

## Report on recent US international tax developments - 20 September 2019

---

### **NEW!** EY Tax News Update: Global Edition

EY's new Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

---

The United States (US) Treasury on 16 September sent the eagerly-anticipated final Internal Revenue Code<sup>1</sup> Section 59A Base Erosion and Anti-abuse Tax (BEAT) regulations to the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) for review. At the same time, Treasury also sent a new package of proposed BEAT regulations to OIRA for review. The Government released comprehensive proposed BEAT regulations in December 2018, which addressed certain of the outstanding questions under Section 59A, and provided guidance on the application of the gating thresholds and computational matters.

The Internal Revenue Service (IRS) reportedly is considering ending its compliance campaign on nonfilers of Form 1120-F, "U.S. Income Tax Return of a Foreign Corporation." The campaign, one of the first compliance campaigns to be promulgated by the agency in 2017, has come under criticism by the Treasury Inspector General for Tax Administration (TIGTA). The TIGTA found "low examination referral and proposed assessment rates" resulting from the campaign. According to a TIGTA report released on 16 September, the IRS will evaluate whether the campaign should be amended or suspended entirely.

Pascal Saint-Amans, Director of the Organisation for Economic Co-operation and Development (OECD)'s Centre for Tax Policy and Administration, this week was quoted as saying that the OECD's forthcoming proposals on Pillar 1 and Pillar 2 will incorporate tax certainty as a core part

of the solution. A unified proposal is expected to be released by the OECD in late September or early October, prior to a planned G-20 Finance Ministers meeting expected to take place around a mid-October International Monetary Fund/World Bank meeting in Washington, DC.

---

## Endnote

1. All "Section" references are to the Internal Revenue Code of 1986, and the regulations promulgated thereunder.

For additional information with respect to this Alert, please contact the following:

**Ernst & Young LLP, International Tax and Transaction Services, Washington, DC**

- ▶ Arlene Fitzpatrick      [arlene.fitzpatrick@ey.com](mailto:arlene.fitzpatrick@ey.com)
- ▶ Joshua Ruland          [joshua.ruland@ey.com](mailto:joshua.ruland@ey.com)

**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 [ey.com](http://ey.com).

© 2019 EYGM Limited.  
All Rights Reserved.

EYG no. 004223-19Gbl

1508-1600216 NY  
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

**[ey.com](http://ey.com)**