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15 May 2023

Americas Tax Roundup

Latest news – Americas

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[United States | Proposed regulations would turn off IRC Section 367\(d\) following certain repatriations of IP](#)

In proposed regulations (REG-124064-19) released 2 May 2023, the United States (US) Department of Treasury and the Internal Revenue Service (IRS) would apply new rules to "repatriations" of intangible property (IP) subject to IRC Section 367(d). In certain circumstances, the proposed regulations would permit the annual inclusions that IRC Section 367(d) and its regulations require to cease. The proposed regulations would be effective only for IP repatriations occurring on or after the date on which the final regulations are published.

[US IRS addresses taxation of digital currency](#)

In two pieces of additional guidance on the taxation of digital assets, the US IRS has reaffirmed ([Notice 2023-34](#)) its consistent position since 2014 that digital currency is not currency for US tax purposes, and advised that a change in the underlying protocol of a blockchain did not result in a taxable event for a holder of digital assets hosted on that blockchain (Chief Counsel Advice memorandum [202316008](#)).

[US employers must ensure compliance with Form I-9 physical inspection requirements by 30 August 2023](#)

Effective 31 July 2023, COVID-19 related flexibilities for employers completing Employment Eligibility Verification (Form I-9) procedures that have been in effect since March 2020 will sunset. A 4 May 2023 announcement from the US Department of Homeland Security (DHS) and US Immigration and Customs Enforcement (ICE) clarified that all employers who have been relying on these flexibilities in completing Form I-9 will have until 30 August 2023 to physically inspect and review employees' identity and employment authorization documents and update their I-9s accordingly.

[Costa Rica Independent Worker Law published in the Official Gazette](#)

The new Independent Worker Law (Law) in Costa Rica applies to independent workers (i.e., autonomous workers, self-employed persons or freelancers). The term "independent workers" also includes those who work alone or in collaboration with other independent workers and may, or may not, provide a service to third parties.

[Costa Rica establishes new inspection procedures for goods at Nicaragua border](#)

Due to the construction of Costa Rica's new Peñas Blancas Border Post, the General Directorate of Customs has established, within the framework of the Border Integration Program implemented by the Ministry of Foreign Trade, specific procedures for the inspection of goods crossing the border.

[Global Tax Policy and Controversy Watch | May 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) a Chilean appeals court opinion on the taxability of a Spanish resident's indirect transfer of a Chilean company; and (2) Chile's amendments to the mining royalty bill.



This week's tax treaty news in the Americas

- ▶ Brazil and United Arab Emirates: investment protection agreement approved by Brazilian Senate

Upcoming webcasts

[The current environment for US R&D credit claims: A review of the latest guidance \(17 May\)](#)

Recent court decisions underscore the growing importance of detailed, comprehensive documentation in sustaining an R&D credit claim. This webcast is relevant to taxpayers with original and amended US return R&D credit claims, taxpayers under examination and taxpayers contemplating R&D credit claims in the future. Understanding the current judicial, examination and Appeals environment will help taxpayers anticipate what will be required to sustain an R&D credit.

[Tax in a time of transition: US legislative, economic, regulatory and IRS developments \(19 May\)](#)

Please join a fast-paced overview of recent US tax and economic developments designed to help you stay on top of changes in today's shifting economic, legislative and regulatory environment. In this regularly occurring webcast series, panelists will provide updates on: (i) the US economy and tax policy; (ii) what's happening at the IRS; and (iii) breaking developments.

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

Please join our panel of professionals for 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.

[Inbound tax controversy update in Japan \(15 June\)](#)

We know tax audits are always high on your agenda, as is the case for all multinational enterprises (MNEs) investing in Japan. Post-COVID we are seeing an intensification of tax examinations, and a more targeted approach, as announced by tax authorities. Given its importance, EY is hosting a webcast to provide an update on the latest controversy trends and likely areas of future focus of the tax authorities. An EY team of experienced professionals who focus on MNEs investing in Japan will provide updates in the areas of corporate tax, consumption tax, transfer pricing, and customs examinations.

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

Recently archived webcasts

[International tax talk quarterly series with the EY Global Tax Desk Network](#)

In this webcast, panelists discussed recent significant tax developments in Australia, Brazil, India, Netherlands and Russia and explained how they might affect your businesses.



Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 12 May 2023](#)

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

- ▶ President Biden, congressional leaders in debt ceiling talks, but no breakthroughs yet
- ▶ US Senate Finance Committee holds hearing on cross-border pharma manufacturers and US international tax policy
- ▶ US government officials discuss CAMT guidance, another notice coming
- ▶ New US-Israel tax treaty in the works
- ▶ US, Swiss tax protocol negotiations progressing

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 - 12 May 2023](#)
- ▶ [Global Tax Policy and Controversy Watch | May 2023 edition](#)
- ▶ [PE Watch | Latest developments and trends, May 2023](#)
- ▶ [United States | Proposed regulations would turn off IRC Section 367\(d\) following certain repatriations of IP](#)

Other Global Tax Alerts

- ▶ [Australia to adopt the 15% Global Minimum Tax \(Pillar Two\) measures](#)
- ▶ [Danish Supreme Court issues rulings on beneficial ownership of interest and abuse of EU law](#)
- ▶ [Hong Kong launches consultation to revise foreign-sourced disposal gain rule](#)
- ▶ [Saudi Arabia issues amendments to the Zakat Implementing Regulations](#)
- ▶ [South Africa | New reporting requirements for trusts](#)

Human Capital Alerts

- ▶ [Costa Rica Independent Worker Law published in the Official Gazette](#)
- ▶ [Danish Government proposes to allow eligible third-country nationals to conduct short-term work in Denmark without work permits](#)
- ▶ [Greece's new immigration law to go into effect on 1 January 2024](#)
- ▶ [Sweden announces minimum salary threshold increase for work permit applicants](#)
- ▶ [Deadline extended for UK nationals to apply for right to reside in Denmark](#)
- ▶ [U.S employers must ensure compliance with Form I-9 physical inspection requirements by 30 August 2023](#)
- ▶ [UK updates sponsor and compliance duties regarding remote and hybrid working reporting requirements](#)



Indirect Tax Alerts

- ▶ Egypt introduces VAT guidelines for nonresident providers of remote digital and electronic services
- ▶ Poland's implementation of the Single-Use-Plastics Directive getting closer

EY Industry and Tax Services publications

Industry

Technology

- ▶ Why data migration is about risk mitigation not technology

Services

People and Workforce

- ▶ How inclusive design uplifts equity: foundational to transformational
- ▶ How Yara centralized their HR operations
- ▶ How can old friends spark new opportunities?

Strategy and Transactions

- ▶ Geostrategic Analysis: May 2023 edition

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:

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