



International Tax Americas August 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 August and 31 August 2016**.

Barbados	Canada	Mexico	United States
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For a full summary of global tax developments, visit kpmg.com/TaxNewsFlash.

To contact the International Tax Team email internationaltax@kpmg.com.

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	Tax area concerned	Relevant date/Case reference	Description of measures and publication link (<i>Considerations in italic where necessary</i>)
Barbados			
Proposed legislation	Multiple areas	16 Aug 2016	The Minister of Finance and Economic Affairs delivered the government's financial statement and budgetary proposals. Among the tax provisions proposed in the 2016 budget are a rate increase of the bank asset tax, tax amnesty and duty free zones. Read more.

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Canada			
Proposed legislation	Corporate tax	3 Aug 2016	Canada's Department of Finance released draft legislative proposals to implement certain outstanding measures that were originally announced in the 2016 federal budget, including certain international tax changes relating to back-to-back rules, debt parking and cross-border surplus stripping. Read more.

Proposed legislation	Corporate and international tax		The draft legislation includes outstanding income tax measures from the 2016 federal budget, including changes to the eligible capital property (ECP) legislation, details on country-by-country reporting and the extension of the back-to-back loan rules, among others. Read more.
Administrative and case law	Corporate tax	10 Aug 2016	Under the foreign affiliate (FA) rules enacted in 2013, qualifying debts that existed on 19 August 2011 ("grandfathered loans") and that were still outstanding on 19 August 2014 must be repaid by 19 August 2016, or else an income inclusion under subsection 90(6) is required. Read more.

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Mexico

Administrative and case law	Tax mailbox	26 Aug 2016	Mexico's tax administration announced that beginning September 2016, the tax authorities will begin the first electronic review of the "tax mailbox" (buzón tributario). Read more.
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United States

Tax legislation adopted and regulatory update	Taxation of foreign persons	17 Aug 2016	The U.S. Treasury Department and IRS released final regulations relating to the 2 percent tax on payments made by the U.S. government to foreign persons pursuant to certain contracts. The final regulations also include rules under section 6114, with respect to foreign persons claiming an exemption from the tax under an income tax treaty. Read more.
Administrative and case law	Tax areas of focus for IRS	16 Aug 2016	The 2016-2017 priority guidance plan updated 15 August 2016 — contains 281 guidance and regulatory projects that the IRS has identified as priorities and intends to work on during the 12-month period from July 2016 through June 2017. Read more.
Treaties	Totalization agreements	5 Aug 2016	The U.S. Court of Appeals for the District of Columbia Circuit today reversed and remanded a decision of the U.S. Tax Court concerning two French taxes and the social security totalization agreement between the United States and France. The D.C. Circuit concluded

			that the Tax Court committed legal error in its analysis. Read more.
Other	State aid	24 Aug 2016	The U.S. Treasury Department today released a "white paper" outlining Treasury's concerns with the approach of the European Commission and its state aid investigations. Read more.
Other	State aid	30 Aug 2016	Leaders of the U.S. congressional tax writing committees respond to the announcement by the European Commission's Directorate-General for Competition (EC) of its state aid investigation findings that Ireland has granted undue tax benefits of up to €13 billion to a U.S. based multinational corporation. Read more.

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