



**Building a better  
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19 April 2021

# Americas Tax Roundup

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## Latest news – Americas

### [Puerto Rico's Department of State extends due date to file the 2020 corporate annual reports, pay limited liability company annual fee and request extensions](#)

The Puerto Rico Department of State extended the due date from 15 April 2021 to 17 May 2021 for filing the 2020 corporate annual reports, paying limited liability company (LLC) annual fees and requesting an extension of time to file the annual reports. Entities that request an extension to file the corporate annual reports will have until 19 July 2021, to file the reports. LLCs, however, must still pay the LLC annual fee of \$150 on or before 17 May 2021.

### [Argentine Government modifies bill it plans to send to Congress that would raise corporate income tax rates](#)

On 7 April 2021, the Argentine Executive Power circulated an updated version of the bill that it plans to send to Congress that would increase corporate income tax rates for tax years beginning 1 January 2021 and onwards. The previous version of the bill was circulated on 11 March 2021. The new bill would increase the thresholds at which the previously proposed rates would apply. As in the prior bill, the new bill would also extend the 7% withholding tax to dividends from profits accrued in tax years beginning 1 January 2021 and thereafter.

### [Argentine entities with controlling ultimate parent entities in the United States should determine whether they have to file the local CbC report](#)

With no guidance on the retroactive enforcement of the competent authority agreement that went into effect on 27 January 2021, Argentine entities with controlling ultimate parent entities (UPEs) in the United States that have not filed the local country-by-country (CbC) report due before 27 January 2021, should review their circumstances and determine whether they need to do any additional CbC report-related filing in Argentina. Under the agreement, Argentine entities do not have to file CbC reports if their UPEs in the United States filed the reports. Those Argentine entities have to comply, however, with the General Resolution 4,130/2017 requirements, such as the first and second CbC notifications.

### [Mexico: Government reaches agreement with representatives of labor and business sectors on outsourcing services in Mexico](#)

On 5 April 2021, Mexico's Government and representatives of the labor and business sectors in Mexico reached a verbal agreement on the outsourcing prohibition included in the proposed legislation introduced by Mexico's Executive branch in November 2020. Legislators will consider the items in the agreement when amending the bill. If approved by Congress, the bill will likely have an economic impact on service company structures.

### [US IRS releases FAQs on ICAP program for US multinational enterprises](#)

The United States Internal Revenue Service recently released new [frequently asked questions](#) (FAQs) and answers on the International Compliance Assurance Program. The FAQs are directed at US multinational enterprises that may be considering the program. Among other topics, the FAQs provide information on how to apply, when to apply and who would benefit from the program.



### [OECD releases consultation document with proposed changes to Commentaries to OECD Model Tax Convention on Article 9 \(Associated Enterprises\) and related articles](#)

The Committee of Fiscal Affairs of the Organisation for Economic Co-operation and Development (OECD) released as a [public consultation](#) document a discussion draft proposing changes to the Commentaries on the OECD Model Tax Convention (OECD Model). Under the proposed changes, domestic law limitations on the deductibility of expenses, even if such limitations are applied exclusively to controlled transactions and not to similar uncontrolled transactions, would not be considered to lead to economic double taxation that would be subject to relief under Article 9 of the OECD Model.

### [OECD releases third annual peer review report and revised peer review documents on BEPS Action 6 relating to prevention of treaty abuse](#)

The OECD released two documents relevant for the implementation of the minimum standard on Base Erosion and Profit Shifting (BEPS) Action 6 relating to prevention of treaty abuse. The first document is the third annual peer review report on the compliance by members of the Inclusive Framework on BEPS with the minimum standard. The OECD also released revised [peer review documents](#) on BEPS Action 6, which will be used to carry out the peer review process beginning in 2021.

### [Canada: Manitoba issues budget 2021–22](#)

On 7 April 2021, Manitoba Finance Minister Scott Fielding tabled the province's fiscal 2021–22 budget. The budget contains several tax measures affecting individuals and corporations. The Minister anticipates a deficit of CA\$2.08 billion for 2020–21 and projects a deficit of \$1.597 billion for the 2021–22 year.

### [EY publication highlights 2021 Q1 tax policy developments across the Americas](#)

The first quarter of 2021 ushered in several significant tax policy developments across the Americas. The latest edition of the Americas Tax Policy Update highlights (1) a proposed bill in Argentina to increase corporate income tax rates, (2) potential tax reform in Colombia, (3) Mexico's mandatory disclosure regime, and (4) US President Biden's American Jobs plan.

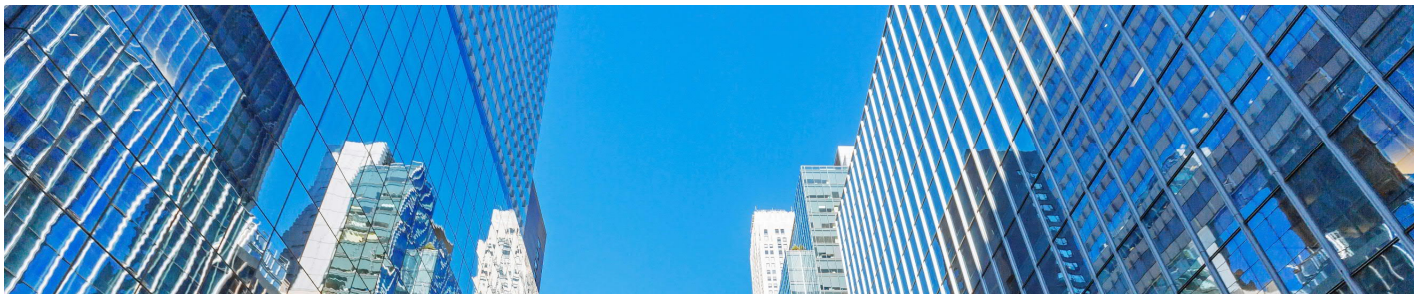
### [EY's 'Worldwide VAT, GST and Sales Tax Guide 2020' offers current, detailed guidance on indirect taxes around the globe](#)

The world's governments continue to rely heavily on indirect taxes as an invaluable source of revenue. With accelerating legislative change, there is increased risk that taxpayers will be caught unprepared. EY's Worldwide VAT, GST and Sales Tax Guide, now updated for 2021, summarizes indirect tax systems in 137 jurisdictions.

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## This week's tax treaty news in the Americas

- ▶ Bermuda and Qatar: signing of amending protocol to income tax treaty authorized by Qatari Cabinet
- ▶ Brazil and Switzerland: income tax treaty entered into force
- ▶ United States and Cabo Verde: FATCA agreement signed
- ▶ Uruguay and Russia: signing of social security agreement authorized by Russia



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## Upcoming webcasts

### [Potential US international tax reform \(22 April\)](#)

With the new Biden Administration and Democratic control of Congress, there has been ongoing activity with respect to both US corporate income tax proposals and global proposals under the OECD's BEPS 2.0 project. These proposals, if enacted, may be quite sweeping, with potentially material impact on the international taxation of US corporations. Join EY's panelists as they discuss President Biden's Made in America Tax Plan and OECD Pillar One and Pillar Two developments.

### [Upcoming changes to US IRC Section 174: Amortization of research and experimental expenditures \(27 April\)](#)

The 2017 US Tax Cuts and Jobs Act (TCJA) included many provisions that were intended as "revenue raisers" to offset some of the more taxpayer-favorable aspects of the TCJA. One such provision, scheduled to come into effect for tax years beginning on or after 1 January 2022, is the required amortization of what are currently deductible research and experimental (R&E) expenditures (over five years for domestic R&E, 15 years for foreign). With 2022 looming closer, taxpayers are newly focused on both the implications of the TCJA changes to IRC Section 174 as well as potential planning.

### [BorderCrossings . . . with EY transfer pricing and tax professionals \(29 April\)](#)

The recent release of international tax proposals by the Biden-Harris Administration signaled renewed US interest in the Base Erosion and Profit Shifting (BEPS) project of the OECD. Understanding these proposals, however, requires a review of recent OECD-related developments; these include the release of detailed blueprints in Fall 2020 for both the Pillar One (nexus and profit allocation) and Pillar Two (global minimum tax) initiatives, as well as the release in March 2021 of a revised Article 9 Commentary to the OECD Model Tax Convention. Join EY's panelists for an in-depth discussion of BEPS 2.0 for 2021.

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## Archived webcasts

### [Why the tax controversy department of the future should be built now](#)

According to the EY survey, businesses of all sizes, but especially the very largest, have not fully adjusted to ongoing, dramatic changes in tax authority scrutiny of their affairs. Looking forward, a coming crescendo of tax enforcement change is building. Concerns about the efficacy of untested dispute resolution processes related to potential new ways to tax cross-border activity may add to future risks.

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 16 April 2021](#)

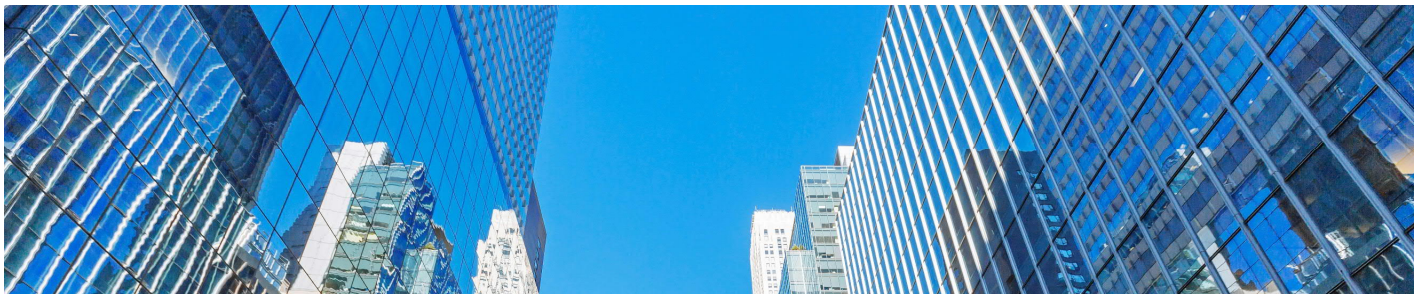
EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ President Biden begins outreach on \$2.2 trillion American Jobs Plan
- ▶ IRS issues proposed regs on foreign investment in Opportunity Zone funds
- ▶ IRS issues FAQs on International Compliance Assurance Program (ICAP)
- ▶ EY submits comments on EU Public Consultation on digital levy

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

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## This week's EY Global Tax Alerts

### Americas Tax Alerts

- ▶ Report on recent US international tax developments – 16 April 2021
- ▶ US IRS releases FAQs on ICAP program for US multinational enterprises
- ▶ Argentine entities with controlling ultimate parent entities in the United States should determine whether they have to file the local CbC report
- ▶ Puerto Rico's Department of State extends due date to file the 2020 corporate annual reports, pay limited liability company annual fee and request extensions
- ▶ Argentine Government modifies bill it plans to send to Congress that would raise corporate income tax rates
- ▶ Mexico: Government reaches agreement with representatives of labor and business sectors on outsourcing services in Mexico

### Other Global Tax Alerts

- ▶ Uganda issues Tax Amendment Bills 2021
- ▶ Rwanda gazettes new Investment Promotion and Facilitation Law
- ▶ Japan's 2021 Tax Reform introduces tax incentives for carbon neutrality and digital transformation
- ▶ Spanish Ministry of Taxation approves Mandatory Disclosure Regime reporting forms and deadlines
- ▶ Greek Tax Authority issues guidance on tax treatment of stock option plans
- ▶ Ireland's Department of Finance to host virtual seminar on International Tax
- ▶ Ghana enacts various tax amendments introduced in 2021 Budget
- ▶ Kenya's Tax Appeal Tribunal provides guidance on taxation of professional and managements fees under Double Tax Treaty Agreement
- ▶ Hong Kong proposes to allow a tax deduction for foreign taxes charged on gross income basis

### OECD Alerts

- ▶ IMF and OECD release joint report on carbon pricing
- ▶ OECD releases third annual peer review report and revised peer review documents on BEPS Action 6 relating to prevention of treaty abuse
- ▶ OECD releases consultation document with proposed changes to Commentaries to OECD Model Tax Convention on Article 9 (Associated Enterprises) and related articles

### Human Capital Alerts

- ▶ Slovenia adopts amendments to the Foreigners Act

### Indirect Tax Alerts

- ▶ European Commission proposes VAT exemption for vital goods and services distributed by the EU in times of crisis
- ▶ Belgium reduces minimum amounts for domestic VAT refunds



## EY Industry and Tax Services publications

### Industries

#### Technology

- ▶ [How technology execs can help their customers with digital capabilities](#)

### Services

#### Tax

- ▶ [How the OECD can head off unilateralism in taxing the digital economy](#)
- ▶ [Podcast: How one acquisition sparked a co-sourced tax revolution](#)
- ▶ [Why understanding FDI obligations is critical for global organizations](#)

### Comments

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