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24 January 2022

# Americas Tax Roundup

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## Latest news – Americas

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### [Brazil enacts legal framework for foreign exchange market](#)

On 30 December 2021, the Brazilian Government published Law 14,286, establishing a new legal framework for: (i) the Brazilian foreign exchange market; (ii) Brazilian capital held abroad; and (iii) foreign capital held in Brazil. The law (i) allows taxpayers to hold foreign currency in Brazilian bank accounts, (ii) repeals the registration requirement for foreign capital, and (iii) allows residents and nonresidents to offset mutual debts. The law is not effective until 30 December 2022.

### [Ecuador modifies cross-border transaction rules](#)

Ecuador has modified two cross-border transaction rules. Specifically, nonresidents may now claim 100% of benefits available under double tax treaties with Ecuador, rather than paying Ecuadorian withholding tax on income over US\$560,600 and applying for refunds based on the applicable treaty. The President also issued a decree that progressively reduces the remittance outflow tax rate to 4%.

### [Canada Revenue Agency provides update on home office expense deduction](#)

The Canada Revenue Agency (CRA) on 18 January, provided a long-awaited update on the process for claiming home office expenses for the 2021 tax year. For the most part, the process for 2021 will be substantially similar to the process that the CRA introduced for 2020 as a result of the COVID-19 pandemic.

### [Uruguay issues decree establishing threshold for net worth tax](#)

Uruguay issued [Decree 409/021](#), establishing the threshold at which the net worth tax will apply to the income of individuals, undivided estates and the family unit. The threshold for the net worth tax is UYU5,303,000 (approximately US\$120,000) for individuals and undivided estates and double that for family units.

### [Uruguay proposes excise tax on e-cigarettes](#)

The Uruguayan Executive Branch sent a [bill](#) to Parliament that would impose an excise tax on e-cigarettes at a maximum tax rate of 70%. The Senate is considering the bill.

### [EY's 'Latest on BEPS and Beyond' for January 2022](#)

EY's Latest on BEPS and Beyond monthly newsletter reviews global and regional BEPS-related policy trends, as well as recent BEPS-driven developments in individual countries. The January 2022 edition highlights Canada's proposal to implement a digital services tax.



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

- ▶ Dominica and United Arab Emirates: signing of tax treaty authorized by Emirati Cabinet
- ▶ Jamaica and United Arab Emirates: signing of tax treaty authorized by Emirati Cabinet

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## Upcoming webcasts

### [Tax policy matters: Prepare for potential impact of reform on your business \(25 January\)](#)

Join this special 90-minute webcast, where a multi-jurisdictional panel of EY professionals will discuss the latest tax policy developments and share perspectives on how businesses and administrations are responding to the inevitable changes in the global tax landscape.

### [BorderCrossings: Re-examining the "aggregation principle" in transfer pricing and reviewing latest OECD developments \(27 January\)](#)

Multinational companies often encounter related transactions – for example, the sale of tangible goods with the use of intangibles, or the sale of goods along with services being provided. This month's BorderCrossings webcast, a follow-up to our August [BorderCrossings webcast](#) on the "realistic alternatives" principle, addresses these issues by focusing on the related "aggregation principle" in transfer pricing. The webcast will also include a brief update on recent activities around the OECD's Pillar One and Pillar Two initiatives under BEPS 2.0.

For a full list of upcoming webcasts, please access EY's webcast page on ey.com [here](#).

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## Recently archived webcasts

### [BEPS 2.0: Focus on Pillar Two](#)

This webcast continued the series of EY Global webcasts addressing BEPS 2.0 developments. Panelists discussed the key elements of the Pillar Two model rules, highlighting what is new. They also shared perspectives on how the European Union and other jurisdictions plan to incorporate these model rules into domestic law.

### [Understanding the latest US FTC regulations](#)

Our panel of international tax professionals discussed the US final regulations, including what changed compared to the proposed foreign tax credit (FTC) regulations issued in 2018, what stayed the same and what actions taxpayers may want to consider.

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 21 January 2022](#)

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

- ▶ President Biden favors breaking up Build Back Better into smaller bills
- ▶ OECD BEPS 2.0 Pillar Two model rules commentary expected in early February
- ▶ OECD releases 2022 Transfer Pricing Guidelines

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



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## This week's EY Global Tax Alerts

### Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments - 21 January 2022](#)
- ▶ [Ecuador modifies cross-border transaction rules](#)
- ▶ [Canada Revenue Agency provides update on home office expense deduction](#)
- ▶ [Brazil enacts legal framework for foreign exchange market](#)
- ▶ [Uruguay issues decree establishing threshold for net worth tax](#)
- ▶ [Uruguay proposes excise tax on e-cigarettes](#)

### Other Cross-border Alerts

- ▶ [Turkey introduces bill that postpones inflation accounting and announces new corporate income tax exemptions on gains in case of conversions into Turkish Lira](#)
- ▶ [Vietnam initiates review of policies governing tax treaties](#)
- ▶ [Malaysia announces foreign-sourced income exemptions for resident taxpayers until 2026](#)

### OECD Alerts

- ▶ [OECD publishes 2022 Transfer Pricing Guidelines](#)
- ▶ [The Latest on BEPS and Beyond | January 2022 edition](#)
- ▶ [The Latest on BEPS and Beyond: a 2021 review](#)

### Transfer Pricing Alerts

- ▶ [Thailand extends deadline for submission of transfer pricing Country-by-Country reports](#)

### Human Capital Alerts

- ▶ [UK's new, digital Right to Work check rules to come into effect 6 April 2022](#)
- ▶ [Poland's new law facilitating employment of foreigners to go into effect in late January 2022](#)

### Indirect Tax Alerts

- ▶ [Italian Tax Authorities provide clarifications on VAT treatment of derivatives](#)



## EY Industry and Tax Services publications

### Industries

#### Automotive

- ▶ [Podcast: How product innovation is proving to be a differentiator in mobility](#)

#### Consumer Products & Retail/Technology

- ▶ [How will customer-first technology create retailer value that lasts?](#)

#### Insurance

- ▶ [Ecosystems in insurance: what winners do differently](#)

### Services

#### People and workforce/Tax

- ▶ [Video: How mobility can be the activation hero for hybrid work](#)

### Issues

#### Growth

- ▶ [Video: The CEO Imperative: How mastering ecosystems transforms performance](#)

### Comments

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

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