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7 March 2022

Americas Tax Roundup

Latest news – Americas

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[Updates on BEPS 2.0 project from OECD Tax Talks and G20 Finance Ministers meeting](#)

On 21 February 2022, the OECD held a Tax Talks [webcast](#) during which members of the OECD Secretariat provided an overview of the latest international tax developments, including updates on Pillars One and Two of the BEPS 2.0 project. The webcast included discussion of the ongoing public consultation process for Pillar One, providing reaction to the feedback received on the design of revenue sourcing rules and information on the upcoming consultation documents on

Amount A and Amount B. It also included an update on the ongoing work to finalize the Commentary to the Model Rules on Pillar Two and the planned public consultations on the implementation framework and the Subject-To-Tax Rule (STTR) model provisions and the STTR Multilateral Instrument.

[Mexican input VAT may no longer be creditable for activities performed outside Mexico – action required by 10 March](#)

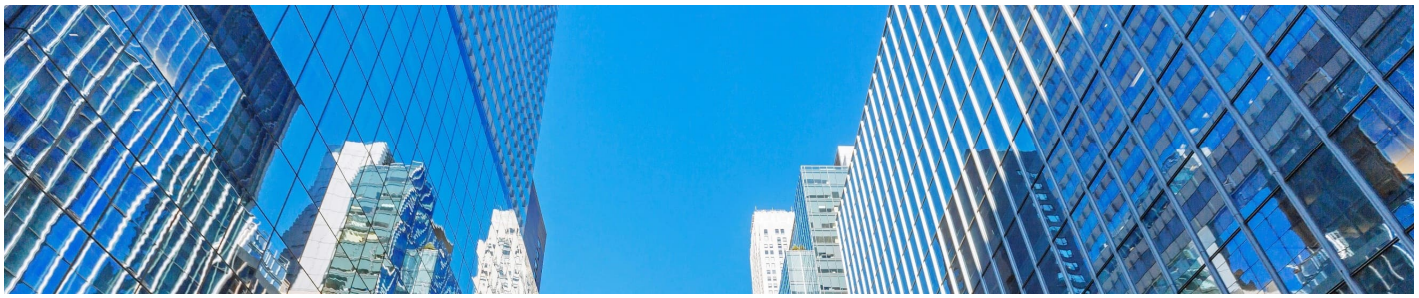
The Mexican tax reform, in force on 1 January 2022, includes a broad definition regarding “non-VATable activities,” requiring taxpayers to consider these activities when determining whether input VAT should be creditable. This definition/provision is significant and will affect businesses that are VAT registered in Mexico and incur VAT on costs in Mexico, but perform activities (e.g., sell goods or provide services) outside of Mexico. The new law is likely to affect some supply chains, including manufacturing, mining and aviation to name a few.

[Canada imposes new sanctions on Russia and ceases issuance of export permits for exports of goods to Russia](#)

On 24 February 2022, the Canadian Government announced the imposition of additional sanctions under the Special Economic Measures (Russia) Regulations and the Special Economic Measures (Ukraine) Regulations, in response to ongoing events in the Russia-Ukraine conflict. In addition, exports to Russia are restricted by halting new export permit applications and cancelling valid existing export permits, with certain exceptions.

[Peru's President amends Tax Code and registration process for Tax ID Registry](#)

Peru's President enacted Legislative Decrees 1523 and 1524, which amend the Tax Code and the registration process for the Tax ID Registry, respectively. Under Legislative Decree 1523, a fine of up to 0.3% of a taxpayer's net annual income may apply if the taxpayer does not give the tax authority access to the taxpayer's electronic accounting system when required by an audit or verification procedure. Under Legislative Decree 1524, the Peruvian tax authority will automatically incorporate into the Tax ID Registry individuals who carry out activities that generate business income and were not previously registered in the Tax ID Registry.



[Canada: Prince Edward Island issues budget 2022/23](#)

On 24 February 2022, Prince Edward Island Finance Minister Darlene Compton tabled the province's fiscal 2022/23 budget. The budget contains tax measures affecting individuals and corporations, including a proposal to increase the rate of the rebate of the provincial component of the Harmonized Sales Tax for charities and non-profit organizations to 50% from 35% as of 1 January 2023.

[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 March 2022 issue include: (i) tips for filing 2021 personal tax returns, and (ii) a recent Tax Court of Canada decision that addresses the impact of the Federal Court of Appeal's decision in MacDonald in the context of a post-mortem pipeline.

[ITTS Washington Dispatch \(February 2022\) available](#)

The monthly ITTS Washington Dispatch (February) has been released. Highlights include the status of President Biden's Build Back Better proposals, confirmation of the BEPS 2.0 timeline and draft releases, IRS FAQs on Schedules K-2 and K-3 transition relief and cryptocurrency developments, among others.

This week's tax treaty news in the Americas

- ▶ Brazil and Czech Republic: social security agreement and administrative arrangement signed
- ▶ Colombia and Austria: signing of air transport agreement authorized by Austrian Council of Ministers
- ▶ MERCOSUR and Singapore: third round of negotiations for free trade agreement held

Upcoming webcasts

[Transparency in the sharing economy: What to know about DAC7 and beyond \(24 March\)](#)

In this webcast, panelists will discuss the global adoption of tax reporting rules for digital platforms, including OECD's Model Rules, EU's tax automatic exchange of information directive known as DAC7 and the UK's hybrid implementation.

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

Recently archived webcasts

[The outlook for global tax policy and controversy in 2022](#)

A panel of EY Tax Policy and Controversy Leaders discussed the findings reported in the EY 2022 Tax Policy & Controversy Outlook, focusing on significant tax law and administration trends and highlighting leading practices for organizations as they navigate tax developments around the world in the year ahead.



Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 4 March 2022](#)

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

- ▶ President Biden presents first State of the Union address; lists provisions but does not mention Build Back Better
- ▶ Sen. Manchin says he could support limited reconciliation package focused on taxes, climate change and deficit reduction
- ▶ Senate Democrats eye US-Russia tax treaty in response to Ukraine crisis

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

[Monthly ITTS Washington Dispatch \(February 2022\)](#)

EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. The Newsletter PDF is also available [here](#).

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

This week's EY Global Tax Alerts

Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments – 4 March 2022](#)
- ▶ [Canada: Prince Edward Island issues budget 2022/23](#)
- ▶ [Peru's President amends Tax Code and registration process for Tax ID Registry](#)
- ▶ [US IRS withdraws LB&I directives on transaction costs](#)
- ▶ [Canada imposes new sanctions on Russia and ceases issuance of export permits for exports of goods to Russia](#)

Other Cross-border Alerts

- ▶ [Italian Tax Authorities issue resolution on Mandatory Disclosure Rules](#)
- ▶ [European Parliament provides recommendations on EU Carbon Border Adjustment Mechanism](#)
- ▶ [European Commission proposes new Directive on corporate sustainability due diligence aimed at establishing legal accountability for global value chains](#)
- ▶ [Luxembourg Tax Authority clarifies application of real estate levy including reporting requirement for all Luxembourg corporate investment vehicles](#)



OECD Alerts

- ▶ [Updates on BEPS 2.0 project from OECD Tax Talks and G20 Finance Ministers meeting](#)

Human Capital Alerts

- ▶ [Czech Republic introduces special immigration provisions for Ukrainian nationals](#)

Indirect Tax Alerts

- ▶ [Mexican input VAT may no longer be creditable for activities performed outside Mexico – action required by 10 March](#)
- ▶ [Kenya High Court invalidates VAT Regulations, 2017 and declares maritime agency services provided to nonresident shippers should qualify as exported services](#)

EY Industry and Tax Services publications

Industries

Consumer Products & Retail

- ▶ [How real-time data improved diversity and inclusion policies](#)

Energy

- ▶ [Modernizing land management to break down siloes](#)
- ▶ [Integrating well planning processes to increase efficiency](#)
- ▶ [Why consumers may hold the key to the energy transition](#)

Oil & Gas

- ▶ [How AI can be the tool that transforms oil and gas for the future](#)
- ▶ [Video: How digitalization can streamline oil and gas operations](#)

Power & Utilities

- ▶ [How confidence pushed P&U dealmaking in Q3 18](#)

Financial Services

- ▶ [Upcoming webcast: Let's talk strategy: How digital disruption is redefining an industry](#)

Health Care & Life Sciences

- ▶ [Video: How one entrepreneur seeks to make affordable health care a reality](#)

Insurance

- ▶ [Upcoming webcast: Three key trends shaping insurers' strategic agendas](#)

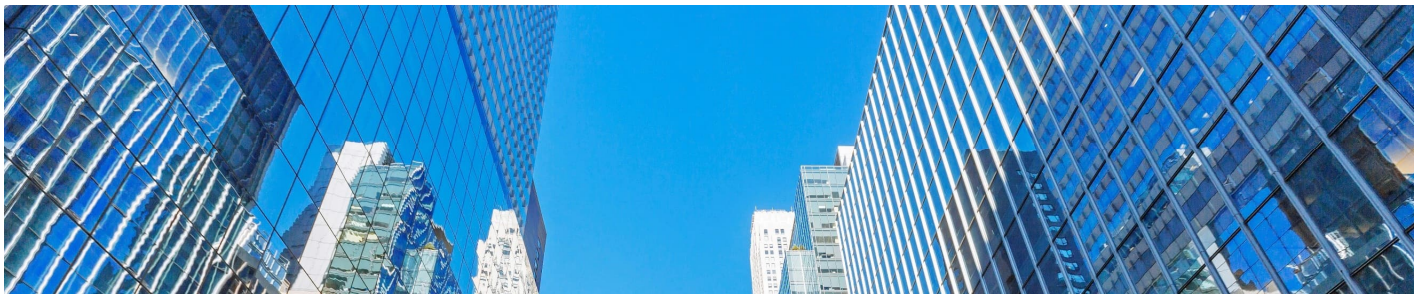
Services

People and workforce

- ▶ [Updated: How COVID-19 is disrupting immigration policies and worker mobility: a tracker](#)
- ▶ [How can payroll build value in an organization](#)

Tax

- ▶ [Five areas of focus for tax teams as they look to a post-COVID future](#)



Comments

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