 25% levied under Section 301 of the Trade Act of 1974 (Section 301) on certain UK- and EU-origin products.



## [OECD issues report to G20 finance ministers and Central Bank governors and hosts webcast on the outcomes of the G20 meeting and other tax developments](#)

The OECD recently presented a two-part report to the G20 Finance Ministers and Bank Governors. Part I of the report is an update on the activities with respect to the OECD's international tax agenda, including an update on the work to address the tax challenges arising from the digitalization of the economy (the Base Erosion and Profit Shifting (BEPS) 2.0 project). Part II is a progress report to the G20 by the Global Forum on Transparency and Exchange of Information for Tax Purposes. On 4 March 2021, the OECD held the [18th Tax Talks](#) webcast. Members of the OECD Secretariat provided an overview of the outcomes of the G20 Finance Ministers meeting and an update on the OECD's international tax work.

## [Latest edition of EY's 'TradeWatch' available now](#)

EY's TradeWatch outlines key recent legislative and administrative developments for customs and trade around the world. Highlights from the Americas include: (1) Colombia's green light for authorized economic operator authorizations, and its recent changes to imports and exports, and (2) US technical corrections to the USMCA Implementation Act, which impact free trade zones.

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## Upcoming webcasts

### [Latin America 'nearshoring' webcast series: Costa Rica session \(16 March\)](#)

Recent disruptions to global supply chains have heightened interest in the concept of "nearshoring" (i.e., the transferring of a business operation to a nearby country from a more distant one). To provide information and help answer questions about nearshoring in Latin America, EY is sponsoring a series of webcasts featuring our local country professionals. This latest session in the series will focus on Costa Rica.

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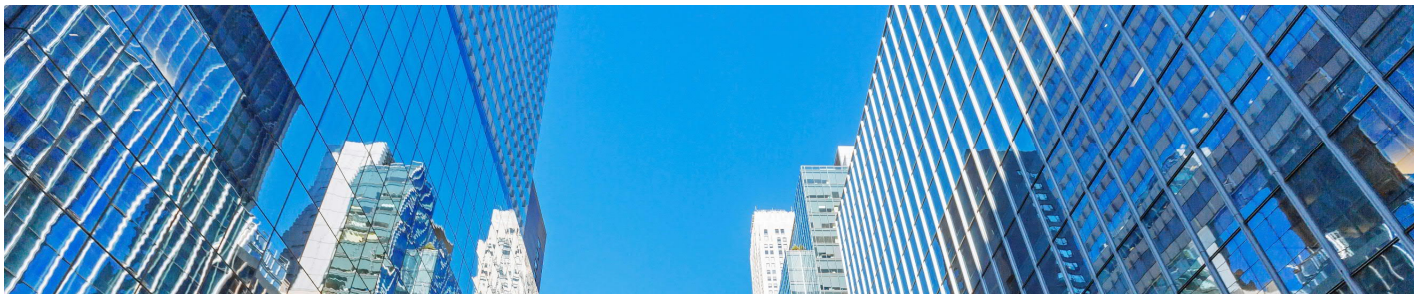
## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 12 March 2021](#)

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

- ▶ US enacts \$1.9 trillion COVID-19 stimulus legislation, including repeal of worldwide interest expense allocation election
- ▶ IRS Office of Fraud Enforcement initiative to focus on virtual currency
- ▶ IRS Advance Pricing and Mutual Agreement Program seeing questionable treatment of COVID-related costs
- ▶ OECD official sees possibility for two simplification measures in BEPS 2.0 Pillar 2 agreement
- ▶ Platform for Collaboration on Tax issues final version of Toolkit for Tax Treaty Negotiations

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



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## This week's EY Global Tax Alerts

### Global Tax Alerts

- ▶ [Report on recent US international tax developments – 12 March 2021](#)
- ▶ [Puerto Rico's Treasury Department extends the time for pass-through entities to file their returns to 15 April](#)
- ▶ [Canada: Prince Edward Island issues budget 2021–22](#)
- ▶ [Ecuador issues immigration guidelines related to COVID-19](#)
- ▶ [Brazil would increase social contribution tax by five percentage points for insurance companies, banks and other financial services entities](#)
- ▶ [Canada: Yukon issues budget 2021–22](#)
- ▶ [PE Watch: Latest developments and trends, March 2021](#)
- ▶ [Spanish Council of Ministers approves implementation of ATAD 2](#)
- ▶ [Hong Kong announces 2021/22 Budget](#)
- ▶ [Brazilian Senate approves three new treaties for the avoidance of double taxation](#)

### OECD Alerts

- ▶ [OECD releases guidance on combatting professional enablers in tax and other financial crimes](#)
- ▶ [OECD releases Qatar Stage 1 peer review report on implementation of Action 14 minimum standard](#)

### Transfer Pricing Alerts

- ▶ [Qatar issues additional guidance on transfer pricing reporting requirements](#)
- ▶ [US IRS's advance pricing and mutual agreement program director discusses taxpayers' treatment of COVID-related costs](#)

### Human Capital Alerts

- ▶ [USCIS discontinues Form I-944, Declaration of Self-Sufficiency](#)
- ▶ [US requirements for national interest exemptions for certain travelers from Schengen Area, United Kingdom, and Ireland discussed](#)

### Indirect Tax Alerts

- ▶ [India's reduced threshold for e-invoicing applies from 1 April 2021](#)
- ▶ [US suspends punitive tariffs on UK- and EU-origin goods for four-month period](#)



## EY Industry and Tax Services publications

### Industries

#### Banking & Capital Markets

- ▶ [Five questions about banking in today's digital age, answered](#)

#### Insurance

- ▶ [2021 Global Insurance Outlook: Accelerating change to create value](#)

#### Government & Public Sector

- ▶ [How governments can minimize risk in complex supplier ecosystems](#)

### Services

#### Tax

- ▶ [How data will help the payroll function add value to businesses](#)

### Comments

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