



# International Tax Americas

## March 2016

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG member firms in the Americas Region between **1 March and 31 March 2016**.

<a href="#">Brazil</a>	<a href="#">Canada</a>	<a href="#">Colombia</a>	<a href="#">Mexico</a>	<a href="#">United States</a>
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For a full summary of global tax developments, visit [kpmg.com/TaxNewsFlash](http://kpmg.com/TaxNewsFlash).

To contact the International Tax Team email [internationaltax@kpmg.com](mailto:internationaltax@kpmg.com).

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	Tax area concerned	Relevant date	Description of measures and publication link ( <i>Considerations in italic where necessary</i> )
<b>Brazil</b>			
Tax legislation adopted and regulatory update	Capital gains tax		There is a change to the rates of taxation of capital gains realized by individual taxpayers in Brazil. Previously, the rate of tax was 15 percent. Under the new rules, capital gains are subject to taxation at progressive rates based on the amount realized. <a href="#">Read more</a>

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<b>Canada</b>			
Tax legislation adopted and regulatory update	Corporate income tax	1 April 2016	New Brunswick announced that, effective 1 April 2016, its small business income tax rate is decreased to 3.5 percent (from 4 percent). <a href="#">Read more</a>
	Tax compliance	March 2016	Oil and gas companies and mining companies operating in Canada now have the final version of guidance, technical specifications, and forms needed to start reporting tax and other payments they make to Canadian and foreign

			governments under Canada's new reporting regime. <a href="#">Read more</a>
		30 June 2016	"Selected listed financial institutions" that have a 31 December year-end only have until 30 June 2016 to claim missed input tax credits and special attribution method deductions. <a href="#">Read more</a>
	Various tax areas	10 March 2016	Legislation implementing certain measures in British Columbia's 2016 budget received Royal Assent. The legislation includes measures to: <ul style="list-style-type: none"> <li>— extend the mining exploration tax credit to the end of 2019</li> <li>— extend the B.C. mining flow-through share tax credit to the end of 2016</li> <li>— increase the property transfer tax rate on the portion of the property's value that exceeds CAD\$2 million.</li> </ul> <a href="#">Read more</a>
Proposed legislation	Various tax areas	22 March 2016	The Finance Minister delivered Canada's 2016 federal budget. Among the tax provisions are measures that: <ul style="list-style-type: none"> <li>— repeal certain tax credits available for individual taxpayers</li> <li>— defer further reductions of the small business tax rate of 10.5 percent on the first CAD\$500,000 of business income</li> <li>— bar multiplication of the small business deduction in certain partnerships and corporate structures</li> <li>— repeal the eligible capital property regime and replace it with a new capital cost allowance class</li> <li>— tighten the rules on the use of a life insurance policy to distribute amounts tax-free to shareholders</li> <li>— impose new rules to limit cross-border paid-up capital increases</li> <li>— extend the back-to-back loan rules</li> <li>— introduce country-by-country reporting, address treaty abuse pursuant to the BEPS project, and provide for the spontaneous exchange of certain tax rulings</li> <li>— revise the financial institution rules for indirect tax purposes.</li> </ul> <a href="#">Read more</a>
	GST/HST	22 March 2016	Entities in the real estate sector may want to consider preparing for the effect of certain GST/HST tax changes proposed in the 2016 federal budget. Specifically, the budget proposes measures for: <ul style="list-style-type: none"> <li>— reporting "grandparented" housing sales (i.e. that were grandparented from HST rate increases or the introduction of HST in provinces since 2010)</li> </ul>

			<ul style="list-style-type: none"> <li>— GST/HST de minimis financial institution rules—interest from guaranteed investment certificates or deposits</li> <li>— the “closely related” test for GST/HST elections.</li> </ul> <a href="#">Read more</a>
Various tax areas	22 March 2016	Entities in Canada’s financial services sector need to consider preparing for the effect of certain tax changes proposed in the 2016 federal budget. Specifically, the 2016 budget proposes corporate and indirect tax measures for: <ul style="list-style-type: none"> <li>— mutual fund corporation (“switch funds”) share exchanges</li> <li>— sale of linked notes</li> <li>— derivatives—lower of cost or market</li> <li>— the “closely related” test for GST/HST elections</li> <li>— GST/HST on cross-border reinsurance with affiliates</li> <li>— GST/HST de minimis financial institution—interest from guaranteed investment certificates or deposits</li> <li>— zero-rated call center services to non-residents.</li> </ul> <a href="#">Read more</a>	
	March 2016	Quebec’s Minister of Finance and the Economy delivered the province’s 2016 budget. Among the tax changes in the budget are the following measures: <ul style="list-style-type: none"> <li>— a reduction of the health contribution and its revocation in 2018</li> <li>— a reduction of the health services fund contribution for small and medium-sized businesses</li> <li>— introduction of a deduction for innovative manufacturing corporations that lowers the tax rate to 4 percent</li> <li>— a new temporary refundable tax credit for major digital transformation projects</li> <li>— changes to other tax credits.</li> </ul> <a href="#">Read more</a>	

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Colombia			
Tax legislation adopted and regulatory update	Foreign exchange control	10 February 2016	<p>New rules issued by the Colombian central bank concern the registration, modification, and / or cancellation of foreign debt. The new rules allow payments in foreign currency between residents in Colombia, and thereby can reduce certain administrative and financial costs relating to certain transactions.</p> <a href="#">Read more</a>
Other	Tax compliance	March 2016	<p>KPMG in Colombia has prepared tax calendar on certain return filing and certain tax payment due dates for the first</p>

			half of 2016. <a href="#">Read more</a>
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Mexico			
Tax legislation adopted and regulatory update	Tax incentives	March 2016	Various tax incentives are available for employers in Mexico that hire workers with disabilities. <a href="#">Read more</a>

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United States			
	-	-	For legislative changes and regulatory updates for the US please visit below link to the TaxNewsFlash United States. <a href="#">Read TaxNewsFlash US</a>

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