KPMG

cutting through complexity

Tax Update

6 October 2015

Sunborn Hotel Gibraltar

Speakers and Agenda

Gregory Jones - Director, Gibraltar

UK Summer Budget 2015 – Tax Highlights

Sandra Skuszka- Head of VAT Services, Isle of Man

What will the proposal to extend the "use and enjoyment" rules mean for businesses based in Gibraltar?

Tom Lobb, Director Corporation Tax, UK

Overview of the UK Diverted Profits Tax regime and how this relates to the OECD's Base Erosion and Profit Sharing initiative.

Darren Anton – Senior Tax Manager, Gibraltar

A review of the Gibraltar budget and recent changes to the tax legislation.

To begin with….

Gregory Jones

Director

Isle of Man

KPMG

Non-dom and IHT proposals in Summer Budget 2015

Gregory Jones

New Deemed Domicile Rules

- **Remember current rule for IHT**
  - **UK doms remain UK dom for 3 years (NB NOT years of assessment) after leaving UK**
  - **non-doms who have been resident in UK IN (not <u>for</u>) 17 of last 20 years of assessment (ie tax year) become UK dom**

- **No deemed domicile rules for income tax or CGT at present (but NB 5 year “temporary non-resident” and 7/12/17 year RBC rules)**

New deemed domicile rules

- **With effect from 6 April 2017:**
  - Anyone resident in the UK for more than 15 of last 20 tax years will be treated as deemed domiciled in the UK for ALL tax purposes from beginning of 16^{th} year.
  - Compare with existing 17/20 year IHT rule.
  - No grandfathering rules for those already in the UK.
  - Include split years.
  - Will need to be absent for more than 6 years to start “clock” running again (compare with 4 years for IHT at present).
  - Where a non-dom has set up an offshore trust before becoming deemed domiciled under the new rules, foreign income and gains which arise in the trust will not automatically be taxed on the non-dom once he has become deemed domiciled. Only taxed on any distributions and/or benefits received from the trust (whether or not remitted).
  - Likewise, excluded property trusts created prior to 6/4/2017 remain effective for IHT (except residential property).

New deemed domicile rules (continued)

- **Non-dom will have to be non-UK tax resident for at least six complete tax years in order to lose deemed domiciled status**
  - aligned with 5 year temporary non-residence rules for IT and CGT purposes;
  - will also apply to UK doms who have been UK resident for over 15 years (instead of current 3 years);
  - no effect on domicile status of children, whose domicile is looked at independently.
- **Example: X arrives in UK on 5 April 2003 – will be deemed domiciled from 6 April 2017. If leaves UK on (say) 6 April 2018 could not return before 6 April 2025 if wishes to claim non-dom status.**

New deemed domicile rules: the returning UK domiciliary

- **With effect from 6 April 2017:**
  - A non-resident individual **who was born in the UK** with a UK domicile of origin but has acquired a domicile of choice elsewhere will be treated as **UK domiciled for ALL tax purposes** as soon as he becomes UK resident.
  - Hence no tax advantage for trusts set up whilst non-dom. If beneficiary of the trust, taxed on all income and gains of the trust as they arise when become UK resident.
  - Trust assets (including non-UK assets) will also become subject to IHT during period of UK residence.
  - Will affect all non-doms who have a UK domicile of origin and return to the UK whether they return before or after 6 April 2017 (but only in respect of post 5/4/2017 taxation).
  - Not retrospective for PETs.

New deemed domicile rules: the returning UK domiciliary (continued)

- From 6/4/17 returning UK domiciliary who leaves UK again can become non-dom next tax year if:
  - has not spent >15 years in UK, and
  - has not acquired UK domicile under general law.

- Can become non-dom after 3 years if has acquired UK domicile under general law but not been UK resident >15 years.

- Otherwise will need to leave UK for more than 5 years.

IHT on UK residential property

- **With effect from 6 April 2017:**
  - All UK residential property, whether held directly or indirectly, including UK residential property held in offshore companies, offshore trust and company structures and non-UK partnerships, will be subject to IHT –
    - affects all residential property whatever the value, whether owner occupied or let;
    - other UK assets held in offshore company still protected from IHT;
    - diversely-held vehicles that hold UK residential property unaffected;
    - chargeable events will include death of individual, gift of company shares into trust, TYA of the trust, distribution of company shares out of trust, PETs which become chargeable due to death of donor within 7 years;
    - NB beware reservation of benefit rules;
    - HMRC to consider and consult on costs of “de-enveloping”.

Additional IHT relief for family home

- Additional £175k IHT relief for family home phased in over 4 years

2017/18	£100,000
2018/19	£125,000
2019/20	£150,000
2020/21	£175,000

(Then increased by Consumer Prices Index for subsequent years.)

- Hence by 2020 there will be no IHT on transfer of <£1m family home to direct descendants, ie (£325k + 175k) x 2.
- Where net value of estate > £2m relief tapers by £1 in £2.
- Applies to transfers on death on or after 6 April 2017 and when the death of a second spouse or civil partner occurs on or after 6 April 2017. It does not apply to lifetime transfers.

Additional IHT relief for family home (continued)

- Property needs to have been main residence at some point.
- The new allowance will also be available when a person downsizes or ceases to own a home after 8 July 2015 and assets of an equivalent value, up to the value of the new allowance, are passed on death to direct descendants (subject to a technical consultation).
- Like NRB, can be transferred to surviving spouse if unused.
- Personal representatives can nominate a property where more than one qualifies.
- Need to review clients' wills and consider estate planning.

Tapering of new NRB

- If the net value of the estate (after deducting any liabilities, eg mortgages, but before reliefs, eg APR and BPR, and exemptions) is above £2 million, the additional nil-rate band will be tapered away by £1 for every £2 that the net value exceeds that amount.
- Example 1 - Married couple in 2020/2021 with family home valued at £750k and savings of £125k.
  – Current position: On 1st death, assuming both the house and the savings are passed between spouses then the transfer is exempt from IHT and £325,000 nil rate band can be transferred.

    On 2nd death, estate is valued at £875k leaving £225k liable to IHT at a rate of 40%, ie IHT due of £90k.
  – New rules: On 1st death same as above.

    On 2nd death (in 2020/21), an increased nil rate band of £350k is available for family home leaving estate valued at £525k. After deducting standard nil rate band of £650k, no IHT is due.

Tapering of new NRB (continued)

- Example 2 - Individual with family home worth £900k and business worth £2m – no additional IHT relief available as total net assets exceed £2m by £900k so relief reduced to nil.
- Example 3 - Married couple with family home worth £2m (owned jointly) and joint savings of £1m so each estate worth £1.5m. If all assets are passed to surviving spouse on death, on 2nd death the estate is worth £3m and no additional relief available. Total IHT thus £940,000.
- But if on 1st death (say) H leaves ½ house and savings to next of kin, additional NRB of £175k can be set off against property. Total IHT thus reduces to £870,000.

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Next….

Sandra Skuszka

Head of VAT Services

Isle of Man

VAT

- Electronically supplied services and latest proposals from OECD.
- Use and enjoyment rules.
- The creation of a Fixed Establishment

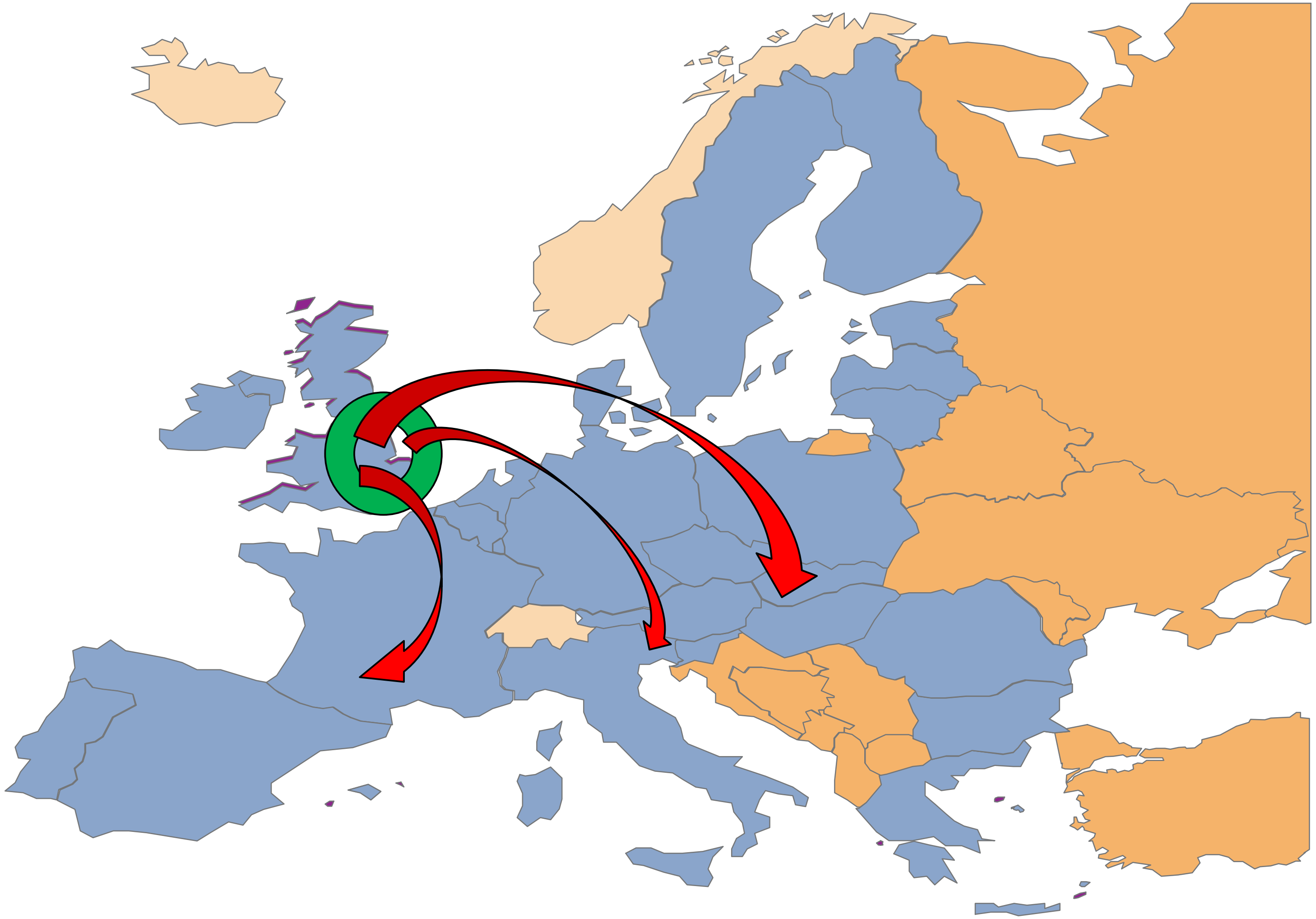
Electronically supplied services

The new "place of supply" rules for businesses dealing in cross-border telecommunications, broadcasting and e-services came into effect on 1 January 2015. This meant that such services would be taxed in the Member State of the customer buying the product. VAT is a consumption tax, and these rules aim to ensure that the taxation of e-services reflect where consumption takes place. In this way, VAT goes to the treasury of the country where the buyer is based.

As part of the changes, the Mini-One Stop Shop (MOSS) was set up to simplify cross-border VAT payment procedures for e-commerce. For the first time, businesses could register and account for VAT payable to other Member States through a simplified quarterly online return, hosted by the tax administration in their own Member State. Preliminary data indicates that more than EUR 3 billion VAT will be paid through MOSS in 2015 representing approximately EUR 18 billion in sales.

EU supplier

Historically taxed where the supplier is established



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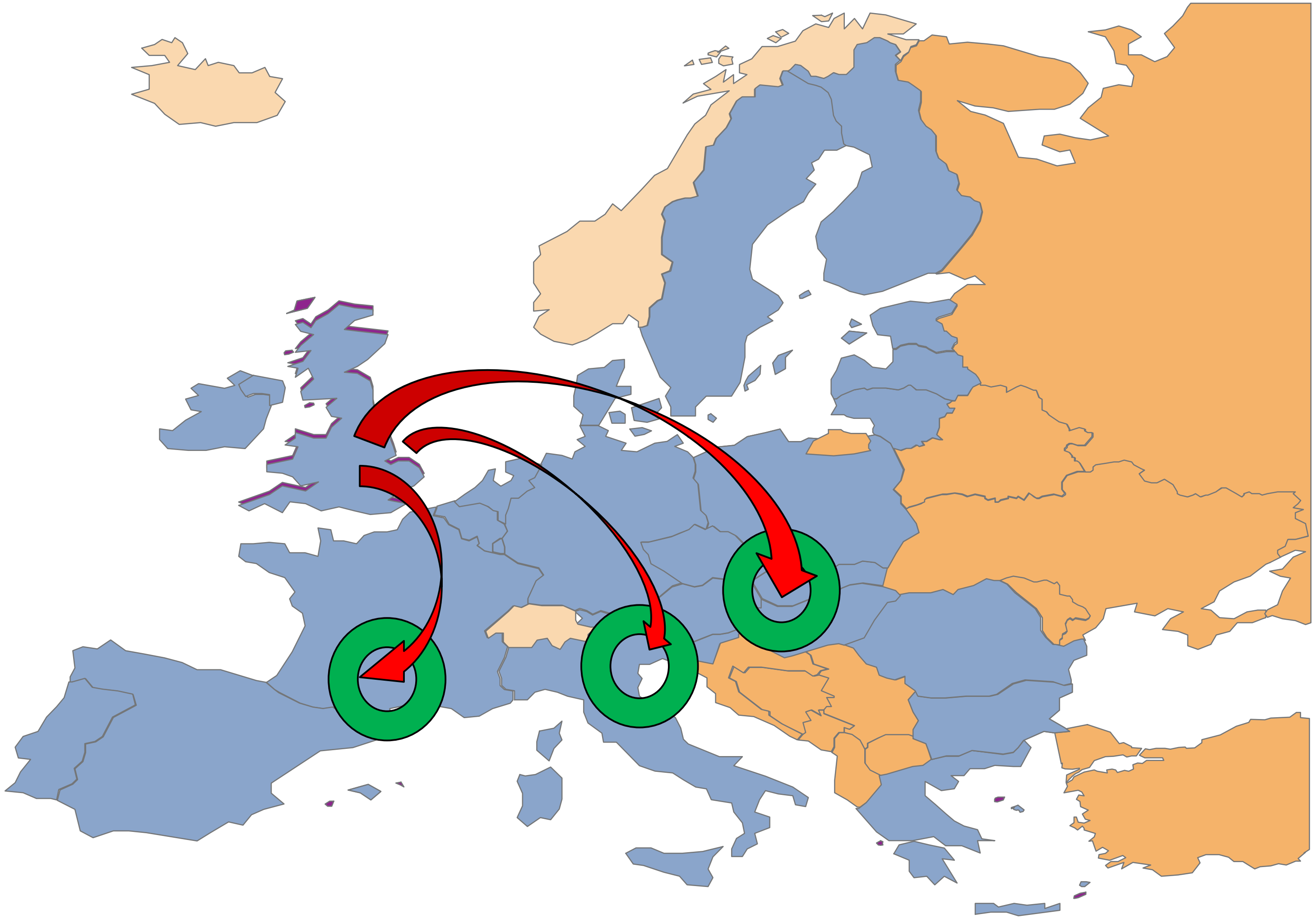
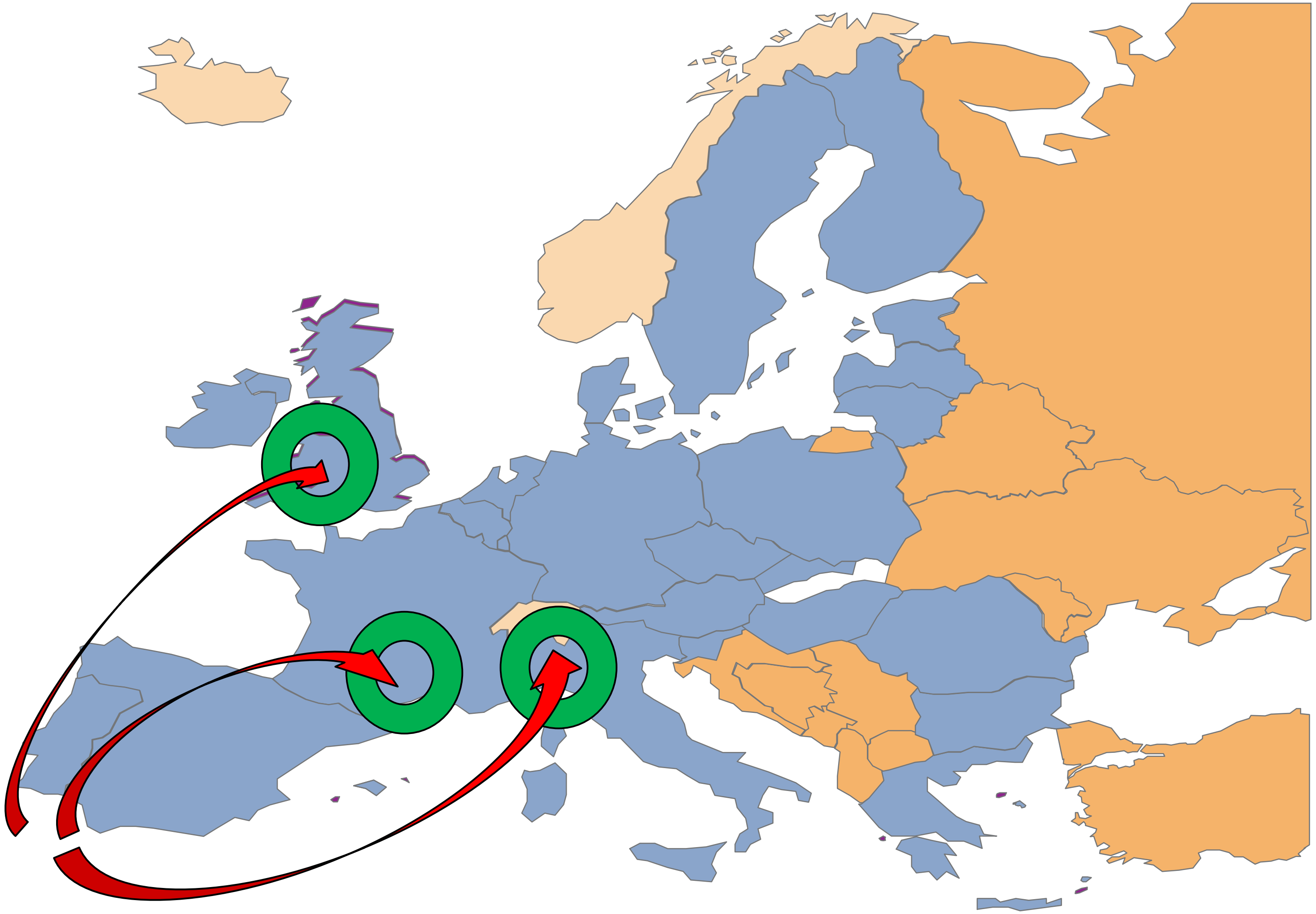
EU Supplier

1 January 2015
Taxed where the customer belongs



Non-EU supplier

Taxed where the services are consumed



Electronically supplied services

All electronically supplied services are subject to VAT in the country of consumption whether supplied B2B or B2C.

The difference is that in a B2B transaction the customer is responsible for declaring any VAT due.

In a B2C transaction it is the supplier that is required to account for any VAT due in the country of receipt.

EU Commission consultation

Following the introduction of the new rules the EU commission VAT committee has launched a consultation period whereby businesses can provide comment on the new rules. In particular they are looking for views on:

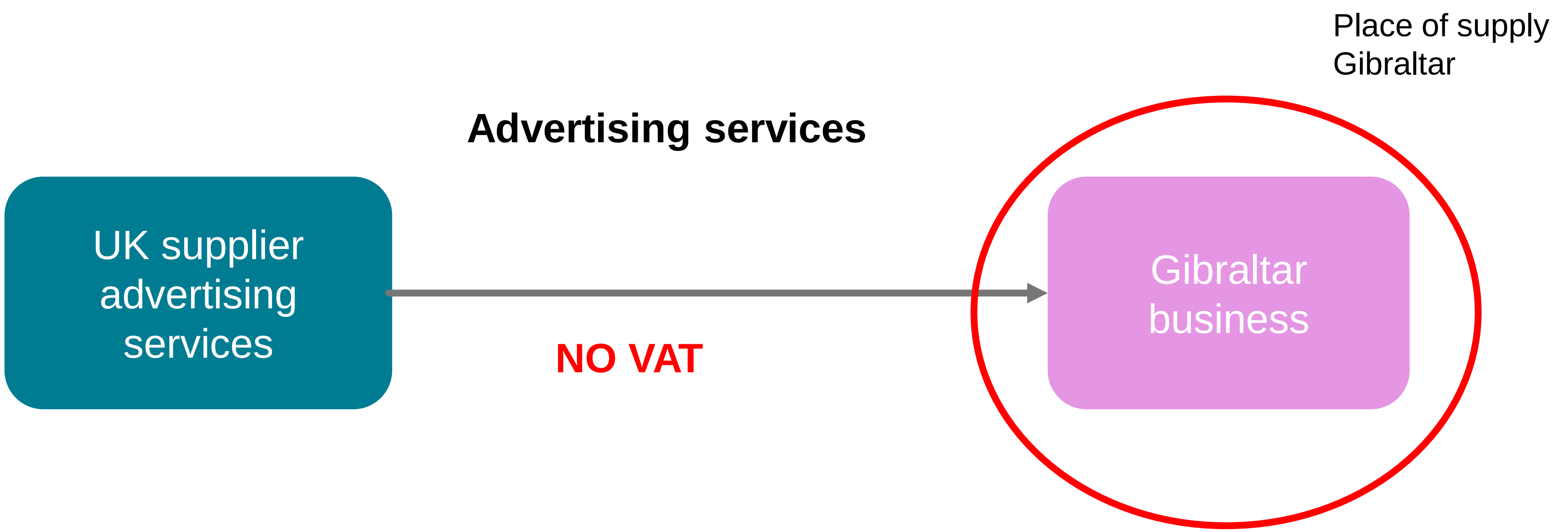
1. Extending the current single electronic registration and payment mechanism to cover the sale of tangible goods.
2. Introducing a VAT threshold to help online start-ups and small businesses.
3. Allowing cross-border businesses to be audited only by their home country for VAT purposes.
4. Removing the VAT exemption for the import of small consignments from suppliers in third countries (LVCR).

Use and enjoyment rules

In the recent UK Summer Budget

“The Government will apply VAT ‘use and enjoyment’ provisions so that from next year, it will be clear that all UK repairs made under UK insurance contracts will be subject to VAT in the UK. In addition, the government will consider a wider review of off-shore based avoidance in VAT exempt sectors, with a view to introducing additional use and enjoyment measures for services such as advertising in the following year”.

Advertising services



Advertising services

- *When would the services be "used and enjoyed" in the UK?*
- *Would this be if the advertising is aimed at UK customers?*
- *Would this be if the advertising medium is distributed in the UK?*
- *What services would be considered "advertising"?*
- *Will this include marketing services?*
- *If the "advertising" services form part of an overall recharge of costs by a UK agent would they need to be separately identified?*

We will need to watch this space!

Does a UK agent or subsidiary create a fixed establishment for VAT purposes?

On 31 August 2015 The European Commission VAT Expert Group issued its paper number 48 on the Welmory Case (ECJ Case 605/12).

The Welmory case considered whether employing an agent could create a fixed establishment for a business in the country of the agent.

Business and Fixed establishment

Goods and services can be supplied or received by a business where it has a *Business Establishment* or a *Fixed Establishment*.

A *Business Establishment* is not defined in legislation but is taken by HMRC to mean the principal place of a business. It is usually the head office or the “seat” from where the business is run and managed. There can only be one Business Establishment.

A *Fixed Establishment* is not defined in legislation but is taken by HMRC to mean an establishment (other than a business establishment) which has both technical and human resources necessary for providing and receiving services on a permanent basis. A business may therefore have several fixed establishments including a branch or agency.

Examples of a Fixed Establishment

HMRC guidance

Example 1

An overseas business sets up a branch comprising staff and offices in the UK to provide services. The UK branch is a fixed establishment.

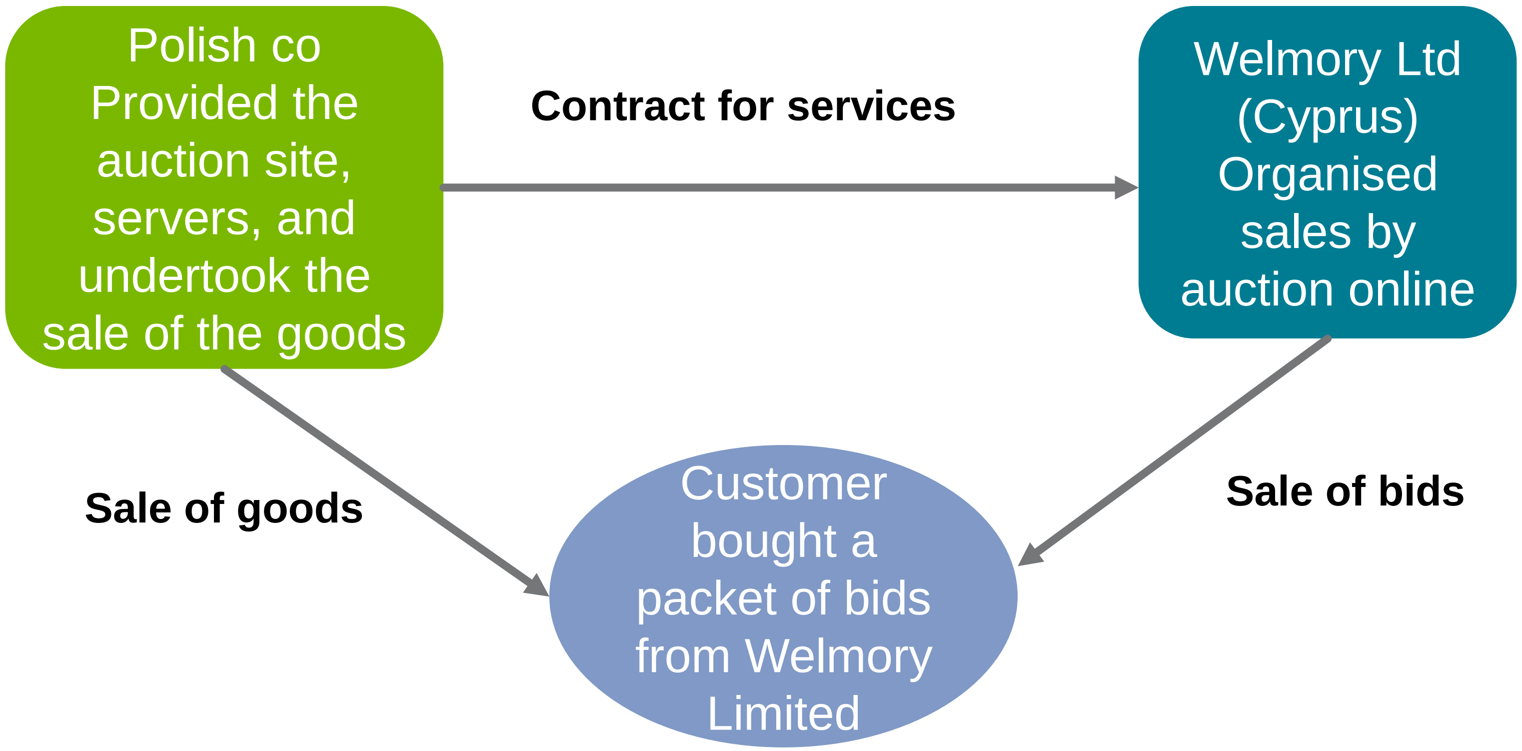
Example 2

An overseas company owns a UK property which it leases to tenants. The property itself does not create a fixed establishment but if the company appoints a UK agency to manage the property it creates a Fixed Establishment for the overseas company.

Example 3

An overseas business contracts with UK customers to provide services. It has no human or technical resources in the UK and therefore sets up a UK subsidiary to act in its name and provide those services. The overseas business has a fixed establishment in the UK created by the agency of the subsidiary.

Welmory case



Polish Co’s income consisted of

a) Sale proceeds of the goods sold by auction:

b) Remuneration received from Welmory which corresponded to part of the proceeds of selling the bid package to the customer.

Polish Co charged Welmory for the services provided without VAT but the Polish Authorities determined that Welmory had a Fixed establishment in Poland through Polish Co acting as an agent.

The question in this case is what scale of human and technical resources are required for there to be a fixed establishment. In particular in what circumstances would outsourced resources (as opposed to dependent employees) and leased equipment (as opposed to assets owned by the taxpayer) give rise to a fixed establishment of sufficient permanence?

The CJEU concluded

That a fixed establishment must be characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources. It is up to each national court to determine in each case what constitutes a sufficient degree of permanence and suitable structure.

What the CJEU did not rule out is that a fixed establishment could be created by a third party agent.

The report by the VAT expert group goes into more detail and discusses other relative case law including *DFDS (C396/02)*, and *ARO Lease BV (C190/05).*

Ocean Finance C-653/11 (decision released 20 June 2013)

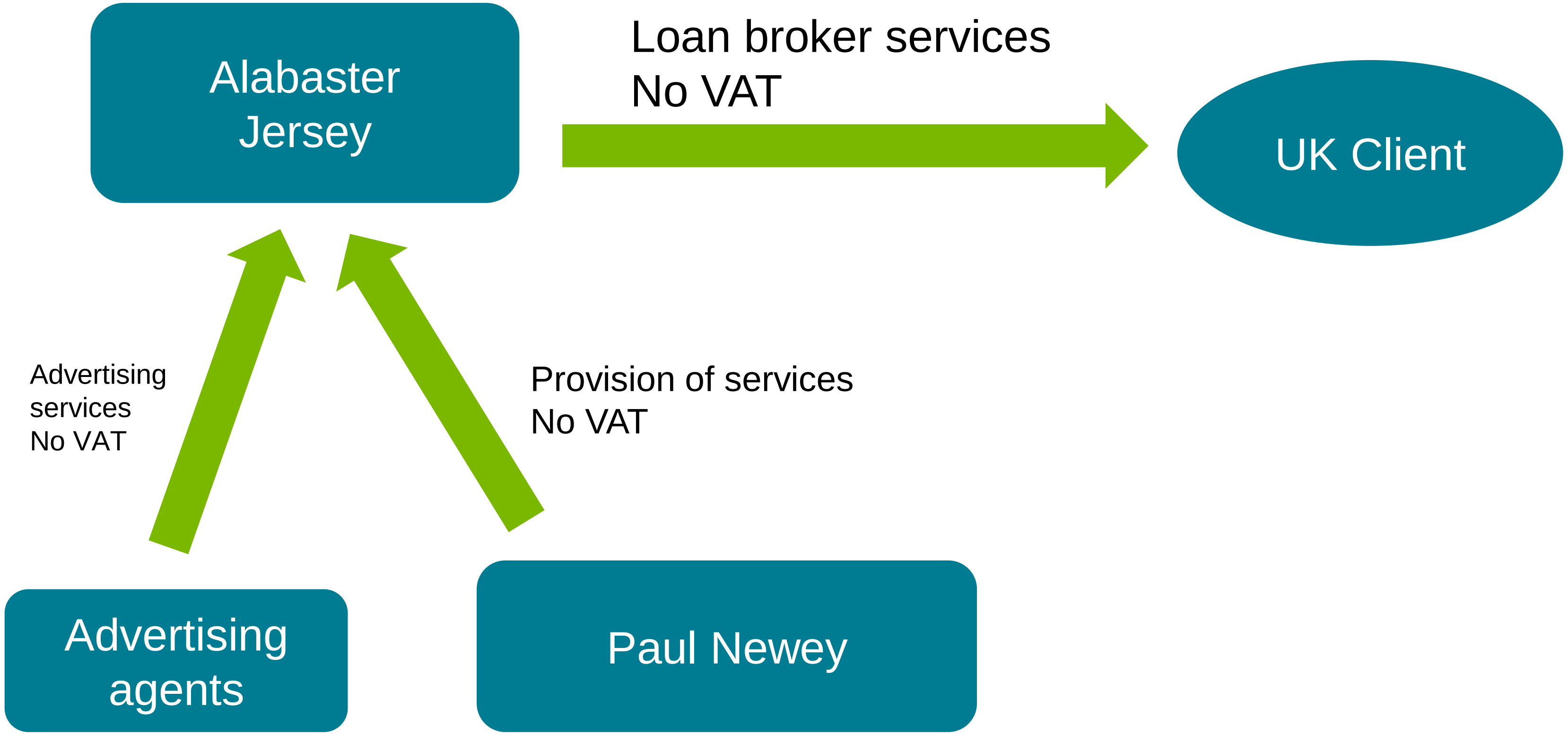
Paul Newey, a loan broker established in the United Kingdom (UK) supplied VAT exempt broking services so he could not recover any VAT incurred on costs. He received advertising services for the promotion of his business, which were subject to VAT in the UK. In consequence, the VAT paid by Paul Newey for the advertising services was not recoverable.

In order to avoid the non-recoverable tax burden, Paul Newey incorporated an offshore broking company Alabaster (CI) Ltd (Alabaster) based and managed in Jersey. He was the sole shareholder of Alabaster and granted the company an exclusive right to use the name Ocean Finance.

The broking agreements were concluded between the borrowers and Alabaster and the broking commissions were paid directly to Alabaster in Jersey and not to Paul Newey in UK.

Alabaster outsourced all the processing tasks for the loan broking business to Paul Newey in the UK and he was also entitled to negotiate the terms of the broking agreements concluded between Alabaster and lenders. In return, he received remuneration from Alabaster.

Ocean Finance



CJEU decision in Ocean Finance

The CJEU stated that contractual terms normally reflect the economic and commercial reality of transactions and that to satisfy the requirements of legal certainty, the relevant contractual terms constitute a factor to be taken into consideration, when the supplier and the recipient in a taxable transaction have to be identified.

At the same time, the Court stressed that preventing possible tax evasion, avoidance and abuse is an objective recognized and encouraged by the Sixth Directive and that the effect of the principle that the abuse of rights is prohibited is to bar wholly artificial arrangements which do not reflect economic reality and are set up with the sole aim of obtaining a tax advantage.

As a consequence, contractual terms may be disregarded in certain cases, in particular, when it becomes apparent that they do not reflect the economic and commercial reality, but constitute a wholly artificial arrangement which does not reflect economic reality and was set up with the sole aim of obtaining a tax advantage.

UTT decision

Mr Justice Warren did not accept that the CJEU's decision was as wide as HMRC was contending," she said. "HMRC was arguing that wherever contractual terms do not wholly reflect the economic and commercial reality of the transactions they can be departed from. However the judge said that the CJEU decision was not saying anything significantly new – it was just giving some further guidance in a different factual situation. He said there was no scope for departure from the contractual terms unless the arrangements did not reflect the economic and commercial reality and were wholly artificial.

Mr Justice Warren said that the CJEU had been "well aware" from the evidence provided to it that "the arrangements concerned were not shams, that money flowed in accordance with the contractual provisions and that Alabaster was not simply rubber-stamping everything put before it".

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Up next….

Tom Lobb

Director

UK

KPMG

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Overview of the OECD BEPS Action Plan

6 October 2015

Contents

BEPS Roadmap

1	Digital Economy	*Report on challenges complete; VAT discussion draft Dec 2014, final report Dec 2015*
2	Hybrid Mismatches	*Recommendations complete; guidance implementation Sep 2015*
3	CFCs	*Discussion draft April 2015; recommendations Sep 2015*
4	Interest deductions	*Discussion draft Dec 2014; recommendations Sep 2015, OECD guidelines in Dec 2015*
5	Harmful tax practices	*Initial report complete; strategy for non-OECD members Sep 2015 final criteria Dec 2015*
6	Treaty abuse	*First report complete Sep 2014; discussion draft Nov 2014, final late 2015*
7	Definition of PE	*Discussion draft Oct 2014, changes OECD Model Tax Convention Dec 2015*
8	TP- Intangibles	*First report Transfer Pricing Guidelines intangibles complete Sep 2014; Final report Sep 2015*
9	TP- Risk & Capital	**Consolidated** *Low value-adding intragroup services, commodity transactions and use of profit splits - discussion drafts Nov and Dec 2014; Discussion draft Cost Contribution Agreements April 2015; all final Sep 2015*
10	TP- High Risk	
11	BEPS data	*Request for input Aug 2014, discussion draft April 2015, finalised in Autumn 2015*
12	Mandatory Disclosure	*Discussion draft March 2015; public consultation May 2015, recommendations Sep 2015*
13	TP- Documentation	*Final except for implementation mechanism (due)*
14	Dispute Resolution	*Discussion draft Dec 2014, changes OECD Model Tax Convention Sep 2015*
15	Multilateral Instrument	*Feasibility report complete Sep 2014; draft mandate in Jan 2015 with reports late 2015, conference to follow*

2014 | 2015

Reports available early October

BEPS overview

Observations:

- A substantial amount of progress has been made in many areas and it is now clear that there will be major changes to PE definitions, TP documentation and TP methodology.
- Some areas still require further work and the new rules could lead to more uncertainty and disputes.
- Lots of material to consider and evaluate – for taxpayers and governments.

Action 1 – address the tax challenges of the digital economy

Key points:

- Identify difficulties posed by the digital economy for existing tax rules, covering both direct and indirect taxes.
- Significant digital presence in a country but lack of nexus under existing rules.
- Attribution of value created from the generation of marketable location-relevant data.

Action 1 – address the tax challenges of the digital economy

Key outcomes:

- Agreed that it is not possible to ring fence digital business within its own special tax regime.
- Ensure that other BEPS actions address issues in the digital economy including PE avoidance, use of intangibles, CFC rules and VAT rule for B2C businesses.
- Further guidelines on the collection of VAT in B2C transactions published which aim to level the playing field between foreign and domestic suppliers

Action 7 – Prevent the artificial avoidance of PE status

Key outcomes:

- Proposed changes radically extend the PE concept.
- New PE definitions are likely to lead to significant uncertainty as to whether there is a PE, potential for conflicting tax claims.
- Companies need to consider how change will impact their business structures.

Action 7 – Prevent the artificial avoidance of PE status

Key outcomes:

- Impact on commissionaire arrangements
  - Dependent Agent – "concluding contracts or negotiating material elements of contracts"
  - Test whether contract is for transfer of property owned by enterprise or for provision of services by the enterprise.
- Independent Agent
- Specific Activity exemptions

Actions 8 to 10 – Assure that TP outcomes are in line with value creation

Key points:

- Profits from use of intangibles allocated in accordance with value creation.
- Counter transfer of risks or allocating excessive capital to group members.
- Alignment of returns with value creation, i.e. link to 'substance' agenda in BEPS.
- Prevent transactions which would not occur between third parties.
- Clarity on recharacterisation and TP methods for global value chains.
- Protection against common base eroding payments, e.g. management fees and head office expenses.

Actions 8 to 10 – Assure that TP outcomes are in line with value creation

Key outcomes:

- Contractual arrangements will come under greater scrutiny and pressure.
- The location of key functional substance (i.e. key personnel) will take increasing precedence over contractual entitlement (as well as financial capital and other assets) when allocating rewards as part of a TP analysis.
- Special measures to tackle concerns raised by BEPS.
- The proposed changes, if enacted as drafted, would likely impact TP outcomes for a majority of MNEs.
- The changes are also likely to increase the number of disputes between taxpayers and tax authorities.

Action 13 – TP documentation and country by country reporting

Key points:

- Develop rules regarding TP documentation to enhance transparency for tax administrations.
- MNEs to provide relevant governments information on their global allocation of the income, economic activity and taxes paid according to a common template – Country by country reporting ('CbCR').

Action 13 – TP documentation and country by country reporting

Key outcomes:

- There are three key requirements:
  1. Master File to provide an overall picture of the global business, overall TP policies and the global allocation of income and economic activity of the MNE.
  2. Local File that focuses on material transactions between the local country affiliate and associated entities in different countries.
  3. CbCR template including certain tax, finance and substance information on a country by country basis.

Action 13 – TP documentation and country by country reporting

Key outcomes:

- Groups need to consider format, content and process for preparation of Master and Local file : These documents provide the narrative for the information in CBCR.
- Applies to multinational groups with turnover of at least €750 million.
- CBCR will give tax authorities more information than they previously had and is likely to lead to more questions about the whole value chain so as to interrogate local levels of income.

Diverted Profits Tax

Diverted profits tax

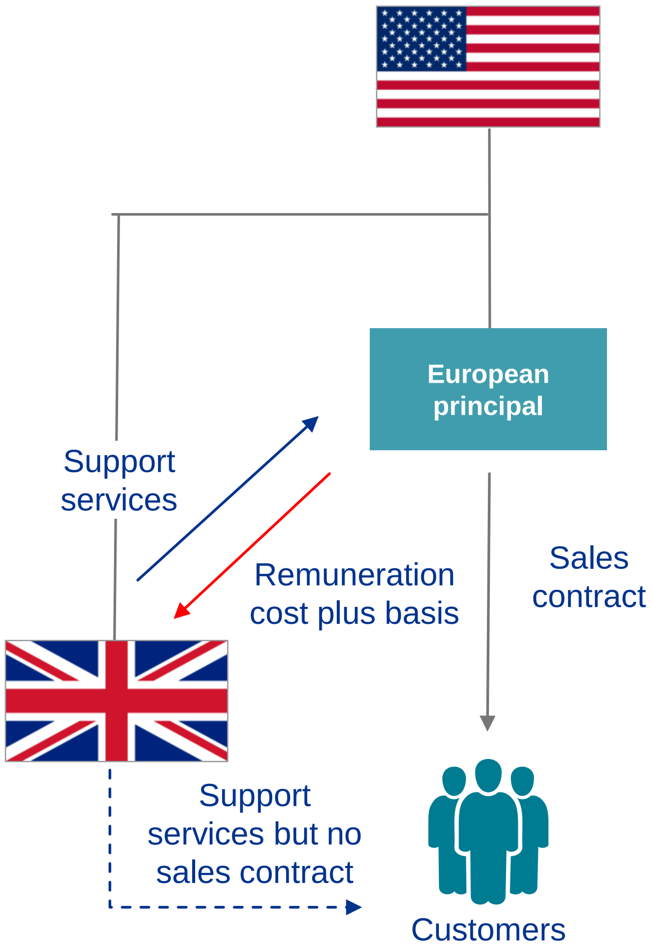
Context

- In recent years there has been significant adverse publicity for multinationals who are perceived to be paying little or no UK tax despite having many millions of sales to UK customers.
- BEPS seen to be taking too long to address this, so political pressure led to UK government aiming to legislate before General Election in May 2015.

Overview

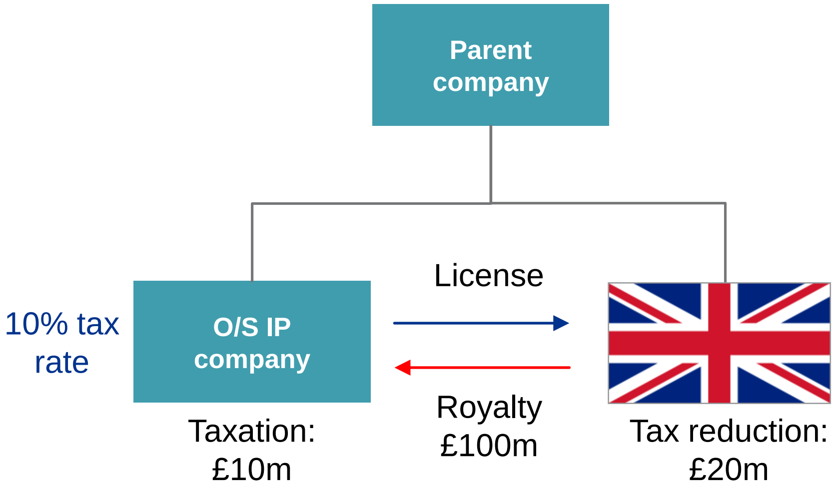
- Aimed at multinationals either:
  - Exploiting weakness in current PE legislation so profits are booked in low tax jurisdictions, and/or
  - Reducing U.K. profits via excessive payments to a low-tax company that lack economic substance
- Separate from corporation tax and charged at 25%
- Applies to profits arising after 1 April 2015

Avoiding a UK taxable presence



- UK company provides sales and marketing support but does not enter into the sales contracts.
- DPT rules could deem European principal to have a UK PE and tax deemed profits.
- The DPT charge will be computed by treating the UK company as a UK PE of the European principal, and attributing the profits of the trade.
- Is this designed to ensure that the non-UK company does not, as a result of the support company's activity, carry on the trade in the UK for the purposes of corporation tax?

Excessive payments to a low-tax company Overseas IP holding company



- Royalty payments made to low tax entity, possibly with low substance.
- DPT charge arises if:
  - the TP is wrong; or
  - The royalty would not have been paid if there was no tax advantage (i.e. high risk if IP has been moved out of the UK).

DPT – timescale
(for a 31 December year end)

Consider when to raise with Inspector? Some time before notification

Legislation in force from 1.4.2015.

Any reporting requirements during y/e 31.12.2015?

Accounting period ends 31.12.2015

2015

Audit provision agreed 31.1.2016?

HMRC could issue a charging notice, tax payable usually from six months after the end of the accounting period) 30.6.2016

Company is required to notify within six months of the end of the accounting period, 30.6.2016 NB after first year, reverts to 3 months

2016

Company submits CT return by 31.12.2016

2017

If CT return not amended by 30.6.2017, DPT due

Diverted Profits Tax – interaction with transfer pricing in practice?

> ***"Last year I negotiated an APA with HMRC which covered the payment out of the UK company. That APA is still in force.***
>
> ***Can this really apply to me?"***

- Under the current version of the legislation, theoretically yes
- Such a company is very likely to be required to notify, and may also have a DPT liability
- HMRC are currently considering amendments/guidance
- APAs post 1 April 2015 should take account of DPT, i.e. the Inspector should ask for anything he needs to consider DPT as part of the process

Diverted Profits Tax – the practical impact

HMRC aim seems to be that groups which have robust transfer pricing and which engage in discussion with HMRC on an ongoing basis should not be impacted by DPT; any adjustments will be to CT rather than DPT

However

- There is still great uncertainty and HMRC are still training their own staff.
- DPT is not always in line with arm's length transfer pricing.
- Groups who have moved IP out of the UK can have a significant DPT charge despite correct transfer pricing and may need to consider restructuring.

Finally….

Darren Anton

Senior Manager, Tax

Gibraltar

Gibraltar tax update: Agenda

- **Gibraltar 2015 Budget Update**
- **Income Tax (Amendment) Act 2015 changes:**
    - Income Tax Act 2010
    - Category 2 Rules
    - HEPSS Rules

Gibraltar 2015 Budget: Individuals

- ABS - rate on all taxable income brackets reduced by 1%
- Increase in allowances under the ABS
- Increase to some allowances under GIBS
- Top tax band under GIBS reduced to 5% for income over £700,000
- Still awaiting the outcome of the Category 2 regime review

Gibraltar 2015 Budget: business

- Import duties on certain goods reduced
- Allowances for intangible assets to be introduced and may be a R&D regime
- Training costs (approved) to be allowed as a business expense at a rate of 150%
- Threshold for audited accounts to be filed with ITO now £1.25 million or over (12 month period) – based on “assessable income”
- No increase in social insurance contribution rates (again)

Gibraltar 2015 Budget: other measures

- **New pre-notification and withholding regime for persons outside Gibraltar providing services in Gibraltar.**

- **Tax Amnesty until 21 December 2015**

➢ **An individual who remits any money held outside of Gibraltar, which represents the product of income accrued and derived in Gibraltar will pay a penalty of 5% of the sum of monies remitted and not be liable to a further charge**

➢ **Otherwise a penalty of 100% of the tax due!**

Income Tax (Amendment) Act 2015

- Important changes to:
  - Income Tax Act 2010
  - Category 2 Rules
  - HEPSS Rules

- For accounting periods commencing on or after 1 January 2016 all companies that are registered in Gibraltar or that have assessable income under the ITA 2010 must make a full and complete return of their income

- Extension of filing deadline and long periods of account for companies

- Branches

Income Tax (Amendment) Act 2015

- Back to assessment procedures
- Enquiry - one year after the date of receipt of any return – by notice
- Ordinary time limit for making assessments 6 years
- Additional, amended and discovery assessments
- Penalties and offences
- Payment of tax for companies

Income Tax (Amendment) Act 2015

- **Dividend returns and tax credits**
- **Dividends not subject to tax**
- **Capital allowances eg NBV for non-arm's length disposal; balances < £1,000**
- **Deductions for construction of offices and high value accommodation**

Income Tax (Amendment) Act 2015

- **Changes to the Category 2 Rules:**
  - **Previous residency and activity**
  - **Permitted activities**
  - **Assessable income**
  - **No annual declaration**
  - **Paid minimum tax**
  - **Declaration not chargeable to tax**

Income Tax (Amendment) Act 2015

- **Amendment to the HEPSS Rules:**
  - ➢ **Updated for previous changes announced**
  - ➢ **Treatment of other income**
  - ➢ **Commissioner may issue directive for collection of tax**

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