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17 July 2023

Americas Tax Roundup

Latest news – Americas

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[OECD releases outcome statement on progress on Pillars One and Two of BEPS 2.0 project](#)

On 12 July 2023, at the conclusion of the 15th meeting of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the OECD released a [statement](#) reflecting the agreement reached by 138 of the 143 Inclusive Framework member jurisdictions on the remaining elements of their project on addressing the tax challenges of the digitalization of the economy (the BEPS 2.0 project).

The OECD today (17 July) also released additional Administrative Guidance implementing the BEPS Pillar Two global minimum tax regime and the revised GloBE Information Return. The documents in the release are available [here](#). EY Global Alerts will be issued shortly.

[Draft decree provides guidance for nonresidents subject to Colombia's version of the digital services tax](#)

In a draft decree issued 29 June 2023, Colombia's government defined various terms used in the significant economic presence (SEP) rule under which tax is imposed on the digital services income of nonresidents with SEP in Colombia. The decree also specifies when clients or users will be considered located in Colombia and how to elect to file a tax return and pay the 3% tax on income from digital services, rather than 10% withholding tax.

[Peruvian tax authority rules merger between nonresident entities triggers indirect transfer of Peruvian shares](#)

The Peruvian tax authority determined that a merger between nonresident entities in which the absorbed entity is an indirect shareholder of a Peruvian entity triggers an indirect transfer of Peruvian shares.

[Peru replaces LIBOR with SOFR for WHT purposes on interest paid to nonresidents](#)

On 29 June 2023, the Peruvian government issued Supreme Decree 137-2023, establishing the use of the Secured Overnight Financing Rate (SOFR) in place of the London Interbank Offered Rate (LIBOR) for calculating the threshold to apply the reduced 4.99% withholding tax (WHT) rate on interest paid to nonresidents.

[Costa Rica's tax authority announces 31 July deadline for receipt of CRS and FATCA financial account reports](#)

Costa Rica's tax authority has announced on the Ministry of Finance website that 31 July 2023 is the deadline for financial entities subject to reporting to report financial accounts under the OECD's Common Reporting Standard (CRS) and the United States Foreign Account Tax Compliance Act (FATCA) for the fiscal period 2022.

[Costa Rica's tax authority announces 13% VAT on tourism services from 1 July 2023](#)

Costa Rica's tax authority has published a notice on the Ministry of Finance website reminding taxpayers that provide tourism services and are duly registered with the Costa Rican Tourism Institute that, as of 1 July 2023, they must charge the 13% value-added tax (VAT).



[Costa Rica publishes resolution on conditions for using tax authority platform](#)

Costa Rica's tax authority published a resolution on how taxpayers should submit requests through the tax authority's platform. Additionally, the resolution establishes the deadlines for the tax authority to review the requests.

[Panama's tax authority provides process for deregistering certain 'fiscal equipment'](#)

Panama's tax authority has established a process for users of fiscal equipment that have migrated to the Panamanian Electronic Invoicing System to report the deregistration of this equipment. The new procedures became effective on 29 June 2023.

[Panama adopts new forms for income tax returns](#)

Panama's tax authority has adopted new forms for the filing of income tax returns by individuals, as well as for legal entities, insurance companies, agricultural and livestock companies, banks and financial entities, hotels, the legal industry (in general), real estate entities, mining entities, and the Panama multinational headquarters (MHQ) sector (Panama Pacifico and Free Trade Zone).

[Panama publishes 2023 list of reportable jurisdictions for CRS purposes](#)

On 29 June 2023, Panama published Executive Decree No. 9, which updates the list of reportable jurisdictions for CRS purposes that engage in the exchange of information during 2023 for tax year 2022 data.

[Uruguay makes temporary corporate income tax benefit for promoters and construction companies permanent](#)

In Decree No.195/023 (issued 27 June 2023), Uruguay makes permanent a corporate income tax benefit for promoters and construction companies that was set to expire after 28 February 2024. Previously, promoters and construction companies could deduct, for corporate income tax purposes, 100% of the cost of real estate acquired from 1 July 2007 through 28 February 2024.

[EY Global Tax Controversy Flash Newsletter \(Issue 60\) | Business transfers – VAT-free or VAT due?](#)

The tax treatment of corporate reorganizations such as mergers, demergers and carve outs, is highly complex. Both the seller and the buyer need to fully understand how the sale will be treated for both direct taxes and VAT, which is levied in most jurisdictions, worldwide. One area of uncertainty involves the sale of business assets. If the transaction involves the transfer of a business as a going concern (TOGC), special VAT treatment may apply. According to the *EY Worldwide VAT, GST and Sales Tax Guide 2023*, in 103 out of 143 jurisdictions, a TOGC sale is VAT-free if certain conditions are met, whereas 40 jurisdictions do not apply this provision. However, rules may differ based on the buyer's status or intentions for how the assets will be used. Each transaction must be examined on its own merits.

[EY Canada's Tax Matters @ EY for July 2023](#)

The latest edition of TaxMatters@EY is available. Highlights of this month's edition include (i) the difference in the tax treatment of carrying on a business in a tax-free savings account vs. in a registered retirement savings plan/registered retirement income fund; (ii) how recent changes to registered education savings plans and registered disability savings plans may affect you and your family; and (iii) updates to EY's popular online tax calculators and rates.

This week's tax treaty news in the Americas

- ▶ Brazil and Benin: air services agreement entered into force
- ▶ Brazil and Uruguay: income and capital tax treaty will enter into force on 21 July 2023



Upcoming webcasts

[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.

[Tax in a time of transition: Legislative, economic, regulatory and IRS developments \(28 July\)](#)

Please join us for a fast-paced overview of recent 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.

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, 14 July 2023](#)

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

- ▶ OECD releases outcome statement on BEPS 2.0 Pillars One and Two progress
- ▶ US Congress considering action on a US-Taiwan tax agreement
- ▶ US senators reissue crypto-assets legislative proposal, request more information
- ▶ US Congressional Joint Committee on Taxation issues digital asset report

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 - 14 July 2023](#)
- ▶ OECD releases outcome statement on progress on Pillars One and Two of BEPS 2.0 project
- ▶ OECD releases 2023 report on tax transparency in Latin America
- ▶ OECD releases 2023 report on tax transparency in Africa
- ▶ PE Watch | Latest developments and trends, July 2023
- ▶ Draft decree provides guidance for nonresidents subject to Colombia's version of digital services tax (Significant Economic Presence)
- ▶ Costa Rica publishes resolution on conditions for using Tax Authority Platform
- ▶ Costa Rica Tax Authority announces 31 July deadline for receipt of CRS and FATCA financial account reports
- ▶ Panama Tax Authority provides process for deregistering certain 'fiscal equipment'
- ▶ Panama adopts new classification system for income tax returns



- ▶ Panama publishes 2023 list of reportable jurisdictions for Common Reporting Standard purposes
- ▶ Peru replaces LIBOR with SOFR for WHT purposes on interest paid to nonresidents
- ▶ Peruvian Tax Authority rules merger between nonresident entities triggers indirect transfer of Peruvian shares
- ▶ Uruguay makes temporary corporate income tax benefit for promoters and construction companies permanent
- ▶ Uruguay's Executive Power submits accountability bill with tax provisions to Parliament

Other Global Tax Alerts

- ▶ Cyprus tax authorities issue transfer pricing simplification measures
- ▶ European Commission adopts rules for implementing the Foreign Subsidies Regulation
- ▶ German Federal Ministry of Finance publishes draft BEPS 2.0 Pillar Two implementation bill and accompanying measures
- ▶ Gibraltar issues Budget 2023/24
- ▶ Ireland launches consultation on new taxation measures to apply to certain outbound payments – comment period closes on 8 August
- ▶ Luxembourg Tax Authority issues updated version of MDR guidance
- ▶ Romania issues further guidance clarifying implementation of EU Public CbCR Directive through Romanian Ministry of Finances Order 1730/2023
- ▶ Spain: Planning now to comply with pending mandatory e-invoicing for B2B transactions
- ▶ Spain | Obligation to submit the plastic packaging tax ledgers by the end of July 2023; Spanish Tax Authority clarifies interpretative issues
- ▶ Tanzanian Finance Act, 2023 analysis
- ▶ Turkiye limits 0% withholding tax rate on share-buy-back transactions for corporations with shares traded in Borsa Istanbul
- ▶ Turkiye proposes amendments in Turkish tax laws, including an increase in corporate income tax rates
- ▶ UK passes Finance (No.2) Act 2023 introducing OECD Pillar Two measures

Human Capital Alerts

- ▶ Czech Republic's Long-Term Visas now available to digital nomads
- ▶ Germany's amendments to Skilled Worker immigration regulations to go into effect starting November 2023
- ▶ Hong Kong extends exemption allowing applicants to file renewal applications from outside Hong Kong
- ▶ Italy expedites work authorization process for eligible third-country nationals
- ▶ Japan announces Specified Skilled Worker (ii) route to expand to foreign workers in nine new industries
- ▶ Malaysia updates Labor Market Testing requirements for Employment Pass applicants
- ▶ UAE MoHRE announces new requirement for certain companies to hire UAE nationals
- ▶ USCIS policy guidance on rescheduling biometrics services appointments provided
- ▶



Indirect Tax Alerts

- ▶ [Costa Rica Tax Authority announces 13% VAT on tourism services from 1 July 2023](#)
- ▶ [Turkiye increases VAT rates on goods and services](#)

EY Industry and Tax Services publications

Industry

Automotive

- ▶ [What auto suppliers can learn from PE to drive their EV transition](#)

Banking and Capital Markets

- ▶ [How banking on Gen Z talent will make or break the future of banking](#)

Consumer Products & Retail / Healthcare and Life Sciences

- ▶ [Four ways to foster trusted e-commerce experiences in health care](#)

Government and Public Sector

- ▶ [Podcast: How digital innovation can improve access to affordable childcare](#)
- ▶ [Podcast: How to enhance your workforce by tapping into neurodiverse talent](#)

Media & entertainment

- ▶ [Podcast: How the media industry can prepare for a decarbonized future](#)

Services

Strategy

- ▶ [Geostrategic Analysis: July 2023 edition](#)

Comments

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