KPMG

GMS Flash Alert

Flash Alert

Monthly Summary (July 2016)

Flash Alerts (July)

Publications

Flash Alerts	
Albania	***New Social Security Agreements with Luxembourg, Macedonia*** Albania has two new social security agreements, one with Luxembourg and another with Macedonia, that recently entered into force. These bilateral agreements will allow transferred workers to be exempt for a maximum of 24 months from the obligation to contribute to the social security system of the other state where they are temporarily working, as long as they have obtained a Certificate of Coverage.
Canada	***Highlights of Personal Tax Changes in 2016 Federal Budget*** The major tax changes for individuals contained in Canada's most recent federal budget include the elimination of certain tax credits and a new 33-percent top personal income tax rate (up from 29 percent). There were no changes introduced to the capital gains inclusion rate or the stock options deduction. Employers will need to make the necessary payroll adjustments and update hypothetical tax calculations for tax equalized assignees.

ALL GMS Publications

GMS Flash Alert

Global Assignment Policies and Practices Survey

Payroll Insights

Tax Rates Online

Taxation of International Executives (TIES) Online

The Expatriate Administrator

Thinking Beyond Borders: Management of Extended Business Travelers

U.S. Taxation of Americans Abroad

U.S. Taxation of Foreign Citizens

Your Assignment Abroad: The 50

Greece	***New Law Modifies Personal Tax System, Some Rate Increases*** New tax laws in Greece have been enacted that impact individual income taxpayers, to a large degree increasing their tax burdens. Measures include a new income tax scale which has been made more progressive with the addition of a fourth bracket and rate. The tax credit for individuals has been modulated and a lower income ceiling applies. The special solidarity contribution has been made more progressive with the addition of a new bracket, and going forward higher rates apply. And rental income is taxed at higher rates.	Most Common Concerns
Greece	***Judicial Body Decides on Tax Residence and Filing of Joint Returns*** A decision issued by Greece's Council of State (CoS) reverses the interpretation applied to date of an individual's tax residence and formulates a different approach regarding the filing of joint tax returns of spouses who are tax residents of different countries. The CoS considers that spouses should file a joint tax return only where both of them are Greek tax residents. In case one of them is not a Greek tax resident, then there is no obligation to file a joint tax return. Conversely, the fact that one of them is a Greek tax resident is not itself sufficient to give rise to the obligation to submit a joint tax return.	
Greece	***Social Security System Undergoes Major Reform*** Greece's Law 4387/2016 has reformed the country's social security system through a streamlining of the system and its very disparate programs and the introduction of some new concepts. Furthermore, the new law expands the application of insurance coverage to other areas of compensation and imposes revised contribution rates. It also attempts to defer some contributions to the future. It will impact the administration of social security in Greece and the	

	new rates and thresholds may raise international assignment costs.
Kenya	***Budget Makes Adjustments to Tax Bands, Personal Relief*** Kenya's government is planning to expand the five individual income tax bands. In addition, a proposal would increase the resident personal relief. The changes are expected to take effect by or on 1 January 2017.
Luxembourg	***Capital Gains Tax Rule Change; Single Notification to Joint Taxpayers*** The reduction of Luxembourg's tax rate on gains realized from the disposal of certain real estate owned by private individuals is in force as of 1 July 2016. For a limited time from 1 July 2016 to 31 December 2017 (inclusive), the taxation of such gains realized during this period will be reduced to one-quarter of the taxpayer's global tax rate. Additionally, a new law has been enacted that allows the Luxembourg tax authorities to issue only one notification in case of joint taxation of spouses and registered partners, whereas previously two separate notifications were issued for each spouse/partner.
Malaysia	***Wage Ceiling and Other Changes to Social Security System*** Effective 1 June 2016, the ceiling of wages for contributions to Malaysia's Social Security Organisation has been raised and all local employees must contribute, regardless of the amount of their salaries (this includes outbound Malaysian assignees where their payrolls remain in Malaysia); however, expatriate employees are excluded. Certain defined groups of individuals are also excluded from these contributions. Contributions will be capped at a monthly remuneration of MYR 4,000 (raised from MYR 3,000).
Netherlands	***Extended Transitional Period for Japanese Nationals***

	Requiring Work Permits We recently reported that Japanese nationals will no longer have free access to the Dutch labor market. In response to various signals coming from the business sector, however, the Dutch authorities have decided to extend the transitional period until January 1, 2017, at which time, Japanese nationals will have to fulfill a work permit obligation.
Romania	***New Tax Incentives for Research and Development Activities*** According to a new Romanian tax provision, salary income derived as a result of carrying out research and development is exempt from Romanian income tax. This provision applies to salary income paid by either Romanian or non-Romanian employers. Therefore, the exemption from Romanian income tax may also apply to employees of non-Romanian entities who are assigned to Romania and meet the specific requirements under law. The tax incentive will apply starting from August 2016.
Russia	***New Voluntary Medical Insurance Certificate Requirements for Foreign Nationals*** New rules, established by a Central Bank of Russia decree, set forth requirements for employers regarding the Voluntary Medical Insurance ("VMI") certificate policies for their foreign national employees coming to Russia to work under a work permit or patent. Some insurance companies may be issuing VMIs that have less of a validity period than is allowed under Highly Qualified Specialist or "key personnel" work permits, which can be valid up to three years. Companies should confirm with their insurance companies the maximum validity period of their VMI programmes for foreign national employees, and consider the option of changing providers, if applicable, in order to be compliant with the new rules.

Singapore	***Tax Clearance Refresh*** This report provides a recap of the Singapore tax clearance rules – as well as the recent updates – which govern the tax payment and declaration for departing employees. Among the updates are matters concerning non-Singapore citizens who are transferred from one company to another company in Singapore within the same group of companies and those who are away from Singapore for three to six months for overseas postings.

Publications

United States	Please contact your local GMS or People Services professional for a copy of this recent KPMG article: "Late Deposits of Federal Employment Taxes for Equity Compensation Transactions – Pitfalls to Avoid," by Scott Schapiro and Carlo Osi, Global Mobility Services, Karen Field, Terri Stecher, and Kelli Cacciotti, Washington National Tax.
United States	***KPMG's 2016 Global Assignment Policies and Practices (GAPP) Survey*** The 2016 GAAP Survey is now open (until August 19th) and you are invited to participate. The updated 2016 GAPP survey features enhanced user functionality and reporting capabilities and refreshed survey categories reflecting current policy focus and practices that KPMG sees in the marketplace and new content requested by previous years' participants.
United States	***Thinking Beyond Borders: Management of Extended Business Travelers*** "Thinking Beyond Borders: Management of Extended Business Travelers" provides summaries that can assist companies in identifying compliance matters affecting extended business travelers. As the globalization of business continues, it is vital that companies understand the tax requirements and risks in countries where their employees

	travel. Our 2016 edition currently features updates from over 90 countries.
United States	***Taxation of International Executives*** For mobile international executives, tax can be a major consideration and for human resource professionals, the need to provide answers to questions relating to tax can be pressing. "Taxation of International Executives" is a series of summaries that cover relevant income tax and social security rates, together with the key aspects of the tax legislation relating to expatriate employees working in these countries. In addition, planning opportunities, capital taxes, and local taxes are also covered, thereby providing useful overviews of the issues that can affect employees on foreign secondments. Our 2016 update includes information from over 90 countries.

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