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1 March 2021

Americas Tax Roundup

Latest news – Americas

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[Argentina issues regulations for companies applying for promotional regime for knowledge-based economy](#)

Argentina has published Disposition 11/2021, which contains the regulations with which companies must comply to register with the promotional regime for the knowledge-based economy, maintain their registration and access the regime's benefits. Disposition 11 requires companies to file all forms, and the Government to issue all notifications, through the Remote Procedures Platform (Trámites a Distancia or TAD, in Spanish) approved by the Argentine Government.

[Peru establishes gains from the indirect transfer of Peruvian shares will be taxed only in Chile under the Peru-Chile DTT](#)

In guidance (Ruling No. 001-2021-SUNAT/7T0000), the Peruvian tax authorities established that capital gains obtained by a Chilean resident from the indirect transfer of Peruvian shares through the direct transfer of Chilean shares will be taxed only in Chile under the Peru-Chile double tax treaty (DTT). The tax authorities concluded that Article 13(5), not Article 13(4), of the DTT applies to this situation.

[Uruguayan Government modifies rules applicable to goodwill in corporate restructurings for a second time](#)

In Decree 64/021, Uruguay's Executive Power repealed Decree 21/021 (see Global Tax Alert [2021-5180](#)), modifying the requirements that taxpayers must meet to disregard goodwill in mergers or spin-offs that are part of a corporate restructuring. The new decree requires ultimate beneficial owners to maintain at least 95% (instead of 5%) of their equity proportions for at least two years to not consider goodwill in corporate restructurings.

[Argentina-Qatar tax treaty enters into force](#)

On 31 January 2021, the Argentina-Qatar income tax treaty entered into force. The treaty provisions will take effect for amounts paid on or after 1 January 2022, for taxes withheld at source, and for tax years beginning on or after 1 January 2022, for other taxes on income and taxes on capital.

[Costa Rica's President and the Ministry of Finance publish "guidelines for the implementation of treaty provisions and agreements for the importation of goods"](#)

Costa Rica has published Executive Decree No. 42799-H, containing the "Guidelines for the implementation of treaty provisions and agreements in Costa Rica, relating to the importation of goods under tariff preferences." Under the decree, the Ministry of Finance, the Directorate-General for Customs and the Ministry of Foreign Trade will coordinate through the Directorate for the Implementation of International Trade Agreements to correctly implement international trade treaties and agreements and facilitate foreign trade.



[Costa Rica's Executive Branch may extend period goods may stay in a tax warehouse](#)

Decree No. 9947 allows Costa Rica's Executive Branch to extend the period imported goods may stay in a tax warehouse. The decree went into effect on 17 February 2021.

[Canada: Alberta budget 2021-22 discussed](#)

Alberta Finance Minister Travis Toews tabled the province's fiscal 2021-22 budget on 25 February 2021. The budget contains no new taxes and no tax increases.

[Canada: Nunavut budget 2021-22 discussed](#)

Nunavut Finance Minister George Hickes tabled the territory's fiscal 2021-22 budget on 23 February 2021. The budget contains no new taxes and no tax increases.

[Now available! EY's 2021 Tax Risk and Controversy Survey: The Tax Leader Imperative: How do you adapt to the changing tax risk landscape?](#)

Many businesses have not fully adjusted to ongoing, dramatic changes in tax authority scrutiny of their affairs, according to respondents to EY's 2021 Tax Risk and Controversy Survey. And change may be far from over: 53% of tax leaders expect greater enforcement in the next three years, especially as governments begin to address budgetary pressures arising from responding to the COVID-19 pandemic. The survey finds businesses are bracing for more disputes and mitigating them requires a proactive approach. The survey provides details.

This week's tax treaty news in the Americas

- ▶ Argentina and Qatar: income and capital tax treaty entered into force
- ▶ Brazil and United Arab Emirates: income tax treaty approved by Brazilian Senate
- ▶ Brazil and Singapore: income tax treaty approved by Brazilian Senate
- ▶ Brazil and Switzerland: income tax treaty approved by Brazilian Senate
- ▶ United States and Japan: mutual agreement to implement the arbitration process under the income tax treaty signed

Upcoming webcasts

[Latin America "nearshoring" webcast series: Costa Rica session \(16 March\)](#)

Recent disruptions to global supply chains have heightened interest in the concept of "nearshoring" (i.e., the transferring of a business operation to a nearby country from a more distant one). To provide information and help answer questions about nearshoring in Latin America, EY is sponsoring a series of webcasts featuring our local country professionals. This latest session in the series will focus on Costa Rica.

Recently archived webcasts

[From liability to asset: tax automation and data integrity for family offices and business owners](#)

Panelists shared insights and best practices on the value of technology within the tax function. From global reporting to data integrity, our leaders shared real-life examples and industry-leading options for ensuring your tax function is maximizing its capabilities – manually and digitally.



Recently issued EY podcasts

US Cross-Border Taxation weekly podcast, 26 February 2021

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ US House of Representatives to vote on \$1.9 trillion COVID-19 stimulus / relief package on 26 February, action next moves to Senate
- ▶ US Treasury nominee says goal in BEPS 2.0 talks is to protect US tax revenue and ensure a level playing field

You can register for this weekly podcast on iTunes [here](#).

This week's EY Global Tax Alerts

Global Tax Alerts

- ▶ Report on recent US international tax developments – 26 February 2021
- ▶ Peru establishes gains from indirect transfer of Peruvian shares will be taxed only in Chile under Peru-Chile DTT
- ▶ Canada: Alberta issues budget 2021-22
- ▶ Uruguayan Government modifies rules applicable to goodwill in corporate restructurings for a second time
- ▶ Argentina-Qatar tax treaty enters into force
- ▶ Canada: Nunavut issues budget 2021-22
- ▶ Argentina issues regulations for companies applying for promotional regime for knowledge-based economy
- ▶ Costa Rica's President and the Ministry of Finance publish "guidelines for the implementation of treaty provisions and agreements for the importation of goods"
- ▶ Cyprus announces non-application of administrative fines for DAC6 submissions up until 30 June 2021
- ▶ Portugal publishes MDR guidance and reporting form
- ▶ Luxembourg Tax Authorities update MDR guidance
- ▶ South Africa's Minister of Finance delivers 2021 Budget Review
- ▶ Russia: Requirements for 2020 annual tax reports of foreign companies operating in Moscow
- ▶ EU Member States adopt revised list of non-cooperative jurisdictions for tax purposes

OECD Alerts

- ▶ OECD releases new transparency framework for Action 5 for 2021 through 2025
- ▶ OECD Forum on Tax Administration releases new handbook for International Compliance Assurance Programme (ICAP)



Transfer Pricing Alerts

- ▶ EU negotiations on public CbCR move forward as majority of Member States back proposal

Human Capital Alerts

- ▶ Presidential proclamation rescinds suspension of entry of certain immigrant visa holders to the US
- ▶ USCIS allows premium processing for E-3 petitions
- ▶ President Biden's US Citizenship Act discussed

Indirect Tax Alerts

- ▶ Costa Rica's Executive Branch may extend period goods may stay in a tax warehouse

EY Industry and Tax Services publications

Industries

Automotive

- ▶ How electric vehicles could lead the post-pandemic charge

Government & Public Sector

- ▶ How can digital government connect citizens without leaving the disconnected behind?
- ▶ Will governments return to the past or nurture a digital future?

Insurance

- ▶ How insurers can transform by adopting public cloud

Services

Tax

- ▶ How quantum computing will improve tax administration and compliance
- ▶ Why businesses expect a shift from COVID-19 tax relief to enforcement
- ▶ How private businesses can best prepare for global tax risk
- ▶ The Tax Leader Imperative: How do you adapt to the changing tax risk landscape?

Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: globaltaxnewsupdatehelp@ey.com.



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