

## Flash Alert

### Monthly Summary (February 2016)

Flash Alerts	
Australia	<p><b><u><a href="#">Social Security Agreement with India Comes into Force</a></u></b></p> <p>The bilateral Social Security Agreement (SSA) between Australia and India is in effect from 1 January 2016. Execution of the SSA is welcome as it provides for the possibility for organizations to eliminate duplicative costs resulting from pensions contributions.</p>
Ireland	<p><b><u><a href="#">Introduction of Online Enquiry Service for Employment Permit Applicants</a></u></b></p> <p>Ireland's Minister of Jobs, Enterprise, and Innovation recently launched an online facility, whereby employment permit applicants can check the status of their applications. The online enquiry facility is regarded by the minister as a significant stepping stone in his commitment to introduce an online application system in 2016.</p>
Italy	<p><b><u><a href="#">2016 Quota for Issuance of Work and Residence Permits</a></u></b></p> <p>The newly enacted annual decree, <i>Decreto Flussi</i>, sets forth the quotas for 2016 that apply for different categories of foreign workers in Italy. The decree explains in detail (i) all numerical limits for each category of worker/citizen permitted to enter with a relevant work permit; (ii) the timing for the submission of the work permit request; and (iii) the terms and conditions around applying for a work permit.</p>
Malaysia	<p><b><u><a href="#">New 2016 Budget Tax Proposals to Off-Set Economic Uncertainty</a></u></b></p> <p>Malaysia's 2016 revised Budget proposals offer additional relief for certain middle-income taxpayers, including lowering the statutory rate of the employees' contribution to the Employees' Provident Fund. This may impact employers' overall international assignment costs in some cases.</p>

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Malaysia	<p><b><u><a href="#">New Guidelines on Tax Clearances for Taxpayers Issued</a></u></b></p> <p>The Malaysian Inland Revenue Board (“MIRB”) has issued Operational Guidelines setting out the Tax Clearance Letter (“TCL”) request procedures with respect to employees who are retiring, resigning, departing Malaysia, or who have died. The TCL is a letter issued by the MIRB to notify the employer of a retiring or resigning employee’s tax liability, prior to making the final payment of salary/compensation/gratuity to the employee. Employers need to be aware of the existing procedures -- clarified by the new guidelines -- regarding the TCL.</p>
People’s Republic of China	<p><b><u><a href="#">Some Guidance on Equity Income Tied to Unlisted Companies</a></u></b></p> <p>The Hainan Local Tax Bureau in the PRC released its opinions concerning individual income tax treatment of share-based incentive income derived by employees who participate in an unlisted company’s equity incentive plan. The tax bureau’s response clarifies the specific taxation practice, including the taxation point, share valuation method, and tax calculation formula relating to shares and options granted to employees of unlisted companies.</p>
Romania	<p><b><u><a href="#">New Information Statement, Worldwide Taxation Rule, and Penalties for Non-Compliance</a></u></b></p> <p>Several developments concerning Romania’s Fiscal Code took effect recently, including a new wage information statement; changes to the time-frame for being subject to world-wide taxation; and new penalties for undeclared taxable income.</p>
Switzerland	<p><b><u><a href="#">Changes to Social Insurance Rates for 2016</a></u></b></p> <p>The Swiss federal council recently modified Swiss tax law changing the rates and income base for social insurances. For accident and unemployment insurances, the contribution rates remain unchanged but are now calculated on income up to CHF 148,200 as from 1 January 2016. The contribution rate for income compensation insurance was reduced from 0.5 percent to 0.45 percent as of 1 January 2016.</p>
Thailand	<p><b><u><a href="#">New Work Permit Policy for ASEAN Workers, Rules for Visa Over-Stays</a></u></b></p> <p>From January 2016 onwards, the Thai work permit rules for professional careers in the hotel and tourism business will be partially relaxed in favor of individuals from ASEAN member countries. Previously, work permits for these professional careers and positions were completely unavailable. In a separate development, the Immigration Bureau recently introduced ban periods for foreigners who have over-stayed their permitted period of presence in Thailand.</p>

Thailand	<p><b><u><a href="#">Relocation of Headquarters to Thailand Comes with Tax, Immigration Incentives</a></u></b></p> <p>The Thai Board of Investment recently issued laws establishing new international headquarters and international trading center tax regimes. As a result, eligible expatriate employees of qualifying companies may enjoy a reduced personal income tax rate of 15 percent on their income for a period of 15 years. In addition, entry rules for foreign workers in the IHQs and ITCs are more liberal as compared with other work locations.</p>
United Kingdom	<p><b><u><a href="#">Updates on Immigration Health Surcharge, Registered Traveller Service</a></u></b></p> <p>The U.K. government recently announced that it is ending its Immigration Health Surcharge exemption for Australian and New Zealand nationals, effective as of April 2016. It also announced that it is extending its current Registered Traveller Service to nationals from Hong Kong, Singapore, South Korea, and Taiwan (Republic of China).</p>
United States	<p><b><u><a href="#">New U.S. Model Income Tax Convention Issued by Treasury</a></u></b></p> <p>The release of the new 2016 U.S. Model Income Tax Convention marks the first time in almost a decade that the Treasury Department has issued a revised version of its U.S. Model. Changes to the articles within the 2016 Model include minor technical updates but do not represent any substantive changes from the 2006 U.S. Model Income Tax Convention. The 2016 Model was released on February 17, 2016.</p>
United States	<p><b><u><a href="#">Implementation of Statutory Changes to U.S. Visa Waiver Program</a></u></b></p> <p>The U.S. Congress recently passed legislation that introduces new restrictions on travel into the United States. Under the Terrorist Travel Prevention and Visa Waiver Program Reform, travellers in certain categories are no longer eligible to travel or be admitted to the United States under the Visa Waiver Program.</p>

#### **Webcasts On Demand**

United States	<p><b><u><a href="#">The Taxation Challenges of a Mobile Workforce</a></u></b></p> <p>Playback Tax Watch Webcast from KPMG's Global Mobility Services (GMS) practice from January 27, 2016. GMS professionals highlight the current challenges both global and U.S. employers face with respect to the monitoring and taxation of their global workforce.</p>
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