

## Flash Alert

### Monthly Summary (January 2015)

Flash Alerts	
Colombia	<p><b><u><a href="#">New Tax Reform Introduces Wealth Tax for Individuals</a></u></b></p> <p>A new tax reform in Colombia introduces, among other modifications, a wealth tax for individuals, for fiscal years 2015, 2016, 2017, and 2018. The wealth tax will apply to individuals subject to income tax (both tax residents and non-tax residents of Colombia) whose net worth, at January 1st of each year, exceeds COP 1 billion.</p>
Croatia	<p><b><u><a href="#">Effective 1 January, Amendments to PIT and Social Security Rules</a></u></b></p> <p>As of January 1, 2015, new Croatian Personal Income Tax (PIT) and social security legislation introduce various changes including amendments to rates and thresholds, increases in the basic personal allowances, bringing certain passive income into the PIT net, alterations to the taxation of capital gains from 2016, and modifications to the completion and submission of tax returns, among other measures.</p>
Czech Republic	<p><b><u><a href="#">Bilateral Social Security Developments with India, United States</a></u></b></p> <p>There have been two recent bilateral social security agreement developments involving (1) the Czech Republic and India, and (2) the Czech Republic and the United States of America (USA). The agreement with India will generally help to ensure that workers will not pay double social security taxes if they are on international assignment working in the one country or the other, which may help to keep costs relatively low for international assignments between India and the Czech Republic. The complementary agreement with the USA seeks to clarify a discrepancy in the original bilateral agreement concerning payment of health insurance and Medicare contributions.</p>
France	<p><b><u><a href="#">2015 Budget Law Contains Some Changes, for Individuals, Employers</a></u></b></p> <p>France's 2015 finance law and 2014 amended finance law, enacted at the end of December 2014, introduced some minor changes to France's personal tax system, including measures related to tax rates and thresholds, the "quotient familial," and capital gains tax treatment of real estate dispositions by non-French-resident taxpayers, amongst others.</p>

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France	<p><b><u><a href="#">New Economic Growth Bill Contains Some Measures Affecting Individuals</a></u></b></p> <p>A new bill, currently under review in France’s parliament, contains measures concerning easing the taxation of French qualifying shares and liberalizing the rules of the so-called “inpatriate tax regime.” These measures may help to ease the tax burden pressures raised by recent French budgets.</p>
Germany	<p><b><u><a href="#">New Salary Criteria Defined for EU Blue Cards</a></u></b></p> <p>With effect as of January 1, 2015, the salary criteria for European Union (EU) Blue Cards issued by the German authorities have increased. The new criteria also apply to EU Blue Card-based entry visas (national visas). Companies intending to hire non-EU/non-EEA/non-Swiss nationals must take the new salary criteria into account when offering employment contracts to candidates.</p>
Germany	<p><b><u><a href="#">New Statutory Minimum Wage Will Impact Employment of Foreign Individuals</a></u></b></p> <p>On January 1, 2015, Germany’s law on the statutory minimum wage became effective and is set at EUR 8.50/working hour (gross). The monthly rate, according to the German authorities, amounts to EUR 1,473 based on a 40-hour work-week. The new German statutory minimum wage affects all individuals working in Germany regardless of their nationality. Additionally, the location of their employing entity is not taken into account, so even foreign companies located abroad and assigning employees to Germany are legally required to pay the statutory minimum wage during an assignment.</p>
India	<p><b><u><a href="#">Tourist Visa on Arrival Scheme Extended to 43 Countries</a></u></b></p> <p>The government of India has made important changes in the original Tourist Visa on Arrival (‘TVoA’) scheme by extending this facility to 31 additional countries. The United States, Brazil, Russia, and Australia are among the countries whose citizens are eligible for the expanded program. While the details on what this means for business travelers still need to be made clear, overall the changes to the rules should ease administrative burdens and facilitate the movement of persons into India.</p>
Italy	<p><b><u><a href="#">Starting January 1 New Quota Rules for Issuance of Work Permits Rules</a></u></b></p> <p>On 29 December 2014, Italy enacted the Decreto Flussi (an annual decree) setting out quotas that apply in respect of the number of foreign workers in Italy under various categories. It is important that immigration and global mobility professionals with workers destined for Italy are aware of the terms of the decree, which sets out the framework, practices, and rules for the issuance of work permits to foreigners.</p>

Malaysia	<p><b><u><a href="#">Important Changes to Monthly Tax Deduction Rules</a></u></b></p> <p>New statutory provisions in Malaysia have been enacted that amend the definition of “remuneration” for Monthly Tax Deduction (MTD) – a form of withholding – purposes. Additionally, the due date of MTD payments is extended from the 10th of the calendar month to the 15th of the calendar month, among other changes. Employers should be aware that for certain employees who have an income tax liability in Malaysia, their compliance responsibilities have changed.</p>
Netherlands	<p><b><u><a href="#">CJEU Advocate General Opines on 150-Km Limit for 30% Ruling</a></u></b></p> <p>The Advocate General at the Court of Justice of the European Union (CJEU) issued her Opinion on November 13, 2014, on whether European Union (EU) law has been violated by the Netherlands’ 150-kilometer criterion in respect of its so-called “30% ruling”. The Advocate General concluded that the criterion does not violate EU law if in the majority of cases the employees in question can commute daily between their foreign residences and their place of work in the Netherlands. The fate of this aspect of the Dutch 30% ruling depends on the outcome of the CJEU’s review (still pending) against prevailing EU law.</p>
People’s Republic of China	<p><b><u><a href="#">New Rules for Bringing Short-Term Assignees into China</a></u></b></p> <p>Notice 78, which came into effect on January 1, 2015, aims to regulate the employment of foreign nationals in the People’s Republic of China (“China”), together with the Administrative Regulations. The Notice clarifies the definition of “short-term assignment” and the visa requirements and corresponding application procedures. Companies should be aware of the changes to the visa requirements and application procedures, and review their corresponding internal procedures to help establish full compliance with respect to the hosting of short-term assignees.</p>
Switzerland	<p><b><u><a href="#">Falling Euro Against Franc Has Assignment and Immigration Repercussions</a></u></b></p> <p>Following the Swiss National Bank’s recent decision to end the three-year cap of 1.20 Swiss francs per euro, the fluctuation of the Swiss franc against major currencies is expected to have an impact on assignees and their compensation, as well as compliance with Swiss immigration law. Salaries currently paid to assignees in euro or other major currencies bear the risk of not meeting Swiss salary requirements and therefore not meeting immigration compliance requirements anymore.</p>

United Kingdom	<p><b><u><a href="#">Government Issues Consultation Document on Remittance Basis Charge</a></u></b></p> <p>The U.K. government issued a consultation document looking at whether changes should be made to the way that non-U.K. domiciled individuals are taxed in the United Kingdom. The document's proposals concerning the Remittance Basis Charge will potentially add to the cost of longer-term U.K. assignments for employers. They will also add to the complexity of U.K. legislation.</p>
United Kingdom	<p><b><u><a href="#">New Treaty with Croatia to Replace 1981 Treaty</a></u></b></p> <p>A new double taxation agreement has been negotiated between the U.K. and Croatia, which was signed on January 15, 2015. The agreement will come into force when both countries have completed their parliamentary procedures and exchanged diplomatic notes. There are several notable provisions in the new treaty that affect residency status, potential double taxation and relief therefrom, permanent establishment, etc. Interestingly, this treaty does not contain a remittance basis clause.</p>

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United States	<p><b><u><a href="#">IRS Retroactively Increases 2014 Monthly Transit Benefit Allowance</a></u></b></p>
United States	<p><b><u><a href="#">New York Amends New York Wage Theft Prevention Act</a></u></b></p>

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