



## Americas Tax Roundup

16 September 2019

## 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](mailto:globaltaxnewsupdatehelp@ey.com).

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## Latest news - Americas

### Chilean House of Representatives approves tax reform bill

The Chilean House of Representatives has approved a tax reform bill after a year of debate and political negotiation. Before it becomes law the approved bill must still go through the Senate, where discussions later this year could lead to further amendments. The current version of the bill would create a single withholding tax rate for dividend distributions from Chilean companies to foreign shareholders abroad and establish a 19% value-added tax on digital services.

### Mexico: VAT on digital services bill submitted to Chamber of Deputies

On 5 September, a bill was submitted to Mexico's Chamber of Deputies that would amend the value-added tax (VAT) law and the Federal Fiscal Code to impose a VAT on digital services rendered by nonresidents without a permanent establishment in Mexico to customers located in Mexico. The bill would allow those nonresidents either to choose to directly pay the VAT or be subject to a VAT withholding mechanism.

### Brazil's Minister of Finance announces intention to levy tax between 0.2% and 1% on payments and financial transactions

As part of the tax reform discussions in Brazil, the Minister of Finance (MOF) has confirmed that President Jair Bolsonaro's Administration intends to create a new tax that would be levied on payments and financial transactions. The tax could be similar to the previous provisional contribution on financial transactions but potentially with a broader scope. The MOF indicated that tax collection would be focused on banks and other financial system agents.

### OECD's release of outcomes of BEPS Action 13 peer reviews confirms significant progress being made on CbC reporting implementation

The OECD has released the compilation of outcomes of the second phase of peer reviews of the minimum standard on BEPS Action 13 (*Transfer Pricing Documentation and Country-by-Country Reporting*). The compilation confirms the significant progress made with respect to implementation of Country-by-Country (CbC) reporting requirements around the world and increased sharing of tax and financial data among tax authorities as a result.

### MERCOSUR-EFTA new free trade agreement would eliminate import duties for raw materials and basic products

MERCOSUR (Argentina, Brazil, Paraguay, and Uruguay) and the European Free Trade Association (EFTA) (Switzerland, Norway, Iceland, and Liechtenstein) have entered into a free trade agreement (FTA) that would eliminate import duties on raw materials and basic products (e.g., shoes, clothes, ceramics, and wood

## 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

products) traded between them. Multinationals should verify if their products fall under the FTA and reassess their indirect tax costs embedded in the supply chain.

### US Congress returns from summer recess: what's next in Washington?

The US Congress has returned to Washington after its summer recess. Lawmakers will pick up where they left off: turning the July spending deal into actual appropriations bills and trying to find ways to move legislation addressing tax extenders, *Tax Cuts and Jobs Act* technical corrections, a retirement security bill, and health care items. Challenges include a Senate that is focused on advancing Administration nominees and reluctant to engage in policy debates.

### Venezuela reissues equity tax law

The Venezuelan government has reissued the "Constitutional Law Creating the Equity Tax" because of substantive errors. Taxpayers should review the new provisions of the equity tax, because they change the threshold at which the tax applies, as well as the tax base calculation.

### Peru and Japan agree in principle to Double Tax Treaty

Japan's Ministry of Finance has published a press release stating that the Governments of Japan and Peru have agreed in principle to a Double Tax Treaty. Taxpayers that might benefit from the treaty's provisions should monitor its progress.

### EY Canada releases latest issue of *TaxMatters@EY*

*TaxMatters@EY*, a monthly bulletin prepared by EY Canada, provides a summary of recent Canadian tax news, publications, and resources. The September 2019 issue features articles discussing (1) takeaways from the 2019 board proxy season and (2) a Tax Court of Canada decision that found a taxpayer applied due diligence after failing to file Form T1135, *Foreign Income Verification Statement*, in a timely manner.

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

- **Brazil and Switzerland:** social security agreement enters into force 1 October 2019
- **Honduras and Israel:** free trade agreement negotiations at advanced stage
- **Uruguay and Japan:** tax treaty authorized for signature by Uruguay
- **Uruguay and Netherlands:** social security agreement protocol signed
- **US and Luxembourg:** tax treaty protocol entered into force 9 September 2019

## This week's EY Global Tax Alerts

### Global Tax Alerts

- [Report on recent US international tax developments - 13 September 2019 \(13 September 2019\)](#)
- [Chilean House of Representatives approves tax reform bill \(13 September 2019\)](#)
- [Mexico's President submits comprehensive economic proposal to Congress \(13 September 2019\)](#)
- [Kenya requires employers to comply with National Employment Authority Act \(12 September 2019\)](#)
- [Peru and Japan agree in principle to Double Tax Treaty \(12 September 2019\)](#)
- [Venezuela reissues equity tax law \(11 September 2019\)](#)
- [Brazil's Minister of Finance announces intention to levy tax on payments and financial transactions at a rate that may be between 0.2% and 1% \(11 September 2019\)](#)
- [Indonesia announces plan for key tax changes \(10 September 2019\)](#)
- [Namibia joins BEPS Inclusive Framework \(10 September 2019\)](#)

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### Comments

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## Forward to a colleague

## OECD/BEPS Alert

- [OECD releases outcomes of second phase of peer reviews on BEPS Action 13 and announces public consultation \(9 September 2019\)](#)

## Transfer Pricing Alert

- [Qatar issues Country-by-Country Reporting requirements for fiscal year 2018 \(12 September 2019\)](#)

## Indirect Alerts

- [Taiwan issues new VAT ruling for transfers of renewable energy certificates \(11 September 2019\)](#)
- [Mexico: VAT on digital services bill submitted to Chamber of Deputies \(11 September 2019\)](#)
- [MERCOSUR-EFTA new free trade agreement would eliminate import duties for raw materials and basic products \(9 September 2019\)](#)

## EY industry, service and issue publications

### Industries

#### Automotive & Transportation

- [Why transportation players should look beyond city limits](#)

### Issues

#### Growth

- [When will society be ready to harness AI's potential?](#)
- [How to understand the mind of the German investor](#)

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