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22 December 2023

# Americas Tax Roundup

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## Latest news – Americas

### [OECD/G20 Inclusive Framework releases additional Administrative Guidance on Pillar Two GloBE Rules and update on Pillar One Amount A timeline](#)

On 18 December 2023, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) released documents on Pillars One and Two of the OECD/G20 project on addressing the tax challenges of the digitalization of the economy (the BEPS 2.0 project). On Pillar Two, the Inclusive Framework released [Administrative Guidance on the Global Anti-Base Erosion \(GloBE\) Model Rules](#), which provides additional information a series of technical issues under the GloBE Rules. On Pillar One, the Inclusive Framework released a [statement](#) updating the timeline for the multilateral convention (MLC) on Amount A, which expresses the member jurisdictions' commitment to finalize the MLC text by March 2024.

### [US Treasury announces entry into force of the US-Chile tax treaty](#)

The first-ever US-Chile income tax treaty entered into force on 19 December 2023 following the exchange of instruments of ratification. For taxes withheld at source, the treaty will have effect for amounts paid or credited on or after 1 February 2024. For all other taxes, the treaty will have effect for tax periods beginning on or after 1 January 2024.

### [New US interim CAMT guidance offers welcome relief from possible double-counting of CFC earnings in AFSI, but possible compliance burdens](#)

In [Notice 2024-10](#) (the Notice), the US IRS provides interim guidance clarifying certain provisions of the corporate alternative minimum tax (CAMT), which was enacted as part of the Inflation Reduction Act of 2022. The Notice addresses the impact of certain distributions from a controlled foreign corporation (CFC) in a taxpayer's applicable financial statement income (AFSI), with guidance that should significantly reduce the potential for the duplication of items in the taxpayer's AFSI. The Notice also modifies and clarifies previously issued guidance in Notice 2023-64 for determining the AFS for an affiliated group of corporations filing a consolidated tax return.

### [Canada's Bill C-59 to implement outstanding indirect tax measures receives first reading](#)

On 30 November 2023, Bill C-59, *Fall Economic Statement Implementation Act, 2023*, received a first reading in the House of Commons. The bill contains a number of *goods and services tax* (GST)/*harmonized sales tax* (HST) and other indirect tax proposals, which were included in a notice of ways and means motion tabled on 28 November 2023.

### [Argentina implements new economic measures with impact on tax and foreign exchange matters](#)

The recently inaugurated Argentine Government on 12 December 2023 announced a series of emergency measures to address the current economic situation. Among the measures' main objectives are reducing the fiscal deficit and regularizing the foreign exchange market. The package of measures includes an increase in the official exchange rate to an average of 800 Argentine Pesos (ARS 800) per USD.



### [Costa Rican Ministry of Finance and Tax Authority publish regulations for new foreign-source passive income regime](#)

The Costa Rican Ministry of Finance and Tax Authority published regulations to implement Law No. 10,381, which was enacted to amend the Income Tax Law to achieve Costa Rica's removal from the European Union's (EU's) list of non-cooperative jurisdictions in tax matters.

### [Uruguay extends electronic invoicing system obligations to all Uruguayan taxpayers](#)

The Uruguayan Tax Authority has issued resolutions that extend to all taxpayers the obligation to rely on the electronic invoicing system.

### [The Latest on BEPS and Beyond | December 2023](#)

EY's Latest on BEPS and Beyond (December 2023 edition) is now available. Highlights in this edition include (1) OECD updates Pillar One timeline; (2) OECD releases third set of Administrative Guidance on Pillar Two; and (3) United States Treasury provides guidance on the creditability of Pillar Two taxes and grants relief for pre-GLOBE dual consolidated losses.

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## This week's tax treaty news in the Americas

- ▶ Brazil and Uruguay: exchange of notes entered into force
- ▶ Chile and United States: income and capital tax treaty entered into force
- ▶ Mexico and Liechtenstein: interest in negotiating a tax treaty expressed by Liechtenstein

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## Upcoming webcasts

### [How to secure the digital ecosystem in energy and resources \(9 January\)](#)

EY and Microsoft leaders will discuss how energy companies can embed trust in their digital business and protect against evolving cyber threats.

### [Global economic outlook: Aiming for an economic soft landing \(18 January\)](#)

In this webcast, panelists will discuss the outlook for the 2024 economy and how that is likely to shape business investment decisions.

### [BEPS 2.0 and Pillar Two implementation developments \(31 January\)](#)

In this webcast, panelists discuss recent Inclusive Framework activity on Pillars One and Two, widespread country implementation of Pillar Two rules and how companies are responding.

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## Recently archived webcasts

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

This is 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 provided updates on: (i) the US economy and tax policy; (ii) what's happening at the IRS; and (iii) breaking developments.



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## Recently issued EY podcasts

[EY Podcast: weekly US international cross-border taxation news for week ending 22 December 2023](#)

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

Highlights this week include:

- ▶ OECD/G20 Inclusive Framework releases BEPS 2.0 Pillar Two Administrative Guidance on GloBE rules
- ▶ OECD announces new BEPS Pillar One MLC timeline
- ▶ US-Chile income tax treaty enters into force
- ▶ US Congress adjourns until January 2024
- ▶ Congressional JCT releases Bluebook on tax legislation in 117<sup>th</sup> Congress

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

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## This week's EY Global Tax Alerts

### Americas Tax Alerts

- ▶ [Report on recent US international tax developments - 22 December 2023](#)
- ▶ OECD/G20 Inclusive Framework releases additional Administrative Guidance on Pillar Two GloBE Rules and update on Pillar One Amount A timeline
- ▶ Argentina implements new economic measures with impact on tax and foreign exchange matters
- ▶ Bermuda Parliament passes legislation to enact a 15% corporate income tax
- ▶ Costa Rican Ministry of Finance and Tax Authority publish regulations for new foreign-source passive income regime
- ▶ New US interim CAMT guidance offers welcome relief from possible double-counting of CFC earnings in AFSI, but possible compliance burdens
- ▶ US Treasury announces entry into force of the US-Chile tax treaty
- ▶ Uruguay extends Electronic Invoicing System obligations to all Uruguayan taxpayers

### Other Global Tax Alerts

- ▶ Belgian parliament approves draft bill on Pillar Two
- ▶ Denmark enacts cultural levy on providers of on-demand media services
- ▶ FinCEN continues to extend certain signature authority reporting (FBAR, Form 114)
- ▶ French Parliament approves Finance Bill for 2024, including OECD Pillar Two rules
- ▶ German Federal Council approves BEPS 2.0 Pillar Two implementation bill together with other tax bills
- ▶ Gibraltar announces Pillar Two Qualified Domestic Minimum Top-Up Tax
- ▶ Hungary offers capital gains tax amnesty for shares that previously didn't qualify
- ▶ Italy approves BEPS Pillar Two provisions and other significant tax changes including ATAD 2 hybrid mismatches penalty protection regime
- ▶ Luxembourg Parliament adopts law implementing the EU Minimum Tax Directive
- ▶ Luxembourg - United Kingdom double tax treaty enters into force, replacing 1967 treaty
- ▶ Netherlands passes Act to implement the 2024 tax plan and Pillar Two minimum tax
- ▶ Saudi Arabia tax and zakat updates for year ending 2023
- ▶ UAE introduces voluntary alternative end-of-service benefits scheme



### Human Capital Alerts

- ▶ Estonia announces same-sex partners and spouses eligible for dependent permits and visas
- ▶ Finland closes all border crossing points with Russia until 14 January 2024

### Indirect Tax Alerts

- ▶ Canada's Bill C-59 to implement outstanding indirect tax measures receives first reading
- ▶ Saudi Arabia issues guideline for Special Integrated Logistics Zone
- ▶ UK Government announces adoption of Carbon Border Adjustment Mechanism (UK CBAM)

### Transfer Pricing Alerts

- ▶ Australian Federal Court finds embedded royalty in arm's-length contract

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## EY Industry and Tax Services publications

### Industries

#### Automotive & Transportation

- ▶ [Why human interaction remains essential to the car buying journey](#)

### Issues

#### Managing Finance

- ▶ [How IONITY's finance function became a growth driver](#)

### Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: [globaltaxnewsupdatehelp@ey.com](mailto:globaltaxnewsupdatehelp@ey.com).





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