

Americas Tax Roundup

Latest news – Americas

[Canadian federal budget | Changes to the definition of 'financial service' under the Excise Tax Act](#)

Canada's 2023 federal budget, tabled on 28 March 2023, includes changes affecting financial institutions. The budget proposed a significant GST/HST amendment to the definition of financial service in the *Excise Tax Act* by introducing paragraph (r.6) in the exclusionary paragraphs (Proposed amendment) of the definition. Paragraph (r.6) operates to exclude the supply of certain services rendered by a "payment card network operator" from the definition of a "financial service," causing these services to be considered as a taxable supply and, therefore, subject to the GST/HST.

[Canadian Government workers possible strike may cause immigration delays](#)

Canada has confirmed that the union representing a large number of government workers, including those within the immigration department (Immigration, Refugees and Citizenship Canada, or IRCC) and Employment and Social Development Canada (ESDC), are now in a legal position to strike. In the event of a labor disruption and strike action, a number of government services may be affected, and this would negatively impact already backlogged processing of applications by IRCC and ESDC/Service Canada.

[Costa Rica | Inactive Entities Informative Return, Form D-195, will be available on 24 April 2023](#)

According to a press release issued by the Costa Rican Ministry of Finance, the Informative Return for Inactive Entities will be made available to inactive entities on 24 April 2023, through the tax authority's digital platform. The deadline for filing the informative return will be extended, for this year only, to 31 May 2023. Failure to file the return on time may lead to a penalty equivalent to three base salaries (approx. CRC 1,386,600).

[Costa Rican Executive Branch publishes regulations for law aimed at attracting film investment to Costa Rica](#)

The Costa Rican Executive Branch published an Executive Decree, providing regulations for Law No. 10.071 on attracting film investments to Costa Rica. The regulations detail the requirements that nondomiciled producers or coproducers must meet to apply for the benefits established under Law No. 10.071 for specific film or audiovisual investment projects approved by the Costa Rican Foreign Trade Promoter.

[El Salvador's Bill for the Promotion of Innovation and Technological Manufacturing encourages investment in tech companies, includes tax benefits](#)

On 30 March 2023, the Legislative Assembly of El Salvador received the Bill for the Promotion of Innovation and Technological Manufacturing (Bill), which is now being analyzed by the Economic Commission of the Salvadoran Legislative Assembly. If enacted, the bill would provide tax benefits for individuals and legal entities that invest in certain innovation projects or technological manufacturing in El Salvador.

[Nicaragua National Assembly approves creation of Foreign Trade Platform](#)

The Nicaragua National Assembly enacted Law No. 1147, creating the Foreign Trade Platform (VUCEN). The VUCEN is a tool aimed at facilitating the management of foreign trade proceedings. Through a technological platform, the tool manages applications for pre-customs import permits, export documents, port proceedings and other documents required for export or import.



[Uruguay's Executive Branch raises income limit to apply for simplified regime for personal income tax](#)

In Decree No. 118/023, Uruguay's Executive Power has increased the income limit for taxpayers who want to apply for the simplified regime for personal income tax for the 2023 tax period.

[European Parliament approves EU Emission Trading System reform and new EU Carbon Border Adjustment Mechanism](#)

On 18 April 2023, the European Parliament approved key legislative elements of the "[Fit for 55](#)" legislative package: European Union Emission Trading System (EU ETS) reform and the new EU Carbon Border Adjustment Mechanism (CBAM). The EU ETS will be extended in the aviation and maritime sectors, and a new carbon market (EU ETS II) will be implemented to cover buildings and road transport by 2027 (or 2028 depending on market conditions). EU ETS II will cover fuels for transportation and heating. Free allowances under the EU ETS will be phased out starting in 2026. The CBAM is a climate measure that aims to address the risk of carbon leakage by ensuring equivalent carbon pricing for imports and domestic (EU) production that is subject to carbon costs under the EU ETS.

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

EY's Latest on BEPS and Beyond (April 2023 edition) highlights (1) Canada's commitment to implement Pillar Two; (2) Chile's public consultation on the Mutual Agreement Procedure guidance; and (3) Uruguay's publication of a resolution clarifying the substance requirements under new source criteria for corporate income tax purposes.

This week's tax treaty news in the Americas

- ▶ Brazil and Singapore: an amending protocol to the income tax treaty signed
- ▶ Quebec and Austria: social security agreement and administrative arrangement signed

Upcoming webcasts

[US corporate income tax compliance \(26 April\)](#)

The US corporate tax landscape continues to evolve as preparations are made for the tax year 2022 filing season. Join EY professionals for an in-depth discussion of how companies can continue to navigate the complexity and challenges of the ever-changing tax compliance landscape, while preparing for tax year 2022 and beyond.

[Servitization: How to unlock the future of XaaS business models \(27 April\)](#)

Please join an engaging, live, interdisciplinary discussion on service-led business models. Servitization represents a paradigm shift in the commercial and economic landscape – from the traditional buy or sell business model to a long-term lease, service, or subscription-based model. The potential impact of these new models crosses sectors and geography.

[BorderCrossings ... with EY transfer pricing and tax professionals \(27 April\)](#)

Join John Wall, Acting Director of the IRS's Advance Pricing and Mutual Agreement (APMA) program, for this month's BorderCrossings webcast. We will talk about the results APMA reported in its 2022 APA Annual Statutory Report and discuss the challenges facing APMA and what the future holds.



[EY Tax.Tech™ Ecosystem series: OECD Pillar Two global minimum tax requirements \(4 May\)](#)

In this webcast, panelists from EY, Orbitax and Thomson Reuters discuss the data requirements, processing steps and timeline necessary to meet upcoming BEPS 2.0 Pillar Two requirements.

[Private equity and private capital quarterly tax webcast \(8 June\)](#)

Please join our panel of professionals for our webcast – a timely discussion of recent global private equity (PE) industry trends and the outlook for changes relevant to PE and alternative funds, transactions, fund professionals, and portfolio companies.

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

Recently archived webcasts

[What you need to know about the new US Superfund Tax Proposed Regulations](#)

In this webcast, a panel of EY professionals focused on the recently released proposed regulations pertaining to the environmental taxes imposed by IRC Sections 4661 and 4671. Known commonly as the "Superfund Tax," this excise tax is levied on certain chemicals that are either manufactured in the US or imported, and is imposed on imported chemical substances containing those chemicals; the tax was effective 1 July 2022.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 21 April 2023](#)

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

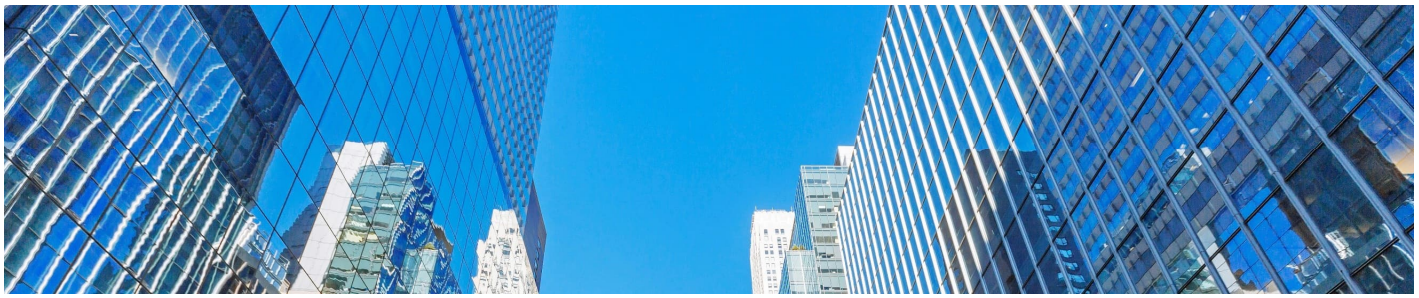
- ▶ US Congressional Republicans introduce debt limit, spending bill
- ▶ SEC Chairman defends agency's authority over cryptocurrency products

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

This week's EY Global Tax Alerts

Americas Global Tax Alerts

- ▶ [Report on recent US international tax developments – 21 April 2023](#)
- ▶ [The Latest on BEPS and Beyond | April 2023 edition](#)
- ▶ [Canadian federal budget | Changes to the definition of 'financial service' under the Excise Tax Act](#)
- ▶ [Costa Rican Executive Branch publishes regulations to law aimed at attracting film investment to Costa Rica](#)
- ▶ [Costa Rica | Inactive Entities Informative Return, Form D-195, will be available on 24 April 2023](#)
- ▶ [El Salvador's Bill for the Promotion of Innovation and Technological Manufacturing encourages investment in tech companies, includes tax benefits](#)
- ▶ [European Parliament approves EU Emission Trading System reform and new EU Carbon Border Adjustment Mechanism](#)
- ▶ [Nicaragua National Assembly approves creation of Foreign Trade Platform](#)



Other Global Tax Alerts

- ▶ German Finance Ministry releases discussion draft on pending introduction of e-invoice
- ▶ Russian authorities require exiting foreign companies to pay 'contributions' at 5% or 10% of market value - implications for US multinationals
- ▶ Rwanda gazettes new Tax Procedures Law

Human Capital Alerts

- ▶ Canadian Government workers possible strike may cause immigration delays
- ▶ Germany approves amendments to the Skilled Worker immigration regulations
- ▶ Greece announces new requirements for Golden Visas
- ▶ Poland implements amendments to the Act on Foreigners
- ▶ Digital nomads not taxable on their earnings for days working in Romania
- ▶ Uruguay's Executive Branch raises income limit to apply for simplified regime for Personal Income Tax

Indirect Tax Alerts

- ▶ Kenya issues VAT (Electronic, Internet, and Digital Marketplace Supply) Regulations, 2023

EY Industry and Tax Services publications

Industry

Media & entertainment

- ▶ [How strong data management becomes a real game-changer](#)

Services

Tax

- ▶ [What ViDA means for the rise of global e-invoicing](#)

People and workforce

- ▶ [Updated: How COVID-19 is disrupting immigration policies and worker mobility: a tracker](#)

Comments

EY's *Americas Tax Roundup* is produced and distributed by Ernst & Young LLP's Tax Technical Knowledge Services Group.

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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