



Americas Tax Center Roundup

28 June 2019

Due to Ernst & Young LLP, US being closed the week of 1 July for the Independence Day holiday, the Americas Tax Center Roundup is being sent early. The next Roundup will be sent on 15 July.

Important announcement: Register to receive Americas Tax Center Roundup via new EY delivery platform

The Americas Tax Center Roundup is now being sent out through EY's *Tax News Update: Global Edition* (GTNU) email subscription service. EY's GTNU is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, event notifications and Thought Leadership published across all areas of tax (corporate, indirect, and personal).

For a short transitional period, we will be sending the ATC Roundup via **both** the GTNU and the current email distribution system, but we urge you to register for the GTNU platform as soon as possible ([instructions available here](#)) in order to continue receiving the Roundup.

If you have any questions, issues or comments, please email Global Tax News Update Help at globaltaxnewsupdatehelp@ey.com.

Latest news - Americas

US trade developments: USTR announces submission process for 'List 3', Mexico ratifies USMCA, India retaliates against US

In a 20 June Notice, the United States Trade Representative (USTR) published guidelines for interested parties to request a product exemption from the Section 301 "List 3" tariffs (punitive tariffs imposed on 24 September 2018 on approximately US\$200b of Chinese origin goods). Companies impacted by List 3 duties should consider submitting an exclusion request.

With respect to the US-Mexico-Canada Agreement (USMCA), the Mexican Senate voted on 19 June to ratify the agreement, making it the first of the three signatory countries to do so. Companies currently claiming duty-free treatment under NAFTA are encouraged to compare current rules of origin to new rules of origin for their products under the USMCA.

Separately, on 16 June 2019, India increased tariffs on 28 targeted products of US origin in response to its removal from the US's Generalized System of Preferences (GSP) program earlier in the month. US companies involved in US/India trade should assess the financial impact of the increased tariffs both on the US import as well as the Indian import side.

US IRS ends challenge to creditability of French CSG and CDRS

The US IRS has indicated that it will no longer assert that taxpayers are precluded from claiming foreign tax credits for France's *contribution sociale généralisée* (CSG) and *contribution pour le remboursement de la dette sociale* (CRDS). As a result, US citizens and resident aliens who pay the CSG and CRDS in France may now claim foreign tax credits to offset their US income tax. Additionally, they potentially may file claims for refund of US income tax by claiming foreign tax credits for CSG and CRDS paid in the last 10 years under US Internal Revenue Code Section 6511.

Subscribe to EY's ATC Roundup

ATC Roundup is distributed weekly to all EY clients in the Americas. [Subscribe here](#). If you feel that you are receiving this newsletter in error, [unsubscribe here](#).

iPad App Corporate Tax Guide & Indirect Tax Guide

Download our free app via the [the iTunes store](#).

EY Thought Center Podcasts and Webcasts

Register for podcasts [here](#). Register for webcasts [here](#).

General EY Publications

- [Outlook for global tax policy and controversy in 2019 | 9th edition](#)
- [2018-2019 EY Worldwide Transfer Pricing Reference Guide](#)
- [2019 Worldwide VAT, GST and Sales Tax Guide](#)
- [2018-19 Worldwide Personal Tax and Immigration Guide](#)
- [2019 Global Oil and Gas Tax Guide](#)
- [2019 Global Labor and Employment Law Strategic Topics: Ageism and the Workplace](#)
- [2018 Worldwide Capital and Fixed Assets Guide](#)
- [2018 Worldwide R&D Incentives Reference Guide](#)
- [2018 Worldwide Estate and Inheritance Tax Guide](#)
- [2018 Worldwide Corporate Tax Guide](#)
- [2018 Worldwide Corporate Tax Guide - Foreign currencies](#)
- [2018 Indirect Tax – updated worldwide developments map](#)
- [2018 US EY Tax Guide](#)

Panama issues decree on the Country-by-Country reporting requirement

Panama's government has published an Executive Decree addressing the disclosure of information in the country-by-country report (CbC report) by tax resident companies in Panama for purposes of the automatic exchange of information. Reporting entities should review the provisions of the Executive Decree, as it sets forth the thresholds for filing the report, what must be included in the report, and the ruling request procedure for any questions related to the Decree's provisions.

Uruguay modifies regulations on the deductibility of software expenses

The Uruguayan Executive Power has issued a regulatory Decree that limits the deductibility of software expenses. The Decree limits the deduction for software expenses incurred by corporations to the percentage at which the income for the software provider was taxed (considering that such income could be fully taxed, partially taxed, or fully exempted).

Canada's CCA acceleration measures enacted as part of 2019 budget implementation bill

The business income tax measures contained in Bill C-97, which implements certain tax measures announced in Canada's 2019 federal budget and the 21 November 2018 federal fall economic statement, received Royal Assent on 21 June and are now enacted for US GAAP financial reporting purposes. Subject to some exceptions, they were substantively enacted on 8 April 2019 for Canadian financial reporting purposes. Most notably, the capital cost allowance (CCA) acceleration measures are now enacted.

Canada proposes changes to employee stock option rules

Canada's Finance Minister has tabled a Notice of Ways and Means Motion that contains proposed changes to the tax treatment of employee stock options. The proposals include a CA\$200,000 annual limit on employee stock option grants that can receive the tax-preferred treatment available under the current employee stock option rules. Companies may want to consider accelerating the grant of options if they are at risk of having the new rules apply to options granted after 31 December 2019.

Taxation of the digitalized economy – June 2019 update: [Webcast replay and slide deck available](#)

An on-demand replay of our recent Thought Center Webcast *Taxation of the digitalized economy – June 2019 update* is now available. For those that missed the webcast, a PDF copy of the [slide deck](#) is also available.

This week's tax treaty news in the Americas

- **Brazil and Hungary:** Hungary authorized negotiations for tax treaty revision
- **Brazil and Switzerland:** Brazilian Congress approved social security agreement
- **MERCOSUR and European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland):** free trade agreement negotiations held

This week's EY Global Tax Alerts

Global Tax Alerts

- [Report on recent US international tax developments - 28 June 2019 \(28 June 2019\)](#)
- [Spain publishes draft proposal on Mandatory Disclosure Rules \(28 June 2019\) – Available via GTNU](#)
- [US final, temporary and proposed regulations on GILTI and ownership attribution affect domestic pass-through owners and individuals \(28 June 2019\)](#)
- [Taiwan issues guidance on application of the beneficial owner requirement under Taiwan's tax treaties \(28 June 2019\)](#)
- [Turkey defines Banking and Insurance Transaction Tax rate as 0% for FX sales to entities with industrial registration certificate and members of Exporters' Association \(28 June 2019\)](#)
- [Nigeria's TAT rules on deductibility of voluntary pension contributions and use of Best of Judgment assessments by tax authorities \(27 June 2019\)](#)

Tax Insights Magazine

Tax Insights Magazine is a series of publications, produced by EY, that will help you to gain a more thorough understanding of tax issues. It features the insights of high-level executives and professionals, as well as contributions from leading policy-makers and academics.

Tax information at your fingertips [Global Tax Guides app](#)

Access tax technical data on 150+ jurisdictions from your iPad® anywhere in the world. [Learn more](#)

Comments

If you have any questions or suggestions about this newsletter, please contact [Amy Gist](#)

Brief privacy notice

Mancera S.C. (EY Mexico) customers, domiciled at Avenida Ejército Nacional 843-B Piso 1, Colonia Granada, Delegación Miguel Hidalgo, Postal Code 11520, Mexico City, Federal District, Mexico, are hereby advised that EY Mexico uses their personal data for sending the electronic newsletter containing news and updates on various topics, and promoting our services and events. Check our full privacy notice at www.ey.com/mx

Aviso de Privacidad Corto

Para los clientes de Mancera, S.C. (EY México), con domicilio en Avenida Ejército Nacional 843-B Piso 1, Colonia Granada, Delegación Miguel Hidalgo, C.P. 11520, ciudad de México, Distrito Federal, México se les informa que EY México utiliza sus datos personales para el envío de nuestro boletín electrónico de noticias y actualización de temas diversos, así como promociones de nuestros servicios y eventos. Le invitamos a conocer nuestro aviso de privacidad integral en www.ey.com/mx

[Forward to a colleague](#)

- Canada: Prince Edward Island issues budget 2019/20 (27 June 2019)
- US IRS ends challenge to creditability of French CSG and CDRS (27 June 2019)
- US Senate Foreign Relations approves protocols to tax treaties (26 June 2019)
- Mauritius aligns intellectual property incentives with nexus approach (26 June 2019)
- Australian Taxation Office releases draft views on new non-concessional MIT income rules from 1 July 2019 (26 June 2019)
- UK's Tax Authority issues next batch of letters regarding Profit Diversion Compliance Facility (25 June 2019)
- Indian Government ratifies Multilateral Instrument (25 June 2019)
- Uruguay modifies regulations on deductibility of software expenses (25 June 2019)
- Canada's CCA acceleration measures enacted as part of 2019 budget implementation bill (25 June 2019)
- UAE enacts economic substance rules (24 June 2019)

OECD/BEPS Alerts

- OECD releases international framework for exchange of information collected under CRS-related mandatory disclosure rules; updates XML schemas for exchange of CRS, CbCR and tax ruling information (28 June 2019) – [Available via GTNU](#)
- The Latest On BEPS – 28 June 2019 (28 June 2019) – [Available via GTNU](#)

Transfer Pricing Alert

- Panama issues decree on the Country-by-Country reporting requirement (25 June 2019)

Indirect Alert

- USTR announces formal submission process for List 3; Mexico formally ratifies USMCA and India formally retaliates against US (26 June 2019)

Human Capital Alert

- Canada provides update on proposed changes to employee stock option rules (24 June 2019)

Recently archived webcasts now available on-demand

Taxation of the digital economy: June 2019 update

A recent webcast focused on the OECD Workplan addressing the tax challenges of the digitalized economy. The panelists discussed the OECD's current thinking, the views of key countries, and the status of the European Commission's work on digital taxation.

EY industry, service and issue publications

Industries

Media & Entertainment

- [How a billion screens can turn India into an M&E powerhouse](#)

Real Estate, Hospitality & Construction

- [How digital transformation opened new channels for growth](#)

Services

People and workforce

- [LGBT+ inclusion: Can you apply a globally consistent policy across an inconsistent world?](#)
- [Why mobility programs must consider tax and immigration rules](#)

Tax

- [How new EU directive changes tax audit landscape](#)
- [Why new tax rules will alter business financing](#)
- [How 'world's tax administrator' views broad range of global tax issues](#)

- [Why mobility programs must consider tax and immigration rules](#)
- [How tax can tackle inequality](#)
- [How businesses plan to use cash from tax cuts for M&A](#)

Issues

Growth

- [How to enhance risk oversight in an age of transformation](#)
- [How establishing a first-time fund raises complexities](#)

Managing Finance

- [How insurers can understand, plan and prepare for the IBOR phase-out](#)

[Unsubscribe from this email](#)

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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. 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.](#)