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11 October 2021

Americas Tax Roundup

Latest news – Americas

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[Inclusive Framework on BEPS reaches agreement on two-pillar solution with 15% minimum rate](#)

The Inclusive Framework on BEPS on 8 October 2021 announced that they had reached agreement on a two-pillar solution to address the tax challenges arising from the globalization and digitalization of the economy. The agreement builds on the July 2021 agreement by providing more specificity on key parameters, including setting the minimum tax rate under Pillar Two at 15%.

[Argentine Government plans to eliminate duties on exports of services](#)

The Argentine Government issued an official communication stating that duties on exports of services will be completely eliminated as of 1 January 2022. The President is expected to issue the decree eliminating the export duties before the end of the year.

[El Salvadoran Minister of Finance files draft bill to establish tax amnesty program](#)

The El Salvadoran Minister of Finance filed a draft bill before the Congress that would establish a tax amnesty program allowing taxpayers to comply voluntarily with their tax and customs obligations. The program would be in force from the date the decree is published in the Official Gazette to 10 December 2021.

[OECD: Conference of the Parties of the MLI issues two opinions with respect to MAP implementation and the entry into effect of arbitration rules](#)

On 30 September 2021, the OECD [published](#) two opinions of the Conference of the Parties of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). The [first opinion](#) addresses the application of the MLI provisions on the Mutual Agreement Procedure (MAP) where questions were raised on the compatibility of existing treaty rules with those provisions. The [second opinion](#) addresses the application of the entry into effect of Part VI (Arbitration) and seeks to clarify when the provisions of Part VI will apply to existing cases in specific situations.

[US: Update on trade actions](#)

On 5 October 2021, the United States Trade Representative (USTR) Katherine Tai's office announced its intention to reinstate the targeted tariff exclusion process for products of China origin that remain subject to Section 301 punitive tariffs. The USTR also will conduct an assessment of China's performance under the Phase One Agreement as the agreement will continue to serve as the central basis of engagement with China on trade.



[Brazil lifts the prohibition on air travel from India, South Africa and the UK](#)

The Brazilian Government announced that the temporary ban on air travel from India, South Africa and the UK that went into effect on 2 October 2021 has been lifted. Travelers departing from, or who were recently present in, these three countries may now enter Brazil by air.

[Argentina announces new entry rules for fully vaccinated citizens and residents of Bolivia, Brazil, Chile, Paraguay and Uruguay](#)

The Argentine Government recently announced that fully vaccinated citizens and residents of Bolivia, Brazil, Chile, Paraguay and Uruguay may now enter Argentina. The Government also announced that it will grant admission to other fully vaccinated travelers, irrespective of their citizenship, starting on 1 November 2021.

[EY Canada issues latest edition of TaxMatters@EY](#)

TaxMatters@EY, a monthly bulletin prepared by EY Canada, provides a summary of recent Canadian tax news, publications, and resources. Highlights of the October 2021 issue include: (i) an article on overcontributions to tax-free savings accounts, and (ii) a recent Federal Court decision that found the Canada Revenue Agency's decision not to process a taxpayer's amended returns was unreasonable.

This week's tax treaty news in the Americas

- ▶ Bermuda and United Arab Emirates: income and capital tax treaty entered into force
- ▶ Brazil and Bahamas: air services agreement entered into force
- ▶ Curaçao and Iceland: air services agreement signed
- ▶ St. Vincent and the Grenadines and United Arab Emirates: income and capital tax treaty entered into force
- ▶ Uruguay and Japan: agreement on mutual administrative assistance in customs matters entered into force
- ▶ Uruguay and Russia: social security agreement signed
- ▶ Venezuela and Turkey: income tax treaty ratified by Turkey

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, 8 October 2021](#)

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

- ▶ Inclusive Framework on BEPS announces agreement on two pillar solution
- ▶ US Congressional Democrats' dispute over size of Build Back Better budget reconciliation bill continues
- ▶ OECD publishes two MLI opinions

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

[Monthly ITTS Washington Dispatch \(September 2021\)](#)

EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. Highlights of this month's edition include:

- ▶ White House, Senate negotiators reach agreement on \$1.2 trillion infrastructure package
- ▶ US Congress fails to pass infrastructure and budget reconciliation legislation
- ▶ House Ways & Means Committee reports out reconciliation bill with major international tax proposals
- ▶ Senate Finance Committee Chairman releases partnership tax proposals
- ▶ Final foreign tax credit regulations will include jurisdictional nexus requirement
- ▶ And other topics

The Newsletter PDF is available [here](#).

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

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 8 October 2021](#)
- ▶ [Salvadoran Minister of Finance files draft bill to establish tax amnesty program](#)
- ▶ [Brazil lifts the prohibition on air travel from India, South Africa and the UK](#)
- ▶ [Argentina announces new entry rules for fully vaccinated citizens and residents of Bolivia, Brazil, Chile, Paraguay and Uruguay](#)
- ▶ [Brazil announces new, temporary prohibition on travel from India, South Africa and the UK](#)
- ▶ [US: Update on trade actions](#)



Other Cross-border Alerts

- ▶ Ireland joins consensus on G20/OECD International Tax Proposals
- ▶ Hong Kong may implement substance requirements related to offshore claims
- ▶ EU Member States adopt revised list of non-cooperative jurisdictions for tax purposes
- ▶ Spain deposits instrument of ratification of MLI
- ▶ Poland plans to limit tax deductibility of payments considered hidden dividends
- ▶ Turkey proposes new tax bill

Transfer Pricing Alerts

- ▶ Jordan issues transfer pricing instructions

OECD Alerts

- ▶ OECD releases statement updating July conceptual agreement on BEPS 2.0 project
- ▶ OECD: Conference of the Parties of the MLI issues two opinions with respect to MAP implementation and the entry into effect of arbitration rules

Human Capital Alerts

- ▶ Indonesia: Update on Entry Restriction to Indonesia and International Travel Health Protocol for Foreigners
- ▶ Brazil lifts the prohibition on air travel from India, South Africa and the UK
- ▶ Argentina announces new entry rules for fully vaccinated citizens and residents of Bolivia, Brazil, Chile, Paraguay and Uruguay
- ▶ Brazil announces new, temporary prohibition on travel from India, South Africa and the UK
- ▶ Higher taxes for Polish taxpayers and some foreign companies (New Polish Deal)
- ▶ The Netherlands announces changes to the taxable moment of employee stock options

Indirect Tax Alerts

- ▶ French Government clarifies new requirement for transmission of electronic invoicing and payment data as from 1 July 2024
- ▶ US: Update on trade actions
- ▶ UK updates guidance on invoicing for upcoming Plastic Packaging Tax



EY Industry and Tax Services publications

Industries

Automotive

- ▶ [How divestments prime the automotive sector for a green future](#)

Banking & Capital Markets

- ▶ [How can banks transform for a new generation of customers?](#)

Mining & Metals

- ▶ [Top 10 business risks and opportunities for mining and metals in 2022](#)

Health & Life Sciences

- ▶ [What might the CGT industry achieve through industrialized collaboration?](#)

Issues

Risk

- ▶ [Video: How to enhance risk oversight in an age of transformation](#)

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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