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11 September 2023

Americas Tax Roundup

Latest news – Americas

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[Canada moves ahead with its own digital services tax, releasing draft legislation](#)

Canada is moving ahead with enactment of its own digital services tax (DST). It is anticipated that Canada's DST will be enacted by 1 January 2024, with retroactive effect to 1 January 2022. The new rules may result in a filing obligation and tax liability for any entity – Canadian or otherwise – that as a corporate group has global consolidated revenues of €750 million or more and earns Canadian digital services revenue from (1) providing online marketplace services, online advertising and social media services; or (2) the

monetizing of user data in excess of CA\$20 million.

[Brazilian Government proposes the elimination of interest on net equity deduction](#)

On 31 August 2023, the Brazilian Government proposed a bill that would change the corporate income tax system by eliminating the deductibility of interest on net equity as of 1 January 2024. The bill, however, would not prevent the deduction of interest accrued to determine the corporate income tax basis related to calendar year 2023, even if paid or credited in calendar year 2024.

[Brazil modifies how investment funds will be taxed](#)

The Brazilian Government published Provisional Measure 1,184/23 (PM), which makes changes to how certain investment funds in Brazil will be taxed. The provisional measure also establishes a new withholding tax mechanism for unrealized gains.

[Costa Rican Tax Authority issues a private letter ruling related to the tax treatment of crypto assets](#)

Costa Rica's Tax Authority issued a private letter ruling in response to a request for guidance on the tax treatment of cryptocurrencies and crypto assets from the Director of Revenue and the Director of Taxpayer Services, both from the General Directorate of Taxation. Generally, the ruling views these assets as virtual (intangible) assets that may be taxed as ordinary or capital income, depending on the particular circumstances. In some situations, crypto assets also may be subject to value-added tax.

[Peruvian Supreme Court holds Peruvian branches may not offset past losses when distributing dividends to nonresident parent](#)

A recent Peruvian Supreme Court decision establishes that Peruvian branches are not entitled to offset losses from previous years when distributing dividends to a nonresident parent company.

[Guatemala's Superintendency of Tax Administration introduces a new tax inspection risk model](#)

Guatemala's Superintendency of Tax Administration announced the implementation of a new tax inspection risk model based on economic sectors. According to the tax authorities, the model's segmentation by economic sector enables effective and precise analysis and monitoring, tailored to the peculiarities of each segment and subsegment of the national economy.



[Washington Dispatch for August 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.

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

The latest edition of TaxMatters@EY is available. Highlights of this month's edition include (i) tax relief for students; and (ii) a recent Federal Court of Appeal decision that found a taxpayer was not eligible for the goods and services tax/harmonized sales tax new housing rebate because other names were on the title.

Upcoming webcasts

[International tax talk quarterly series with the EY Global Tax Desk Network \(12 September\)](#)

Recent proposed tax changes across the globe are complex and may have significant implications for companies in the next quarter and beyond. Please join our Global Tax Desk professionals for insights on recent developments in Australia, Brazil, Hong Kong, Mexico, Switzerland, and the United States and an analysis of how they might affect your businesses.

[When you keep track of e-invoicing regulations, who will fast-track your compliance? \(13 September\)](#)

In this webcast, panelists discuss the global e-invoicing developments, the challenges and opportunities for companies and the practical considerations. With the country-by-country roll-out of e-invoicing regulations at significantly different maturity and complexity levels, businesses and tax professionals may be confused about their obligations and how best to comply. This webcast focuses on the current global e-invoicing developments and, more importantly, the practical considerations.

[BEPS 2.0 recent developments and practical considerations \(14 September\)](#)

Please join us for the next in the series of EY Global webcasts focusing on the BEPS 2.0 project "BEPS 2.0 recent developments and practical considerations." In this session, panelists talk about the additional Administrative Guidance on the Global Anti-Base Erosion (GloBE) rules, including the new safe harbors.

[Tax in a time of transition: US legislative, economic, regulatory and IRS developments \(15 September\)](#)

Companies need to keep pace with a tax and economic environment in transition. This requires understanding tax policy trends and anticipating future developments that could impact their operations. Join us for 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.

[EU Carbon Border Adjustment Mechanism: What effective compliance looks like \(4 October\)](#)

During the upcoming webcast, we will provide an overview of the EU CBAM and who it impacts, immediate steps to take and how the EU CBAM should be considered in the broader decarbonization and sustainability journey. We will also touch upon the UK CBAM developments.

[What payroll regulatory changes are effective in October 2023 \(4 October\)](#)

Join EY Global Payroll Operate executives for insight into the top regulatory issues facing payroll teams today. During this webcast, our experienced EY payroll regulatory professionals will update you on key payroll compliance issues in five jurisdictions around the globe.



Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 8 September 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 delegation meets with OECD officials on BEPS 2.0
- ▶ IRS opens CAP program for 2024 tax year
- ▶ IRS announces major new compliance initiative focused on large partnerships, corporations, high-income taxpayers and "promoters abusing tax rules on the books"

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

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

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 – 8 September 2023](#)
- ▶ [Brazilian Government proposes the elimination of interest on net equity deduction](#)
- ▶ [Brazil modifies how investment funds will be taxed](#)
- ▶ [Costa Rican Tax Authority issues a private letter ruling related to the tax treatment of crypto assets](#)
- ▶ [Guatemala's Superintendency of Tax Administration introduces a new tax inspection risk model](#)
- ▶ [Peruvian Supreme Court holds Peruvian branches may not offset past losses when distributing dividends to nonresident parent](#)

Other Global Tax Alerts

- ▶ [German government issues revised draft Growth Opportunities Act bill on corporate tax reform](#)
- ▶ [Israeli tax authority issues updated guidance on Mutual Agreement Procedures, in line with BEPS principles](#)

Human Capital Alerts

- ▶ [Iceland introduces new benefits for residence permit holders](#)
- ▶ [Japan implements new system to expedite the employment of foreign IT professionals](#)

Indirect Tax Alerts

- ▶ [Canada moves ahead with its own digital services tax, releasing draft legislation](#)
- ▶ [New Zealand introduces draft Digital Services Tax legislation](#)



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- ▶ [Podcast: How understanding consumer mindsets can drive EV enthusiasm](#)

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- ▶ [Video: Four ways biotechnology will transform how - and how long - we live](#)

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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.

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