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4 October 2021

Americas Tax Roundup

Latest news – Americas

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[Puerto Rico's Department of State further extends due date to file 2020 corporate annual reports](#)

The Puerto Rico Department of State extended the due date from 20 September 2021 to 22 November 2021 for corporations that had requested the extension to 20 September to file 2020 corporate annual reports.

[Puerto Rico's Treasury Department clarifies guidance on transfer pricing studies and certification required with income tax return](#)

The Puerto Rico Treasury Department (PRTD) clarified that a transfer pricing study, not Form 6175, "Certification of Compliance with Sections 1033.17(a)(16) and (17) of the Code" must be submitted to the PRTD within 30 days of a request. The PRTD also clarified that the certification must be signed by the taxpayer.

[Brazilian Tax Authority rules withholding tax does not apply to cross-border insurance premiums paid by Brazilian customers to a Norwegian insurance company](#)

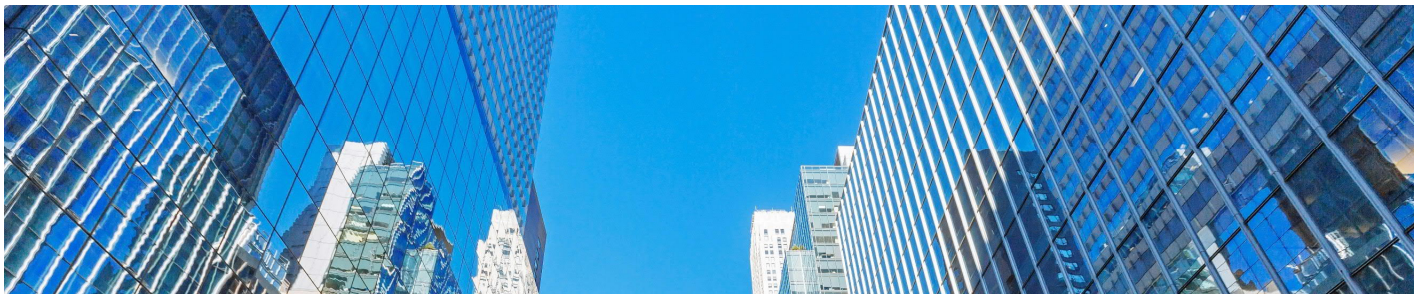
In Private Letter Ruling No. 138 of 20 September 2021, the Brazilian Tax Authority provided welcome guidance, concluding that under the rules of the Brazil-Norway double tax treaty, withholding tax does not apply to insurance premiums paid by a Brazilian resident company to a Norwegian insurance company without a permanent establishment in Brazil. In making its determination, the Tax Authority concluded that professional liability insurance is characterized as the provision of a service and that such service is of a non-technical nature. Therefore, Articles 5 (Permanent establishment) and 7 (Business profits) of the double tax treaty applied, not Article 12 (Royalties).

[US IRS and Treasury release 2021--2022 Priority Guidance Plan with new transfer pricing projects](#)

The US Treasury and IRS released the 2021--22 [priority guidance plan](#), which lists the projects to which the IRS and Treasury will allocate resources for plan year 1 July 2021 through 30 June 2022. This year's plan includes three new transfer pricing-related projects. Two of the projects involve regulations under Internal Revenue Code Section 482 and the third project relates to updating the rules in Revenue Procedure [2015-41](#) on requests for advance pricing agreements (APAs) and administering executed APAs.

[Costa Rica: Digital nomad visas](#)

The Costa Rican Government has published a law creating a new immigration category for digital nomads who are seeking to work remotely from within Costa Rica. While not yet available, the new Digital Nomad Visa will eventually permit eligible non-Costa Rican nationals to work remotely from within Costa Rica for an initial period of one year, and sponsor qualifying family members to accompany them in Costa Rica as dependents. Holders of Digital Nomad Visas will also enjoy special tax benefits in Costa Rica.



This week's tax treaty news in the Americas

- ▶ Brazil and Chile: free trade agreement approved by Brazilian Senate
- ▶ Brazil and St. Maarten: air services agreement entered into force

Upcoming webcasts

[BorderCrossings: Trends driving new supply chain structures and multi-hub operating models \(12 October\)](#)

Companies have recently been pivoting from centralized operating models to multi-hub operating models with high-value, entrepreneurial business functions located in multiple countries. Factors prompting this move include the “war for talent,” the work-from-anywhere model and difficulty securing visa permits due to the ongoing COVID-19 crisis. Narrowing global tax rates and global minimum tax proposals have also reduced some of the tax benefits of centralized structures. This session will consider the non-tax and tax considerations of this trend towards more flexible, distributed hubs.

[BEPS 2.0: Beyond 2021 \(28 October\)](#)

In this webcast, panelists discuss BEPS 2.0 and taxation of the digitalized economy updates after the October OECD/G20 Inclusive Framework and the G20 Finance Ministers and Central Bank Governors meetings.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 1 October 2021](#)

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

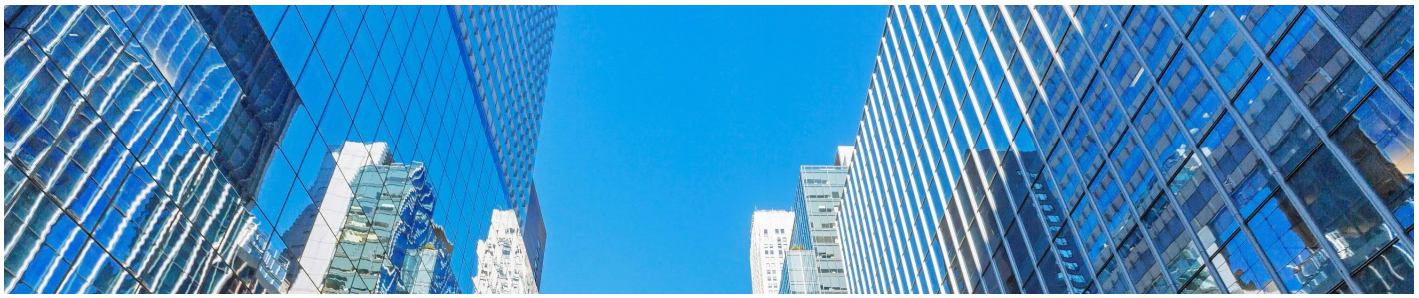
- ▶ US Congress grapples over infrastructure, budget reconciliation legislation
- ▶ G7 Finance Ministers make progress on BEPS 2.0 issues in lead up to October 2021 meetings
- ▶ IRS lists jurisdictions with which it has information exchange for reporting certain deposit interest paid

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

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 1 October 2021](#)
- ▶ [Argentine Government plans to eliminate duties on exports of services](#)
- ▶ [Brazilian tax authority rules withholding tax does not apply to cross-border insurance premiums paid by Brazilian customers to a Norwegian insurance company](#)
- ▶ [US IRS and Treasury release 2021--2022 Priority Guidance Plan with new transfer pricing projects](#)
- ▶ [Puerto Rico's Department of State further extends due date to file 2020 corporate annual reports](#)
- ▶ [US: Discussion draft released by Senators Wyden, Brown, Warner proposes significant changes to current international tax rules](#)



Other Global Tax Alerts

- ▶ Spanish National High Court issues favorable decision on dividend withholding tax reclaims by non-Spanish hedge funds
- ▶ EU Member States adopt public CbCR Directive
- ▶ Poland plans to introduce tax on shifted profits
- ▶ Kenya Revenue Authority issues public ruling to withdraw guidance note issued on treatment of tax losses
- ▶ French Government releases draft Finance Bill for 2022
- ▶ New Zealand issues Operational Statement on Administration of imported hybrid mismatch rule

Transfer Pricing Alerts

- ▶ Puerto Rico's Treasury Department clarifies guidance on transfer pricing studies and certification required with the income tax return
- ▶ India Tax Administration extends applicability of transfer pricing safe harbor rules to financial year 2020-21

Human Capital Alerts

- ▶ USCIS extends flexibility for responding to agency requests
- ▶ Sweden extends deadline for UK citizens to apply to retain their right of residence in Sweden and announces updated entry rules and restrictions

Indirect Tax Alerts

- ▶ Russia amends application of VAT reverse charge mechanism

EY Industry and Tax Services publications

Industries

Consumer Products & Retail

- ▶ [Is your operating model trailblazing or trail-gazing?](#)
- ▶ [How effective capital allocation can help retailers pivot more quickly](#)

Energy & Resources

- ▶ [How power and utility CISOs can adapt to enable a digital future](#)
- ▶ [Water utilities: Six focus areas to help build cyber resilience](#)

Health & Private Equity

- ▶ [IPO Q3 2021: Global IPO activity so far this year exceeds full year 2020](#)

Life Sciences

- ▶ [Why genome editing technologies are creating buzz in medicine](#)

Oil & Gas

- ▶ [How oil and gas security leaders can smooth the transformation path](#)



Power & Utilities

- ▶ [How power and utility CISOs can adapt to enable a digital future](#)

Technology, Media and Entertainment, Telecommunications

- ▶ [If you were able to look into the future, could you capitalize on it?](#)

Services

Tax

- ▶ [How countries in the Americas are inviting business and driving growth](#)

Issues

Growth

- ▶ [How next-gen data management enables a 360-degree view of B2B customers](#)
- ▶ [Why private companies need flexibility to grasp opportunities](#)

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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