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20 November 2023

Americas Tax Roundup

Latest news – Americas

[US - Chile tax treaty ratified by Chilean Congress closer to entering into force](#)

On 15 November 2023, the Chilean Senate approved the US-Chile income tax treaty. As a next step, the treaty must now be ratified by the Chilean President, which will likely occur soon.

[United States | Proposed regulations on qualified business units include simplified elections for determining IRC Section 987 gain or loss, but restrict the recognition of losses](#)

The IRS and Treasury Department released proposed regulations ([REG-132422-17](#)) under IRC Section 987 with guidance on determining taxable income or loss and currency gain or loss with respect to a qualified business unit whose functional currency differs from its tax owner (an IRC Section 987 QBU). The proposed regulations retain the basic approach and structure of the regulations finalized in 2016 and 2019.

[US Federal Claims Court permits US citizens who are residents of France to claim a treaty-based foreign tax credit against US net investment income tax](#)

The US Court of Federal Claims held in *Christensen v. United States* that the US-France income tax treaty allows a foreign tax credit to apply against net investment income tax (NIIT) under IRC Section 1411 for French income taxes paid on certain passive foreign-source income by US citizens residing in France. The court's holding could support US citizens resident in other foreign treaty jurisdictions in claiming a treaty-based foreign tax credit against NIIT imposed on certain income.

[US IRS launches new initiative to strengthen transfer pricing enforcement](#)

The IRS announced ([IR-2023-194](#)) that it plans to send compliance alerts to approximately 150 US-based subsidiaries of foreign-owned corporations that distribute goods in the United States. The alerts stem from the companies' alleged use of certain transfer pricing strategies, which the IRS deems improper. The IRS also said that it plans to expand the Large Corporate Compliance program in 2024 to audit 60 additional large corporate taxpayers, which will be selected with the help of artificial intelligence.

[US IRS announces hiring for Advance Pricing and Mutual Agreement Program](#)

An IRS official announced that the agency is actively hiring individuals to work in its Advance Pricing and Mutual Agreement (APMA) program. The announcement, which is the latest of several about the program, demonstrates continued support for the program and efforts to better manage its advance pricing agreement caseload.

[Uruguay's Government enacts law for accountability for 2022, making some changes to tax regulations](#)

On 8 November 2023, the Uruguayan Parliament approved Law 20,212, which introduces certain changes to the tax regulations effective 1 January 2024. Generally, the changes proposed in the bill presented on 30 June 2023 were retained. Among other changes, capital gains derived from the transfer of equity participations of legal entities that are tax resident in Uruguay will be exempted from Personal Income Tax when certain conditions are met.



This week's tax treaty news in the Americas

- ▶ Brazil and Chile: amending protocol to tax treaty approved by Chilean Senate
- ▶ Brazil and Vietnam: air services agreement entered into force
- ▶ Chile and United States: exchange of letters to tax treaty approved by Chilean Senate

Upcoming webcasts

[What role tax can play in your SAP S/4HANA transformation \(21 November\)](#)

In this one-hour webcast, EY and SAP professionals will share their insights on the future of the tax function and how it aligns with SAP S/4HANA technology.

[Tax and Law Sustainability Update: regulatory developments and practicalities \(23 November\)](#)

To help achieve your business' sustainability goals and stay up-to-date on the latest regulatory developments, join the third live webcast in the Tax & Law Sustainability Update series: regulatory evolution and practicalities. The webcast will explore EU Deforestation regulation and its impact on businesses, and discuss steps toward tax transparency, as well as perspectives on the carbon border adjustment mechanism (CBAM) from importers and exporters.

[EY Global Trade webcast \(23 November\)](#)

Join us for a webcast on 23 November on the latest global trade developments. The webcast will cover (i) the CBAM; (ii) energy effectiveness; (iii) modernization of the Union Customs Code; and (iv) local customs audits and trends.

[Year-end US information reporting changes \(29 November\)](#)

Year-end US information reporting obligations necessitate being aware of IRS changes and incorporating any new requirements into existing systems, processes, and procedures. Join Ernst & Young LLP professionals for a practical discussion of how to manage your information reporting processes.

[How to navigate FTTP controversy \(30 November\)](#)

In this webcast, panelists discuss the external trends and developments shaping the financial transactions transfer pricing (FTTP) controversy landscape and considerations companies should bear in mind while designing a policy with controversy readiness.

Recently issued EY podcasts

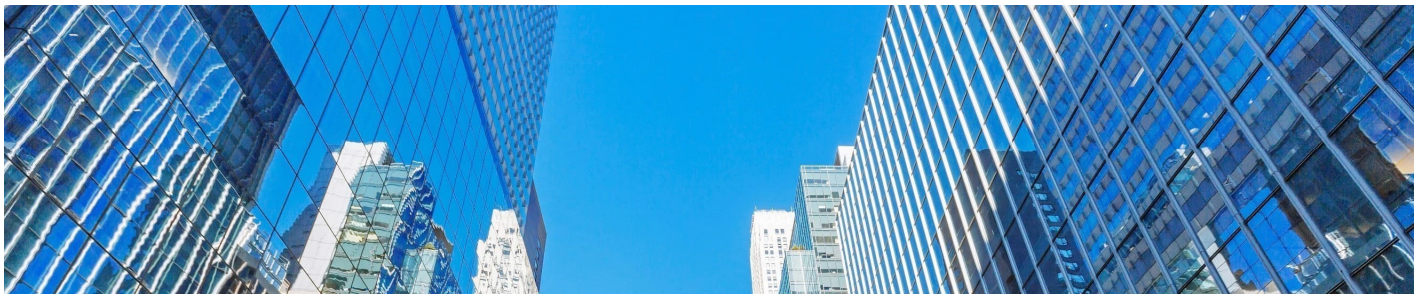
[EY Podcast: weekly US international cross-border taxation news for week ending 17 November 2023](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments.

Highlights this week include:

- ▶ US Congress passes CR to fund government past 17 November deadline
- ▶ Government officials offer update on CAMT, stock buyback excise tax and PTEP regs
- ▶ Chilean Congress approves US-Chile tax treaty with US reservations
- ▶ US proposing new deadline for signing BEPS 2.0 MLC on Amount A of Pillar One
- ▶ 48 countries pledged to implement OECD Crypto-Asset Reporting Framework by 2027

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



This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 17 November 2023](#)
- ▶ [U.S. Federal Claims Court permits US citizens who are residents of France to claim a treaty-based foreign tax credit against US net investment income tax](#)
- ▶ [U.S. - Chile tax treaty ratified by Chilean Congress closer to entering into force](#)
- ▶ [US IRS announces hiring for Advance Pricing and Mutual Agreement Program](#)
- ▶ [US IRS launches new initiative to strengthen transfer pricing enforcement](#)
- ▶ [Uruguay's Government enacts law for accountability for 2022, making some changes to tax regulations](#)

Other Global Tax Alerts

- ▶ [Cyprus enacts law implementing tax transparency rules for digital platforms \(DAC 7\)](#)
- ▶ [EY Global Tax Controversy Flash Newsletter \(Issue 64\) | Italy proposes several taxpayer-friendly changes to its cooperative compliance program](#)
- ▶ [Kenya Tax Appeals Tribunal determines key role of management and control in determining residency](#)

Human Capital Alerts

- ▶ [Denmark confirms automatic extension of residence permits issued pursuant to the Ukraine Special Act](#)
- ▶ [The Dutch House of Representatives further restricts Dutch 30%-facility](#)
- ▶ [Thailand implements changes to document requirements for Long-term Visa applications](#)

Indirect Tax Alerts

- ▶ [Kenya requires non-VAT-registered taxpayers to onboard on e-TIMS](#)

EY Industry and Tax Services publications

Industries

Energy

- ▶ [Are the global winds of change sending offshore in a new direction?](#)

Consumer Products & Retail

- ▶ [Fashioning a sustainable future for an online clothing retailer](#)

Comments

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

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