



## Americas Tax Roundup

21 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

#### Colombian Constitutional Court declares 2018 tax reform unconstitutional

On 16 October 2019, the Colombian Constitutional Court declared the 2018 tax reform unconstitutional because of procedural flaws in Congress's approval process. However, the Court decided that the tax reform will remain in effect until the end of 2019, giving Congress time to approve a new tax law that affirms the 2018 tax reform or introduce new measures that would amend the Colombian tax laws. If no action is taken, the tax regime in force before the 2018 tax reform will apply beginning 1 January 2020.

#### Paraguay enacts tax reform

Paraguay has enacted new tax reform legislation that establishes transfer pricing rules, which were not previously part of Paraguay's tax law. The tax reform also creates a new income tax and includes corporate income carryforward rules. The Executive Power must still issue a regulatory decree with the law's effective date, but it is likely that the effective date will be 1 January 2020.

#### US and China reach initial accord towards trade agreement

On 11 October, the US President and Chinese Vice Premier announced that the two nations had reached an initial trade accord, referred to as the Phase One agreement. Phase One features increased US agricultural purchases by China, suspended punitive tariff increases by the US, certain Chinese concessions on currency manipulation, as well as the framework for next steps on other issues. The US has indicated that Phase One is the first step towards a more comprehensive trade agreement.

#### MERCOSUR decision allows goods to retain origin quality when passing through a free trade zone

A MERCOSUR decision has entered into force that allows goods made with materials from MERCOSUR countries (Argentina, Brazil, Paraguay, and Uruguay) to retain their MERCOSUR origin quality when passing through a free trade zone (FTZ), provided the goods enter the FTZ for transportation or warehousing. Accordingly, such goods may remain eligible for preferential tax treatment. Prior to the decision, goods entering a FTZ lost their MERCOSUR origin and could not benefit from preferential tax treatment.

### 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.

## Mexican President's comprehensive economic proposal – EY article reviews key aspects

Mexico's President has submitted to Congress the first economic proposal of his presidency for 2020, which includes changes that are aimed at strengthening compliance with the existing tax structure and challenging base erosion and profit shifting. Taxpayers and investors should be aware of the proposals as they make their way through the legislative process and be prepared to meet additional compliance obligations and challenges on cross-border transactions. Note: Modifications to several of the provisions were announced on 16 October, and an Alert on those changes will be released shortly.

## US Tax Cuts and Jobs Act implementation challenges – EY article discusses key focus areas for businesses

Companies continue to work through challenges stemming from the US Tax Cuts and Jobs Act (TCJA), which ushered in new rules, new compliance and reporting obligations, and new risks. A new article by EY's Americas Tax Policy group, "Tax in transition – five areas of focus as companies work to implement the TCJA," provides high-level summaries of key areas companies should pay attention to and includes questions to help them focus their efforts.

## EY's 'Latest on BEPS and Beyond' for October 2019

EY's new and expanded *Latest on BEPS and Beyond* monthly newsletter reviews global and regional BEPS-related policy trends, as well as recent BEPS-driven global developments. Topics discussed in the latest edition include the OECD's public consultation document on a "unified approach" for BEPS 2.0, an Argentine proposal for implementing transfer pricing provisions, the Chilean House of Representatives' approval of a tax reform bill, and a Peruvian resolution on rules for filing Country-by-Country reports.

## EY 'TradeWatch' offers quarterly update on global trade developments

EY's *TradeWatch* Autumn 2019 edition outlines key legislative and administrative developments for customs and trade around the world. Highlights from the Americas in this edition include: (1) the conclusion of the MERCOSUR-EU free trade agreement negotiations, (2) the US-China trade dispute, (3) the path towards ratification of the United States–Mexico–Canada agreement, and (4) Ecuadorian regulations to apply or renew as an authorized economic operator.

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## Comments

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

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

- **Chile and Hong Kong:** tax agreement negotiations planned
- **Panama and Israel:** National Assembly of Panama approved free trade agreement
- **Peru and Turkey:** free trade agreement negotiation underway

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## This week's EY Global Tax Alerts

### Global Tax Alerts

- [Report on recent US international tax developments - 18 October 2019 \(18 October 2019\)](#)
- [Gibraltar and United Kingdom sign Double Taxation Agreement \(18 October 2019\)](#)
- [Colombian Constitutional Court declares the 2018 tax reform unconstitutional \(17 October 2019\)](#)
- [US IRS announces that taxpayers can still rely on expired temporary Section 385 recharacterization rules \(17 October 2019\)](#)
- [Nigerian Government presents 2020 budget proposal to National Assembly \(17 October 2019\)](#)
- [Paraguay enacts new tax reform law \(16 October 2019\)](#)
- [Tanzania Companies Registry sets deadline for online registration of all companies in Tanzania \(16 October 2019\)](#)
- [Indonesia issues implementing regulations for 200% super deduction \(16 October 2019\)](#)
- [Slovakia publishes final legislation implementing Mandatory Disclosure Rules \(16 October 2019\)](#)
- [Luxembourg Government submits draft Budget Law 2020 to Parliament – Pre-2015 tax rulings to expire with tax year 2019 \(15 October 2019\)](#)
- [Turkey announces draft General Communiqué No.1 on Declarations for Tourism Contribution for public comment \(14 October 2019\)](#)
- [Hong Kong disallows deductions for certain foreign withholding taxes \(14 October 2019\)](#)

### OECD Alert

- [Latest on BEPS and Beyond - October Edition \(15 October 2019\)](#)

### Transfer Pricing Alert

- [Costa Rica: Modifications to income tax regulations affect transfer pricing \(18 October 2019\)](#)

### Indirect Alerts

- [Dutch Customs announces that non-EU company can no longer act as exporter from The Netherlands as of 1 December 2019 \(18 October 2019\)](#)
- [Austrian Government approves digital advertising bill \(18 October 2019\)](#)
- [Costa Rica-Colombia Free Trade Agreement: FTC issues decision on validity of Certificate of Origin \(18 October 2019\)](#)
- [Italy imposes VAT obligation on marketplace operators for e-commerce transactions \(17 October 2019\)](#)
- [MERCOSUR decision allows goods to retain origin quality when passing through a free trade zone \(14 October 2019\)](#)
- [US and China reach initial accord towards trade agreement on agricultural purchases, tariff delays and next steps on framework for intellectual property and technology transfers \(14 October 2019\)](#)

### Human Capital Alerts

- [Jordan issues amendment to work permit fees \(18 October 2019\)](#)
- [Mexico's new process to apply for Tax Residency Certificate discussed \(18 October 2019\)](#)

## Upcoming webcasts

### [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

### [BorderCrossings: Trade disruptions and supply chain structures](#)

To help multinationals deal with the uncertainty resulting from recent tariffs and other trade disruptions, panelists in our latest BorderCrossings webcast reviewed trends in trade policies, discussed historical considerations, and offered transfer pricing and other perspectives on options for multinationals with global supply chains.

## EY industry, service and issue publications

### Industries

Real Estate, Hospitality & Construction

- [Can real estate tech return more than just investment?](#)

### Services

People and workforce

- [How can we make common ground the foundation for real change?](#)

Tax

- [How is digital tax technology redefining your digital tax landscape?](#)

Transactions Advisory Services

- [Four current trends for estimating one-time M&A integration costs](#)

### Issues

Growth

- [M&A – response or resilience?](#)

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