



## Americas Tax Roundup

14 October 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

#### OECD takes next step on BEPS 2.0 – Proposal for a 'unified approach' for additional market country tax

The OECD has released a public consultation document outlining a proposal for a "unified approach" under Pillar One of the OECD's ongoing project addressing tax challenges of the digital economy (BEPS 2.0). The proposal covers highly digitalized business models and also non-digitalized businesses that are consumer-facing. It includes a new nexus concept that is not dependent on physical presence and is largely based on sales. The Pillar One proposal does not represent consensus views but is intended to facilitate negotiations so that a political agreement can be reached in the first half of 2020.

#### Brazil enacts law to strengthen the legal framework for investment funds

The Brazilian Civil Code was amended to provide two key changes with respect to Brazilian investment funds. They allow investment funds, including FIPs (*Fundos de Investimento em Participações* /Private Equity Investment Funds), to confer limited liability on investors and service providers. They also permit investment funds to create share classes with different rights and obligations. These amendments are seen as beneficial to the Brazilian asset management industry.

#### Puerto Rico's new transfer pricing study option could allow full deduction of related-party expenses

Under new rules, taxpayers may be able to fully deduct related-party expenses in Puerto Rico if they submit a transfer pricing study with their income tax returns. Entities interested in submitting a transfer pricing study with their Puerto Rico income tax returns that currently do not have a study that specifically covers their Puerto Rico operations should consider the time required to have a study completed and available by the income tax return's due date (including the six-month extension period).

#### US issues cryptocurrency tax guidance

The US Internal Revenue Service (IRS) last week issued guidance on the tax treatment of cryptocurrency transactions that expands on the last guidance issued in 2014 regarding when taxpayers recognize gain or loss on an exchange of cryptocurrency and how to calculate basis in cryptocurrency. The guidance comes in the form of 43 [frequently asked questions](#) and [Revenue Ruling 2019-24](#), with the latter addressing the tax consequences of a cryptocurrency "hard fork" and an "airdrop."

#### 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](#)
- [2019 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.

## US Bureau of Industry and Security adds 28 Chinese entities to the Entity List

On 7 October, the US Department of Commerce, Bureau of Industry and Security (BIS) added 28 Chinese organizations to the Entity List for acting “contrary to the foreign policy interests of the United States.” Export or re-export transactions subject to the jurisdiction of the United States with any of these organizations will require export licenses from BIS that will be subject to a presumption of denial. The authorization of license exceptions is limited.

## EY publication highlights 2019 Q3 tax policy developments across the Americas

The third quarter of 2019 ushered in several significant tax policy developments across the Americas. EY’s Americas Tax Policy Update highlights the top tax policy developments from July through September 2019. Highlights in this edition include:

- Mexico's proposed economic package, including changes to numerous tax provisions
- Brazil's tax reform proposals, including a possible financial transactions tax
- Argentina's upcoming elections
- The latest tax reform proposal in Chile
- The continued implementation of the tax reform law in the United States
- Regulations and resolutions implementing the tax reform law in Costa Rica

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

- **Brazil and Norway:** social security agreement negotiations underway
- **Chile and China:** Chilean Senate approved tax treaty protocol
- **Paraguay and Qatar:** Paraguay ratified tax treaty
- **Peru and China:** negotiations held on revision to free trade agreement

## This week’s EY Global Tax Alerts

### Global Tax Alerts

- [Report on recent US international tax developments - 11 October 2019 \(11 October 2019\)](#)
- [US IRS issues proposed rules addressing tax consequences of elimination of LIBOR and other interbank offered rates \(11 October 2019\)](#)
- [Dutch Government starts consultation on updated list of low-taxed jurisdictions to apply per FY 2020 \(11 October 2019\)](#)
- [Russia issues draft law on changes to tax policy guidelines for 2020 through 2022 \(11 October 2019\)](#)
- [Brazil enacts law to strengthen legal framework for investment funds \(10 October 2019\)](#)
- [German Government issues update on draft Mandatory Disclosure Rules \(10 October 2019\)](#)
- [Taiwan amends Taiwan-source income recognition regulations \(9 October 2019\)](#)
- [Morocco signs Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS \(9 October 2019\)](#)
- [Hong Kong and Estonia sign income tax treaty \(8 October 2019\)](#)
- [Greece transposes EU General Data Protection Regulation into domestic law \(7 October 2019\)](#)
- [Estonia publishes draft proposal on Mandatory Disclosure Rules \(7 October 2019\)](#)

### OECD Alert

- [The OECD takes next step on BEPS 2.0 – Proposal for a “unified approach” for additional market country tax \(10 October 2019\)](#)

### Tax information at your fingertips

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### Comments

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

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## Forward to a colleague

## Transfer Pricing Alerts

- [Portugal amends transfer pricing regulations \(10 October 2019\)](#)
- [Puerto Rico's new transfer pricing study option could allow full deduction of related-party expenses \(8 October 2019\)](#)
- [India's Tax Administration amends rules relating to interest income computation for secondary transfer pricing adjustments \(8 October 2019\)](#)
- [Greece requires e-application of CbCR Notifications as of 15 October 2019 \(7 October 2019\)](#)

## Indirect Alerts

- [US Bureau of Industry and Security adds 28 Chinese entities to the Entity List \(10 October 2019\)](#)
- [UAE issues updated guidance on VAT refunds for business visitors \(8 October 2019\)](#)

## Human Capital Alert

- [UK Government looks to protect healthcare access for UK nationals living in the EU after October 31 \(7 October 2019\)](#)

## Upcoming webcasts

### [Preparing for uncertainty: an update on Americas and global tax policy developments \(16 October\)](#)

Tax policy continues to affect business decisions around investment, supply chains and future planning. EY panelists Barbara Angus, EY Global Tax Policy Leader, Ray Beeman, Co-leader, Washington Council Ernst & Young, Ernst & Young LLP and Gustavo Carmona Sanches, Brazil Tax Desk, International Tax and Transaction Services, Ernst & Young LLP will discuss what businesses should be thinking about in this transformative environment and will share their thoughts on what's next on the tax policy agenda.

### [OECD BEPS 2.0 is coming: How do you navigate cross-border business in the wake of change? \(31 October\)](#)

For multinational businesses, preparing for the impact of the OECD's project on addressing the tax challenges of the digital economy (or BEPS 2.0) will be imperative. Our panelists will address the latest announcements from the OECD on BEPS 2.0, ongoing work, and likely impacts on all multinationals (not just digital businesses).

## Recently archived webcasts now available on-demand

*No new archived webcasts available this week*

## EY industry, service and issue publications

### Industries

Automotive & Transportation

- [Can data provide the trust to rewrite the terms of trade?](#)

Health

- [As data personalizes medtech, how will you serve tomorrow's consumer?](#)

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