



**Building a better
working world**

3 May 2021

Americas Tax Roundup

Latest news – Americas

[Colombia's Executive branch submits tax reform bill to Congress](#)

The Colombian Executive branch submitted to Congress a tax reform bill that would modify the corporate income tax, value-added tax (VAT) and personal income tax provisions. The proposal also includes rules to increase social expenditures, adjust the government indebtedness rules, and adjust some provisions of the 2021 budget.

[Mexico enacts labor reform, denies deductions for outsourcing services](#)

On 23 April 2021, Mexico published, in the Official Gazette, the labor reform affecting outsourcing services, thereby enacting it. The reform includes changes to the Federal Labor Law, the Federal Tax Code, the Income Tax Law and the Value-Added Tax Law, as well as the Social Security Law and National Employee Housing Fund Law. The amendments to the labor and tax laws may require many businesses to reorganize their operations in Mexico to eliminate subcontracting arrangements. The labor reform is effective 26 April 2021.

[US IRS extends time for submitting APA and MAP requests with e-signatures](#)

The US Internal Revenue Service (IRS) has extended the date by which advance pricing agreement (APA) and mutual agreement procedure (MAP) requests may be filed electronically with digital signatures until 31 December 2021. The IRS also released an updated memo on e-signature requirements, which allows documents requiring the taxpayer's signature under Revenue Procedure 2015-40 or Revenue Procedure 2015-41 to be submitted instead with either (1) a scanned or photographed image of the taxpayer's signature or (2) the taxpayer's digital signature created using encryption techniques.

[US: Proposed regulations would coordinate tax withholding and gain deferral for certain foreign persons and partnerships investing in qualified opportunity funds, clarify working capital safe harbor](#)

The US Internal Revenue Service (IRS) released proposed regulations ([REG-121095-19](#)) that would allow certain non-US persons and non-US-owned partnerships, including private equity, real estate, and other alternative and private capital funds, to reduce or eliminate withholding imposed under Internal Revenue Code Sections 1445, 1446(a) and 1446(f) on eligible gains deferred and invested in a qualified opportunity fund provided certain requirements are met. The proposed regulations also clarify the requirements for Qualified Opportunity Zone Businesses receiving up to an additional 24 months under the working capital safe harbor because of a federally declared disaster.

[Dominican Republic issues amendments to transfer pricing regulations](#)

On 21 April 2021, the Dominican Republic's Tax Administration issued Decree 256-21, which modifies Articles 5, 7, 10 and 18 of the transfer pricing regulations established by Decree No. 78-14 of 14 March 2014. The amendments require taxpayers to file the country-by-country report and notification, master file and local file. The decree is effective 1 January 2021.



This week's tax treaty news in the Americas

- ▶ Aruba and the Netherlands: tax arrangement negotiations continuing
- ▶ Brazil and the Netherlands: tax treaty negotiations continuing
- ▶ Colombia and Italy: tax treaty approved by Colombian Constitutional Court
- ▶ Curacao and the Netherlands: tax arrangement negotiations continuing
- ▶ Guatemala and Mexico: competent authority agreement ratified by Mexico
- ▶ Mexico and Hong Kong: investment protection agreement ratified by Mexico
- ▶ Trinidad and Tobago and Denmark: income tax treaty terminated
- ▶ United States and Cabo Verde: official text of intergovernmental agreement released

Upcoming webcasts

[Operationalizing your intelligent tax function | Insights and hands-on tax training from EY & Thomson Reuters \(4 May\)](#)

This past year of remote working created both an unprecedented need and opportunity to drive efficiencies for Tax organizations. Join EY and Global Alliance partners from Thomson Reuters for a hands-on, step-by-step webcast on developing an integrated process with Alteryx automation, ONESOURCE Workpapers, and ONESOURCE Tax Provision. During the webcast, presenters will share tips and tricks on how to get started, as well as leading practices to enhance your current processes.

[Work from anywhere: How do we re-envisage our future after the unimaginable? \(19 May\)](#)

In this webcast, we will highlight the journey of four organizations during this complicated year. Learn how they each reimagined how and where work gets done. Each panelist will share a unique point of view on the success and challenges of the past year, including a look ahead.

[A taxpayer's guide to the International Compliance Assurance Programme \(ICAP\) \(20 May\)](#)

Under a new round of ICAP, 19 participating national tax administrations now invite companies to apply for ICAP risk assessments, in advance of the 30 September deadline. Join panelists from EY and the OECD as they discuss the recently announced third phase of ICAP.

Recently issued EY podcasts

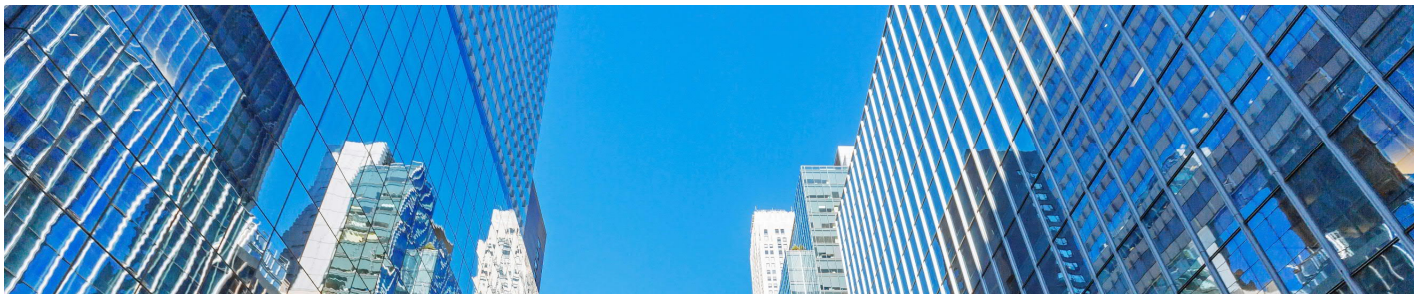
[US Cross-Border Taxation weekly podcast, 30 April 2021](#)

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

- ▶ US President Joe Biden addresses joint session of Congress, makes case for multi-trillion dollar American Jobs Plan and American Families Plan
- ▶ Treasury details plan to direct \$80 billion to IRS over next 10 years
- ▶ PTEP proposed regulations now expected to be released in multiple installments, beginning late summer, early fall 2021
- ▶ UN releases third edition of UN Transfer Pricing Manual

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 – 30 April 2021
- ▶ US: Proposed regulations would coordinate tax withholding and gain deferral for certain foreign persons and partnerships investing in qualified opportunity funds, clarify working capital safe harbor
- ▶ Dominican Republic issues amendments to transfer pricing regulations
- ▶ Canada: British Columbia issues budget 2021-22
- ▶ Colombia's Executive branch submits tax reform bill to Congress
- ▶ Mexican Congress approves labor reform addressing outsourcing services
- ▶ Mexico enacts labor reform, denies deductions for outsourcing services
- ▶ US IRS extends time for submitting APA and MAP requests with e-signatures

Other Global Tax Alerts

- ▶ Saudi Arabia clarifies permanent establishment force of attraction rules
- ▶ Indian Court rules on applicability of Most Favored Nation clause for determining withholding tax rate on dividend payments
- ▶ Hong Kong introduces legislation regarding tax treatment of court-free amalgamation of companies

OECD Alerts

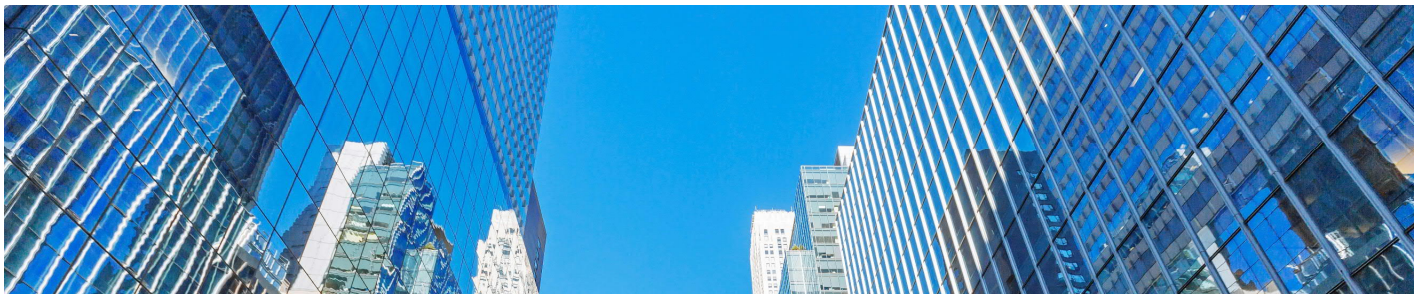
- ▶ OECD releases New Zealand Stage 2 peer review report on implementation of Action 14 minimum standard
- ▶ OECD releases Australia Stage 2 peer review report on implementation of Action 14 minimum standard
- ▶ OECD releases Israel Stage 2 peer review report on implementation of Action 14 minimum standard

Human Capital Alerts

- ▶ USCIS updates guidance on extensions
- ▶ Canada bans flights from India and Pakistan for 30 days

Indirect Tax Alerts

- ▶ German Federal Ministry of Finance tightens marketplace liability rules
- ▶ European Commission launches public consultation on Union Customs Code
- ▶ Portugal: Changes to One Stop-Shop scheme and VAT filing and payment deadlines
- ▶ Portugal: Nonresidents must use authorized software to issue VAT invoices from 1 July 2021



EY Industry and Tax Services publications

Industries

Insurance

- ▶ [What insurers can do now to monitor long-term value](#)

Financial Services

- ▶ [How the right conversations can empower finance transformation strategies](#)

Health & Life Sciences

- ▶ [Health care organizations realign strategies for resilience and growth](#)
- ▶ [Uniting pertinent data sources to help children and families in crisis](#)

Technology

- ▶ [Tech execs focus on growth amid increasingly competitive M&A market](#)

Services

Tax

- ▶ [Podcast: How tax authorities are more empowered – and possibly more empathetic](#)

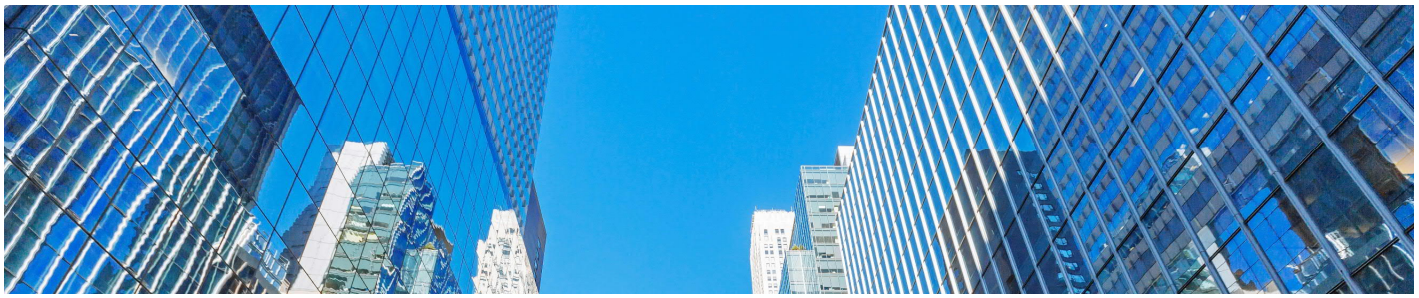
Issues

Risk

- ▶ [Is your biggest future risk the way you approach risk now?](#)

Comments

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



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