



**Building a better
working world**

1 April 2024

Americas Tax Roundup

Latest news – Americas

[Ecuadorian tax reform includes increased rates and new temporary contributions affecting corporations](#)

Ecuador enacted a tax reform that increases certain tax rates, such as the value-added tax and the remittance tax. Many of the tax reform provisions are effective as of 1 April 2024. In addition, Ecuador enacted another tax reform to promote tourism, which includes new payments and contributions that must be paid at the beginning of fiscal year 2024, considering taxable bases from previous years. The change in rates has implications for all Ecuadorian companies and their shareholders.

[El Salvador's Legislative Assembly approves reform to Income Tax Law, exempting foreign-source income](#)

On 12 March 2024, El Salvador's Legislative Assembly approved an amendment to the Income Tax Law that would exclude from the concept of income any passive income that entities and individuals in El Salvador receive from foreign sources. The change in the law means that dividends, capital gains and interest, among other income, from securities and financial instruments abroad would not be subject to income tax in El Salvador.

[Uruguay modifies conditions for employees who work remotely under Free Trade Zone regime](#)

Through Decree No. 69/024, the Uruguayan Government has modified the previous conditions under which Free Trade Zone employees may perform their employment activities remotely. The decree increases the remote-work limit percentage from 40% (general rule) to 45%, provided certain conditions are met, and eliminates the requirement that the workforce of Free Trade Zone users must comply with 1,000 monthly hours of work in the office.

[Canada | Ontario budget 2024-25 includes measures affecting businesses and individuals](#)

On 26 March 2024, Ontario Finance Minister Peter Bethlenfalvy (Minister) tabled the province's fiscal 2024-25 budget. The budget contains some tax measures but contains no new taxes and no tax increases. The Minister anticipates a deficit of CA\$9.8b for 2024-25 and projects a deficit of CA\$4.6b for 2025-26 before returning to a surplus position in 2026-27.

[Canada | Newfoundland and Labrador Budget 2024-25 includes change for small businesses](#)

On 21 March 2024, Newfoundland and Labrador Deputy Premier and Finance Minister Siobhan Coady tabled the province's fiscal 2024-25 budget. The budget contains no new taxes and no tax increases but includes a reduction in the small-business income tax rate. The minister anticipates a deficit of CA\$152m for 2024-25, representing 1.5% of revenues. The province projects a balanced budget for 2025-26 and for the foreseeable future.

[Canada | Saskatchewan Budget 2024-25 includes tax measures affecting corporations](#)

On 20 March 2024, Saskatchewan Finance Minister Donna Harpauer tabled the province's fiscal 2024-25 budget. The budget contains tax measures affecting corporations and individuals. The minister anticipates a deficit of CA\$273.2m for 2024-25 and projects a surplus for the next year.



[USCIS issues guidance clarifying processes and requirements for expedite requests](#)

On 21 March 2024, US Citizenship and Immigration Services (USCIS) updated sections of its Policy Manual relating to expedited requests. The updated Policy Manual clarifies how USCIS considers expedite requests related to government interests, emergencies, and urgent humanitarian situations, including travel-related requests. USCIS handles these expedite requests on a case-by-case basis and has the sole discretion to decide whether to expedite the process, evaluating each request for its urgency and merit.

[OECD releases sixth annual peer review report and revised peer review documents on BEPS Action 6 relating to prevention of treaty abuse](#)

On 20 March 2024, the OECD released two sets of documents on the minimum standard under BEPS Action 6 relating to prevention of treaty abuse: (i) the sixth annual [Peer Review Report](#) on compliance with the minimum standard by member jurisdictions of the Inclusive Framework on BEPS; and (ii) the revised [Peer Review Documents](#) on BEPS Action 6 on the modified process to be used to carry out the peer review beginning in 2024.

[The outlook for global tax policy and controversy in 2024](#)

With so much tax change unfolding, the *EY 2024 Tax Policy and Controversy Outlook* explores regional tax trends and what to expect in the coming year in 75 jurisdictions. Further transformation is ahead as governments consider digital taxes, modification of other tax rules in light of Pillar Two and broader tax reforms to further their policy objectives and meet their revenue needs.

[IFRS version of Quarterly Tax Developments March issue now available](#)

The IFRS Quarterly Tax Developments for the quarter ending 31 March is now available. This publication provides a quarterly overview of enacted and substantively enacted tax legislation and IFRS accounting developments, as well as regulatory developments and other items through 15 March 2024, except as noted. Highlights of this edition include (i) tax legislation enacted or substantively enacted this quarter; (ii) other developments to consider for the quarter and year-end provisions; and (iii) IASB update.

[Top 10 most common Pillar Two surprises for US MNEs](#)

Read about the clarifications to BEPS Pillar Two and the numerous complexities and uncertainties for multinational enterprises (MNEs). The top 10 surprises for US multinational enterprises (MNEs) include the unappealing MNE group exclusion, the denial of routine return on tangible assets, and the effective tax rate calculation's five-year carry-forward limit.

[US multinationals considering mergers and acquisitions](#)

As the BEPS Pillar Two rules come online, US MNEs considering M&A transactions will want to keep their tax department connected. EY details four stages of M&A focusing on planning/execution, due diligence, reporting and compliance, and strategy/restructuring.

This week's tax treaty news in the Americas

- ▶ Honduras and People's Republic of China: fourth round of negotiations for a free trade agreement held
- ▶ Peru and People's Republic of China: sixth round of negotiations for a revision to the 2009 free trade agreement held



Upcoming webcasts

[How leveraging AI impacts the commodities trading lifecycle \(11 April\)](#)

Join our panel of professionals for a timely discussion of AI tools, considerations, strategies, and market trends.

[US REIT capital markets, legislative outlook and SEC climate disclosures \(18 April\)](#)

Please join our panel of professionals for our webcast – a timely discussion of recent SEC climate-related disclosure rulings, capital markets, and legislative trends and the outlook for changes relevant to REITs.

[Tax in a time of transition: US legislative, economic, regulatory and IRS developments \(19 April\)](#)

Please join 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.

Recently issued EY podcasts

[EY Podcast: weekly US international cross-border taxation news for week ending 29 March 2024](#)

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

Highlights this week include:

- ▶ US Treasury Secretary affirms commitment to BEPS Pillar One, US R&D in Pillar Two
- ▶ US government officials offer international regulatory update

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

EY talks tax podcasts

[Spotlight on BEPS 2.0: Developments and practical implications for US MNEs](#)

In this [recent episode](#) of *EY talks tax*, EY panelists provide perspective on the key tax considerations and forecasting required to determine how to capture credit value and monitor compliance. The episode is based on the 13 March EY Tax webcast, [Spotlight on BEPS 2.0: developments and practical implications for US MNEs](#).

Reminder: You can find, follow or download *EY talks tax* on your favorite podcast vendor channel.

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 29 March 2024](#)
- ▶ [OECD releases sixth annual peer review report and revised peer review documents on BEPS Action 6 relating to prevention of treaty abuse](#)
- ▶ [Canada | Newfoundland and Labrador Budget 2024-25 includes change for small businesses](#)
- ▶ [Canada | Ontario budget 2024-25 includes measures affecting businesses and individuals](#)
- ▶ [Canada | Saskatchewan Budget 2024-25 includes tax measures affecting corporations](#)
- ▶ [Ecuadorian tax reform includes increased rates and new temporary contributions affecting corporations](#)
- ▶ [El Salvador's Legislative Assembly approves reform to Income Tax Law, exempting foreign-source income](#)
- ▶ [Uruguay modifies conditions for employees who work remotely under Free Trade Zone regime](#)



Other Global Tax Alerts

- ▶ Australian 15% global and domestic minimum taxes draft law released
- ▶ German Federal Council approves amended Growth Opportunities Act bill on corporate tax reform
- ▶ Kenya Supreme Court affirms jurisdiction of Employment and Labour Relations Court to determine constitutional validity of social security act
- ▶ Pakistan introduces rules for online integration of businesses to process payment of digital invoices and income tax withholding
- ▶ Rwanda provides temporary voluntary tax-disclosure window through 22 June 2024
- ▶ UK Trade Talking Points – latest insights from EY UK's Trade Strategy team

Human Capital Alerts

- ▶ Australia and New Zealand 2024 immigration reform plans discussed
- ▶ Germany implements amended immigration regulations impacting experience-based work permits
- ▶ Japan plans to introduce proposals for new residency scheme for angel investors
- ▶ New Zealand's Inland Revenue releases publications related to Employee Share Scheme
- ▶ USCIS issues guidance clarifying processes and requirements for expedite requests

Indirect Tax Alerts

- ▶ Ecuadorian tax reform includes increased rates and new temporary contributions affecting corporations
- ▶ New Zealand's GST and gaming duty measures taking effect for remote sellers

EY Industry and Tax Services publications and more

Industries

Banking and Capital Markets

- ▶ Can core platform modernization position a bank for future success?
- ▶ The case for a modern transaction banking platform

Government & Public Sector

- ▶ Redefining transportation funding: growing needs, receding fuels tax

Health and Life Sciences

- ▶ How health equity by design can help finance women-centric solutions
- ▶ How effective infrastructure can power care coordination

Insurance

- ▶ Protected retirement income solutions: What plan sponsors need to know about a new generation of offerings

Power & Utilities

- ▶ How do you steady the course of your IPO journey in a changing landscape?

Real Estate, Hospitality & Construction

- ▶ Trends that will impact real estate funds this year
- ▶ How REITs add millions of jobs and billions of dollars to US economy



Services

People and workforce

- ▶ [Webcast: How GenAI can unleash potential for knowledge and frontline workers](#)
- ▶ [Webcast: What payroll regulatory changes are effective from April 2024](#)

Tax

- ▶ [How stablecoins and central bank digital currencies will affect tax](#)
- ▶ [How to improve your tax data value chain](#)
- ▶ [Four steps to take now to meet the evolving e-invoicing regulations](#)

Transactions Advisory Services

- ▶ [Video: Macro Bites: M&A deal activity in 2024's nuanced macroeconomic environment](#)

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

About EY

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