



Americas Tax Roundup

9 September 2019

This week's edition of Americas Tax Roundup contains two weeks' worth of news.

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

The Americas Tax Roundup is now being sent out through EY's *Tax News Update: Global Edition* (GTNU) email subscription service.

We will be sending the AT 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.

Subscribe to EY's AT 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](#).

Latest news - Americas

[Argentina implements foreign exchange control regulations](#)

The Argentine Central Bank (BCRA) has issued a Communique that establishes various rules for exports and imports of goods and services, foreign assets, nonresident operations, financial debt, debts between residents, profits and dividends, and information systems. The Communique responds to the publication of a Decree implementing foreign exchange regulations that will be in effect until 31 December 2019.

[US and China announce additional tariffs in further escalation of trade dispute](#)

On 23 August, China's Customs Tariff Commission announced it would implement additional tariffs of 5% and 10% on 5,078 tariff items that amount to US\$75 billion of US-origin goods (China List 4). In an immediate response, the US Trade Representative announced a 5% increase to the existing 25% punitive tariffs on \$250b of Chinese origin goods (Lists 1, 2, and 3), as well as an increase from 10% to 15% for the punitive tariffs on the remaining \$300b of Chinese origin goods (Lists 4A and 4B) due to take effect later this year.

[G7 leaders' declaration addresses international tax](#)

The leaders of the G7 group of nations issued a brief declaration at the conclusion of their summit in Biarritz, France on 26 August 2019, confirming their support for modernizing international taxation within the framework of the OECD. The confirmation is an important step in advancing the work on proposals for fundamental changes to the international tax system.

[US Treasury Department announces entry-into-force dates of tax treaty protocols with Japan and Spain](#)

The US Treasury Department has announced the entry-into-force dates of the protocols to the US tax treaties with Japan and Spain. The protocol with Japan entered into force on 30 August 2019, and the protocol with Spain will enter into force on 27 November 2019. The new lower withholding taxes under both protocols will take effect before the end of 2020.

[Costa Rica publishes resolution on including royalties and license fees in price actually paid on imports](#)

Costa Rica's General Customs Directorate and the National Customs Valuation and Verification Body has published a resolution regulating how to include royalties and license fees in the price actually paid on or payable for imports. The resolution requires importers that do not know the royalty or license fee amount at the time of import to estimate the amount.

General EY Publications

- [Worldwide Digital Tax Guide](#)
- [2019 Outlook for global tax policy and controversy | 9th edition](#)
- [2019 Worldwide Corporate Tax Guide](#)
- [2018-2019 EY Worldwide Transfer Pricing Reference Guide](#)
- [2019 Worldwide VAT, GST and Sales Tax Guide](#)
- [2019 Indirect Tax – updated worldwide developments map](#)
- [2019 Global Oil and Gas Tax Guide](#)
- [2019 Worldwide Capital and Fixed Assets Guide](#)
- [2019 Worldwide Estate and Inheritance Tax Guide](#)
- [2018-19 Worldwide Personal Tax and Immigration Guide](#)
- [2018 Worldwide R&D Incentives Reference Guide](#)
- [A complete list of EY Tax Guides](#)

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.

[Canada repeals Canada-Costa Rica FTA 'non-entitlement to preference' regulations](#)

Canada is extending entitlement to preferential tariff treatment under the *Canada–Costa Rica Free Trade Agreement* (CCRFTA) to certain goods that were excluded from CCRFTA preferential tariff treatment under regulations in effect since 2002. Canada repealed the “non-entitlement to preference” regulations because it is now satisfied that Costa Rica has eliminated business tax exemptions and other export subsidies. As a result, certain goods previously exempt can now benefit from preferential tariff treatment.

[Canada corrects technical errors affecting tariff items under CPTPP preferential tariff](#)

The Government of Canada has issued an order correcting certain errors in the implementation of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP). Due to an error with the transposition of Canada’s tariff commitments, 14 tariff items had been incorrectly granted duty-free status and one tariff item had been made subject to a gradual phase-out of customs duties when it should have been duty-free upon entry into force of the CPTPP.

[Canada-Israel Free Trade Agreement modernization takes effect 1 September 2019](#)

On 1 September 2019, Canadian legislation came into force to allow for the implementation of the May 2018 Amending Protocol to modernize the Canada-Israel Free Trade Agreement (CIFTA). Upon entry into force of the modernized CIFTA, almost all Canadian exports of agricultural, agri-food, fish and seafood products will benefit from preferential tariff treatment in Israel.

[OECD releases Canada Stage 2 peer review report on implementation of Action 14 minimum standard](#)

The OECD has released the Stage 2 peer review report of Canada relating to the implementation of the BEPS minimum standards under Action 14 on improving tax dispute resolution mechanisms. Overall, the report concludes that Canada addressed most of the shortcomings identified in its Stage 1 peer review report. Those principally included issues with Canada’s treaties related to time limits for Mutual Agreement Procedure submission and settlement implementation, and the absence of time limits for making transfer pricing adjustments.

This week’s tax treaty news in the Americas

- **Brazil and Norway:** tax treaty negotiations ongoing
- **Canada and Norway:** tax treaty protocol negotiations ongoing
- **Guatemala and Israel:** free trade agreement negotiations held
- **MERCOSUR and European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland):** free trade agreement negotiations concluded
- **Peru and China:** negotiations held on revision to free trade agreement
- **Peru and India:** free trade agreement negotiations held
- **Peru and Japan:** tax treaty agreed on in principle

This week’s EY Global Tax Alerts

Global Tax Alerts

- [Report on recent US international tax developments - 6 September 2019 \(6 September 2019\)](#)
- [India’s Authority for Advance Rulings holds conversion of Indian private limited company to limited liability partnership is taxable to shareholders \(6 September 2019\)](#)
- [Czech Government publishes draft legislation on Mandatory Disclosure Rules: A detailed review \(5 September 2019\)](#)

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

- US Treasury Department announces entry-into-force dates of tax treaty protocols with Japan and Spain (5 September 2019)
- Argentina implements foreign exchange control regulations (5 September 2019)
- Mauritius issues regulations on substance requirements and computation of income for CFC purposes (3 September 2019)
- US IRS announcement allowing domestic partnerships and S corporations to file under proposed GILTI regulations has implications for tax year 2018 filings for private equity funds, alternative asset management funds and other private companies (3 September 2019)
- Report on recent US international tax developments - 29 August 2019 (29 August 2019)
- Poland issues draft bill to implement EU ATAD 2 anti-hybrid measures (29 August 2019)
- Norwegian Government proposes introduction of cross-border group relief rules (28 August 2019)
- China and Hong Kong sign Fifth Protocol to treaty (28 August 2019)
- Czech Government publishes revised draft legislation on Mandatory Disclosure Rules (27 August 2019)
- Argentina and Luxembourg sign new tax treaty (26 August 2019)

OECD/BEPS Alerts

- OECD releases Canada Stage 2 peer review report on implementation of Action 14 minimum standard (6 September 2019)
- G7 leader's declaration addresses international tax, France discusses future of French Digital Services Tax (28 August 2019)
- OECD releases Netherlands Stage 2 peer review report on implementation of Action 14 minimum standard (26 August 2019)

Transfer Pricing Alerts

- Ireland publishes Transfer Pricing Feedback Statement (4 September 2019)
- Australian Taxation Office releases draft guidance on arm's-length debt test for purposes of thin capitalization regime (28 August 2019)
- EU Joint Transfer Pricing Forum releases reports on 2018 statistics on APAs and pending MAPs under the Arbitration Convention (28 August 2019)

Indirect Alerts

- Kazakhstan proposes imposing VAT liability on nonresidents providing electronic services to individuals (6 September 2019)
- Uzbekistan proposes introduction of VAT on digital services rendered by nonresidents (6 September 2019)
- Costa Rica publishes resolution on including royalties and license fees in price actually paid on imports (5 September 2019)
- UAE announces anticipated expansion of excise tax (3 September 2019)
- Japan announced more stringent licensing procedures for exports to Korea (29 August 2019)
- Canada-Israel Free Trade Agreement modernization to take effect 1 September 2019 (29 August 2019)
- Canada repeals Canada-Costa Rica Free Trade Agreement Non-entitlement to Preference Regulations (29 August 2019)
- Canada amends the Schedule to the Customs Tariff to correct technical errors affecting tariff items under CPTPP preferential tariff (29 August 2019)
- Canada: Registration for Québec Sales Tax required by 1 September 2019 under new registration system (27 August 2019)
- US announces additional tariffs in response to China's tariff retaliation for List 4 products and reinstated tariffs on US origin vehicles and parts (26 August 2019)

Human Capital Alerts

- Singapore High Court rejects bid by Central Provident Fund Board in case regarding independent contractor versus employee (28 August 2019)
- Australian Parliament's Joint Standing Committee on Migration plans to refocus migration program (28 August 2019)

Industries

Automotive & Transportation

- [How agility becomes critical in the face of rapid market shifts](#)

Private Equity

- [How high-growth company CEOs tap the power of private equity](#)

Services

Advisory

- [How Internal Audit is helping organizations build trust](#)

Tax

- [Eight challenges to consider in transfer pricing risk](#)
- [How digitalization is changing corporate income tax](#)
- [How businesses can use digital tools to improve indirect tax processes](#)
- [How powerful data analytics tools will become mandatory for companies](#)
- [Can thinking big keep your tax controversy small?](#)
- [Three ways blockchain can help implement smart contracts](#)
- [How US tax reform is testing the life sciences sector](#)

Issues

Growth

- [Are you a CEO that will define the future or defend the past?](#)

[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.](#)