

# Americas Tax Roundup

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## Latest news – Americas

### [Puerto Rico's new tax credit management system will be available beginning 18 January 2023](#)

In Administrative Determination 2022-11, the Puerto Rico Treasury Department announced that its new tax credit management system, established by Act 52-2022, will be available in the Internal Revenue Unified System beginning 18 January 2023. Taxpayers must register tax credits authorized on or after 1 January 2023, in the tax credit management system.

### [Brazil announces tax recovery measures](#)

On 12 January 2023, the Brazilian Government announced new tax recovery measures that may significantly affect taxpayers. Those measures include (1) allowing voluntary disclosures and the payment of debts without penalties; (2) limiting appeals to the administrative court to cases involving a certain amount; and (3) new tax settlement rules.

### [Brazilian Federal Revenue Service issues new PIS and COFINS Regulation](#)

The Brazilian Federal Revenue Service (RFB) published Normative Instruction RFB No. 2,121, consolidating the rules related to the calculation, collection, and supervision of the PIS and COFINS (Social Security Contributions on Sales) and revoking Normative Instruction No. 1,911/19. Among other things, RFB No. 2,121 clarified that the ICMS (state value-added tax) due (as opposed to the ICMS paid) is excluded from the PIS and COFINS calculation bases.

### [Peru enacts new rules for tax incentives of expenses related to research and development](#)

Peru enacted Law 31659, increasing the deduction rates for scientific research, technological development, and technological innovation expenses (R&D expenses). The new tax incentives are effective from 1 January 2023 to 31 December 2025.

### [Guatemala's Ministry of Public Finance amends Value-Added Tax Regulations](#)

The Guatemalan Ministry of Public Finance issued amendments to GA 5-2013, the Value-Added Tax Law Regulations. The amendments eliminate the obligation to record the Tax Identification Number or Unique Identification Code in documents that evidence the provision of basic services for amounts equal to or greater than GTQ500.

### [Honduras' ZEDE regime is recognized as abolished following review by OECD Forum on Harmful Tax Practices](#)

The new findings of the OECD's Peer Review on Harmful Tax Practices, published on 5 January 2023, indicate that Honduras' ZEDE regime is abolished.

### [Canada Revenue Agency announces changes to its administrative policies for certain employee taxable benefits](#)

The CRA recently updated its website to announce changes to its administrative policies for certain employee taxable benefits. Specifically, the CRA's changes relate to the treatment of: (i) gift cards under the [employee gifts, awards and long-service awards policy](#); (ii) virtual events under [the employer-provided social events and hospitality functions policy](#); and (iii) scramble parking under the [employer-provided parking policy](#).



### [US final regulations issued for qualified foreign pension funds contain some favorable clarifications](#)

In final regulations ([T.D. 9971](#)), the US Treasury Department and Internal Revenue Service addressed the qualification for the exemption from taxation under Internal Revenue Code Section 897(l) for gain or loss attributable to the disposition of US real property interests held by qualified foreign pension funds and their wholly owned subsidiaries. The final regulations also address gain from distributions described in Section 897(h), as well as related withholding requirements under Sections 1445 and 1446.

### [EY's 'Latest on BEPS and Beyond' for January 2023](#)

EY's Latest on BEPS and Beyond (January 2023 edition) highlights (1) Argentina's new mandatory disclosure regime; (2) the Brazilian Government's Provisional Measure adopting the arm's-length principle; and (3) Uruguay's updated list of low- or no-tax jurisdictions.

### [EY's Washington Dispatch 2022 Year-in-Review now available](#)

The 2022 edition of the ITTS *Washington Dispatch Year-in-Review* is now available. The newsletter summarizes the year's developments in US international taxation from 1 January – 31 December 2022.

### [Global Tax Policy and Controversy Watch | January 2023 edition](#)

EY's publication, Global Tax Policy and Controversy Watch, highlights recent policy and administrative developments around the world. This month's publication highlights (1) Brazil's adoption of the arm's-length principle; (2) Argentina's new mandatory disclosure regime; and (3) Uruguay's modifications to its income source criteria.

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

- ▶ Brazil and Poland: income tax treaty approved by Polish Council Ministers
- ▶ St. Vincent and the Grenadines and Venezuela: air service agreement ratified by Venezuela
- ▶ United States and Chinese Taipei: interest in concluding a tax agreement expressed

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## Upcoming webcasts

### [International tax talk quarterly series: With the EY Global Tax Desk Network \(24 January\)](#)

This webcast highlights developments that could affect multinational companies operating in Hong Kong and Mainland China. Concerns expressed by the European Union have prompted legislative changes to Hong Kong's foreign-sourced income exemption (FSIE) regime, effective beginning 1 January 2023. These changes will have wide-ranging implications for many Hong Kong holding and finance companies (with exceptions for certain financial businesses), as well as companies holding intellectual property.

### [How life sciences tax departments are preparing for sustainability \(24 January\)](#)

Please join us for this webcast where we will explore sustainability tax trends and global developments in the life sciences sector. EY teams of life sciences and sustainability tax thought leaders will discuss, and share their perspectives on emerging trends and hot topics relevant to this market.

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



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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 20 January 2023](#)

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

- ▶ US-Hungary tax treaty is terminated
- ▶ IRS concludes cryptocurrency worth less than a penny per unit is not a deductible Section 165 worthless loss
- ▶ OECD announces new head of Centre for Tax Policy and Administration

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

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## This week's EY Global Tax Alerts

### Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments - 20 January 2023](#)
- ▶ [The Latest on BEPS and Beyond | January 2023 edition](#)
- ▶ [Global Tax Policy and Controversy Watch | January 2023 edition](#)
- ▶ [Special edition: Washington Dispatch 2022 Year-in-Review \(1 January - 31 December\)](#)
- ▶ [EY Global Tax Controversy Flash Newsletter \(Issue 54\) | EU importers face customs valuation uncertainty and risk](#)
- ▶ [Brazil announces tax recovery measures](#)
- ▶ [Brazilian Federal Revenue Service issues new PIS and COFINS Regulation](#)
- ▶ [Honduras' ZEDE regime is recognized as abolished following review by OECD Forum on Harmful Tax Practices](#)
- ▶ [Peru enacts new rules for tax incentives of expenses related to research and development](#)
- ▶ [Puerto Rico's new tax credit management system will be available beginning 18 January 2023](#)
- ▶ [US final regulations issued for qualified foreign pension funds contain some favorable clarifications](#)

### Human Capital Alerts

- ▶ [Canada Revenue Agency announces changes to its administrative policies for certain employee taxable benefits](#)
- ▶ [China suspends issuance of certain visas for Japanese and South Korean nationals](#)
- ▶ [Ireland | Early notification, refunds for invalid General Employment Permit applications](#)
- ▶ [Italy's social security exemption for "Pink Labelled" employers requires filing of application by 15 February 2023](#)
- ▶ [South Korea implements new COVID-19-related restrictions for travelers arriving from China Mainland, Hong Kong and Macau](#)
- ▶ [Spain limits scope of use and enjoyment VAT rule from 2023](#)
- ▶ [Switzerland releases updated occupation list for 2023](#)
- ▶ [UAE implements mandatory unemployment insurance scheme](#)
- ▶ [UK Government provides final response summarizing review findings for Tier 1 Investor Visa Route](#)



## Indirect Tax Alerts

- ▶ France implements measures to address high energy prices
- ▶ Guatemala's Ministry of Public Finance amends Value Added Tax Regulations
- ▶ Portugal amends contribution on single-use packaging made of plastic or aluminum, or multi-material with plastic or aluminum on ready-to-eat meals

## Other Global Tax Alerts

- ▶ Mauritius | Protocol amending Double Taxation Avoidance Agreement with Germany will be in force as of 1 July 2023
- ▶ Companies incorporated in Tanzania Mainland are no longer required to register a subsidiary company in Zanzibar

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## EY Industry and Tax Services publications

### Industry

#### Financial Services

- ▶ 8 areas of change for financial services regulatory policy in 2023

#### Services

#### Tax

- ▶ Why BEPS 2.0 needs consistency, coordination and certainty
- ▶ Five direct tax considerations for businesses taking a lead on NFTs
- ▶ How NFTs cause tax and legal issues for businesses

#### People and workforce

- ▶ Updated: How COVID-19 is disrupting immigration policies and worker mobility: a tracker

## Comments

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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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