

Americas Tax Roundup

Latest news – Americas

The OECD released a series of documents on 17 July 2023 focusing on elements of the OECD/G20 project addressing the tax challenges of the digitalization of the economy (the BEPS 2.0 project). The following are a series of in-depth EY Global Tax Alerts that provide details on the releases.

[OECD/G20 Inclusive Framework releases document on Pillar Two GloBE Information Return](#)

The OECD released a document on the GloBE Information Return (GIR). The document, which has been approved by the OECD/G20 Inclusive Framework on BEPS, contains an overview of the GIR and how it is intended to operate, the template for the GIR itself, and explanatory guidance on the GIR.

[OECD/G20 Inclusive Framework releases Subject to Tax Rule model treaty provision and commentary](#)

The OECD released a document under Pillar Two containing the model treaty provision of the Subject to Tax Rule (STTR), together with an accompanying commentary explaining the purpose and operation of the STTR. The STTR is a treaty-based rule that applies to intragroup payments from source jurisdictions (i.e., the jurisdiction in which the income arises) that are subject to tax rates below 9% in the payee's jurisdiction of residence. The STTR allocates to the source country a limited and conditional taxing right to ensure a minimum level of taxation.

[OECD releases public Consultation Document on Pillar One Amount B on baseline distribution](#)

A Consultation Document was released on Pillar One Amount B, which provides for fixed returns for in-scope in-country baseline marketing and distribution activities. The Consultation Document, which does not yet represent consensus of the Inclusive Framework as there are remaining open issues, requests stakeholder input by 1 September 2023. It reflects further developments since the first consultation document on this topic which was released in December 2022.

[G20 Finance Ministers welcome progress made on BEPS 2.0 project](#)

On 17 and 18 July 2023, the G20 Finance Ministers and Central Bank Governors met in Gandhinagar, India. The G20 Outcome Document and Chair's Summary reaffirms the G20 Finance Ministers' commitment to continue cooperation toward a globally fair, sustainable and modern international tax system. With respect to BEPS 2.0 Pillars One and Two, the summary welcomes the progress reflected in the 12 July 2023 outcome statement joined by 138 of the 143 jurisdictions participating in the Inclusive Framework. In advance of the meeting, the OECD Secretary-General's Tax Report was released, providing an update on activities with respect to the G20's international tax agenda, including ongoing work on the BEPS 2.0 project, tax transparency, tax policy and climate change.

[US Treasury provides welcome temporary relief from controversial foreign tax credit regulations](#)

In a notice released on 21 July 2023 (Notice 2023-55), the US Treasury Department announced temporary relief for taxpayers seeking a foreign tax credit (FTC) by deferring key components of regulations issued on 28 December 2021. The notice allows taxpayers to claim a foreign tax credit for many foreign taxes that may not have been creditable under the FTC creditability regulations.



[Argentina applies tax on purchases of foreign currency in new transactions, provides preferential foreign-exchange rate to certain exported goods](#)

On 24 July 2023, the Argentine National Executive Branch ("PEN" in Spanish) published in the *Official Gazette* Decrees 377 and 378, which establish certain tax and foreign exchange measures.

[Canada's new mandatory disclosure rules now in effect](#)

Canada on 22 June 2023 enacted new rules to enhance mandatory disclosure requirements included in Bill C-47, *Budget Implementation Act, 2023, No. 1*. The new rules, which include an expansion of the existing reportable transaction rules and new reporting requirements for notifiable transactions and reportable uncertain tax treatments, are intended to provide the Canada Revenue Agency with earlier access to relevant information for certain transactions and tax planning arrangements.

[Peruvian Tax Authority establishes guidelines on scope of applying nondiscrimination clause of the Double Tax Treaties signed by Peru](#)

In Ruling 000087–2023, published on 11 July 2023, the Peruvian Tax Authority determined that the nondiscrimination clause included in the Double Tax Treaties (DTTs) that Peru has signed with Brazil, Chile and Canada applies exclusively to nationals of a Contracting State that are residents of said State, whereas the nondiscrimination clause in the DTTs signed with Switzerland, Mexico, Korea and Portugal applies to nationals of a Contracting State, even if they are not residents of that State.

[Costa Rica Tax Authority intends to scrutinize taxpayers claiming loss or zero profit on FY22 Corporate Income Tax returns](#)

Taxpayers who have reported losses or zero profits on their Corporate Income Tax returns for Fiscal Year 2022 in Costa Rica should be prepared for interactions with the Tax Authority, including being required to submit audited financial statements and meeting with Tax Authority officials at first stages.

[Pacific Alliance Double Taxation Convention on pensions funds will apply beginning 1 January 2024](#)

On 2 July 2023, the Convention to Harmonize the Double Tax Treaties (DTT) of the Pacific Alliance (the Convention) entered into force. The Convention addresses the taxation of pension funds on their cross-border investments within the Pacific Alliance, which includes Chile, Colombia, Mexico and Peru (Convention members). The Convention will apply beginning 1 January 2024.

This week's tax treaty news in the Americas

- ▶ Brazil and Bermuda: According to Decree No. 11.612 of 19 July 2023, published by the Presidency of Brazil, the Bermuda - Brazil Exchange of Information Agreement (2012) entered into force on 23 December 2022
- ▶ Brazil and Uruguay: Details of the Brazil - Uruguay Income and Capital Tax Treaty (2019), signed on 7 June 2019, have become available



Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 28 July 2023](#)

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

- ▶ US Treasury provides welcome temporary relief from controversial foreign tax credit regulations
- ▶ IRS formalizes fast-track corporate PLR requests

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

This week's EY Global Tax Alerts

Americas Global Tax Alerts

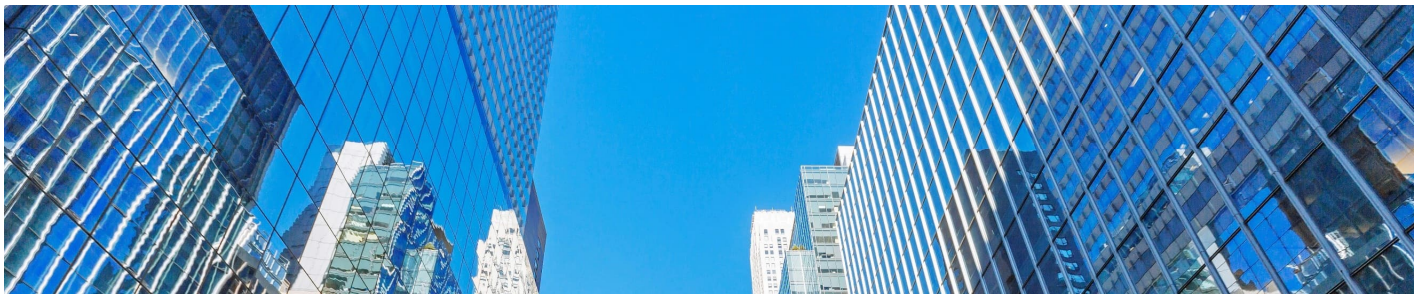
- ▶ [Report on recent US international tax developments - 28 July 2023](#)
- ▶ [OECD/G20 Inclusive Framework releases Subject to Tax Rule model treaty provision and commentary](#)
- ▶ [OECD/G20 Inclusive Framework releases document on Pillar Two GloBE Information Return](#)
- ▶ [OECD releases public Consultation Document on Pillar One Amount B on baseline distribution](#)
- ▶ [G20 Finance Ministers welcome progress made on BEPS 2.0 project](#)
- ▶ [Argentina applies tax on purchases of foreign currency in new transactions, provides preferential foreign-exchange rate to certain exported goods](#)
- ▶ [Brazil publishes Provisional Measure to regulate taxation of fixed-odds sports betting](#)
- ▶ [Canada's new mandatory disclosure rules now in effect](#)
- ▶ [Costa Rica Tax Authority intends to scrutinize taxpayers claiming loss or zero profit on FY22 Corporate Income Tax returns](#)
- ▶ [Pacific Alliance Double Taxation Convention on pensions funds will apply beginning 1 January 2024](#)
- ▶ [Peruvian Tax Authority establishes guidelines on scope of applying nondiscrimination clause of the Double Tax Treaties signed by Peru](#)
- ▶ [US Treasury provides welcome temporary relief from controversial foreign tax credit regulations](#)

Other Global Tax Alerts

- ▶ [East African Community implements tariff changes for the Financial Year 2023/24](#)
- ▶ [German Ministry of Finance proposes interest-rate limitation rule](#)
- ▶ [Ireland launches second Feedback Statement on EU Minimum Tax Directive and proposed legislative approach](#)
- ▶ [UK publishes requirements for Transfer Pricing records](#)

Human Capital Alerts

- ▶ [China Mainland resumes visa-free travel for nationals of Brunei and Singapore](#)
- ▶ [Finnish Consulate in Saint Petersburg to close by 1 October 2023](#)
- ▶ [Philippines launches online platform for several immigration applications](#)



EY Industry and Tax Services publications

Industry

Automotive

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

Consumer Products & Retail

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

People and workforce

- ▶ [What if the difference between adversity and advantage is a resilient board?](#)

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.

EY | Building a better working world

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit www.ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

Important Commercial Notice: This email may constitute an advertisement or solicitation under US law, if its primary purpose is to advertise or promote the products or services of Ernst & Young LLP or any of its client-serving affiliates. Our principal postal address is 5 Times Square, New York, NY 10036.

Use the link below to opt-out if you would prefer not to receive any advertising or promotional email from Ernst & Young LLP or any of its affiliates (except for Ernst & Young Online and the ey.com website, which track email preferences through a separate process). Your email address will be immediately removed from our central mailing list for newsletters and alerts, and all emails from Ernst & Young LLP and its affiliates designated as advertising or promotional will be automatically blocked as soon as necessary modifications to our email system are completed.

[Remove me from all EY commercial emails.](#)