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19 June 2023

# Americas Tax Roundup

## Latest news – Americas

Tax information at your fingertips  
Access tax technical data on 150+ jurisdictions from anywhere in the world.

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### [Brazil transfer pricing law enforceable beginning 1 January 2024](#)

Brazil published Law No. 14,596 in the *Official Gazette* on 15 June 2023. The new law establishes a transfer pricing (TP) framework in Brazil that is aligned with the guidelines provided by the Organisation for Economic Co-operation and Development. The new TP model established by the law aims to integrate Brazil into the global value chains and mitigate both double taxation and double nontaxation scenarios.

### [US IRS waives addition to tax for a corporation's failure to make estimated tax payments of its CAMT](#)

The US Internal Revenue Service (IRS) issued Notice 2023-42, waiving the addition to tax under IRC Section 6655 for a corporation's failure to make estimated tax payments of its corporate alternative minimum tax (CAMT) under IRC Section 55, for a tax year beginning after 31 December 2022, and before 1 January 2024. The IRS states that it is waiving the addition to tax under Section 6655 only for the CAMT liability under Section 55, and is doing so due to challenges in determining whether a corporation is subject to CAMT and the amount of a corporation's CAMT liability.

### [Canada's Department of Finance releases consultation paper on transfer pricing rules](#)

On 6 June 2023, the Department of Finance released a consultation paper titled "Consultation on Reforming and Modernizing Canada's Transfer Pricing Rules." The consultation paper, which follows through on the commitment made in the 2021 federal budget to review these rules, has the aim of reforming and updating the transfer pricing provisions. Comments are due by 28 July 2023.

### [Supreme Court of Canada applies GAAR in \*Deans Knight\*](#)

The Supreme Court of Canada dismissed the taxpayer's appeal in *Deans Knight Income Corporation v. The King et al.*, 2023 SCC 16, leaving in place a Federal Court of Appeal decision holding that the taxpayer had structured a series of transactions to avoid tax, thereby abusing provisions of the *Income Tax Act*.

### [Argentine Government issues regulations for the promotional regime of investments in the automotive and auto parts industry](#)

The Argentine Government published a decree that contains regulations for a promotional regime to encourage investments in the automotive and auto parts industry and its value chain. To be eligible for the promotional regime, new projects must comply with the minimum investment amount. to be established, for each specific asset or activity.



### [Peruvian tax authority clarifies methodology for determining FMV of listed/unlisted shares in indirect disposal scenario](#)

The Peruvian tax authority issued Ruling 64-2023, addressing how to determine the fair market value (FMV) of shares in an indirect transfer scenario if the shares of the nonresident entity are listed on a stock exchange and the shares of the Peruvian company are not listed (or vice versa). According to the ruling, in cases of indirect transfers of shares, the FMV methodology to be used will depend on the particular characteristics of the entity under analysis.

### [Peruvian Supreme Court issues a mandatory ruling regarding certificates of residence for double tax treaty purposes](#)

The Peruvian Supreme Court of Justice issued Court Ruling 8380-2021-LIMA, which is mandatory case law, establishing that noncompliance with domestic requirements for certificates of residence should not prevent the application of the benefits of double tax treaties subscribed by Peru.

### [Mexico offers tax incentives to taxpayers who perform productive economic activities in the States of Oaxaca and Veracruz](#)

On 5 June 2023, Mexico published a decree granting tax benefits to taxpayers who are domiciled, and carry out productive economic activities, within specific locations in the Isthmus of Tehuantepec designated by the Government as a "Welfare Development Corridor." The Decree entered into force on 6 June 2023.

### [Panama's tax authority establishes procedure for closing commercial establishments that fail to comply with the obligation to issue or keep invoices or receipts](#)

The Panama tax authority issued Resolution No. 201-4983, implementing a procedure for applying penalties for failure to comply with obligations to issue, demand or keep invoices or receipts, based on the paragraph 3 of Article 11 of Law No. 76 of 1976. In applicable cases, the tax authority will issue a resolution to impose an economic penalty on the taxpayer based on the law and will order the temporary closure of the commercial establishment in which the taxpayer incurred the infractions.

### [EY TradeFlash | June 2023 edition now available](#)

This issue provides links to EY articles covering key trade topics such as the treatment of royalties, sustainable trade, the impact of supply chain disruption on trade compliance, trade technology and UK free trade agreements. This newsletter is a companion to EY's *TradeWatch*, our interactive trade magazine that provides insights on customs and trade matters worldwide.

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

This edition of EY's Global Tax Policy and Controversy Watch highlights (1) Chile's new mining royalty law; (2) Costa Rica's comprehensive tax reform bills; and (3) transfer pricing developments from the United States.

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

- ▶ Colombia and Australia: negotiations for a tax treaty began
- ▶ Suriname and United Arab Emirates: air transport services agreement signed
- ▶ Uruguay and Romania: social security agreement and its administrative arrangement entered into force



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## Upcoming webcasts

### [Plastic packaging taxes and regulations in Europe – planning for what’s next \(27 June\)](#)

Extended Producer Responsibility (EPR) schemes are evolving across Europe. Some of the developments include the UK’s amended EPR legislation requiring producers to provide packaging data as of March 2023 and a new EPR system that will be in force in Hungary from 1 July 2023. A special 60-minute webcast will provide an overall review in Europe and how to address potential impacts, synergies and new compliance requirements.

### [Tax Policy matters: The accelerated tax agenda of the European Union \(28 June\)](#)

Looking ahead, under the upcoming Spanish EU Presidency, the EU may continue its discussions on how to tackle its budget deficit, how to remain competitive on the global stage, and its international positioning in the BEPS 2.0 project. Join us for a special 90-minute webcast where a multi-jurisdictional panel of EY professionals will discuss these latest developments and what multinational enterprises should be planning for, all against the backdrop of European elections next year.

### [Finance and treasury: How to navigate the changing global tax landscape \(28 June\)](#)

During this 60-minute webcast, EY professionals will discuss topics that will affect global finance and treasury activities including (i) tax issues and considerations to help navigate the current market-driven dynamics and high interest rate environment; (ii) transfer pricing trends related to financial transactions; and (iii) intercompany financing in light of BEPS Pillar Two.

### [BorderCrossings ... with EY transfer pricing and tax professionals \(29 June\)](#)

During this webcast, part of an ongoing monthly series, EY transfer pricing and tax professionals will help you stay informed and able to adopt a more proactive stance in developing and defending your transfer pricing policies and practices.

### [Global economic outlook: Finding opportunity in a multispeed global economy \(19 July\)](#)

During this 60-minute webcast, EY professionals will discuss (i) the global economic outlook for 2024 and beyond, with a focus on China, Europe and the US; (ii) banking sector developments; (iii) a multipolar world and dollar dominance; (iv) inflation and monetary policy; and (v) recession risks.

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

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## Recently archived webcasts

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

This webcast provided 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.



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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 16 June 2023](#)

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

- ▶ US House Ways and Means Committee approves three separate tax packages
- ▶ Proposed US-Chile income tax treaty may have final US Senate vote as early as 21 June
- ▶ OMB's OIRA will no longer review Treasury tax regulations
- ▶ OECD officials comment on BEPS Pillars One and Two

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 - 16 June 2023](#)
- ▶ [Global Tax Policy and Controversy Watch | June 2023 edition](#)
- ▶ [Argentine Government issues regulations for the promotional regime of investments in the automotive and auto parts industry](#)
- ▶ [Brazil transfer pricing law enforceable beginning 1 January 2024](#)
- ▶ [Canada's Department of Finance releases consultation paper on transfer pricing rules](#)
- ▶ [Supreme Court of Canada applies GAAR in Deans Knight](#)
- ▶ [Mexico offers tax incentives to taxpayers who perform productive economic activities in the States of Oaxaca and Veracruz](#)
- ▶ [Panama Tax Authority establishes procedure for closing commercial establishments that fail to comply with obligation to issue and/or keep invoices or receipts](#)
- ▶ [Peruvian Supreme Court enacts a mandatory ruling regarding Certificates of Residence for Double Tax Treaty purposes](#)
- ▶ [Peruvian Tax Authority clarifies methodology for determining FMV of listed/unlisted shares in indirect disposal scenario](#)
- ▶ [US IRS waives addition to tax for a corporation's failure to make estimated tax payments of its CAMT](#)

### Other Global Tax Alerts

- ▶ [Nigeria | Highlights of Finance Act 2023](#)
- ▶ [Thailand BOI announces new measure for companies impacted by global minimum tax under the BEPS 2.0 Pillar Two project](#)



## Human Capital Alerts

- ▶ [Azerbaijan amends Immigration Code](#)
- ▶ [Lithuania announces new rules governing the issuance of National Visas](#)
- ▶ [Poland extends authorized period of stay for Ukrainian nationals](#)
- ▶ [Slovenia announces new regulations regarding Single Permits and residence permits](#)
- ▶ [USCIS expands premium processing to change of status requests for applicants seeking F, M, or J status](#)

## Indirect Tax Alerts

- ▶ [Denmark | Corrections to past VAT returns will incur interest from 1 July 2023](#)
- ▶ [Denmark proposes cultural levy on providers of on-demand streaming services](#)
- ▶ [Ethiopia issues Excise Tax \(Amendment\) Proclamation, 2023](#)

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## EY Industry and Tax Services publications

### Industry

#### Automotive

- ▶ [Why decarbonization alone won't make automotive companies sustainable](#)
- ▶ [Webcast replay: Why the eMobility ecosystem must unite to drive EV adoption](#)

#### Banking & Capital Markets

- ▶ [How banks are staking a claim in the embedded finance ecosystem](#)

#### Consumer Products & Retail

- ▶ [Podcast: How retailers are positively embracing multiple challenges](#)

#### Consumer Products & Retail / Health and Life Sciences

- ▶ [Why it's time for a digital, direct-to-consumer health care revolution](#)

#### Health and Life Sciences

- ▶ [Video: How early diagnosis can transform health care](#)

#### Energy

- ▶ [Will local ambition fast-track or frustrate the global energy transition?](#)

#### Private Equity

- ▶ [Three tech pillars driving value creation for PE portfolio companies](#)

#### Technology, Media & Entertainment, and Telecommunications

- ▶ [Four ways to turbocharge your platform strategy](#)

#### Services

#### Tax

- ▶ [How financial institutions can stay CRS compliant](#)



## 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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