



# GMS Flash Alert



## Flash Alert

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#### Flash Alerts

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| Australia | <p><b><a href="#">15 July Employer Reporting Deadline for Employee Share Schemes</a></b></p> <p>The first deadline for Australian Employee Share Scheme (ESS) tax reporting is July 15, 2017. All taxable events arising under the ESS during the tax year, ending June 30, 2017, need to be reported. The obligation to report rests with the provider of the ESS, including Australian subsidiaries that participate in a foreign parent ESS.</p>   |
| Brazil    | <p><b><a href="#">New Migration Law Ushers in Significant Reforms</a></b></p> <p>Brazil enacted a new Migration Law on May 25, 2017. The Law establishes the rights and duties of immigrants and visitors, and the principles and guidelines regarding related public policies. Among other things, it contains new definitions for immigrant and visitor, establishes five visa types, and increases fines for non-compliant employers and foreign nationals.</p>  |
| Canada    | <p><b><a href="#">June 27 Webinar on Employer Experiences with Global Skills Strategy</a></b></p> <p>The KPMG International member firm in Canada held a Webinar on June 27, 2017, to provide updates on how well the Global Skills Strategy is working at various Visa offices globally and at the ports of entry, and the initial decisions made by Service Canada. This program aimed to help employers understand all possible talent strategies and make the appropriate decisions in a way that mitigates future risks.</p> |
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| Denmark  | <p><b><a href="#"><u>How A1 Certificates to Be Handled in Light of Brexit</u></a></b></p> <p>The Danish Ministry of Employment has instructed the Danish competent institution, Udbetaling Danmark, to continue issuing and approving A1 certificates to cross-border workers to and from the U.K. regardless of the U.K.'s official date of exit from the European Union (so-called "Brexit"). There will be no changes in procedures therefore until there is more clarity around the consequences of Brexit.</p>                                 |
| Fiji     | <p><b><a href="#"><u>Recent Tax Developments</u></a></b></p> <p>There have been several recent tax developments in Fiji that affect individuals and their multinational employers, including (1) the upcoming deadline until which employers will continue to enjoy a waiver of penalty on outstanding Fiji National Provident Fund contributions; (2) amendment of the definition of permanent establishment (PE), and (3) the tax authority's "Data Cleansing Project."</p>   |
| France   | <p><b><a href="#"><u>Withholding Tax: a Reform Postponed or Ditched?</u></a></b></p> <p>The introduction of tax withholding represents a major change in France to the income tax collection system. However, according to a recent government Press Release, the reform will now be temporarily postponed until January 1, 2019. During the presidential campaign, the new President, Emmanuel Macron, had already announced that the implementation of the new rules required further "testing" and that they would not be effective in 2018.</p> |
| Italy    | <p><b><a href="#"><u>Long-Awaited Circular Clarifies Inpatriate/Expatriate Tax Regimes</u></a></b></p> <p>Italy's tax agency has finally issued its long-awaited Circular clarifying its position regarding the various inpatriate/expatriate tax reliefs that have applied in Italy since 2015. An example of a noteworthy clarification is that the incentives do not apply to individuals who are not resident in the year of arrival, which could encourage employers to consider taking a new look at the timing of assignments.</p>           |
| Malaysia | <p><b><a href="#"><u>Expatriate Services Division Makes Several Updates via MYXpats</u></a></b></p> <p>The Expatriate Services Division ("ESD") in Malaysia recently issued updates through the MYXpats online portal concerning (1) centralization of Professional Visit Pass processing at MYXpats Center; (2) the updating of a company's "corporate" profile through the Companies Commission of Malaysia e-info in ESD's system; and (3) re-classification of Employment Passes category I, II, and III, among other things.</p>               |

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| <p>People's Republic of China</p> | <p><b><u><a href="#">Tax Deductions for Private Health Insurance Expanded</a></u></b><br/> A recently-issued Notice in the People's Republic of China provides for the nation-wide extension of preferential individual income tax (IIT) treatment for premiums paid for qualified commercial health insurance products as from July 1, 2017. Previously, just 31 cities were permitted to allow local taxpayers to claim an IIT deduction for the premiums paid. Starting July 1, 2017, individuals nation-wide shall be allowed to claim up to CNY 2,400 per annum as IIT deductions for premiums paid for qualified commercial health insurance products.</p> |
| <p>People's Republic of China</p> | <p><b><u><a href="#">Updates on Z-Visas and Travelers' Biometric Data</a></u></b><br/> A new Order recently issued by the Ministry of Human Resources and Social Security in the People's Republic of China streamlines the requirements for Chinese employers to obtain work visas (Z-visas) for foreign employees. In addition, efforts have been stepped up to strengthen the supervision and administration of exit/entry of foreigners from/to the country, including through the use of biometric information.</p>   |
| <p>Romania</p>                    | <p><b><u><a href="#">Change of Filing Deadline for Expatriates Tied to Treaty Period</a></u></b><br/> A recent Romania Government Decision has extended the submission of monthly tax returns for individuals whose intended period of presence in Romania was shorter than the period mentioned in the double taxation treaty, but who subsequently extend their stay in Romania beyond that period. The deadline has been moved from 15 days since the last day of the period, to the 25th of the month following the month when the period was exceeded.</p>  |
| <p>South Africa</p>               | <p><b><u><a href="#">Personal Income Tax, Follow on from Budget 2017</a></u></b><br/> South Africa's Budget 2017 introduced changes to personal income tax rates and proposed changes to the tax exemption for foreign service income that could impact employees on international assignments and their multinational employers. Also, reforms to the retirement system are scheduled to come into effect on March 1, 2018.</p>   |
| <p>United Kingdom</p>             | <p><b><u><a href="#">Government Publishes Opening Position on Future Status of EU Migrants</a></u></b><br/> On 26 June 2017, the government of the U.K. published its policy paper on the status of existing European Union (EU) migrants in the U.K. post-Brexit. This follows the European Commission's publication of a</p>   |

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|               | <p>working paper on the same subject on 24 May 2017. These opening positions will form the basis of continuing negotiations between the U.K. and EU, that will include the rights and responsibilities of cross-border U.K.-EU workers.</p>   |
| United States | <p><b><u><a href="#">United States – Guidance Now for Implementing Court-Ordered Parts of Travel Ban</a></u></b></p> <p>As announced earlier this week, on June 26, 2017, the U.S. Supreme Court granted certiorari and consolidated two key cases in the travel and refugee ban litigation. Questions regarding when and how the permitted parts of the Executive Order are to be implemented have been clarified to some extent. According to the cable issued by the Department of State, implementation of the Executive Order is to commence at 8:00pm EDT on June 29, 2017. To clarify who may and may not be impacted by the travel ban, the U.S. Department of State and the American Immigration Lawyers Association have provided the below guidance which we feature in this newsletter.</p> |
| United States | <p><b><u><a href="#">Supreme Court Amends Temporary Injunction of President's Travel Ban</a></u></b></p> <p>On June 26, 2017, the U.S. Supreme Court agreed to review President Trump's revised travel ban Executive Order when the Court reconvenes in October. In the interim however, the Court has allowed parts of the travel ban to go into effect, e.g., foreign nationals from the six named countries without any ties to American people or institutions are subject to the terms of the Executive Order that effectively block their ability to secure a visa and enter the United States.</p>   |
| United States | <p><b><u><a href="#">President's Travel Ban Blocked Again by Federal Appeals Court</a></u></b></p> <p>On June 12, 2017, the U.S. Court of Appeals for the 9th Circuit in San Francisco, California, upheld a lower court's decision to block President Trump's revised Executive Order which bans travel to the United States for nationals from Sudan, Syria, Libya, Somalia, Iran, and Yemen. With the injunction maintained, foreign nationals from the six affected countries may continue to apply for visas and travel to the U.S. without restriction.</p>   |
| United States | <p><b><u><a href="#">Federal Appeals Court Upholds Block on Trump's Travel Ban</a></u></b></p> <p>On May 25, 2017, the U.S. Court of Appeals for the 4th Circuit in Richmond, Virginia upheld a lower court's decision to block President Trump's revised Executive Order, which bans travel to the United States for</p>   |

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|               | nationals from Sudan, Syria, Libya, Somalia, Iran, and Yemen. By upholding the lower court's injunction, enforcement of the Order continues to be impossible. With the injunction maintained, foreign nationals from the six affected countries may continue to apply for visas and travel to the U.S. without restriction.  |
| United States | <p><b><a href="#">IRS Accepting Renewal Applications for Expiring ITINs</a></b></p> <p>On June 21, 2017, the U.S. Internal Revenue Service issued a release to advise taxpayers that renewal applications for Individual Taxpayer Identification Numbers (ITINs) that expire at the end of 2017 are being accepted now. Any ITIN not used on a U.S. federal income tax return at least once in the last three consecutive years will expire on December 31, 2017. In addition, ITINs with the middle digits of 70, 71, 72, or 80 (xxx-70-xxxx; xxx-71-xxxx; etc.) need to be renewed even if the taxpayer has used it in the last three years. Affected taxpayers who need to file a tax return in 2018 are encouraged to renew their ITINs without delay.</p> |

### Publications, Videos & Webinars

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| GMS-<br>Employment<br>Tax                 | <p><b><a href="#">Payroll Insights (Special edition)</a></b> (June 2017)</p> <p>The U.S. House of Representatives passed the Mobile Workforce State Income Tax Simplification Act, <a href="#">H.B. 1393</a> on June 20, 2017. Details about the legislation can be found in the <a href="#">April 2017 Payroll Insights</a> newsletter.</p>  |
| U.S. -<br>Compensation<br>and Benefits    | <p><b><a href="#">"Taxes and the Better Care Reconciliation Act of 2017: Senate Discussion Draft,"</a></b> (in <i>What's News in Tax</i>) by <i>Monica Coakley and Lori Robbins, Washington National Tax</i></p> <p>On June 22, 2017, the Senate released a discussion draft of the Better Care Reconciliation Act of 2017, a legislative development for healthcare reform. This article compares key tax provisions of the Better Care Reconciliation Act discussion draft with the Patient Protection and Affordable Care Act and the House-passed American Health Care Act. <i>Please contact your local GMS professional about obtaining a copy of this article.</i></p> |
| U.S. - Federal<br>Legislative<br>Services | <p><b><a href="#">"Understanding the Tax Reform Process: FAQs (Updated for What's Happened Lately),"</a></b> (in <i>What's News in Tax</i>), by <i>Carol Kulish, John Gimigliano, Jennifer Gray, and Thomas Stout, Jr., Washington National Tax</i></p>   |

KPMG has substantially updated its frequently asked questions (“FAQs”) about the tax reform process to reflect recent developments. This new report provides a high-level overview—in question and answer format—of what to expect regarding tax reform. *Please contact your local GMS professional about obtaining a copy of this article.*

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