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30 June 2023

Americas Tax Roundup

Latest news – Americas

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[Canada enacts 2023 Budget implementation bill no. 1](#)

On 22 June 2023, Canada's Bill C-47, *Budget Implementation Act, 2023, No. 1*, received Royal Assent and was enacted. Bill C-47 implements certain tax measures announced in Canada's 2023 federal budget and the 2022 federal fall economic update, as well as various other measures (such as certain measures outstanding from the 2021 and 2022 federal budgets) that were previously included in draft legislation released on 4 February, 9 August and 3 November 2022.

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

Canada's Department of Finance released "[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. The consultation paper includes draft revisions to section 247 of the *Income Tax Act* (the Act), as well as potential administrative measures.

[Canada announces new Tech Talent Strategy](#)

On 27 June 2023, the Honourable Sean Fraser, Minister of Immigration, Refugees and Citizenship Canada announced Canada's new Tech Talent Strategy, which introduces new measures and improvements to existing programs aimed at attracting and retaining tech talent in Canada. Canada's new Tech Talent Strategy contains six initiatives, all aimed at enhancing immigration pathways for highly specialized tech talent.

[Uruguay temporarily reduces VAT and IMESI rate for mineral and sparkling waters](#)

Due to the water emergency declared by the Uruguayan Government on 19 June 2023, Uruguay enacted Law No. 20,159, establishing a value-added tax (VAT) exemption on the sale of mineral and sparkling waters. It also issued a decree, reducing from 8% to 0% the IMESI rate (i.e., an excise tax that applies to a manufacturer's or importer's initial transaction for certain goods in Uruguay) applicable for mineral and sparkling waters.

[Washington Dispatch for June 2023](#)

The latest edition of EY's Washington Dispatch is available. Prepared by Ernst & Young's International Tax and Transaction Services group, this monthly newsletter summarizes recent developments in US international taxation.

This week's tax treaty news in the Americas

- ▶ Bolivia and Japan: agreement on mutual administrative assistance and cooperation in customs matters entered into force
- ▶ Brazil and Uruguay: text of tax treaty approved by Brazilian Congress
- ▶ Mexico and Germany: protocol to tax treaty ratified by Mexico
- ▶ United States and Moldova: air transport agreement signed



Upcoming webcasts

[How BEPS 2.0 could impact the wealth & asset management industry \(13 July\)](#)

Although it is generally expected that the OECD's BEPS 2.0 initiative will have a limited direct impact on the investment fund industry, the Pillar Two model rules' reliance on the accounting consolidation rules to determine whether a group exists will pose additional challenges when determining the scope of these rules. This webcast will examine how the Pillar Two rules may apply to the wealth & asset management industry and will highlight practical considerations.

[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](#).

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 30 June 2023](#)

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

- ▶ US Supreme Court accepts case on constitutionality of Section 965 transition tax
- ▶ US House to address Ways and Means tax package after July 4 recess
- ▶ IRS announces stock buyback excise tax transition relief
- ▶ OECD will soon release rules for simplifying Amount B in Pillar One

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

[Monthly ITTS Washington Dispatch \(June 2023\)](#)

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 – 30 June 2023](#)
- ▶ [Canada's Department of Finance releases transfer pricing rules consultation paper](#)
- ▶ [Canada enacts 2023 Budget implementation bill no. 1](#)
- ▶ [US Senate approval of US- Chile tax treaty brings treaty closer to entering into force](#)



Other Global Tax Alerts

- ▶ Australian Treasury releases updated Exposure Bill and Explanatory Materials for Intangibles Integrity Measure
- ▶ Belgium-Netherlands tax treaty recently signed; ratification to follow
- ▶ Ireland brings public country-by-country reporting requirements into effect
- ▶ Israeli court favors Tax Authority's position on deemed sale of IP
- ▶ Japan promulgates 2023 tax reform enforcement order to implement IIR to align with OECD BEPS 2.0 Pillar Two
- ▶ Kenya rolls out new tax return template to capture data on intercompany transactions for MNEs
- ▶ Kenya High Court clarifies 'use of an asset' definition for purposes of claiming of investment allowance
- ▶ Rwanda presents the national budget for financial year 2023/24

Human Capital Alerts

- ▶ Canada announces new Tech Talent Strategy
- ▶ European Union's framework agreement on social security for cross border telework comes into force as of 1 July

Indirect Tax Alerts

- ▶ Bulgaria proposes to continue measures addressing high energy prices affecting electricity providers
- ▶ Uruguay temporarily reduces VAT and IMESI rate for mineral and sparkling waters

EY Industry and Tax Services publications

Industry

Health and Life Sciences

- ▶ [How do you prepare now for the moment your IPO is ready to take flight?](#)

Services

Tax

- ▶ [Five things to watch as EU Member States roll out Pillar Two rules](#)

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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