KPMG

COVID-19 Global Tax Developments Summary

Updated as of September 1, 2021

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Notices

The following information is not intended to be "written advice concerning one or more federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

Contents

	Accelerated refunds	Business income tax	Customs/ import and other miscellaneous taxes	Filing/payment deadline extension	Individual income tax	Loss relief	Payroll taxes	PE and place of manage-ment	Suspension of tax audits	Transfer pricing	VAT and other indirect taxes	WHT
Albania									Implemented			
Algeria				Implemented								
Argentina		Implemented		Implemented			Implemented				Implemented	
Australia	Implemented	Implemented	Implemented	Implemented	Implemented		Implemented / Announced	Implemented				
Austria		Proposed	Proposed	Implemented	Proposed	Implemented			Proposed		Implemented	
Azerbaijan		Implemented		Implemented								
Bahrain		Implemented										
Bangladesh		Implemented	Implemented	Announced / Proposed								
Barbados				Implemented								
Belgium	Implemented	Implemented / Announced	Implemented	Implemented	Implemented / Proposed	Implemented	Implemented	Implemented	Implemented		Implemented	
Bermuda				Implemented								
Bhutan				Implemented								
Bolivia		Implemented		Implemented							Implemented	
Botswana	Proposed			Implemented / Proposed	Proposed						Proposed	Proposed
Brazil			Implemented	Implemented			Implemented		Implemented			
British Virgin Islands				Implemented								
Bulgaria				Implemented					Proposed		Announced / Implemented	
Cambodia			Implemented	Implemented								Implemented

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Canada		Implemented / Proposed	Implemented	Implemented	Implemented / Announced		Implemented	Implemented	Implemented / Proposed		Announced	
Cayman Islands				Implemented								
Chile	Implemented	Implemented	Implemented	Implemented								
China		Implemented	Implemented	Implemented	Implemented	Implemented	Implemented	Implemented			Implemented	
Colombia	Implemented		Announced	Implemented					Announced		Announced	
Costa Rica			Implemented	Implemented	Implemented		Implemented	Implemented	Implemented		Implemented	
Croatia		Proposed	Implemented	Implemented	Proposed		Implemented		Proposed		Implemented	
Cyprus				Implemented / Announced								
Czech Republic		Announced		Implemented		Proposed					Implemented / Proposed	
Denmark	Proposed			Proposed/ Implemented				Implemented			Proposed	
Dominican Republic		Implemented	Implemented	Implemented						Implemented	Implemented	
Ecuador		Implemented		Implemented					Implemented			
Egypt				Implemented	Announced				Implemented			Announced
El Salvador				Implemented								
European Union		Implemented / Announced	Implemented	Implemented							Implemented	
Fiji		Implemented		Implemented							Implemented	
France	Implemented / Proposed	Announced / Implemented	Implemented	Implemented					Implemented		Proposed	
Germany		Announced / Implemented		Implemented / Proposed	Announced	Implemented	Implemented	Implemented			Implemented	
Ghana		Implemented		Proposed	Implemented						Proposed	
Gibraltar		Implemented	Implemented	Implemented			Implemented					
Greece	Implemented			Implemented	Announced				Implemented		Implemented	
Guatemala				Implemented					Implemented			
Guernsey				Implemented								

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Hong Kong		Implemented		Implemented	Implemented / Proposed			Implemented				
Hungary	Implemented	Implemented / Proposed		Implemented			Implemented				Implemented	
Iceland		Implemented	Implemented	Implemented							Implemented	
India		Proposed		Implemented / Announced			Announced	Implemented	Announced			Announced
Indonesia		Implemented	Implemented	Implemented							Implemented	
Ireland	Implemented	Implemented	Implemented	Implemented	Implemented	Proposed	Implemented / Announced	Implemented	Implemented		Proposed	
Isle of Man				Implemented								
Israel				Implemented					Implemented	Implemented		
Italy		Implemented	Implemented	Implemented	Implemented				Implemented		Implemented	
Japan			Implemented	Implemented	Implemented	Implemented	Implemented	Implemented				
Jersey				Announced								
Jordan							Implemented					
Kazakhstan		Implemented	Implemented	Implemented	Implemented							
Kenya		Implemented / Proposed			Proposed		Proposed				Proposed	
Kosovo				Announced								
Kuwait				Implemented								
Latvia	Implemented			Implemented								
Lebanon			Implemented	Implemented							Implemented	
Liechtenstein				Implemented								
Lithuania				Implemented							Implemented	
Luxembourg				Implemented / Announced				Implemented	Implemented			
Malaysia		Proposed / Implemented	Proposed	Implemented	Implemented						Implemented	
Malta				Implemented								
Mauritius		Implemented	Implemented	Implemented	Implemented				Implemented		Implemented	
Mexico				Implemented			Implemented				Proposed	

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Montenegro				Implemented								
Myanmar		Announced	Announced	Implemented				Implemented				
Namibia		Proposed	Proposed								Proposed	
Netherlands		Implemented / Announced	Announced	Implemented	Implemented	Implemented	Implemented				Announced / Implemented	
New Zealand		Implemented / Proposed		Announced	Implemented		Proposed	Implemented		Announced	Proposed	
Nigeria			Implemented	Implemented	Implemented				Implemented		Implemented	
Norway			Implemented	Implemented		Implemented					Implemented	
OECD								Implemented		Implemented		
Oman		Implemented		Implemented					Implemented			
Pakistan		Implemented	Implemented									Implemented
Panama				Implemented					Implemented			
Peru			Implemented	Implemented								
Philippines		Implemented	Implemented								Implemented	
Poland		Implemented / Proposed		Implemented	Implemented / Proposed	Implemented			Implemented		Proposed	
Portugal		Implemented		Implemented / Proposed							Implemented	
Puerto Rico		Implemented		Implemented		Implemented			Implemented		Implemented	
Qatar			Implemented	Implemented								
Romania		Implemented		Implemented			Implemented		Implemented		Implemented	
Russia		Proposed	Proposed	Proposed					Proposed			Proposed
Rwanda				Implemented					Implemented			
Saint Lucia				Implemented								
Saint Vincent and the Grenadines				Implemented								
Saudi Arabia	Implemented			Implemented							Announced	
Serbia				Implemented			Implemented		Implemented		Implemented	
Seychelles				Implemented								

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Singapore				Implemented	Implemented			Implemented		Implemented		
Slovakia	Announced			Implemented / Proposed		Implemented			Implemented			
Slovenia		Implemented	Implemented	Implemented	Implemented				Implemented		Implemented	
South Africa	Proposed	Proposed / Implemented	Announced	Implemented	Implemented / Proposed		Implemented/ Announced	Proposed	Proposed		Implemented	
South Korea		Implemented	Implemented			Implemented					Implemented	
Spain		Implemented	Implemented	Implemented	Implemented		Implemented		Implemented		Implemented	
Sri Lanka				Implemented								
Sweden		Announced		Implemented	Implemented		Implemented	Implemented				
Switzerland		Implemented		Implemented					Implemented			
Taiwan		Announced	Announced	Implemented							Announced	
Thailand	Implemented	Implemented / Proposed		Implemented	Implemented		Implemented	Implemented			Implemented / Proposed	Implemented
Turkey											Implemented	Implemented
Ukraine			Implemented	Implemented					Implemented		Implemented	
United Arab Emirates			Implemented	Implemented							Implemented	
United Kingdom		Implemented	Implemented	Implemented	Implemented / Announced		Implemented / Proposed	Implemented	Implemented		Implemented	
United States	Implemented	Implemented / Proposed	Implemented	Implemented	Implemented	Implemented	Implemented / Proposed	Implemented	Implemented	Implemented		
Uruguay		Implemented		Implemented								Implemented
Venezuela			Implemented	Implemented							Implemented	
Vietnam		Proposed		Proposed								
Zimbabwe	Implemented		Implemented	Implemented								

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KPMG teams have developed additional COVID-19 related trackers:

- **GMS COVID-19 Global Tracker**
- **GTPS Review – COVID-19 special edition file**

These trackers are regularly updated by KPMG Tax professionals.

Jurisdictions	Status	Type	Brief description	Source
Albania  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Suspension of Tax Audits	The Council of Ministers on 25 March 2020 approved measures that provide special rules for judicial proceedings during the pandemic. Under these measures, hearings in administrative and civil proceedings are generally suspended, and the statute of limitations for filing claims, lawsuits, and appeals are similarly suspended.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Algeria  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Filing/Payment Deadline Extension	The government of Algeria has delayed the filing date for certain tax returns and the due date for remitting payments of tax. The return declaration and payment dates with regard to salaries tax for the months of January, February, and March 2020 are postponed to 20 May 2020. Similarly, the due date for the declaration with regard to "professions libérales" for the months of February, March, and April 2020 is postponed to 20 May 2020. For other taxpayers, the deadline for the annual declaration of results is postponed to 30 June 2020.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Argentina  **Contacts:** Rodolfo Canese rcanese@kpmg.com.ar Hernán Caire hcaire@kpmg.com.ar	Implemented	Business Income Tax	Decisión Administrativa 591/2020 issued by the Chief of the Cabinet of Ministers and published in the official gazette on 21 April 2020, sets forth the criteria to be followed with regard to grants of benefits under an emergency assistance program for jobs and production. The program was established by Decreto 332, and provides that the government will assume responsibility for part of the wages paid by an employer to its workers and employees. For an employer to be eligible to claim benefits under the program, its revenue for the period between 12 March 2020 and 12 April 2020 must be lower than or equal to the amount of revenue for the same period in 2019. For employers with more than 800 employees, there are additional requirements—e.g., the employer cannot make dividend distributions and cannot engage in certain financial transactions for a fiscal year period, starting from November 2019. On 27 June 2020, Resolución General 4746/2020 announces the opening of the period for employers to register for benefits under the emergency assistance program for jobs and production ("ATP" for its acronym in Spanish) for the month of June 2020. Separate norms or decisións administratives (DECAD 817/2020, DECAD 887/2020 and DECAD 1133/2020) impose restrictions on companies that receive assistance under the ATP program. These provide, in part, that: – Employers cannot distribute dividends for the fiscal periods closed from November 2019. – Employers cannot repurchase their shares directly or indirectly. – Employers will not have access to the financial market to exchange pesos into foreign currency.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Employers will not be able to make payments of any kind, directly or indirectly, to beneficiaries whose residence, location or domicile is in a "non-cooperative jurisdiction" or a jurisdiction with low or no taxation. These restrictions are applicable for a period of 12 months for companies with up to 800 workers, and for two years for companies with more than 800 employees. Additionally, for companies with more than 800 employees, they cannot increase by more than 5% the amounts of salaries, advances or fees that they pay to members of the corporate administrative bodies (such as the Board of Directors) for two years. Some of these requirements are applicable retroactively for prior months, for which *DECAD 817/2020* recommends establishing a mechanism so that enrollees can cancel their participation in the program and return the amounts received. Resolución General 4719/2020 establishes the mechanism by which employers can cancel their participation in the emergency assistance program and return the amounts received (increased by an inflation adjustment factor imposed from the date the benefits were disbursed until the date of restitution).	
Argentina	Implemented	Filing/Payment Deadline Extension	Decreto 332 was published in the official gazette on 1 April 2020 and provides for the creation of the emergency assistance program for jobs and production. Among the benefits available under the program there is the **postponement of the payment of employer contributions** to the Argentine Integrated Social Security System (SIPA). Resolución AFIP 4693 of 8 April 2020 **extends the deadlines for employee and employer social security contributions related to March 2020 salaries**. The original deadlines of 13 April or 15 April are extended to 16	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			April or 20 April (depending of the tax identification number). Employers that are engaged in certain business activities not considered "essential" and that register and provide information required by this resolution will automatically have their March 2020 employer contributions postponed to mid-June 2020. The Argentine AFIP released a general resolution on 8 July 2020 revising the dates for **compliance with submitting transfer pricing studies** and related reports for prior years, in recognition of the challenges that taxpayers may encounter with regard to the COVID-19 pandemic. The July general resolution revises the deadlines for submitting transfer pricing studies to be filed by taxpayers or responsible parties according to the following schedule for tax periods closing: – From December 2018 to November 2019—to be filed in August 2020 – From December 2019 to April 2020—to be filed in October 2020 The exact date for filing is based on the last digits of the taxpayer identification number (*Clave Única de Identificación Tributaria* (CUIT)). The July 2020 general resolution further provides that the deadline for submitting **Master Files** corresponding to past fiscal years (years that close in the period beginning after December 2018 and ending through August 2019 (inclusive)) is August 2020. The exact date for submitting the Master File is also based on the last digits of the CUIT. For years after these special deadlines, the transfer pricing reporting due date will be in the sixth month after the fiscal year-end while the Master File will be required to be filed during the 12th month after the fiscal year-end.	

Jurisdictions	Status	Type	Brief description	Source
			On 18 June 2021, the deadline for filing transfer pricing reports for tax years ending in 2020 or 2021 have been extended. The AFIP issued Resolución General 5010/2021 to grant an extension of time for filing transfer pricing reports and related forms F. 2668 and F. 2672 for tax years ended between 31 December 2020 and 31 December 2021, inclusive. The new due date falls in the ninth month following the end of the tax year, with the deadline starting on the 23rd day of the month for taxpayers with a taxpayer identification number (Clave Única de Identificación Tributaria—CUIT) ending in 0-1 and so on. In addition, changes regarding the obligation to submit a Master file have been introduced. The Master file must be submitted when the following two conditions are met: — The taxpayer group's consolidated annual revenue exceeds ARS 4 billion in the previous tax year (the tax year prior to the filing). — Transactions with foreign related parties during the tax year exceed ARS 3 million in the aggregate or ARS 300,000 individually. However, if there have been no changes to the information for the current reporting period from the information disclosed in the most recently filed Master file, taxpayers may file an affidavit stating that there have been no changes (instead of filing a Master file). The group's consolidated financial statements for the reporting period are to be attached to the affidavit.	
Argentina	Implemented	Payroll Tax	For companies that are employers and that provide healthcare-related services a 95% reduction of employer contributions to the social security system has been granted for 90 days from the date of publication in the official gazette, 20 March 2020.	KPMG TNF
Argentina	Implemented	VAT and other indirect taxes	The following tax relief measures for companies that are employers and that provide healthcare-related services:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– 59% reduction of the bank credit tax – 17% reduction of the bank debt tax The measures in the decree are valid for 90 days from the date of publication in the official gazette, 20 March 2020. Resolución AFIP 4694 of 8 April 2020 reflects that certain procedures and systems must be redesigned for those taxpayers claiming the above benefits.	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Australia **Contact:** Grant Wardell-Johnson gwardelljohn@kpmg.com.au	Implemented	Accelerated Refunds	The ATO announced a series of administrative relief measures, including: Allowing businesses on a quarterly reporting cycle to opt into monthly goods and services tax (GST) reporting in order to get **quicker access to GST refunds** to which they may be entitled. Allowing businesses to vary PAYG installment amounts to zero for the April 2020 quarter. Businesses that vary their PAYG installment to zero will also be permitted to **claim a refund for any installments made for the September 2019 and December 2019 quarters**. Certain taxpayers with substituted account periods will be allowed to lodge their tax returns earlier to enable earlier access to tax refunds.	KPMG TNF and KPMG TNF
Australia	Implemented	Business Income Tax	The Government has announced that: – For businesses and non-profits, there will be **tax-free payments** made to certain employers (small and medium-size businesses), delivered as a credit in the business activity statement system. – Subject to certain conditions, **cash-flow boosts** will be automatically credited for those employers who filed their 2018-19 income tax return of activity statement prior to 12 March 2020 – Businesses can claim an **immediate deduction for multiple assets**, new or second-hand, provided each asset costs less than AU$150,000. From 12 March 2020 until 30 June 2020, the **instant asset write-off** threshold amount is AU$150,000 (up from AU$30,000); and eligibility has been expanded to businesses with an aggregated turnover of less than AU$500 million (up from AU$50 million). On June 9, 2020 the government announced a six-month extension to 31 December 2020	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			for eligible Australian businesses with annual turnover of less than $500 million – The "**backing business investment**" initiative allows eligible businesses to accelerate their depreciation deductions on the purchase of certain new depreciating assets. A business is eligible for accelerated depreciation when the business has an aggregated turnover of less than AU$500 million; the asset is a new depreciating asset acquired and first used, or installed ready for a business use, from 12 March 2020 until 30 June 2021; and the business did not already apply other depreciation deductions or the instant asset write-off. On August 4, 2020 the ATO clarified its position on **tax treatment of suspended loans** during COVID-19. A debt is forgiven for tax purposes if, generally: – the debtor is somehow relieved from the legal obligation to repay it, or – there is evidence that the creditor won't insist on repayment or rely on the obligation for repayment. If a creditor only postpones an amount payable and the debtor acknowledges the debt, a debt is not considered forgiven. This is unless there is evidence that the creditor will no longer rely on the obligation for repayment. If a private company forgives a debt, it is considered a deemed dividend. Simply allowing more time to repay a debt due to COVID-19 will not result in the debt being treated as forgiven. For insights on the tax implications of year-end distributions from Australian managed funds, please read "*Year-end tax implications for managed funds, investors*." The ATO issued guidance that provides an overview of how the **fringe benefits tax (FBT) measure** will be administered when the	

Jurisdictions	Status	Type	Brief description	Source
			circumstances in which an employer provides a car fringe benefit have been affected by the COVID-19 pandemic. If employees are not using a car in the way that they usually would because of COVID-19 restrictions, a liability for FBT can still arise. The ATO explains the possibilities for the employer to better manage the FBT position by using the operating cost or "log book" method of calculating the taxable value of the car benefit. In this situation, the ATO will accept that the car has not been held for the purpose of providing fringe benefits for any period when the employee does not drive the car at all, or only drives it briefly to keep it in working order. The employer would need to obtain odometer records in order to evidence this. Legislation that deals with the tax treatment of federal government coronavirus (COVID-19) economic response payments for business and individuals received Royal Assent on 10 August 2021. The legislation: • Enables the Treasurer to make rules for economic response payments to provide support to entities when they are adversely affected by restrictions imposed by a state or territory public health order that is directed at controlling the transmission of COVID-19 • Enables tax information to be disclosed to Australian government agencies for the purposes of administering COVID-19 business support programs • Makes payments received by eligible businesses under certain COVID-19 business support programs and Commonwealth COVID-19 disaster payments exempt from income tax • Reinstates a temporary mechanism for ministers to change arrangements relating to certain meeting information and document requirements	

Jurisdictions	Status	Type	Brief description	Source
Australia	Implemented	Business Income Tax	With respect to the "Land Tax", the **South Australian** government announced that commercial and residential landlords will benefit from a 25% reduction on their 2019-20 **land tax liability** when this tax relief benefit is passed on to their tenants as of 30 March 2020, or would be provided to tenants up to and including 30 October 2020. The South Australian Government announced a 6-month extension until 30 April 2021 of the land tax relief measures provided for residential and commercial landlords. Eligible landlords can receive up to a 50% reduction on their 2019-20 land tax liability on affected properties (up from 25% previously). Landlords must pass on the full benefit of land tax relief to their affected tenants. The South Australian government also announced a three-month extension of protections for commercial small to medium enterprise tenants affected by COVID-19 restrictions. The South Australian government stated that it will extend its payroll tax relief for an additional three months until December 2020. The relief allows businesses with annual grouped payroll of up to $4 million* an extra three-month payroll tax waiver, in addition to the six-months of relief that they have already received. Eligible businesses will be able to defer liabilities due in October to December 2020 until 14 January 2021. The **Western Australian** premier announced land tax relief for commercial landlords, with the relief equal to 25% of the landlord's land tax bill for 2019-20, provided that landlords reduce the rent for small business tenants affected by COVID-19. The **New South Wales** government announced that eligible landlords can apply for a land tax concession of up to 25% of their 2020 land tax liability on relevant properties, provided the savings are passed on to tenants in financial distress from October to December 2020. A similar discount will be available in Victoria and Queensland.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Australia	Implemented	Customs/Import and Other Miscellaneous Taxes	The Australian Border Force announced the **temporary prohibition on the non-commercial export of certain goods and items that contribute to controlling and preventing the spread** of the coronavirus, which as of 30 March 2020, includes: – Disposable face masks, gowns and gloves – Goggles, glasses and eye visors – Alcohol wipes – Hand sanitizers There are a number of exemptions, including allowing for exports when they are from an Australian manufacturer or when the export of these products is part of a normal business activity, provided that the goods are not sent through international mail. The Australian Border Force has announced a new concession to provide a free rate of customs duty on certain medical and hygiene products imported for the immediate response to the COVID-19 pandemic. Item 57 and Customs By-Law No. 2019608 to Schedule 4 of the Customs Tariff Act 1995 (Cth) provides a free rate of customs duty for goods that generally attract a duty rate of 5 percent, imported during the period 1 February 2020 to 30 July 2020. Goods covered by the By-Law include personal protective equipment; face masks, gloves, clothes or gowns, goggles, glasses, and other similar products.	KPMG TNF
Australia	Implemented	Filing/Payment Deadline Extension	The ATO announced a series of administrative relief measures, including: – **Deferring by up to six months the payment date** of amounts due through the business activity statement (including "pay as you go" (PAYG) installments), income tax assessments, fringe benefits tax assessments and excise. – **Remitting any interest and penalties**, incurred on or after January 23, 2020, that have been applied to tax liabilities.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Working with affected businesses to help them pay their **existing and ongoing tax liabilities** by allowing them to enter into low interest payment plans. The ATO also published updated FAQs dealing with filing deferrals. The ATO announced filing deferrals for tax agents for certain company income tax, self-managed super funds, fringe benefits tax, and other tax returns. Filing and payment deferrals will be automatically applied to the following obligations due on 15 May 2020: – **Company 2018-19 income tax returns are now due by 5 June 2020**. – **SMSF 2018-19 annual returns are now due by 30 June 2020**. The **2018-19 income tax returns for individuals, partnerships, and trusts** can be lodged by the 5 June 2020 concessional due date, provided taxpayers pay any liability by this date. The **filing and payment due date for 2019-20 Fringe Benefits Tax (FBT) annual returns** has been automatically deferred to 25 June 2020. If tax agents need more time, they can on a case-by-case basis seek a request for deferral. The ATO updated a list of FAQs for "significant global entities" regarding filing general purpose financial statements (GPFS). The ATO stated it was extending the automatic remission of failure to timely file (lodge) penalties that apply to significant global entities until August 14, 2020 if all the following apply: – Taxpayers are unable to lodge that approved form (including the GPFS) due to circumstances beyond your control that arise as a direct result of COVID-19.	and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The failure to lodge on time SGE penalty is incurred after 23 January 2020 and on or before 14 August 2020. If the lodgment is more than 30 days late, taxpayers need to contact the ATO to discuss the specific circumstances. On August 11, 2020, the ATO outlined its compliance approach in circumstances when a trustee experiences liquidity issues that affect the trustee's ability to satisfy a beneficiary's entitlement because of the COVID-19 pandemic. Such instances may be triggered when financial institutions impose restrictions that affect the way a trustee can deal with its assets. The ATO stated that it will not undertake compliance action to consider the validity of an entitlement or the application of section 100A of the ITAA 1936 in circumstances when a trustee is affected by liquidity issues due to COVID-19 and is therefore unable to satisfy the entitlement. The Australian Securities and Investments Commission (ASIC) announced that it is not currently intending to extend the deadline for filing financial reports for balance dates after 7 January 2021. ASIC in 2020 announced measures for both listed and unlisted entities to extend the deadline to file financial reports under the Corporations Act 2001 by one month for balance dates up to and including 7 January 2021. This relief remains in place. The ASIC relief does not apply to registered foreign companies. ASIC in a March 2021 release stated that it is not currently intending to extend this relief for entities with financial years that end after 7 January 2021.	
Australia	Implemented	Individual Income Tax	The Government has implemented tax relief measures including tax-free withdrawals from superannuation funds and one-off stimulus payments to individual taxpayers to be made through the social security system. Individuals affected by the economic impacts of COVID-19 can access up to $10,000 of their superannuation savings in 2019-20 and a further $10,000 in 2020-21 ($20,000 in total). Individuals will not need to pay tax on	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			amounts released, and the money they withdraw will not affect Centrelink or Veterans' Affairs payments. The ATO released guidance for employees and business owners about the tax treatment of working-from-home expenses. The guidance is relevant for employees and business owners in preparing their tax returns for the financial year ended 30 June 2020 and beyond, and generally provides a "short-cut rate" to calculate additional running expenses for the period of working from home. The short-cut rate is an alternative to the current fixed rate and actual methods in calculating additional running expenses working from home. The ATO released practical compliance guideline (PCG 2020/3) which addresses how to claim deductions for additional running expenses incurred while working from home because of the situation resulting from the COVID-19 pandemic. The guideline now applies from 1 March 2020 through 31 December 2020, and allows taxpayers still working from home to continue to use the simplified method referred to as the "shortcut method" to claim their additional running expenses.	
Australia	Implemented	Payroll Tax	The **JobKeeper Payment scheme** is a temporary subsidy for businesses significantly affected by COVID-19. Eligible employers, sole traders and other entities can apply to receive $1,500 per eligible employee per fortnight. Some other key points: – JobKeeper is paid to employers. The ATO does not make payments directly to employees. – Enrollment for April and May closes on 31 May 2020 – A monthly business declaration must be made by the 14th day of each month, starting in June, to receive reimbursements for payments made in the previous month. As part of the declaration, employers need to confirm: o Their eligible employees, including if employees change or leave their employment	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			o Their current and projected GST turnover (or alternative turnover factor) The ATO provided a list of FAQs for employers regarding the JobKeeper program and guidance PCG 2020/4, which includes examples illustrating the program. The ATO clarified for employers that JobKeeper payments do not need to be included in aggregated turnover of the taxpayer entities. The clarification will be relevant when aggregated turnover is used by the taxpayer to determine other tax treatments—such as the corporate income tax rate, research and development tax offset rate, and eligibility for the instant asset write-off. The ATO published a *JobKeeper extension 'step-by-step' factsheet* for businesses and not-for-profits. The federal government has extended the JobKeeper payment until 28 March 2021, with two extension periods, each with two payment rates. In addition, the Commissioner of Taxation registered a legislative instrument that would give certain entities or classes of entities an alternative basis on which they may satisfy the actual decline in turnover test to be eligible for JobKeeper payments. The rules would allow entities in certain classes to be eligible to receive assistance through JobKeeper payments when their particular circumstances are not specifically accounted for in the *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020.* The second phase of the JobKeeper payment extension began 4 January 2021 and will run for 12 weeks until 28 March 2021. An employer may be eligible for JobKeeper during this second phase of the extension, even if it was not eligible during either of the two previous JobKeeper periods (which ended 27 September 2020 and 3 January 2021). – Employers that would like to claim the wage subsidy for this period must assess their eligibility by applying the decline in turnover test for the quarter ended 31 December 2020.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			– The basic test requires a comparison between the actual GST turnover for the December 2020 quarter, and the actual GST turnover for the December 2019 quarter. If the employer does not satisfy the basic test, it can consider whether it is eligible to apply one of the alternative decline in turnover tests that can apply in specific situations, such as when the employer acquired an additional business during the December 2019 quarter. – The subsidy rate in this second extension phase is reducing to $1,000* per fortnight for employees who qualify for the higher rate, and $650 for other employees. – The action for employers who also qualified for the first extension phase is to continue to complete their JobKeeper monthly declarations identifying the employees they wish to claim for. The deadline is usually the 14th day of the following month, but for December 2020, this has been extended to 28 January 2021. – Employers that have not previously qualified for JobKeeper need to consider enrolling by 31 January and then complete their monthly declaration for January in early February. – All employers need to submit a new decline in turnover form to evidence that they have met the decline in turnover test for the quarter ended 31 December 2020. – All employers have until 31 January to meet the wage condition for the fortnights ending 17 January and 31 January. Following the Administrative Appeals Tribunal decision in favour of the taxpayer in the first JobKeeper payment case, Apted v. Federal Commissioner of Taxation [2020] AATA 5139 (21 December 2020), the tax authority filed an appeal to the Full Federal Court on 15 January 2021. The Full Federal Court appeal has been listed for hearing on 19 March 2021. Given the importance and time-sensitive nature of obtaining clarification regarding the eligibility criteria for JobKeeper, the Commissioner applied for an expedited hearing in	

Jurisdictions	Status	Type	Brief description	Source
			the Full Federal Court and agreed to provide test-case funding to the taxpayer. The ATO also released a Decision Impact Statement on 18 January 2021 and published guidance on the ATO website on 10 February 2021, advising that the ATO will not administer the law in accordance with the decision pending the appeal. The current ATO approach is: – To postpone making decisions on objections dealing with the eligibility issue that is the subject of the decision in the Apted case – When taxpayers would like the ATO to make a decision, the decision will be made in accordance with the ATO view in PS LA 2020/1 and contrary to the decision in Apted The ATO has encouraged taxpayers that have not yet filed an objection to wait until the appeal has been decided and has indicated that if the review period for an objection has expired, the Commissioner will take this guidance into account in considering requests to extend the time for filing an objection so that the taxpayers are not disadvantaged. The ATO issued a reminder that the JobKeeper payment scheme will end March 28, 2021, and that businesses must file their February 2021 monthly business declarations by March 14, 2021. Businesses that are not already receiving the JobKeeper payment are still able to check eligibility and enroll at any time until the program closes. According to the ATO release, businesses still requiring assistance once the JobKeeper payment ends need to check eligibility for the JobMaker hiring credit. The ATO published a fact sheet providing information for employers about the tax treatment of working-from-home benefits and outlining fringe benefits tax obligations when employees have been provided a benefit to facilitate their work. The fact sheet covers certain residual, property or expense payment benefits that may be exempt from fringe benefits tax or have their taxable value reduced under the "otherwise deductible" rule.	

Jurisdictions	Status	Type	Brief description	Source
			The ATO also issued a release stating that it may allow voluntary repayments of the JobKeeper payment to be tax deductible in "limited circumstances." The ATO reported that those employers that choose to voluntarily repay an amount in relation to JobKeeper, an income tax deduction may be available if the payment is made to prevent reduction in business or to publicize and promote the business in the short-term. According to the ATO, the JobKeeper payments that the employer received must have been treated as assessable income. Any deduction must be claimed in the same income year in which the repayment was made.	
Australia	Announced	Payroll Tax	**Queensland** announced that small and medium Queensland businesses affected by the coronavirus outbreak can defer their payroll tax payment for six months under a new deferral measure, with refunds and waivers also available depending on the size of the business. **New South Wales** announced AU$450 million for the waiver of payroll tax for businesses with payrolls of up to AU$10 million for three months (the rest of 2019-20), with a deferral available for larger businesses; and AU$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to AU$1 million in 2020-21. **Western Australia** announced that Small businesses that pay payroll tax will receive a one-off grant of AU$17,500; AU$1 million payroll tax threshold brought forward by six months to July 1, 2020; and payroll tax will be waived for a four-month period between March 1, 2020 to June 30, 2020 for small-to-medium sized businesses. The government stated that it will extend the payroll tax exemption for the JobKeeper payment until 28 March 2021. This means that WA businesses will be exempt from payroll tax on JobKeeper wage subsidies paid from 28 September 2020 to 28 March 2021. **Tasmania** announced a waiver of payroll tax for the last four months of this financial year for hospitality, tourism and seafood industry businesses; a waiver of payroll tax payments for the	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			remaining three months from March to June 2020 for other small to medium businesses with an annual payroll of up to AU$5 million in Australian wages based on the immediate impact of the virus on their businesses. **Victoria** announced that businesses with annual taxable wages up to $3 million will have their payroll tax for the 2019-20 financial year waived **South Australia** has also announced a payroll tax waiver for SMEs.	
Australia	Implemented	PE and Place of Management	The Australian Taxation Office ("ATO") has issued frequently asked questions ("FAQs") to provide guidance on tax questions about the impact of COVID-19. **Corporate residence**: A non-Australian incorporated company can be treated as resident in Australia if it carries on business in Australia and has its central management and control in Australia. The FAQs state that if the only reason for holding board meetings in Australia or directors attending board meetings from Australia is because of impacts of COVID-19 (i.e., travel bans or the board deciding to halt international travel due to COVID-19), that by itself will not affect the company's residency status for Australian tax purposes. **Permanent establishment**: The FAQs state that the impacts of COVID-19 will not, by itself, result in a foreign company having an Australian permanent establishment ("PE") if it meets all of the following: (i) the foreign incorporated company did not have a PE in Australia before the impacts of COVID-19; (ii) there are no other changes in the company's circumstances; and (iii) the unplanned presence of employees in Australia is the short-term result of them being temporarily relocated or restricted in their travel as a consequence of COVID-19. **Employment tax withholding**: The FAQs state that if the only reason that an employee of a foreign employer is working in	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Australia is because of the impacts of COVID-19 on travel, and it is anticipated that the employee will leave before June 30, 2020, then the foreign employer is not expected to register for pay-as-you-go withholding. The ATO has also provided guidance regarding thin capitalisation that taxpayers who breach the safe harbour debt to equity ratio due to decline in asset value can apply the arm's length debt test. The ATO updated guidance concerning whether the presence of employees in Australia, due to the COVID-19 pandemic-related travel restrictions, creates a permanent establishment. The updated guidance states that the ATO will not apply compliance resources to determine if there is a permanent establishment under the following conditions: – There was no permanent establishment in Australia before the effects of COVID-19; – The temporary presence of employees in Australia continues solely as a result of COVID-19 related travel restrictions; – Those employees temporarily in Australia will relocate overseas as soon as practicable following the relaxation of international travel restrictions; and – The employee has not been recognized as creating a permanent establishment or generating Australian-source income in Australia for the purpose of the tax laws of another jurisdiction. According to the ATO, this approach is applicable until 30 June 2021, after which, employers will be required to consider whether ongoing arrangements give rise to a permanent establishment in Australia.	
Australia	Implemented	Transfer Pricing	The ATO on 19 June 2020 released the following guidance items: "COVID-19 economic impacts on transfer pricing arrangements" and "Changing related-party arrangements."	KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			The guidance provided by the ATO addresses how to evidence the impact of COVID-19, and the approach is aligned with how the ATO's advanced pricing arrangements (APA) unit is looking to proactively address the impact of COVID-19 with taxpayers in "real time." The new guidance follows earlier guidance on thin capitalization and COVID-19, in which the ATO highlighted the option to use more frequent valuation points to smooth the COVID-19 impacts on balance sheets. The ATO has indicated that it would not apply compliance resources when certain taxpayers exceeded their safe harbour debt limit due to COVID-19 and are required to use the "arm's length debt test" approach to justify their pre-COVID-19 debt amounts and/or any short-term debt facilities required. The ATO's transfer pricing and COVID-19 guidance, among other things, provides the following. – **How the ATO will assess the economic impacts of COVID-19 on transfer pricing arrangements**. The ATO will place emphasis on gathering contemporaneous evidence to support any changes to, or impacts on the business as a result of COVID-19. Taxpayers need to consider documenting these changes as they are considered and implemented, and measuring any impacts with reference to actual or budgeted data. – **Guidance regarding supporting the arm's length nature of the transfer pricing outcomes**. The ATO has acknowledged analysis of current comparable company benchmarking data may not reliably support arm's length outcomes of continuing transfer pricing arrangements impacted by COVID-19, particularly in the short term. In other words, the ATO will seek to understand the financial outcomes that taxpayers would have achieved "but for" the impact of COVID-19. – **PCG 2019/1 and COVID-19 implications**. The Practical Compliance Guideline (PCG) outlines the ATO's approach	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to risk-rating based on profit level and functional factors for Australian inbound distributors, and at what profit levels it may dedicate resources to investigate further their transfer pricing arrangements. The ATO is not currently seeking to review PCG 2019/1 due to COVID-19—not surprising at this stage, given limited publicly available data is available regarding the pandemic's impact. Tax professionals expect that the ATO may issue more detailed or updated guidance pertaining to PCG 2019/1 later this year. – **Breaching an APA due to COVID-19.** If critical assumptions have been breached when the taxpayer has an APA, the ATO has recommended early engagement to practically resolve the issue. – **Higher-risk fact patterns**. In this regard, the ATO has flagged that changes to transfer pricing arrangements to achieve a "tax advantage" such as changes to crystallize foreign exchange losses, contractually increase risks (and global losses) allocated to Australian taxpayers, or otherwise reduce taxable income, will be of high focus. On July 15, 2020, the ATO provided **guidance on the treatment of JobKeeper payments in transfer pricing arrangements**. The guidance reports that the ATO will assess the impact of the JobKeeper payment on transfer pricing arrangements, by reviewing arrangements in situations when the JobKeeper payment has resulted in a change to the transfer price paid or received by the Australian entity and was shown to effectively shift the benefit of the government assistance to offshore related parties. The ATO stated that the expectation is that Australian entities will retain the benefit of JobKeeper payments that they receive. A significant number of businesses with varying transfer pricing arrangements are potentially affected by the JobKeeper program. The ATO release includes the following example of the appropriate transfer pricing treatment of JobKeeper payments.	

Jurisdictions	Status	Type	Brief description	Source
			The ATO concluded by explaining that JobKeeper payments are not to result in a reduction of the price of the service provided to the offshore related party. No reduction is to be made to the cost of the service. The cost base in the example remains at $100, which continues to attract a mark-up of $10. The ATO released updated information addressing the treatment of JobKeeper payments in transfer pricing arrangements. According to the updated ATO guidance, the ATO will assess the effect of the JobKeeper payment on transfer pricing arrangements by reviewing arrangements when the JobKeeper payment: — Resulted in a change to the transfer price paid or received by the Australian entity — Was shown to effectively shift the benefit of the government assistance to offshore related parties The guidance states that generally, the ATO would not expect independent parties in comparable circumstances to share the JobKeeper benefit, and the ATO has not observed independent parties sharing government assistance payments.	

Jurisdictions	Status	Type	Brief description	Source
Austria **Contact:** Markus Vaishor mvaishor@kpmg.at	Proposed	Business Income Tax	The Austrian government on July 1, 2020 updated the two draft bills previously introduced as follows: **Investment premium** The investment premium is intended to create government-sponsored incentives for investments in fixed assets. – The investment premium would be 7% of the new investment. However, the premium could increase to 14% for investments in climate protection, digitalization, and health and life-science investments. – The investment premium could be allowed for investments in tangible or intangible depreciable assets used in Austrian premises, provided that initial steps in the investment are taken between 1 August 2020 and 28 February 2021 and the application is filed between 1 September 2020 through 28 February 2021. – No investment premium would be available for: o Investments related to fossil fuels o Land o Financial assets such as participations o Acquisition of whole businesses – The total budget cap for investment premium would be €1 billion on a "first come-first serve" basis. Detailed administrative guidelines on the requirements and application process for the investment premium would be expected. **Declining balance depreciation** The proposal would introduce the declining balance method as a depreciation method, to be used alternatively instead of the already existing linear depreciation method. – The depreciation rate would be determined by the taxpayer but could not exceed 30% and could not be changed.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The depreciation rate would applied to the respective (residual) carrying amount of the asset. – The half-year convention according to Article 7 section 2 of the Austrian income tax law would apply. – It would be possible to change from the declining balance method to the linear method going forward, but not the other way around. – The declining balance method could be applied to assets that are acquired or constructed after 30 June 2020. – The declining balance method would need to be applied for GAAP purposes, as well. – The declining balance method would not applicable for: o Intangible assets o Used assets o Buildings o Passenger cars (unless used for commercial passenger transport or driving school or cars with zero emissions) o Plants related to fossil fuels **Accelerated depreciation of buildings** In general, the standard depreciation rate applied annually for buildings for Austrian tax purposes is 1.5% for residential buildings and 2.5% for all other buildings. However, it is proposed to introduce accelerated depreciation as follows: – Depreciation in the first year would be three times the standard rate (7.5% or 4.5%). – Depreciation in the second year would be two times the standard rate (5% or 3%). – As from the third year, depreciation would equal the standard rate of either 2.5% or 1.5%.	

Jurisdictions	Status	Type	Brief description	Source
			– Accelerated depreciation would be applicable to buildings that were purchased or constructed after 30 June 2020.	
Austria	Proposed	Customs/Import and Other Miscellaneous Taxes	The Austrian government in a draft bill has proposed that no stamp tax (duties) would be levied on any documents directly or indirectly related to any measures required to deal with the coronavirus crisis.	KPMG TNF
Austria	Proposed	Individual Income Tax	Austria's regular (individual / personal) income tax rates are progressive (ranging from 0% to 55%) and depend on the applicable "income bracket." The tax rate for the taxable income from €11,000 - €18,000 is currently 25% but is proposed to be reduced (retroactively) to 20% as from 1 January 2020. The maximum tax rate for income over €1 million of 55% would be extended until 2025.	KPMG TNF
Austria	Implemented	Filing/Payment Deadline Extension	Upon request and based on specific impact of the virus on the particular situation: – Tax prepayments for individual and corporate income tax purposes may be reduced to zero. – **Late payment penalties** may be reduced or waived. – Tax authorities may defer taxes if their collection would lead to significant hardship or agree to payments in installments. The Austrian Ministry of Finance published a discussion draft regarding the application of the Austrian **DAC6-rules**. In particular, the deadline for initial disclosures will be prolonged until October 31, 2020. The ability to apply for a deferral of tax payments has been extended until 31 March 2021.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Austria	Implemented	Loss relief	In response to the COVID-19 pandemic, the Austrian government introduced tax measures intended to boost Austria's economy and facilitate further investments—including measures to allow the availability for tax loss carrybacks. The provisions were enacted into Austrian tax law on 24 July 2020, and a related ordinance implementing these measures was issued by the Austrian Ministry of Finance with an effective date of 17 September 2020. **Tax loss carryback—general mechanism** Any business income tax losses incurred in 2020 that cannot be applied against positive income in 2020 may be carried back and offset against taxable income in 2019 up to a maximum amount of €5 million. If the tax loss carryback is not available to be used for 2019, tax losses from 2020 may be further carried back and offset against taxable profit for 2018. However, for fiscal year-end taxpayers (e.g., 31 March 2020), there is an option to carry back the tax losses from 2021 to 2020 (or 2019 respectively). **Tax loss carryback into 2019— "COVID-19-reserve"—prior to 2020 tax assessment** Expected business income tax losses incurred in 2020 can be directly offset against taxable income of 2019 by recognizing a "COVID-19-reserve" as a separate deduction item in the course of the tax assessment 2019. The COVID-19-reserve is limited by reference to three amounts: – Expected business income tax losses for 2020 – 60% of the positive business income for 2019 (if a reliable estimation of the expected business income tax losses is available) or 30% of the positive business income for 2019 (if a reliable estimation of the expected business income tax	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			losses is **not** available and if the income tax prepayments were reduced to zero or to the minimum corporate income tax) – €5 million Any COVID-19-reserve recognized for 2019 (as a separate deduction) is added to the taxable result for 2020 tax assessment. **Actual tax loss carryback into 2019 and 2018—after 2020 tax assessment** Any tax losses from 2020 that are not carried back by way of the COVID-19-reserve may "actually" be carried back after the 2020 tax assessment. Nevertheless, the amount of the COVID-19 reserve plus the "actual" tax loss carryback is limited to €5 million total. Any remaining tax losses for 2020 that could not be carried back into 2019 may be carried back to 2018 (limited to €2 million). Any further tax losses for 2020 that are neither carried back to 2019 or 2018, will serve as "ordinary" tax loss carryforwards to be used in tax assessments as from 2021 and onwards. **Special provisions for Austrian tax groups** For Austrian tax groups (as defined by Art 9 of the corporate income tax law), additional rules need to be considered, including: – Only the group parent (that is the sole taxpayer of the tax group) may apply for the tax loss carryback. – Tax losses carried back are to be offset against the group's income. – The maximum amount of the carryback is €5 million for the group parent plus an additional amount of €5 million for every group member. For instance, the tax loss carryback for a tax	

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			group consisting of one group parent and four group members would amount to €25 million.	
Austria	Proposed	Suspension of Tax Audits	The Austrian government in a draft bill has proposed measures that would extend all the deadlines for appeals to May 1, 2020, in cases for which the statutory periods were opened on March 16, 2020 or that commenced on or after March 16, 2020.	KPMG TNF
Austria	Implemented	VAT and other indirect taxes	According to a motion submitted in the Austrian parliament on 22 April 2020, a **reduced VAT rate of 0%** (from 20%) is provided for the supply and intra-Community acquisitions of protective masks exported or occurring after 13 April 2020 and before 1 August 2020. The Austrian Parliament passed a bill to implement a rescue package for the Austrian restaurant sector and would offer tax incentives for consumption in restaurants. One of the main tax measures included in the aid package is the application of the reduced VAT rate to the sale of non-alcoholic beverages in taverns. The application of the reduced VAT rate of 5% will be limited from July 1, 2020 until the end of 2020. A reduction of the VAT rate to 5% for certain specific products and a VAT exemption for the delivery or import of COVID-19 vaccines have been extended.	KPMG TNF and KPMG TNF and KPMG TNF

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Azerbaijan  **Contact:** Farid Isayev fisayev@kpmg.az	Implemented	Business Income Tax	Certain industries most affected by the pandemic (e.g., hotel, tour operator, transportation, sport and health facilities) have been granted starting January 1, 2020 for 1 year the following benefits: – **75% income tax exemption** – **Exemption form property tax and land tax** – 50% tax reduction is also planned for **the simplified tax**.	KPMG TNF
Azerbaijan	Implemented	Filing/Payment Deadline Extension	Certain industries most affected by the pandemic have been granted the following: – The deadline for the last tax payment for 2019 has been extended to September 1, 2020 – The deadline for payment of 2019 profit income tax by non-microbusinesses has been extended until September 1, 2020 – The deadline for the Simplified Tax choice and registration by VAT by registered catering businesses for 2020 has been extended from April 1 to September 1, 2020 – The withholding tax on income of individuals from lease of immovable property has been reduced from 14% to 7% – Interest on tax overdue, compulsory state social insurance and unemployment contribution has been deferred from April 1, 2020 to January 1, 2021.	KPMG TNF

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Bahrain  **Contact:** Mubeen Khadir mubeenkhadir@kpmg.com	Implemented	Business Income Tax	On June 14, 2021, the Cabinet announced a 3 months extension (June 2021 to August 2021) of support initiatives designed to mitigate the impact of COVID-19. The support initiatives include: – Support with salaries of insured Bahraini private sector employees for a period of 3 months, 100% for the first month and 50% for the second and third months. – Exemption to companies impacted by COVID-19 from paying municipal fees. – Exemption to tourist establishments and facilities from paying tourism fees. – Extension of Tamkeen Labor Fund Business Continuity Support program for companies impacted by COVID-19. – Exempting tenants of government properties including government owned companies from the payment of rent. – Exempting companies impacted by COVID-19 from paying the commercial registration renewal fees for the year 2021.	KPMG TNF

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Bangladesh  **Contact:** Adeeb H Khan adeebkhan@kpmg.com	Implemented	Business Income Tax	The Government announced a **tax exemption for Private Power Generation Company** ("PPGC") – Income of PPGC exempt up to 31 December 2034; – Income of foreign nationals exempt for 3 years; – Interest payment on foreign loans can be paid off without Withholding Tax (WHT); – Royalty, Technical Know-how and Technical assistance fees payments can be made without WHT; – Capital Gains arising from divestment is exempt If commercial production starts during the period 1 January 2023 to 31 December 2024, a 100% exemption from tax if available for the first five years, and then a 50% exemption for the next three years followed by a 25% exemption for the next two years for a total of 10 years of some type of exemption.	KPMG TNF
Bangladesh	Implemented	Customs/Import and Other Miscellaneous Taxes	The National Board of Revenue (NBR) waives 12 types of safety products and test kits from import duties and taxes until 30 June 2020.	KPMG TNF
Bangladesh	Announced	Filing/Payment Deadline Extension	NBR has not announced any specific relief measures concerning the deadlines for filing tax returns or remitting tax payments in response to the COVID-19 pandemic. However, considering that the country is currently in a "**general holiday**", it would appear that tax return filings would be due on the next working day after the end of the general holiday, unless further clarification is provided by the NBR.	KPMG TNF

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Bangladesh	Proposed	Filing/Payment Deadline Extension	The Government has approved draft amendments that would allow taxpayers to delay their tax payments without penalty and interest during the general holiday. Separate draft legislation to amend the VAT rules has been approved allowing the National Board of Revenue (NBR) to extend the time-limit for submission of VAT returns without any penalty and interest.	KPMG TNF

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Barbados **Contact:** Marianne Greenidge mariannegreenidge@kpmg.bb	Implemented	Filing/Payment Deadline Extension	On 10 June 2020, the Barbados Revenue Authority (BRA): – Announced that the web portal is available for 2019 automatic exchange of information (AEOI) submissions – Issued a reminder to financial institution operating for a full or partial period that AEOI submissions for that particular period must be filed – Explained that any request to have AEOI accounts deleted must be submitted in writing and that all outstanding submissions must be completed before an account can be deleted The Barbados Revenue Authority further extended to 31 October 2020 the reporting deadlines for FATCA and CRS returns for the 2019 reportable year. The deadline had previously been extended to 31 August 2020.	KPMG TNF and KPMG TNF

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Belgium  **Contact:** René Philips rphilips1@kpmg.com	Implemented	Accelerated Refund	A **VAT "quick" refund mechanism** established 29 March 2020 applies for all VAT taxpayers filing monthly VAT returns for February and March 2020 (including those VAT taxpayers that do not have a monthly refund license). Under the VAT quick refund mechanism, the amount of VAT credit will be refunded if, among other items, the deadline for filing the VAT return is met. A repayment based on the VAT quick refund mechanism will be made, at the latest, by 30 April 2020 (for February) or 29 May 2020 (for March) respectively.	KPMG TNF
Belgium	Implemented	Business Income Tax	The Government has granted companies increased relief measures for prepayments related to financial years closing between 30 September 2020 and 31 January 2021 that are made during: – The third quarter—6.75% instead of 6% – The fourth quarter—5.25% instead of 4.50% This relief is available, provided there is no dividend distribution, no capital reduction or repurchase of shares between 12 March 2020 and the end of the financial year. A circular letter confirmed that the COVID-19 outbreak is an exceptional and specific circumstance which justifies **write-downs on commercial receivables** held on companies that show a delay in payment of the receivables, resulting directly or indirectly from actions taken by the federal government. Circular 2020/C/58 of 21 April 2020 provided temporary tax reliefs with respect to **qualifying donations**. Under the Circular, qualifying donations include medical aid devices and their auxiliary parts, as well as protective gear and clothing for care providers and patients. Medicines are excluded from the scope of the tax reliefs. Qualifying beneficiaries include:	KPMG TNF and KPMG Global and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– Governmental institutions and other public bodies that have a role in the redistribution of the goods; – Hospitals and care institutions providing VAT-exempt health care services, institutions providing VAT exempt care services to elderly, children or disabled, as well as institutions providing school and university education; – Humanitarian charitable institutions; and – Institutions approved by the Customs and Excise Authorities to import certain goods into Belgium with exemption from VAT and customs duty based on the decision of the European Commission of 3 April 2020. These institutions may only use the goods for the purposes of making them available free of charge to persons affected by COVID-19 or to persons involved in the fight against COVID-19. The tax reliefs apply to donations made in the period between 1 March 2020 and 30 June 2020. Accordingly, the **costs incurred in relation to the donated products are tax deductible** for corporate (business) income tax purposes. The Corona III package provided for additional tax stimulus measures: – For **donations of computer to schools** the deduction (corporate tax) is extended until 31 December 2020 – **Exemption and deduction of consumption vouchers**. Employers will be able to buy consumption vouchers with certified institutions for a maximum of 300€ per employee until 31/12/2020. The vouchers will be valid until 07/06/2021 in the horeca and cultural sectors and will be fully deductible for the employer and tax-exempt for the employee. – **100% deduction of reception costs** made between 8 June and 31 December 2020. – **Investment deduction**: increase of the rate from 8 to 25% for investments between 12 March and 31 December 2020 (only for small companies), carry-	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			forward of unused investment deduction possible for two instead of one year for investments made in 2019. If a business fails to make insufficient profits during the current tax period for which the investment deduction can be applied, the portion of the exemption not taken can be carried forward to be applied in subsequent tax years. The increased **investment deduction** of 25% (for SMEs) will be extended with two additional years (2021 and 2022). With regard to the property tax, the Walloon government declared that assessments for the 2020 financial year would be sent in August / September 2020 instead of May 2020, and payment plans would be more "flexible." Other regional governments have not (yet) taken an official position. The general principles concerning the proportional reduction of the property tax due to periods of unproductivity need to be considered. In general, when constructed immovable property (buildings) and machinery and equipment remain unused for a period of time and have not generated any income, the property is said to be "unproductive," and the property tax that normally would be paid can then be reduced in proportion to the period of time (number of months) during which the unproductivity lasted and for the extent of this period of unproductivity. To benefit from such a proportional reduction due to unproductivity, a certain number of conditions must be fulfilled (the conditions differ somewhat for the regions such as in the Flemish region). — The "unproductiveness" of real estate must last at least 180 days (not consecutive). — For materials and tools, the period of inactivity is reduced to a minimum of 90 days (not consecutive). Buildings must have been totally unused and must not have generated any income, whereas equipment and tools can benefit from a reduction if they have only partially not been	

Jurisdictions	Status	Type	Brief description	Source
			used for a portion representing at least 25% of their cadastral income. The one-time depreciation deduction of 25% of the value of tangible or intangible assets, originally scheduled to expire 31 December 2020, is extended through 31 December 2022 for small and medium-size companies, self-employed persons or professional license holders. Any unused amount of the depreciation deduction can be carried forward indefinitely by individuals, and can be carried forward by SMEs only to the following tax period. There are certain conditions and thresholds that must be satisfied in qualifying for the additional depreciation deduction, including an obligation to obtain a certificate from the appropriate regional authority. Other conditions are based on the number of workers (cannot exceed 50 workers determined on an annual average); the turnover (excluding VAT is less than or equal to €9 million); and the balance total (is less than or equal to €4.5 million). The government on 18 May 2021 announced expanded **income tax relief for landlords of commercial real property** that voluntarily and definitively waive rent for certain months in 2021. The income tax relief applies for the months of March, April, and May 2021 and is being expanded to the months of June, July, August, and September. Further details on this expansion (e.g., whether certain existing thresholds would be increased) are still to be expected. The tax relief is determined to be 30% of the waived rent and lease incentives, without exceeding the following thresholds: – €5,000 per month per lease agreement – €45,000 per lessor/landlord for all the lease agreements together	

Jurisdictions	Status	Type	Brief description	Source
			In order to benefit from the tax relief, several conditions must be satisfied, such as: – The immovable property is located in Belgium and allocated to the business activity of the lessee. – The lessee is a self-employed private individual or qualifies as a small or medium-sized enterprise (SME) or small association and is registered as "active." – The establishment located at the leased property was obliged to close its doors as a result of the COVID-19 restrictions. – The waiver is equal to at least 40% of the monthly rent. – The exemption cannot be applied if both parties have a "direct relationship" (spouses, children, company director). The waiver is to be recorded in a written agreement and subsequently sent to the tax authorities by 15 July 2021. The benefit will not be available if the tenant is identified as a "company in difficulties" at the time of the waiver. Furthermore, there cannot be any outstanding rent owed on 12 March 2020.	
Belgium	Proposed	Business Income Tax	**Reserve fund for equity reconstruction -** According to the new regime, companies would be able to exempt part of their profit for the tax periods 2021, 2022, and 2023 (that are related to assessment years 2022, 2023, and 2024) by recording that profit on an exempt "reconstruction reserve." In the pending proposal, the amount would be limited by a "double ceiling": the accounting loss of income year 2020 and an absolute maximum of €20 million. The reconstruction reserve thus would allow companies to keep future profits within the company in a tax advantageous way and to rebuild their equity to pre-pandemic levels. However, equity and employment must be maintained: – The reconstruction reserve would be taxable when there is a capital reduction, dividend distribution or liquidation.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– There is an employment condition—if the personnel cost of the company drops below a certain level, the tax advantage would be reduced proportionally. According to the pending proposal, the personnel cost for income year 2020 and the three following years must equal at least 85% of the personnel cost paid in 2019. If not, a pro rata part of the reconstruction reserve would become taxable. The bill approved by the House Finance Committee in July 2020 would also provide for: – An exemption for the employee and deduction for the employer of consumption voucher – 100% deduction of reception costs between 8 June and 31 December 2020 – Investment deduction: increase of rate from 8 to 25% for investments between 12 March and 31 December 2020 (only for small companies), carry-forward of unused investment deduction possible for two instead of one year for investments in 2019 – Tax reduction for acquisition of new shares of small companies of which the turnover dropped by more than 30% between 14 March and 30 April 2020.	
Belgium	Announced	Business Income Tax	The new government stated its plans regarding oncome taxation: – The **corporate income tax reform** by the previous government will be **maintained**, including the rate reduction to 25% (20% for SMEs). – Regarding **estate planning**, the government agreement contains no mention of a capital gains tax or securities tax. On the other hand, the new government will strive for "an honest contribution by people who can carry the heaviest burden, with respect for entrepreneurship". The tax regularization will end on 31 December 2023. Tax savings by	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			registration of notary deeds abroad will be prevented, and balances of Belgian bank accounts will be communicated to the Central Point of Contact. – On **mobility**, all new company cars must be emission-free by 2026. Employers will be able to award a mobility budget to employees who cannot qualify for a company car. – Employers will also receive a tax incentive for **training** their employees.	
Belgium	Implemented	Customs/Import and Other Miscellaneous Taxes	Custom duty exemption is granted on the importation of goods fighting against the COVID-19 disease, provided that : (i) goods are declared for consumption in Belgium by governmental institutions or other charitable institutions as admitted by the Minister of Finance; and (ii) are intended for consumption in Belgium in the fight against the COVID-19 disease. On 23 April 2021, the tax authorities also announced the exemptions from customs duties and VAT for the importation of goods used to fight against COVID-19 are extended through 31 December 2021.	KPMG Global and KPMG TNF
Belgium	Implemented	Filing/Payment Deadline Extension	Belgian federal authorities have implemented a series of tax relief measures (automatically granted): – For corporate, legal entities, non-resident tax returns with a deadline between 16 March and 30 April 2020, an extension is granted until 30 April 2020. – The deadline for paying wage withholding tax for February and March/Q1 2020 and April 2020 is automatically extended by 2 months. – The payment of income taxes related to 2019 and established as from 12 March 2020 is automatically extended by 2 months.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– The due date for filing corporate tax returns for companies ending their financial year between 1 October 2019 and 30 December 2019 is 7 months as from the end of their financial year. – The deadline for filing VAT returns and intra-Community statements for February and March/Q1 and April 2020 is extended to 6 April, 7 May and 5 June 2020, respectively. – For all monthly filers who want to benefit from the quick refund mechanism (i.e. starters, filers with a monthly refund license and all other filers) the deadline for filing the VAT return for the month of February and March is extended to 3 April 2020 and 3 May 2020 respectively. – For starters and businesses with a monthly VAT refund license that wish to receive the monthly repayment of their VAT credit of March/April 2020, an extension of the filing deadline of the VAT return is granted until 3 May/24 May 2020 respectively. – The deadline for filing the annual sales listing is extended to 30 April 2020, – The deadline for paying VAT for February, March/Q1 and April 2020 is automatically extended by 2 months. Also, the deadline for paying VAT with regard to the special VAT return n. 629 of Q1 2020 is extended to 20 June 2020 (initially 20 April 2020). This latter extension does not affect the filing deadline of 20 April 2020. – An extension of certain due dates is granted regarding the tax shelter for audiovisual works and podium works. – The due date for paying the company contribution is postponed from 30 June to 31 October 2020. – An extension is granted of the due date of the payment of annual insurance tax. Businesses adversely affected by the coronavirus crisis and able to substantiate that, can be eligible to request support from the tax authorities regarding their tax debts for	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			corporate income tax and income tax on legal entities, VAT, wage WHT and personal income tax. The support covers: – a payment plan, – an exemption from late payment interest, – a waiver of fines for non-payment. Businesses are only eligible for this support if they are adversely affected by the Coronavirus crisis and if they are able to substantiate that (e.g., a drop in turnover, a serious drop in orders and/or reservations, as a result of domino-effect within a group, etc.). Businesses are not eligible for support if they are already facing structural payment difficulties. Support is also conditional upon compliance with the timely filing of tax returns (with the given extensions). Support will be withdrawn if a collective insolvency procedure (e.g., bankruptcy) arises. An application must be filed for each tax debt separately through a specific form. This application must be filed at the moment of receipt of the tax assessment or payment notice, and before 30 June 2020. The competent regional collection office serves as the single point of contact. On 20 May 2020, Belgium's Federal Public Service of Finance announced that the deadline for filing **FATCA** and **CRS** returns for calendar year 2019 has been extended from 30 June 2020 to 30 September 2020. The Minister of Finance has decided to grant an extension of the due date for **filing the corporate tax return** from 24 September until **29 October 2020**. Tax returns which give rise to a reimbursement of taxes and which have been filed no later than 1 October 2020 will be treated with priority in order to support the liquidity and solvability of those taxpayers. Taxpayers that want to apply the loss carryback are advised to file their tax return before October 1st to benefit from this fast refund.	

Jurisdictions	Status	Type	Brief description	Source
			Tax return and transfer pricing compliance filing deadlines for the Assessment Year 2020 (AY 2020) have been extended until 29 October 2020. For additional information please read the report prepared by KPMG member firm in Belgium "*Transfer Pricing Compliance and review.*" On 18 March 2021, the Belgian tax authority announced an extension of the deadline for **filing the corporate tax return** for assessment year 2021. Accordingly, the deadline for filing the corporate tax return for taxpayers with financial years ended between 31 December 2020 and 28 February 2021 is extended through 28 October 2021. The 28 October 2021 deadline extension also applies to Local file reporting that is submitted on form 275LF by taxpayers that satisfy the relevant filing requirements. The submission of a **Local file** on form 275LF is required of each Belgian company or permanent establishment (of a multinational group) if one of the following thresholds is exceeded (to be assessed on the basis of the stand-alone financial statements of the Belgian entity—either the company or permanent establishment—for the preceding financial year): – A sum of operational and financial income equal to or exceeding €50 million (excluding non-recurring income) – A balance sheet total equal to or exceeding €1 billion, or – An annual average of employees equal to or exceeding 100 full-time equivalents In addition, when any of the above-listed thresholds applies, a **Master file** must also be filed on form 275MF, within a period of 12 months after the close of the reporting period of the group. The VAT relief measures announced in March 2021 were published in the Official Gazette on 13 April 2021 and include the following:	

Jurisdictions	Status	Type	Brief description	Source
			– Reduced interest on late payments: o the interest rate for negligent late payment of VAT and excise duties by taxpayers is temporarily reduced to 4 percent per year for the months April, May and June (2021). This rate is normally 9.6 percent per year (i.e. 0.8 percent per month). o When the payable amount is recorded in an enforcement register or is based on a judicial decision, the applicable interest rate for the months April, May and June (2021) is 8 percent per year, calculated from the date of enforceability in the register or the decision, respectively. o The interest rate for late repayment of VAT by the Tax Authorities is temporarily reduced to 2 percent per year for the months April, May and June (2021). – Reduced fine for late payment: The rate of proportional fine for the late payment of VAT payable based on a VAT return, is temporarily reduced from 15 percent to 10 percent of the outstanding VAT debt for the period between 1 April 2021 and 30 June 2021. – Reduced VAT-refund thresholds: In order to help enhancing the liquidity of businesses, the thresholds for the refund of VAT credits are reduced as follows: o in the case of a refund requested in a periodic VAT return which concerns the last return period of the calendar year, the threshold is reduced from EUR 245 to EUR 50; o in the case of a refund requested in a periodic VAT return concerning any of the first three calendar quarters by a VAT taxpayer filing quarterly returns, the threshold is reduced from EUR 615 to EUR 400;	

Jurisdictions	Status	Type	Brief description	Source
			○ in the case of a refund requested in the last periodic monthly VAT return of a calendar quarter by a VAT taxpayer filing monthly returns, the threshold is reduced from EUR 1485 to EUR 400; ○ in the case of a refund requested in a periodic monthly VAT return by a VAT taxpayer filing monthly returns and having a monthly refund licence, the threshold is reduced from EUR 245 to EUR 50; ○ in the case a refund is requested in a periodic monthly return which falls within the first 24 month period beginning from the start date of the economic activity by a VAT taxpayer filing monthly returns (i.e. starters), the threshold is reduced from EUR 245 to EUR 50; The reduced thresholds are effective as from 1 April 2021. As a result, VAT taxpayers will be able to request VAT credits based on the new thresholds in their periodic VAT return concerning the first quarter of 2021 or the last month of that first quarter, as the case may be. For the Royal – Abolition of "December advance deposit": VAT-taxable persons that file quarterly or monthly VAT returns were required to pay a "December advance deposit" (decembervoorschot / acompte en décembre). This requirement was temporarily suspended in 2020 and is now fully abolished, practically applicable as from December 2021. As a result, box 91 of the VAT return has become redundant and the VAT return form will be modified accordingly.	
Belgium	Implemented	Individual Income Tax	For personal income tax purposes, a temporary tax credit is available for the in-kind donation of medical products to hospitals with a value of at least Euro 40. The tax credit	KPMG Global and

Jurisdictions	Status	Type	Brief description	Source
			amounts to 45% of the actual value of the donation in-kind, subject to limitations. The Corona III package provides for: – a tax reduction for donations by individuals—increased rate from 45% to 60% and of maximum amount from 10% to 20% of net income for donations made in 2020. – Tax reduction for acquisition of new shares of small companies of which the turnover dropped by more than 30% between 14 March and 30 April 2020. A loan program (referred to as the “coup de pouce”) provides a tax advantage in the form of a tax credit when individuals lend money to qualifying small and medium-size enterprises (SMEs) and to the self-employed in Wallonia. The “coup de pouce” loan program provides a source of additional private financing by strengthening the attractiveness of such loans for lenders, who can benefit from a tax credit of 4% of the average amount loaned for the first four years and 2.5% for subsequent years. There are certain conditions to be met, including: – The term of the loan must be for four, six or eight years. – In principle, full or partial early repayment of the loan is not allowed; the loan is to be repaid in one payment at the end of the loan’s term. – There are ceilings on the amounts of these loans; a lender can loan a maximum of €50,000 and a borrower can borrow a maximum of €100,000. These amounts may be the subject of a single loan or several loans. – The interest rate on the loan cannot exceed the legal interest rate in effect on the date of the loan. For the year 2020, the interest rate is a minimum of 0.875% with a maximum of 1.75%. When paying interest, the borrower must withhold the	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			withholding tax (30%) on the gross amount of interest. The withholding tax is, thus, final for the lender.	
Belgium	Proposed	Individual Income Tax	A tax relief has been proposed for investments in small and medium-size enterprises (SMEs) that experienced a sharp decline in their turnover due to the COVID-19 pandemic. Under the proposal, individuals (both Belgian residents and non-residents) who acquire new shares or registered shares in these companies could benefit from an individual income tax rate reduction of 20% (if certain conditions are satisfied). As proposed, company directors could be eligible for this relief with regard to the acquisition of shares in the company. Only investments in SMEs would be eligible for this temporary favorable regime; the company would not have to be a start-up. The eligibility requirements for SMEs include that the annual average number of workers does not exceed 50 people, that annual turnover (excluding VAT) is less than or equal to €9 million, and that the balance sheet total does not exceed €4.5 million. A second condition is that the SME experienced a decrease of at least 30% of its turnover between 14 March 2020 and 30 April 2020 compared to the same period for 2019. If the company is not incorporated until after 14 March 2019, the turnover anticipated in the company's financial plan would serve as a reference point. Some companies would be excluded from benefiting from the relief (for example, companies that have a direct stake in a company located in a "tax haven" jurisdiction). The rate of tax deductibility of donations for individual (personal) income tax purposes is increased to 60% of the amount of the donation for the 2020 income year. There are ceilings on claiming the enhanced tax incentive: – A maximum of 20% of all net income (excluding separately taxed income)	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– A maximum of €397,850 The total amount of the donation is to be reported on taxpayer's Belgian income tax return. The tax authorities will automatically apply the 60% incentive. The enhanced tax benefit cannot be converted into a refundable tax credit. There are conditions for taxpayers to benefit from this enhanced tax incentive: – The donation must be at least €40 per year and per organization. – The donation must be made to an approved organization. – The organization must provide a tax certificate for the donation received. – The donation must be personal (cannot be the result of a "collection"). – It must in principle be made in cash. – The donation is made without consideration. Certain in-kind donations may also qualify for the enhanced tax incentive. These in-kind donations can be of two types: – Donations of medical devices useful in addressing the COVID-19 pandemic (such as masks, disinfectants, respiratory assistance devices, etc.) made to certain institutions (university hospitals, public social action centers, etc.), between 1 March 2020 and 30 June 2020. – Donations of computers (desktop or laptop), made between 1 March 2020 and 31 December 2020, to schools established in Belgium (providing school or university education). These computers must be useful for distance education and be recognized as such by the beneficiary schools. Tablets are also affected by this measure.	
Belgium	Implemented	Loss Relief	The Parliament has approved legislation introducing a **loss carryback regime** to combat the economic consequences of the corona crisis. The scope of the loss carry-back has	KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			been narrowed to accounting years closing between 13 March 2019 and 31 July 2020 (instead of 31 December 2020). Companies in a tax paying position for financial year 2019 and expecting a loss for FY 2020 need to verify whether they qualify for the loss carryback. Enterprises (either subject to individual (personal) income tax or to corporate income tax) would, under the legislation, have the possibility to carry back the estimated loss of financial year 2020 and credit it on the taxable profit of the previous FY 2019. This measure is intended to allow companies to get a faster refund of tax prepayments or to pay less taxes for assessment year 2020. The carryback, which can never be higher than the taxable profit (with corrections) of income year 2019, would be limited by a "double ceiling"—the losses to be borne by the company for income year 2020, and an absolute maximum of €20 million. The carryback, which technically works through a temporary exempt reserve, could be applied for income year 2019 and would be added back to the taxable income of the following income year, 2020. – The estimate of the loss of the company would need to be as close as possible to the actual loss, with a maximum tolerance of 10%. The exceeding difference would, in the following year, be taxed separately at a rate scaling up to 40% depending on the amount of the excess. – A specific provision could also eliminate the possible benefit of the reduction of the corporate income tax rate to 25% as from assessment year 2021. – The measure is accompanied by some conditions such as one that would limit the "cash out" situations such as by dividend distributions, capital reductions, and buy-back of shares. Having a subsidiary in a tax haven jurisdiction, as well as	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			transactions with entities in tax havens that do not have economic substance, would also exclude the application of the carryback. – Lastly, specific rules would apply for companies when the accounting year does not follow the calendar year.	
Belgium	Implemented	Payroll Tax	The ruling commission introduced a special 'fast track' procedure for the home work allowance of € 126.94. All employees working at home due to special Corona measures will be entitled to the maximum amount of € 126.94 without a distinction in function categories. The new home work allowance will replace the current 'office' allowance if applicable. The ruling can be obtained in a few days, following a special procedure. A temporary exemption is granted for 120 hours of overtime pay in critical sectors. An exemption also applies to company surcharge or additional allowance in case of restart of work with previous employer. Certain compensation for student labor will not be considered as means of existence. On July 14, 2020, the tax authorities released guidance on the treatment of expenses claimed by employers and relating to working-from-home or teleworking arrangements of their employees. For additional information on the guidance, please read "*Belgium: Tax treatment of teleworking arrangements*." The Corona III package has introduced an exemption of payment of wage withholding tax for employers which have resorted to temporary unemployment for at least 30 days until 31 May 2020: an exemption of 50% of difference in wage withholding tax compared to May 2020 (max 20 MEUR) can be granted in June, July and August 2020.	**KPMG Global** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			The Belgian tax administration issued a circular (2021 / C / 20, effective 1 March 2021) which concerns teleworking organized within the framework of normal working days and excludes employees who only work from home outside normal working hours (for instance, only evenings or weekends). The circular will not apply to company directors or to workers subject to special regimes, such as foreign managers or employees working under a "salary split" agreement. For certainty, a request for an advance ruling may be submitted. **Flat-rate office allowance** - An employer can grant a flat-rate indemnity of up to €129.48 per month to employees who work from home on a structural and regular basis. For the second quarter of 2021, this amount is temporarily increased to a maximum of €144.31. This amount is not to be reduced for part-time work. What is new is that a distinction as to the amount of the office allowance granted can now be made on the basis of the category of staff to which the employee belongs. However, the employer must provide a justification explaining why a higher or lower lump-sum compensation is granted to a particular category. In addition, the circular describes what is meant by "structural and regular work from home." The basic rule is that there must be at least five days of working from home per month. In principle, the fixed allowance cannot be granted (not even on a pro rata basis) if there is no structural and regular teleworking. The circular details what the flat-rate office allowance covers. In brief, these are expenses incurred in the course of working from home, with the exception of the costs related to the purchase of office furniture and computer equipment. In the past, costs related to the acquisition of office furniture were included in the lump-sum compensation. The flat-rate indemnity can no longer apply if	

Jurisdictions	Status	Type	Brief description	Source
			any of the office expenses, such as ink cartridges or electricity, are already subject to reimbursement. **Reimbursement of materials for home work** - The tax administration confirmed that it is possible for employers to reimburse for the following expenses in addition to the flat-rate office allowance: – An office chair – An office table – An office cupboard – A functional desk lamp – A second computer screen – A printer and / or a scanner – A keyboard – A mouse or a touchpad – A telephone headset – Specific equipment that people with a disability need to be able to work easily with a PC An important condition applies to the office chair, office table, mouse and touchpad; amounts for these items can only be reimbursed if they are also made available to the employee under normal circumstances at the place of work. The circular specifies, for example, that an expensive designer desk lamp or a large computer screen intended for "gaming" does not fall within the scope of the guidance. Also, the expense for the equipment can only be reimbursed if there are actual supporting documents, and the acquisition must be necessary to be able to exercise the professional activity at home in a normal way. The employee will always have to provide an invoice to the employer for the reimbursement. The circular lists what is the normal useful life for certain appliances and furniture in order to avoid any abuse in the application of the measure. **Provision of equipment for working from home**	

Jurisdictions	Status	Type	Brief description	Source
			The circular refers to the same list of equipment and the same conditions for reimbursement of office equipment as well as for the provision of such office equipment itself. No benefits-in-kind are to be considered with regard to the provision of equipment itself. Therefore, no withholding tax or social security is due (unless the goods made available unreasonably exceed the needs of working at home). If the employee leaves the employment position and has permission to keep the equipment, the employee will then be taxed on a benefit-in-kind equivalent of the equipment's residual value. **Lump-sum compensation for professional use of other equipment** The circular also lists some other flat-rate indemnities, including: – The current internet package of €20 per month – A new flat-rate allowance of €20 per month for the use of the private computer for professional purposes within the framework of teleworking – A new flat-rate allowance of €5 per accessory (such as a screen or printer) used for professional activity, with a maximum of €10 per month All these allowances are considered as reimbursements of costs specific to the employer, made in the context of working from home and must now also be mentioned on the employee sheet 281.10.	
Belgium	Implemented	PE and Place of Management	Belgium has concluded **mutual agreements** with the **Netherlands** and **Germany** to prevent cross-border workers from being adversely affected by the COVID-19 pandemic. To avoid that cross-border workers experience negative tax consequences as a result of the COVID-19 pandemic, days worked from home during the COVID-19 pandemic will be	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			regarded as days spent working in the country where the employee would normally have worked. This presumption only applies for days worked from home because of measures taken by the governments of the contracting countries, or local subdivision, to combat the COVID-19 pandemic. The principle cannot be applied to days where the cross-border worker would normally have been working from home or in a third country. Individuals who would like to benefit from this presumption will have to do so in a consistent manner in both countries. The presumption can only be applied insofar as the income is actually taxed in the work State. This means that the income must be included in the basis for calculating the taxes due in the work State. The individual must keep the necessary supporting documents. The agreement refers to a written confirmation from the employer. The **presumption applies to days worked from home between 11 March 2020 and 31 May 2020**, but may be extended until the end of the following calendar month, subject to agreement by both contracting countries. The agreement between Belgium and the Netherlands also clarifies that if an employee stays at home for one or more working days without working but continues to receive a remuneration, the remuneration will be taxed according to the same working pattern as if the employee had worked.	
Belgium	Implemented	Suspension of Tax Audits	Tax audits are postponed until 5 April 2020.	KPMG Global
Belgium	Implemented	VAT and other indirect taxes	VAT exemption for the importation of goods in the fight against the COVID-19 disease: Circular 2020/C/54 of 17 April 2020 provided for a temporary VAT exemption for the importation of goods that: (i) are declared for consumption in Belgium by governmental institutions or other charitable institutions as admitted by the Minister of Finance; and (ii)	KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			are intended for consumption in Belgium in the fight against the COVID-19 disease. A similar measure applies also for customs duties. The conditions for the application of the customs duty exemption apply mutatis mutandis for the application of the above VAT exemption. Circular 2020/C/58 of 21 April 2020 provided for a temporary tax reliefs with respect to qualifying donations. Under the Circular, qualifying donations include: medical aid devices and their auxiliary parts, as well as protective gear and clothing for care providers and patients. Medicines are excluded from the scope of the tax reliefs. Qualifying beneficiaries include: – Governmental institutions and other public bodies that have a role in the redistribution of the goods; – Hospitals and care institutions providing VAT-exempt health care services, institutions providing VAT exempt care services to elderly, children or disabled, as well as institutions providing school and university education; – Humanitarian charitable institutions; and – Institutions approved by the Customs and Excise Authorities to import certain goods into Belgium with exemption from VAT and customs duty based on the decision of the European Commission of 3 April 2020. These institutions may only use the goods for the purposes of making them available free of charge to persons affected by COVID-19 or to persons involved in the fight against COVID-19. The tax reliefs apply to donations made in the period between 1 March 2020 and 30 June 2020. Accordingly, businesses are not required to pay VAT on the qualifying donations.	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Additional measures introduced by the Corona III package: – Extension of VAT exemption for donations of computers to schools from 30 June until 31 December 2020 – Exemption of payment of VAT advance in December 2020 – Confirmation of Royal Decree introducing temporary reduced VAT rate of 6% for restaurant and catering services (excluding alcoholic drinks) The parliament on 17 December 2020 passed legislation providing temporary VAT relief measures: – Extension until 31 March 2021 of the reduced VAT rate of 6% with respect to the supply, intra-Community acquisition, and import of certain types of mouth masks and hydroalcoholic gels; – Introduction of the reduced VAT rate of 0% to be applied to the supply, IC-acquisition, and import of COVID-19 vaccines and medical aid devices for in-vitro diagnostics of the COVID-19 disease, as well as to services closely related to these vaccines and devices. This measure will be applicable in the period between 1 January 2021 and 31 December 2022; – Broadened scope of application of the reduced VAT rate of 6% for the demolition and reconstruction of real estate in the period between 1 January 2021 and 31 December 2022. The Belgian Tax Authorities published guidance (FAQ) on the application of this measure on their website. On 29 March 2021, the Belgian tax authorities published a list of forthcoming tax relief measures. With respect to VAT:	

Jurisdictions	Status	Type	Brief description	Source
			– Payment facilities for tax debts of businesses economically affected by the COVID-19 pandemic - The payment facilities for tax debts will remain available upon request to businesses which have been hit by the Covid-19 pandemic. – Reduced rate of VAT for face masks and hydroalcoholic gels - The reduced VAT rate of 6% will remain applicable to the supply, intra-Community acquisition and import of mouth masks and hydroalcoholic gels until 30 June 2021. – Reduced interest on late payments - The interest rate for negligent late payment of VAT and excise duty by taxpayers will temporarily be reduced to 4% per year. This rate is currently 9.6% (i.e. 0.8 % per month). When the payable amount is recorded in an enforcement register, the 4%rate is doubled to 8% in order to avoid that the Treasury is misused as a bank account. The interest rate for late repayment of VAT and excise duties by the Tax Authorities will temporarily be reduced to 2 percent per year. The reduction is temporary and will apply to amounts payable in the period between 1 April 2021 and 30 June 2021. The measure is aimed at aligning the interest rates with those for the late payment of income tax. Additionally, the fine for late payment will be reduced from 15% to 10%. – Reduced threshold for VAT refunds - The threshold for the refund of VAT credit will be reduced to EUR 400 for periodic returns and to EUR 50 for start-up or year-end returns. – Repeal of “December advance deposit”- VAT-taxable persons that file quarterly or monthly VAT returns were required to pay a “December advance deposit” (decembervoorschot / acompte en décembre). This requirement was temporarily suspended in 2020 and will fully be abolished as from December 2021.	

Jurisdictions	Status	Type	Brief description	Source
			The VAT relief measures announced in March 2021 were published in the Official Gazette on 13 April 2021 and include a reduced rate of VAT for face masks and hydroalcoholic gels, reduced rates of interest and penalties for late payments of VAT, and reduced thresholds for VAT refunds. On 23 April 2021, the Belgian tax authorities announced that restaurant and catering services will temporarily be subject to a reduced VAT rate of 6%. The reduced VAT rate applies for the period 8 May 2021 to 30 September 2021 as follows: – The supply of beverages for on-site consumption is subject to the reduced VAT rate. – The supply (i.e., not intended for on-site consumption) of certain alcoholic beverages remains subject to the standard VAT rate of 21%. – The reduced VAT rate applies when beverages are served without food (if combined with sufficient relevant ancillary services) in a drinking establishment (cafes or taverns). In addition, the tax authorities also announced the exemptions from customs duties and VAT for the importation of goods used to fight against COVID-19 are extended through 31 December 2021. Legislation effective 1 July 2021 extends the following VAT measures: – Reduced VAT rate for mouth masks and hydroalcoholic gels: The reduced VAT rate of 6% remains applicable until 30 September 2021 to the supply, intra-Community acquisition and import of mouth masks and hydroalcoholic gels used in the fight against Covid-19. – Reduced interest on late payments: The interest rates on late payments are temporarily reduced in the months	

Jurisdictions	Status	Type	Brief description	Source
			April, May and June 2021. This measure will apply also for the months July, August and September.	

Jurisdictions	Status	Type	Brief description	Source
Bermuda  **Contact:** Will McCallum willmccallum@kpmg.bm	Implemented	Filing/Payment Deadline Extension	The Ministry of Finance has **postponed the deadline for submitting CbC reports** to 31 May 2020 for reporting periods ending between 26 March 2019 and 31 May 2019. The submission deadlines for reporting periods ending after 31 May 2020 have not changed. In addition, Bermuda's tax authority extended the reporting deadline for the common reporting standard (**CRS**) to 31 August 2020 for the reporting period ended 31 December 2019. Additionally, any new CRS registrations are required to be submitted by 31 July 2020. On 4 May 2021, the Ministry of Finance issued a notice extending the reporting deadline to 30 June 2021 for the **CRS** reporting period for 2020. New financial institutions must register by 15 June 2021. –	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Bhutan  **Contact:** Brahma Sharma brahmasharma@kpmg.com.sg	Implemented	Filing/Payment Deadline Extension	The Ministry of Finance announced the date for filing corporate and business income tax returns and for paying corporate and business income tax for 2019 is deferred to 30 June 2020.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Bolivia  **Contact:** Carola Jáuregui cjauregui@kpmg.com	Implemented	Business Income Tax	**Corporate income tax measures implemented**-Deduction of donations in cash destined for the prevention, diagnosis, control, attention and treatment of the COVID-19 in favor of authorized public and private health centers, made until the December 31, 2020, up to 10% of the taxable net profit gathered from the January 1 to December 31, 2019.	KPMG TNF
Bolivia	Implemented	Filing/Payment Deadline Extension	The Bolivian government deferred the payments for corporate income tax until May 29, 2020. The tax authority has also extended the dates for filing tax returns. The postponed due dates apply for corporate income tax and VAT, among others, and generally provide extended deadlines ranging from 30 April 2020 to 29 May 2020 (depending on the tax at issue). For a matrix summarizing the extension of tax return filing and payments, please refer to the *report* prepared by KPMG member firm in Bolivia. Taxpayers must pay 50% or more of the amount of the corporate income tax (Utilidades de las Empree–IUE) for the tax period 2019, as self-determined and reported on the tax return, by 1 June 2020. There are provisions allowing income tax to be paid in three installments, without incurring interest or requiring a warranty for payment, and concerning administrative approval requirements. Relief is also provided to certain taxpayers with regard to their transactions tax liability.	KPMG TNF and KPMG TNF and KPMG TNF
Bolivia	Implemented	VAT and other indirect taxes	The Bolivian Government has provided for an extension of the VAT tax credit until the 31st of December 2020 for the following expenses from their direct familiar nucleus: – Health	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Education – Alimentation A tax credit is made available to certain "independent professionals" with regard to VAT on certain purchases.	

Jurisdictions	Status	Type	Brief description	Source
Botswana **Contact:** Olivia Muzvidziwa olivia.muzvidziwa@kpmg.bw	Proposed	Accelerated Refund	The Ministry of Finance has announced expedited refunds of VAT, with refunds to be made within 21 days from the date of filing the VAT return (instead of the 60 day period for a refund). VAT refund periods for businesses with annual turnover in excess of P250 million will be negotiated on a case-by-case basis.	KPMG TNF
Botswana	Implemented	Filing/Payment Deadline Extension	On 4 May 2020 the Minister of Finance published guidance which provides the mechanisms for the deferment of payment of income tax. The Order is effective retroactively from 1 March 2020 and is subject to the ratification by the National Assembly. The Order stipulates that the deferment of tax payment applies to taxpayers whose businesses have been adversely affected by the COVID-19 pandemic lockdown. To qualify, the taxpayer should have: – a valid tax clearance certificate; and – obtained approval from either the Commissioner General or the Minister of Finance and Development Planning o **Companies with annual turnover of less than P250 million:** Applications are made to the Commissioner General by no later than 2 July 2020. o **Companies with an annual turnover in excess of P250 million:** Applications are made to the Minister by no later than 2 June 2020. o **A person other than a company**: The application should be made to the Commissioner General by not later 2 July 2020. The application should be made in electronic format and clearly state the payment in respect of which	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			deferment is being sought. The Order prescribes that the Minister shall respond to an application within 14 days of submitting the application. Payments eligible for deferment: **Quarterly self-assessment tax (SAT) installments and the final top-up payment due between 1 March 2020 to 30 September 2020 –** taxpayer can alternatively: – Defer the payment of any two quarterly SAT installments o For each such instalment pay 25% by the due date o Pay the balance equivalent to 75% of each such instalment between 1 March 2021 and 31 December 2021. – Defer the payment of the balance of SAT (top-up payment) and any one quarterly SAT installment o Pay 25% of the balance of tax due by the due date. o Pay the remaining 75% between 1 March 2021 and 31 December 2021. **Annual SAT estimated to be less than P 50,000 and payable in one lump sum** – 25% of the lump sum shall be paid on the due date. – The remainder 75% shall be payable in the period between 1 March 2021 and 31 December 2021 without incurring late payment interest. **Estimated annual tax payable by a person other than a company** – 25% of the annual tax payable should be paid on the due date of the tax return.	

Jurisdictions	Status	Type	Brief description	Source
			– Payment of the balance (75% of annual tax) is deferred to the period 1 March 2021 to 31 December 2021. – Payments of tax by the stipulated dates will not give rise to late payment interest. Compound interest of 1.5% per month will be levied on deferred amounts which remain unpaid after 31 December 2021.	
Botswana	Implemented	Filing/Payment Deadline Extension	The Botswana Unified Revenue Service on 24 April 2020 issued a release updating information about extended due dates for filing tax returns and making tax payments, in response to the COVID-19 pandemic. The **corporate income tax returns and payments due date** (originally due 30 April 2020) **have been extended** to 30 days after the expiration of the lockdown period. The extended due date for corporate income tax returns also applies with regard to **transfer pricing documentation** (which is filed with the corporate income tax return). The **VAT returns and payments** (originally due 25 April 2020) have now been extended to within 14 days after the end of the lockdown period. Same extension applies to employment taxes (including "pay as you earn") and withholding taxes (originally due 15 April 2020).	KPMG TNF
Botswana	Proposed	Filing/Payment Deadline Extension	The Budget 2021-2022 offers a tax amnesty during the 2021-2022 tax year to encourage taxpayers to settle outstanding taxes owed in exchange for a waiver of interest and penalties	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Botswana	Proposed	Individual Income Tax	The Budget 2021-2022 increases the zero-rate threshold for individual taxpayers from P36,000 to P48,000, effective from the 2021-2022 tax year.	KPMG TNF
Botswana	Proposed	VAT and other indirect taxes	The Budget 2021-2022 proposes an increase of the standard VAT rate from 12% to 14%, effective 1 April 2021.	KPMG TNF
Botswana	Proposed	WHT	The Budget 2021-2022 proposes an increase of the dividend withholding tax from 7.5% to 10%, effective from 1 July 2021.	KPMG TNF

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Jurisdictions	Status	Type	Brief description	Source
Brazil  **Contact:** Ericson Amaral eamaral@kpmg.com.br	Implemented	Customs/Import and Other Miscellaneous Taxes	The Federal Government has implemented, among other measures, the following: – Tax on financial transactions (IOF) reduced to zero over credit transactions contracted between April, 3, 2020 and July, 3, 2020 – Excise tax rates reduced to 0% on products considered essential – Import tax reduced to 0% on certain goods, medical equipment, and medicines used to address COVID-19	**KPMG TNF** and **KPMG Global**
Brazil	Implemented	Filing/Payment Deadline Extension	The Federal Government has implemented, among other measures, the following: – 90-day suspension of deadlines and charges concerning tax debts – Extended deadline to June 2020 for filing individual income tax return for 2019 – Extended deadline for information returns related to certain social contributions (including PIS and COFINS) – Extended period of time for collecting certain federal taxes: o Small Companies: Payment deadline for the federal taxes charged under the Simples Nacional (special tax regime applicable for small companies) related to March, April, May/2020 has been extended for six months. o Gross Revenue Contributions (PIS/COFINS): The term for collecting PIS/PASEP and COFINS contributions regarding March and April/ 2020 were postponed to August and October 2020, respectively. – Social contributions due by employers related to March and April 2020 should be paid in August and October 2020, respectively	**KPMG TNF** and **KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
			– The term of validity of Positive Tax Certificates with Effects of Negative issued by SEFAZ / PGE has been extended for 90 days. – Extended deadline of individual's income tax declaration (DIRPF) related to the calendar year 2019 to June 2020. – The Ministry of Economy extended the terms of tax installments due in May, June and July 2020. Amount of deferred funds is R $ 9.58 billion and installments may be paid, respectively, in the last working days of August, October and December 2020 – Extended the deadline for the transmission of the Digital Accounting Bookkeeping (ECD) for the calendar year 2019 to July 31. The measure meets requests from class entities in the accounting area, who say they are having difficulties in carrying out their activities due to restrictions resulting from the coronavirus pandemic. – The normative instruction 1932/20 extended the deadline for filing the Declaration of Federal Tax Debts and Credits (DCTF) and the Digital Tax Bookkeeping of the Contribution to PIS / PASEP, the Contribution for the Financing of Social Security (COFINS) and the Social Security Contribution on Revenue (EFD – Contribution). In this sense, the DCTF and EFD originally scheduled to be remitted to tax authorities in the months of April, May and June, should now be filed by July 2020. State and local measures: – **São Paulo** has suspended certain tax deadlines for 30 days	

Jurisdictions	Status	Type	Brief description	Source
			– **Rio de Janeiro** has suspended tax filings and other deadlines and provided for a 60 day extension of validity periods of certain certificates	
Brazil	Implemented	Payroll Taxes	Medida Provisória (MP) No. 1,045 / 2021 of April 27, 2021 institutes an emergency program for maintaining employment and income. MP No. 1,045 provides for three fundamental measures: – Proportional reduction of hours and wages – Temporary suspension of employment contracts – Granting of the emergency benefit for maintaining employment and income MP No. 1,045 includes rules regarding the temporary suspension of an employment contract, and provides an employee will be entitled to the monthly amount equivalent to 100% or 80% of the amount of unemployment insurance to which that employee would have been entitled, subject to measurement of the company's gross revenue. The benefit is linked to the provisional guarantee of employment for the worker, and such provisional guarantee lasts for the entire period in which the measure or proportional reduction of hours and wages or suspension of the employment contract is effective, plus an equal period after the end of the reduction or suspension.	KPMG TNF
Brazil	Implemented	Suspension of Tax Audits	The Federal Government has suspended for 90 days certain deadlines related to administrative proceedings and also a suspended until 30 April 2020 certain administrative procedural deadlines. The Attorney General's Office of the National Treasury suspended, for 90 days, the taxpayers' defense term in the administrative proceedings regarding charges of debts posted in the federal debt	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			roster, as well as authorizing transactions by adhesion regarding debts posted in the federal debt roster. The **Rio de Janeiro City** Council suspended the terms established by tax legislation concerning the filing of objections and administrative appeals, as well as compliance with administrative requirements and cancellation of municipal registration or exclusion of all service activities from the activity registry. **São Paulo** State Tax Court has provided for a suspension of tax court procedures.	
Brazil	Announced	Transfer Pricing	For insight on transfer pricing considerations for MNE Groups in Brazil, affected by the COVID-19 pandemic, please read the report "Brazil: Transfer pricing considerations" prepared by KPMG member firm in Brazil.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
British Virgin Islands  **Contact:** David Conen dgconen@kpmg.com.ky	Implemented	Filing/Payment Deadline Extension	The tax authority announced extensions of **FATCA** and common reporting standard (**CRS**) deadlines in response to the coronavirus (COVID-19) pandemic as follow: – The FATCA enrollment deadline is extended to 31 July 2020. – The FATCA filing deadline is extended to 31 August 2020. – The CRS enrollment deadline is extended to 30 June 2020. – The CRS filing deadline is extended to 31 July 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Bulgaria  **Contact:** Ivan Vargoulev ivargoulev@kpmg.com	Implemented	Filing/Payment Deadline Extension	Tax relief measures introduced in response to the coronavirus pandemic: – The deadline for filing the annual corporate income tax return and for the payment of taxes is extended until 30 June 2020. – The deadline for filing the annual individual (personal) income tax return and for the payment of taxes by traders and sole proprietorships is extended to 30 June 2020. Moreover, persons may be entitled to a 5% deduction (similar to a discount mechanism) if they file their tax returns and remit the tax payment by 31 May 2020. – The deadline for filing the annual individual income tax return for all other individual taxpayers remains unchanged at 30 April 2020. The 5% deduction is available for these individuals until 31 March 2020. – A discount of 5% is granted to persons who have fully paid the real estate tax or the vehicle tax for 2020, if paid by 30 June 2020. On June 11, 2020, the National Revenue Agency of Bulgaria announced that the reporting deadline for Reportable Bulgarian Financial Institutions (FIs) to submit their **FATCA and CRS** files has been extended to 30 September 2020 due to the impact of the COVID-19 pandemic.	KPMG TNF and KPMG TNF
Bulgaria	Proposed	Suspension of Tax Audits	The Government has proposed the **suspension of the terms under pending court and administrative procedures for the duration of the emergency state**. If this measure is approved by the Bulgarian Parliament it would have an impact on procedures such as tax audits, tax checks, appeals of tax assessment acts.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Bulgaria	Announced	VAT and other indirect taxes	The Government is considering various forms of relief, but it is uncertain if and which measures will be actually adopted. It seems that the deadlines for filing the VAT return and the terms for payment of the monthly VAT liabilities will not be extended. It is still not clear whether and in what cases sanctions and penalties or interest for delays will be waived. It is **unlikely that the terms for regular VAT refund procedures will be affected**.	KPMG TNF
Bulgaria	Implemented	VAT and other indirect taxes	A **reduced rate of VAT of 9%** applies as from 1 July 2020 through 31 December 2020 to the following: – **Restaurant and catering services –** this group consists of prepared and unprepared food; the reduced rate, however, does not apply to alcoholic beverages; – **Books and textbooks –** includes books and textbooks supplies in hardcopy and-or electronically; the reduced rate, however, does not apply to advertising publications and video and/or audio music content; – **Baby food and hygiene items** On June 29, 2020, the tax authority issued a ruling on the application of the reduced 9% VAT rate for certain goods and services	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Cambodia  **Contact:** Tan Mona tmona@kpmg.com.kh	Implemented	Customs/Import and Other Miscellaneous Taxes	On 4 May 2020, the General Department of Customs and Excise (GDCE) has decided to temporarily lift the ban and requirement to obtain permission from the Ministry of Health for the export of all types of masks, as the Cambodian Government is now able to control and ensure enough stocks of masks for prevention of Covid-19 in the country. On 7 May 2020, the Ministry of Commerce issued notification No. 1632 to notify producers and exporters of goods to the ASEAN market that the Department of Import and Export will update the online system for Certificate of Origin Form D (CO Form D) from 01 June 2020. A CO is an official document used to confirm the origin of a product, which determines whether certain goods are eligible for import, or whether goods are subject to customs duties.	KPMG TNF
Cambodia	Implemented	Filing/Payment Deadline Extension	All tourism business owners can postpone the payment of the seniority payment for the year 2020 until the year 2021, Contributions to the National Social Security Fund can be suspended upon request. The General Department of Taxation issued Letter No. 13052 (28 May 2020) to provide instructions for tax administrative units on the implementation of tax relief for airline companies, certain tourist-related enterprises, and banking and microfinance institutions. For airline companies registered in Cambodia, there is a further **exemption of minimum tax for June and July 2020**. During this two-month period, eligible airlines are not required to pay the monthly 1% prepayment of income tax. Certain tourism enterprises (hotels, guesthouses, restaurants, and travel agency companies in various locations) are **exempt from paying all types of monthly taxes for June and July 2020**. These	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			taxpayers must still comply with their tax return declaration obligations and must use the online VAT management system (E-VAT). On June 16, 2020, the tax authority issued guidance to allow taxpayers more time to comply with the implementation requirements for e-filing of monthly tax declarations. The e-filing implementation is delayed by an additional three-month "grace" period, from June to August 2020, and will resume in September 2020. Additionally, taxpayers can also choose from three options to input transaction data for the monthly tax declarations. During the grace period, taxpayers may continue to use existing VAT online declarations pursuant to guidance from January 2019. According to Letter No. 006 GDT of 4 January 2021 issued by the tax authorities, the tax relief provided to the tourism sector allows registered hotels, guesthouses, restaurants, and tourist agency companies located in certain areas a continued exemption from payment of monthly taxes until the end of March 2021, and a continued exemption from the income tax on minimum income. A tax return declaration for 2020 is still required to be filed. A separate guidance Prakas 009 MEF.Prk of 12 January 2021 from the Ministry of Economy and Finance sets out the criteria for taxpayer classification (as small, medium or large taxpayers). The taxpayer classification is based mainly on the form of the enterprise, the amount of turnover, and the sector in which the taxpayer operates (for instance, agricultural, industrial or service and commercial).	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Notification No. 1861 GDT of 28 January 2021 announces the establishment of this e-filing system for income tax returns. The tax authorities also announced that the date for filing the return and paying the tax is 31 March 2021 (or three months after the year-end for those taxpayers that are not on a calendar year). Taxpayer enterprises with several branches must file income tax returns based on the consolidated result of the head office and all branches (attached with separate list of income and expense, and fixed asset schedule for each branch). Multi-project enterprises must declare and pay annual taxes separately. Finally, staff or tax service agents representing and filing monthly and annual tax returns on behalf of a taxpayer must have staff identification or written authorization letter from the taxpayer to the tax service agents. The deadline for renewing foreign work permits for 2021 has been extended to 31 May 2021. The extension acknowledges that some foreign employees have encountered challenges in returning to Cambodia to continue their work and to renew their foreign work permits. Accordingly, a notice informs all business owners, enterprises, factories, and companies that the deadline for renewing foreign work permits for 2021 is extended to 31 May 2021 (from 31 March 2021) for those foreign employees who already obtained or possess foreign work permits for 2020. However, new foreign employees or business persons entering Cambodia for work or doing business are still required to follow the standard rules for obtaining new foreign work permits.	

Jurisdictions	Status	Type	Brief description	Source
			Announcement letter No. 01 BKP (29 June 2021) includes information about the ninth round of tax relief measures provided to major industry sectors, including the **garment, airline, tourism, and transportation and logistics sectors**. The relief measures include **three-month extensions** (through September 2021) of direct monthly payments to workers and three-month extensions of certain temporary tax exemptions such as an exemption from the requirement for monthly payments of taxes by hotels and accommodation providers, of social security contributions, and of minimum tax by airlines.	
Cambodia	Implemented	WHT	For domestic banks and microfinance institutions in Cambodia, the **withholding tax rate on interest** from new loans (whether domestic or foreign sourced) **is reduced to 5% in 2020 and to 10% in 2021**. The withholding tax rate on interest from existing loans is reduced to 10%.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Canada  **Contact:** Marlene Cepparo mcepparo@kpmg.ca	Implemented	Business Income Tax	Canada announced on March 18, 2020 a **10% Temporary Wage Subsidy** (TWS) for eligible small businesses. The subsidy is equal to a maximum of 10% of wages paid from March 18, 2020 to June 19, 2020, up to a maximum of $1,375 for each "eligible employee", and up to a maximum of $25,000 per "eligible employer". Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration. Eligible employers may elect for the wage subsidy to be a percentage lower than 10% (including 0%) to calculate their subsidy entitlement. Eligible employers must complete a Canada Revenue Agency (CRA) self-identification form after the eligibility period ends on June 19, 2020 (even those employers who did not reduce their remittances). Employers who are eligible for the 10% Temporary Wage Subsidy (TWS) should file their self-identification forms before March 1, 2021.	KPMG TNF and KPMG TNF
Canada	Implemented	Business Income Tax	The **Canada Emergency Wage Subsidy (CEWS)** is a temporary government subsidy that will generally provide an amount to "eligible entities" of all sizes and sectors that have had their revenues decline during COVID-19. The CEWS is currently available for nine qualifying four-week periods from March 15, 2020 to November 21, 2020 (although the government has also stated that it will be extended to December 19, 2020). When the CEWS was initially introduced it generally provided an amount to eligible employers equal to 75% of employees' eligible remuneration paid, up to a maximum of $847 per week per eligible employee, and required employers to have seen a revenue decline of at least 30% for the particular period (15% for March 2020) in order to qualify. However, beginning July 5, 2020 eligibility for the CEWS was expanded to employers who do not meet the previous 30%	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			revenue threshold, and the amount of the subsidy has been replaced with a new two-part subsidy consisting of a "base" and a "top-up" amount. Under the new rules, the amount of the wage subsidy an eligible employer could qualify for varies depending on their revenue decline, with a maximum combined subsidy of up to 85% of employees' eligible remuneration paid, up to a maximum of $960 per week per eligible employee. The amount of the subsidy will be gradually reduced throughout the remaining claim periods. There is no overall limit on the wage subsidy amount that an eligible employer may claim under the CEWS, but the federal government has introduced anti-avoidance measures to ensure that the subsidy is not inappropriately obtained. CEWS applications must be made by January 31, 2021. To the extent that an eligible employee is on leave with pay and the employer qualifies for the CEWS, 100% of the amounts paid for certain employer-paid contributions to Employment Insurance (EI), the Canada Pension Plan (CPP), the Quebec Pension Plan (QPP), and the Quebec Parental Insurance Plan (QPIP) may be refunded. On September 25, 2020, Finance proposed a four-week extension to the current CEWS treatment for furloughed employees, to October 24, 2020 (from September 26, 2020). Under this proposal, employers who qualify for the CEWS would be able to continue to claim up to a maximum benefit of $847 per week, per employee, to support remuneration for each of their furloughed workers. According to the announcement, the government will review the wage subsidy program for the following periods and will adjust the program as necessary to reflect the extension of the program outlined in Canada's recent Speech from the Throne. In addition, the regulation introducing a previous four-week extension to the current CEWS treatment for furloughed employees (which had extended the current maximum benefit	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			of up to $847 per week per employee to September 26, 2020), is set to be published in the Canadian Gazette on October 14, 2020. On October 9, 2020, the government announced new aspects of its plan to bolster Canada's economic recovery following the COVID-19 pandemic, including that it will maintain the current CEWS rate of up to a maximum of 65% of eligible wages until December 19, 2020 (previously, this rate was scheduled to go down to a maximum of 45% effective October 25, 2020), and confirmed that the subsidy would remain in place until June 2021. On October 14, 2020, Finance announced that it will harmonize the revenue-decline test for the base subsidy and the top-up subsidy starting September 27, 2020. As a result of this change, an employer with a 70% or greater revenue decline would be eligible for a 65% CEWS. Finance says that this change will be subject to a "safe harbour" rule that will apply from September 27, 2020 to December 19, 2020, and will entitle an eligible employer to an amount that is not less than the top-up subsidy it would have received under the three-month revenue decline test. Finance also states that it will align the wage subsidy for furloughed employees with EI benefits, as of October 25, 2020. As a result, the subsidy per week for an arm's length employee (or a non-arm's length employee who received pre-crisis remuneration for the relevant period) would be: – The amount of eligible remuneration paid for the week; or, – If the employee receives remuneration of $500 or more for the week, the greater of $500 and 55% of pre-crisis remuneration for the employee, up to a maximum subsidy amount of $573. Finance has enacted the regulations that extended the CEWS for eligible businesses until March 13, 2021. These regulations increase the CEWS to a maximum of 75% (from 65%) of eligible wages for the qualifying periods from December 20, 2020 to	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			March 13, 2021 (i.e., periods 11 to 13). The maximum base subsidy will remain at 40% and the maximum top-up wage subsidy rate will increase to 35%. These regulations also amend the weekly wage subsidy for a furloughed employee from December 20, 2020 to March 13, 2021 to be the lesser of: – The amount of eligible remuneration paid in respect of the week, and – The greater of: • $500, and • 55% of baseline remuneration in respect of the eligible employee determined for that week, up to a maximum subsidy amount of $595. Employers who are eligible for the CEWS only have until January 31, 2021 to claim the subsidy or amend previous claims for certain periods. The Ministry of Finance introduced draft technical amendments to ease the requirement of a decline in revenue to qualify for the CEWS for the period from December 20, 2020 to January 16, 2021. Finance's proposals would deem an employer's percentage revenue decline for the period from 20 December 2020 to 16 January 2021 (i.e., "Period 11") to be equal to its percentage revenue decline for the period from October 25, 2020 to November 21, 2020 (Period 9), if that earlier revenue decline in Period 9 would otherwise be higher. As a result, an employer would effectively be able to use its percentage revenue decline from Period 9 to calculate its subsidy for Period 11, if its revenue declined more in Period 9 than in Period 11. The reference to Period 9 (instead of Period 10) is needed because the percentage revenue decline for Period 11 and Period 10 would otherwise be the same, since they use the same reference months (December 2020 over December 2019).	and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			has indicated that it will administer the subsidies on the basis of the draft legislation. The government introduced a new **Canada Emergency Rent Subsidy (CERS)**, which provides new support directly to qualifying tenants and property owners. This subsidy, which would be available until June 2021, subsidizes a percentage of eligible expenses incurred by businesses, eligible charities and non-profits that have suffered a specified revenue drop. Eligible expenses for a qualifying period generally include commercial rent (including gross rent, rent paid on a percentage of sales, profits or similar criterion, and amounts paid under a net lease), property taxes (including school taxes and municipal taxes), property insurance and interest on commercial mortgages (subject to limits) for a qualifying property, subject to certain exceptions. The CRA launched a new online application portal for the CERS. According to the CRA, eligible tenants and property owners may receive support payments as early as 4 December 2020. In addition, more organizations may now be eligible for the rent subsidy because businesses are no longer required to pay eligible expenses before they can receive the subsidy, as long as they pay the amount within 60 days of receiving the support payments. The CRA has stated that it will process applications reflecting the proposed legislation, pending the approval of the final legislation (which received Royal Assent on May 6, 2021). **Canada Emergency Rent Subsidy (CERS)** - Businesses, eligible charities and non-profits that experience a revenue drop would be eligible to claim a subsidy on eligible expenses, on a sliding scale up to a maximum of 65% of eligible expenses, including rent and interest on commercial mortgages, from September 27, 2020 until June 2021. Eligible organizations that intend to claim the rent subsidy will have to apply online through the CRA, via either My Business Account or the Represent a Client service. Organizations should ensure that they create a CERS number through their My Business Account before they apply. The CRA is currently accepting applications for the	

Jurisdictions	Status	Type	Brief description	Source
			September 27, 2020 to October 24, 2020 claim period, and says that organizations will be able to apply for future claim periods as follows: – October 25, 2020 to November 21, 2020 claim period — Apply starting November 30, 2020 – November 22, 2020 to December 19, 2020 claim period — Apply starting December 23, 2020. The Government has introduced on December 2, 2020 an amendment to the CERS. The amendment includes a new rule that deems an eligible entity to have paid the eligible expense on the date it first became due, as long as the eligible entity attests that it intends to (and does) pay the amount within 60 days of receiving the subsidy. The new deeming rule provides relief for claimants who would otherwise have had to pay an amount within a particular qualifying period for the amount to be considered an eligible expense on which they could claim the subsidy. Please refer to the TNFs prepared by KPMG member firm in Canada for details on how to calculate the subsidy. Finance has enacted the regulations that extend the current rate structure for the CERS until March 13, 2021, using the same reference periods as under the CEWS. The CERS allows employers to claim a subsidy of up to 65% of eligible expenses (subject to certain limits), depending on revenue decline. **Lockdown Support Subsidy -** Organizations affected by a public health lockdown may also be eligible for a 25% Lockdown Support Subsidy on eligible expenses. To qualify for this additional subsidy, an organization must already qualify for the base Canada Emergency Rent Subsidy, and must either completely shut down a location, or cease some or all of the activities that account for at least 25% of the organization's pre-pandemic revenues at that location for at least a week, under a specified public health order issued as a result COVID-19 outbreak. Expenses for the Lockdown Support Subsidy for each qualifying period would be capped at $75,000 per location, but	

Jurisdictions	Status	Type	Brief description	Source
			would not be subject to the overall expense cap of $300,000 shared among affiliated entities that applies to the CERS. The Lockdown Support Subsidy is also extended to March 13, 2021, under these regulations. The Ministry of Finance introduced draft technical amendments to allow certain applicants that rent property to a non-arm's length entity to qualify for the lockdown support subsidy. The CRA has indicated that it will administer the subsidies on the basis of the draft legislation. Finance's proposals would allow additional property owners to qualify for the lockdown support subsidy. Specifically, when a property owner rents its qualifying property to a non-arm's length entity (a tenant), and the tenant must cease or significantly restrict its activities as a result of a "public heath restriction," the property owner would now qualify for the lockdown support subsidy—provided they also meet the subsidy's other requirements. Previously, the property owner would not have qualified for the subsidy because the "public health restriction" conditions looked only to the activities of the property owner (and not the tenant). This proposed amendment would apply retroactively as of 27 September 2020. Quebec has also granted certain employers a **credit for their employer contributions to the provincial Health Services Fund** (HSF) for employees on paid leave during COVID-19. This HSF credit will be available to "specified employers" that that are eligible for the CEWS and that maintain an establishment in Quebec. It is intended to offset an employer's HSF contributions, which are not covered by the federal government's CEWS. The HSF credit will be in force retroactively for the entire duration of the CEWS, which extends from March 15 to November 21, 2020. HSF credit applications must be made in writing and include supporting documentation to verify the amount of the credit. For additional information, please read "*Quebec extends HSF credit for employers*."	

Jurisdictions	Status	Type	Brief description	Source
			Quebec is further extending the employer contribution credit to the Health Services Fund (HSF credit) for employees on paid leave during COVID-19. Employers with an establishment in Quebec that qualify for the CEWS for a qualifying period can now claim HSF credits until June 5, 2021 to match the recent extension of the CEWS. In March 2021, the government announced that eligible employers and qualifying tenants and property owners may continue to claim the CEWS and the CERS through June 5, 2021. The regulations for the CEWS and CERS extension for periods 14 to 16 (March 14, 2021 to June 5, 2021) were published in the official gazette in April 2021 and are now effective. The current CEWS rate of up to a maximum of 75% of eligible wages would be maintained until June 5, 2021, and the rent subsidy rate and "lockdown support" would be maintained at their existing levels also until June 5, 2021. Accordingly, the maximum CERS rate would remain at 65%, while the lockdown support would continue to be 25%. As part of these measures, the government has proposed further adjustments to certain calculations required to claim this support. Taxpayers are reminded of the deadlines to file the applications for the CERS and the CEWS, as the next deadline is April 22, 2021. Under these programs, taxpayers must submit, amend or increase their claim for a qualifying period no later than 180 days after the end of the period for both the CERS and CEWS programs. Please refer to the TNF for a matrix of the deadlines. The 2021 Federal budget would extend until September 25, 2021, although subsidy rates for these programs would be reduced beginning in July 2021: – The Canada emergency wage subsidy (CEWS) program – The Canada emergency rent subsidy (CERS) program	

Jurisdictions	Status	Type	Brief description	Source
			– The lockdown support program The budget would also introduce a new Canada recovery hiring program. The hiring subsidy under the Canada recovery hiring program (CRHP) would provide temporary relief as businesses reopen by offsetting a portion of an employer's additional remuneration costs resulting from an increase to wages or hours worked or in hiring more staff. This CRHP subsidy would provide eligible employers up to 50% on qualifying remuneration paid to eligible employees until November 20, 2021.	
Canada	Proposed	Business Income Tax	The Department of Finance announced on July 10, 2020 its proposal to extend the period that **junior mining exploration companies** and other issuers can incur eligible flow-through share expenses, given the challenges faced by many of these companies as a result of COVID-19. Finance is also proposing to provide some relief for the "Part XII.6 tax" that generally applies to eligible Canadian exploration expenses that are renounced before they are incurred under the "look-back rule" and temporarily provide relief by treating these expenditures as if they were incurred up to one year earlier than the date they are actually incurred (depending on the date the flow-through share agreement was entered into). The legislative amendments to implement these proposals are expected to be released in due course. Finance announced new temporary relief measures for employers who sponsor deferred salary leave plans (DSLPs) or registered pension plans (RPPs) for their employees. According to a news release dated July 2, 2020, Finance's draft regulations are intended to help employers manage and maintain their employee benefit obligations throughout the COVID-19 pandemic. This relief would introduce temporary stop-the-clock measures, for the period of March 15, 2020 to April 30, 2021, so that an employee's DSLP does not need to be terminated if the employee suspends a leave of absence to return to work or the employee chooses to delay their paid leave of absence.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			This relief would also temporarily relax certain borrowing restrictions placed on RPPs, permit retroactive contributions to an employee's money purchase account to replace required contributions that were not made in 2020 and allow RPPs to recognize full pensionable service for more employees experiencing a period of reduced work and pay during COVID-19. For additional information, please read "*Pension plans & DSLPs — New temporary relief measures*."	
Canada	Implemented	Business Income Tax	Canada announced that certain universities and health research institutes that may not qualify for the 75% CEWS may still apply for wage support assistance during COVID-19. This new support was announced as part of $450 million in funding to help Canada's academic research community during the COVID-19 pandemic. This new subsidy will provide up to 75% of wage support per individual, to a maximum of $847 per week, and will be available even where employees' work has been temporarily suspended. The government also said it would help universities and health research institutes maintain essential research-related activities by covering up to 75% of certain eligible costs, among other support measures.	**KPMG TNF**
Canada	Proposed	Customs/Import and Other Miscellaneous Taxes	On December 7, 2020, the Canada Border Services Agency (CBSA) issued Custom Notice 20-34 concerning a legislative proposal to amend the excise tax measures that apply to imports of certain medical equipment. The Notice discusses the proposal to provide relief from the goods and services tax / harmonized sales tax (GST/HST) on imports of face masks, respirators, and face shields. The measure would provide a zero rate (0%) for eligible imports of medical use goods that satisfy certain requirements and were imported after 6 December 2020. The tax relief would apply only until the use of this medical equipment is no longer broadly recommended by public health officials.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Canada	Implemented	Filing/Payment Deadline Extension	Canada has implemented the following extension measures: – Individuals, other than trusts, will have until June 1, 2020 to file their personal tax returns for the 2019 taxation year. There have also been no changes to the June 15, 2020 filing deadline for self-employed individuals and their spouses. The CRA announced it will not assess interest and penalties (including late-filing penalties) for individuals who have filed their tax return and paid their related taxes by September 30, 2020. – Trusts with a taxation year ending on December 31, 2019 now have until May 1, 2020 to file their tax returns for the FY 2019. – Trust information and income tax returns that would otherwise have a filing due date after March 30 and before May 31, 2020 now have a filing due date of June 1, 2020. – Trust information and income tax returns that would otherwise have a filing due date on May 31, or in June, July or August 2020 now have a filing due date of September 1, 2020. – Corporate income tax returns that would otherwise have a filing deadline after March 18, 2020 and before May 31, 2020 now have a filing due date of June 1, 2020. – Corporate income tax returns that would otherwise have a filing deadline on May 31, or in June, July, or August 2020 now have a filing due date of September 1, 2020. – The CRA says that it will not assess a late-filing penalty for corporate or trust income tax returns due on or after March 18, 2020 and before September 30, 2020, as long as they are filed by September 30, 2020. – Partnership information returns that would normally have a March 31 filing deadline now have a filing due date of May 1, 2020.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Partnership information returns that would normally have a filing deadline after March 31 and before May 31, 2020 now have a filing due date of June 1, 2020. – Partnership information returns that normally have a filing deadline on May 31, or in June, July, or August 2020 now have a filing due date of September 1, 2020 – NR4 Statements of Amount Paid or Credited to Non-Residents of Canada for the 2019 year now have a filing due date of May 1, 2020 – All taxpayers who have federal income tax balances and installments associated with individual, corporate and trust income tax returns that are due on or after March 18, 2020 and before September 30, 2020 will be able to defer payments of these tax amounts until September 30, 2020, without being subject to interest or penalties. – The CRA also says it will waive arrears interest on existing tax debts related to individual, corporation and trust income tax returns from April 1, 2020 to September 30, 2020. – The CRA effectively extended the deadline for notices of objections that are due between March 18, 2020 and June 30, 2020, to June 30, 2020, but has not provided any further extensions. For more information, please read TNFs from KPMG member firm in Canada. The government has temporarily extended certain tax-related deadlines and time limits for up to six months, but no later than December 31, 2020. – The CRA's ability to make an assessment, reassessment or additional assessment for a taxpayer will be extended for a maximum of six months, until December 31, 2020 at the latest. This extension applies to periods which would otherwise have expired on or after May 20, 2020 and before	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			December 31, 2020. In addition, this extension applies to an assessment, reassessment or additional assessment of a registrant's GST/HST returns, rebates, penalties or interest. – Taxpayers who file SR&ED claims will now have up to an additional six months to make these filings, until December 31, 2020 at the latest. The extension applies to SR&ED claims otherwise due on or after March 13, 2020 and before December 31, 2020. – Taxpayers that missed the deadline to file a notice of objection with the CRA and now intend to apply for an extension will have up to an additional six months to apply, until December 31, 2020 at the latest. This extension applies to periods which would otherwise have expired on or after March 13, 2020 and before December 31, 2020. This measure does not affect the deadline to file a notice of objection, which remains at 90 days from the date of assessment. On March 27, 2020 Canada also announced that it will allow taxpayers to **defer GST/HST remittances** and **importers to defer both customs duty and GST payments**. The Canada Revenue Agency (CRA) and Revenu Quebec announced that businesses will be allowed to defer GST/HST and QST payments and remittances when due on or after March 27, 2020 and before June 2020, to the end of June 2020. Both the CRA and Revenu Quebec have noted that the related returns due during this period need to be filed on time, and no penalties will be assessed if the returns are filed no later than June 30, 2020. Revenu Quebec further clarified that the QST relief does not extend to other provincial specific taxes, such as the tobacco tax and the tax on insurance premiums. Businesses need to make certain that the GST / HST and QST are remitted by June 30, 2020 to reduce possible additions for non-deductible interest and penalties.	

Jurisdictions	Status	Type	Brief description	Source
			The CRA has also said it will waive arrears interest on existing tax debts related to GST/HST returns from April 1, 2020 to June 30, 2020. Importers have until June 30, 2020 to make payments that were due on April 1, May 1 and June 1, 2020. On April 21, 2021, the CRA provided relief for certain employers, tenants, and property owners that may have missed the deadlines under wage or rent subsidy relief programs. The CRA relief applies for late-filed requests for the Canada emergency wage subsidy (CEWS) or the Canada emergency rent subsidy (CERS). Under the CEWS and CERS programs, taxpayers generally were required to submit, amend or increase their claim for a qualifying period no later than January 31, 2021 or 180 days after the end of the qualifying period, whichever is later. The CRA announced that it will now accept late requests to apply for these subsidies or to adjust previously claimed subsidy amounts in certain circumstances. In some instances, taxpayers are directed to telephone the CRA by May 21, 2021 to make the late-filing relief request.	
Canada	Implemented	Filing/Payment Deadline Extension	Canada announced that **businesses may be able to make flexible arrangements with the Canada Revenue Agency (CRA)** if the businesses face difficulties related to COVID-19 when they are trying to meet their payment obligations. The CRA also announced that the reporting deadlines for information returns related to the Foreign Account Tax Compliance Act (**FATCA)** and Common Reporting Standard (**CRS**) are extended to September 1, 2020 (from May 1, 2020). The CRA introduced temporary electronic submission processes to expedite urgent requests for certain international waivers, “section 116 certificates of compliance”, non-resident employer certification and clearance certificates. The CRA announced that all Canadian employers must report certain employment-related payments made in response to the	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			COVID-19 pandemic on the 2020 T4 slip, "Statement of Remuneration Paid" using new information codes that correlate to defined periods. This additional information is intended to validate payments made to individuals under the Canada emergency response benefit (CERB) and the Canada emergency student benefit (CESB) programs, as well as payments made to employers under the Canada emergency wage subsidy (CEWS).	
Canada	Implemented	Filing/Payment Deadline Extension	**Ontario** announced: - Ontario businesses that miss any filing or remittance deadlines for certain provincial taxes, are provided relief from the imposition of interest and penalties beginning April 1, 2020 through October 1, 2020. Taxes covered: Employer health tax, Tobacco tax, Fuel tax, Gas tax, Beer, wine and spirits tax, Mining tax, Insurance premium tax, International fuel tax agreement, Retail sales tax on insurance contracts and benefit plans - Property tax reassessments for 2021 are postponed - A temporary increase to the employer health tax exemption - Deferral of June 30, 2020 quarterly educational property tax remittance (which municipalities make to school boards) by 90 days - Deferral of worker's compensation premium payments and the reporting deadlines to August 31, 2020 for certain businesses/employers **Alberta** announced the following measures: - Deferral for corporate income tax balances and installment payments to September 30, 2020 - Extended due date for the Alberta corporate income tax return (AT1) to June 1, 2020 for all returns originally due after March 18, 2020 and before June 1, 2020 - An extension of the filing deadline for the Alberta corporate income tax return (AT1) to September 1, 2020	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			for an AT1 that would otherwise have a filing deadline in June, July or August 2020. - Alberta says it will not impose a late-filing penalty on taxpayers that file a current year AT1 by September 30, 2020 - Waiver of interest from March 18, 2020 to September 30, 2020 on existing debts owing under the Alberta Corporate Tax Act - Effective March 23, 2020, defer education property tax for businesses for six months - Cancel the decision made in Budget 2020 regarding changes to education property tax - Defer worker's compensation premium payments of some businesses to 2021 - Defer certain tourism levy payments by hotels and other lodging providers until August 31, 2020 if they were outstanding on or after March 27, 2020, and permit these lodging providers to retain the tourism levy amounts collected from persons paying the levy on accommodation purchased between March 1 and December 31, 2020 - International Fuel Tax Agreement (IFTA) Quarterly Tax Returns for the first calendar quarter of 2020 are now due on June 30, 2020 (originally April 30, 2020). - Alberta has extended the filing deadline for a Notice of Objection (Form AT97) to June 30, 2020 (for objections that otherwise would have a filing deadline after March 18, 2020 and before June 30, 2020). - Alberta extended scientific research and experimental development (SR&ED) tax credit filing deadlines that occurred on or after 13 March 2020 by six months or to March 31, 2021, whichever date comes first.	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			- Alberta will allow taxpayers additional time to apply for an extension to file a "notice of objection" (although there is no extension to the 90-day period to file the notice itself). - Essential business owners in Alberta may be able to access a benefit for eligible employees to receive a one-time payment of $1,200* under the critical worker benefit. This benefit is available to certain private sector workers who deliver critical basic services, or support food and medical supply chains. Employers must apply online on behalf of their eligible employees by 19 March 2021. **British Columbia** announced: - Measures to extend filing and payment deadlines for some taxes until September 30, 2020 - Businesses with a payroll over $500,000 can defer their employer health tax return and payments for the 2019 calendar year until September 30, 2020 - Delay of certain indirect tax proposals announced in the 2020 provincial budget, as well as its scheduled carbon tax increase - Delay of the effective date for the new 'significant control' reporting requirements to October 1, 2020 (from May 1, 2020) - Postponed property tax late payment penalties for businesses that own certain commercial properties - Extended tax filing deadline to September 1, 2020 for logging tax returns normally due between March 18, 2020 and August 31, 2020 - Postponement of the implementation of the expanded PST registration requirements and the planned elimination of the PST exemption for certain carbonated beverages to April 1, 2021	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			- Further delay the carbon tax rate changes to April 1, 2021 and April 1, 2022 (from October 1, 2020 and April 1, 2021, respectively, but originally scheduled for April 1, 2020 and April 1, 2021). As a result, carbon tax rates will remain at their current levels until March 31, 2021 - Additional 90 days after the end of the provincial state of emergency to submit a refund claim of carbon tax, motor fuel tax, PST or tobacco tax, where the four-year deadline to submit a refund claim expires during the provincial state of emergency (originally declared on March 18, 2020). On September 17, 2020, British Columbia released an economic recovery plan which would introduce a new employment incentive as well as a temporary PST rebate on select machinery and equipment. However, Due to the upcoming election on 24 October 2020, it is unclear if these measures will be adopted as announced, or when legislation to implement these measures may be introduced. Employers with operations in British Columbia can begin in March 2021 to apply for the B.C. employment tax credit, an incentive intended to encourage new jobs and to increase wages paid to employees in British Columbia: – The increased employment incentive provides a refundable tax credit equal to 15% of the amount by which the total B.C. remuneration paid to eligible employees in the fourth quarter of 2020 exceeds the total B.C. remuneration paid to eligible employees for the third quarter of 2020. – The credit is available to almost all employers in British Columbia (not public institutions). – For employers required to pay the employer health tax (EHT), the province will first apply this credit to any outstanding EHT amount, with the excess available as a refund. – Tax credits for eligible businesses that receive relief from both the British Columbia increased employment incentive	and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			and the Canada emergency wage subsidy will not be reduced. British Columbia extended a tax credit available for book publishers through March 2026. Eligible corporations that provide "book publishing services "in British Columbia now have an additional five years to claim the tax credit because this refundable tax credit program will expire at the end of March 2026 (rather than at the end of March 2021). **Manitoba** announced: - Filing extensions for certain monthly retail sales tax (RST) returns to October 20, 2020 (from April 20, May 20, June 22, July 20, August 20, and September 21, 2020). This extension applies to eligible small and medium businesses with monthly remittances of $10,000 or less. In addition, Manitoba has extended the deadline for businesses that file RST returns quarterly to October 20, 2020 (from April 20, 2020 and July 20, 2020). Businesses that qualify for the extensions and that were not able to file and remit their February sale tax return by the March 20, 2020 due date will not be assessed a late filing penalty and interest will not be applied until after October 20, 2020. - Effective July 1, 2020, Manitoba will **eliminate its RST** on certain new or renewed property insurance contracts that come into effect after June 30, 2020. - Health and Post-Secondary Education Tax Levy returns for small and medium businesses with monthly remittances of no more than $10,000 per month that would normally be due on April 15, May 15, June 15, July 15, August 17 and September 15 will now be due October 15, 2020. - Deferral of certain indirect tax measures announced in 2020 budget - Deferral of worker's compensation premium payments and the payroll reporting deadline until end of May	

Jurisdictions	Status	Type	Brief description	Source
			- International Fuel Tax Agreement (IFTA) Quarterly Tax Returns for the first and second calendar quarters of 2020 are now due on November 2, 2020 (originally due on April 30, 2020 and July 31, 2020). - Manitoba has temporarily suspended the 90-day time period to appeal tax assessments to the earlier of September 21, 2020 or the end of the state of emergency associated with COVID-19. **Quebec** has announced: - The filing of any **corporate** income tax returns that are due from March 17, 2020 to May 30, 2020 is deferred to June 1, 2020. **Corporate income tax returns** that would otherwise have a filing deadline in the period from May 31 to August 31, 2020 now have a filing due date of September 1, 2020. Revenu Quebec has confirmed that it will not charge taxpayers late-filing penalties on income tax returns filed by September 30, 2020. - The payment of corporate income tax amounts that would normally be made on or after March 17 and before September 30, 2020 are deferred to September 30, 2020 - The deadline to file **partnership** information returns that would normally be filed in the period from March 17 to March 31, 2020 is extended to May 1, 2020 - Partnership information returns that would normally have a filing deadline in the period from April 1 to May 30, 2020 now have a filing due date of June 1, 2020 - Partnership information returns that would normally have a filing deadline in the period from May 31 to August 31, 2020 now have a filing due date of September 1, 2020 - The filing of a **trust** information and income tax return for trusts with a December 31, 2019 taxation year-end is deferred to May 1, 2020	

Jurisdictions	Status	Type	Brief description	Source
			- Trust information and income tax returns that would normally have a filing due date between March 31 and May 30, 2020 now have a filing due date of June 1, 2020 - Trust information and income tax returns that would normally have a filing due date between May 31 and August 31, 2020 now have a filing due date of September 1, 2020 - The payment of income tax balances for a trust's 2019 or 2020 taxation year that become due on or after March 17, 2020 and before September 30, 2020 are deferred to September 30, 2020. This includes instalments otherwise due on June 15 and September 15, 2020. - The deadline for **individual** tax returns is extended to June 1, 2020 (June 15, 2020 if in business) and the payment of income tax amounts is deferred to September 30, 2020. No late-filing penalty will be charged to individuals if their TP1 return is filed by September 30, 2020. - Extension of the deadline for reporting and remitting the tax on lodging to July 31, 2020 that would otherwise have a filing and payment due date of no later than April 30, 2020. - Extension to the employer contribution credit to the Health Services Fund (i.e., the HSF credit) until November 21, 2020 (from August 29, 2020 and previously June 6, 2020). - Taxpayers can make an "ad hoc" adjustment to the calculation of remunerated hours, for the small business deduction - Specialized nurse practitioners would be allowed to issue a certification for the application of certain credits - Distance learning expenses would be allowed to be included in the refundable tax credit for childcare	

Jurisdictions	Status	Type	Brief description	Source
			expenses and for purposes of the disability support deduction - Quebec also announced it will harmonize with temporary federal measures affecting registered pension plans (RPPs) and deferred salary leave plans (DSLPs) in light of COVID-19. - The deadline for individual income tax returns for FY2020 has been extended to 31 May 2021 (from 30 April 2021). Late-filing penalties and interest will not be imposed on a 2020 tax balance until after 31 May 2021. - On May 28, 2021, Quebec announced that eligible employers in Quebec are being afforded more time (until August 28, 2021) to claim Quebec's **health services fund credits** for employees on paid leave during the COVID-19 pandemic. The extended date of August 28, 2021 applies for the employer contribution with regard to the health services fund credit. Employers with an establishment in Quebec that qualify for the CEWS for a qualifying period can now claim health services fund credits until March 13, 2021. The credit applies to employees on paid leave during the COVID-19 pandemic and is intended to offset an employer's health services fund contributions that are not covered by the CEWS. **Saskatchewan** announced: - Provincial sales tax (PST) penalty and interest relief as follows: o Monthly filers may defer payment of amounts due for February, March, and April 2020 reporting periods to July 31, 2020 o Quarterly filers may defer payment of amounts due for the January 1, 2020 to March 31, 2020 reporting period to July 31, 2020	

Jurisdictions	Status	Type	Brief description	Source
			- Effective April 1 until July 31, 2020, the Saskatchewan Worker's Compensation Board (WCB) will waive penalties and interest charges for employer's late WCB premium payments **Newfoundland and Labrador** announced: - Filing deadline for certain provincial tax returns (other than returns from interjurisdictional carriers) originally due on or between March 20, 2020 and July 31, 2020, would be extended until August 20, 2020. - Deadlines for International Fuel Tax Agreement returns from interjurisdictional carriers for the first quarter of 2020, are extended to June 1, 2020 (from April 30, 2020) - Taxpayers may submit a written request for remission of interest and penalties if they are prevented from making a payment when due, filing a return on time, or otherwise complying with a tax obligation, as a result of COVID-19. All requests will be reviewed on a case-by-case basis. - Fuel tax exemption permits set to expire on March 31, 2020 have been extended to August 31, 2020.	
Canada	Implemented	Individual Income Tax	Canada has enacted the following measures: – Eligible workers are provided with an income support payment (the new Canada Emergency Response Benefit (**CERB**)), which is a taxable benefit of $500 per week for a maximum of 24 weeks to workers who have lost their income due to COVID-19. The government has announced a further 4-week extension to bring the maximum number of weeks in which benefits can be received to 28 (see below for additional details). Originally the program was limited to 16 weeks. The program is available from March 15, 2020 to October 3, 2020. – Income support payments for certain students who do not qualify for the CERB (the new Canada Emergency	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			Student Benefit (**CESB**)), which is a taxable benefit of up to $1,250 per month. Eligible students with a disability or with dependents will receive an additional $750, for a total of $2,000 a month. – The minimum required annual withdrawal payments from Registered Retirement Income Funds (RRIFs) has been reduced by 25% – The GST credit has been enhanced for certain individuals and the additional credit was paid on April 9, 2020 – Increased the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-20 benefit year, by $300 per child – Seniors will receive a one-time payment of up to $500 to help offset cost increases due to COVID-19. Seniors who qualify for Old Age Security (OAS) will be eligible for a one-time, tax-free payment of $300, and those eligible for the Guaranteed Income Supplement (GIS) will get an extra $200. – Individuals with a valid disabilities tax credit certificate as of June 1, 2020 and certain other individuals receiving disability benefits will automatically receive a one-time, tax-free payment of up to $600 to help offset any cost increases due to COVID-19. Employers that set up a "supplementary unemployment benefit" (SUB) plan with Service Canada to provide additional amounts to employees temporarily laid-off should notify employees that they will probably have to repay amounts received under the CERB. Service Canada has clarified that SUB plan payments of more than $1,000 in a benefit period will disqualify an employee from collecting the CERB. The CRA announced on May 15, 2020, that individuals currently receiving the GST/HST credit or CCB payments will continue to receive these payments until the end of September 2020, even if their 2019 personal tax return has not yet been assessed. Taxpayers whose 2019 returns have not been assessed in time	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to calculate benefit or credit amounts for the July to September period may continue to receive these payments based on information from their 2018 tax return. This extension is intended to accommodate the extended filing deadline for 2019 personal tax returns to June 1, 2020. Bill C-4 received Royal Assent on October 2, 2020. Bill C-4 introduces three new temporary recovery benefits that the federal government previously proposed and are intended to support eligible individuals who may not qualify for employment insurance or who are unable to fully return to work due to reasons related to COVID-19: – The Canada recovery benefit (CRB) – The Canada recovery sickness benefit (CRSB-Sickness) – The Canada recovery caregiving benefit (CRCB-Caregiving) The application process for the CRSB and the CRCB opened on October 5, 2020. The CRA stated that applications for the CRB will be accepted as of October 12, 2020. The application process includes: – Shorter eligibility periods (one week for the CRSB and CRCB and two weeks for the CRB) – Retroactive periods (individuals will be required to apply after the period has ended) – 10% tax withholding at source – A three-to-five day window to receive payments for applications made by direct deposit, and a 10-12 day window for payments made by cheque and sent by mail The CRA has announced it will generally continue to apply its existing guidelines to determine whether the employment income of certain individuals who live or work on a reserve, or whose employers reside on a reserve, is exempt from income tax. However, the CRA says it will also provide certain welcome	and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			administrative relief during the pandemic. The CRA has released new guidance that is intended to address issues that may arise as a result of COVID-19 workplace or territorial restrictions, which may temporarily cause employees or employers to work or reside off-reserve. The CRA says its new administrative guidance applies from March 16 to December 31, 2020 and may be extended if necessary. The CRA has released new guidance on claiming home office expenses for the 2020 tax year. Individuals who are working remotely from home as a result of COVID-19 may be eligible to claim certain home office expenses for tax purposes. As many companies have temporarily shifted to a "work from home" environment, employees should determine whether they are eligible to claim home office expense deductions on their individual income tax return for the 2020 tax year. The CRA has changed the claim process for this year, including to shorten the qualifying period, allow individuals to claim additional expenses and to provide a temporary "flat rate" method or "detailed" method for eligible individuals. These changes only apply to claims for the 2020 taxation year. The CRA is extending through June 30, 2021 (from December 31, 2020) the tax relief for First Nations and indigenous taxpayers in response to COVID-19 pandemic-related restrictions that may temporarily cause employees or employers to work or reside "off-reserve." In general, the employment income of indigenous persons is exempt from income tax if the income is "situated on a reserve." Under administrative guidelines for determining whether employment income is situated on a reserve, and therefore exempt from tax, certain conditions must be satisfied (such as a percentage of employment duties are performed on a reserve).	

Jurisdictions	Status	Type	Brief description	Source
			– An employee is considered to live on a reserve if the principal place of residence and the center of the daily routine is on a reserve. – An employer that has an established office on a reserve is generally considered to reside on a reserve only if its central management and control is located on a reserve throughout the year. One of the key factors in this determination is the location where the meetings of the board of directors take place (although this is not the only factor). Certain individuals who received COVID-19-related income assistance in 2020 may qualify for relief relating to these benefits. **Relief for self-employed taxpayers** Self-employed individuals with less than $5,000* of net self-employment income in 2019 (or in the 12 months prior to the date of their Canada emergency response benefit (CERB) application) and who applied for and received the CERB, will not have to repay it as long as gross self-employment income was at least $5,000 and all other CERB eligibility criteria were met. In addition, the Canada Revenue Agency (CRA) announced that it will issue a "refund" to eligible self-employed CERB recipients who already repaid the benefit. **Relief from having to pay interest on income tax liability** The CRA announced certain targeted interest relief for individuals who had a total taxable income of $75,000 or less in 2020 and received COVID-19-related income relief through certain benefit programs. The CRA stated that it will automatically apply this interest relief for individuals who meet the criteria, and that once these eligible taxpayers have filed their 2020 tax return, they will not be required to pay interest on any outstanding income tax debt for the 2020 tax year until April 30, 2022.	

Jurisdictions	Status	Type	Brief description	Source
			The CRA also noted that it will not apply any CRA-administered credits and benefits normally paid monthly or quarterly, such as the Canada child benefit or the goods and services tax / harmonized sales tax (GST/HST) credit, to reduce the individual's debt owing for the 2020 tax year. Revenue Quebec announced that it will provide one year of interest relief until April 30, 2022 to certain individuals. To qualify, these taxpayers must have earned a total taxable income of $75,000 or less in 2020, have a tax balance owing on their 2020 tax return, and received benefits under certain programs. On March 17, 2021, a legislation extending and expanding certain recovery benefits was enacted. The legislation increases the number of weeks available for benefits under the Canada recovery benefit (CRB), the Canada recovery sickness benefit (CRSB), the Canada recovery caregiving benefit (CRCB), and employment insurance (EI). The legislation also adds a condition that international travelers who need to quarantine upon return to Canada will not be eligible to receive support from any of the Canada recovery benefits during their mandatory quarantine, subject to certain exceptions. The amendments: – Extend the maximum duration of CRB and the CRCB to 38 weeks (from 26 weeks) – Extend the CRSB to four weeks (from two weeks) – Extend EI regular benefits so they are available to a maximum of 50 weeks (from a maximum of 26 weeks), for claims that are made between September 27, 2020 and September 25, 2021. In addition, self-employed workers who have opted into the EI program to access special benefits are now able to use a 2020 earnings threshold of $5,000* (previously $7,555). This change is retroactive for claims established as of 3 January 2021 and applies until September 25, 2021.	

Jurisdictions	Status	Type	Brief description	Source
Canada	Proposed	Individual Income Tax	The Department of Finance has proposed legislation that would allow employment insurance (EI) recipients to claim childcare and disability support deductions. The proposed legislation would temporarily allow Canadians receiving EI and Quebec parental insurance plan (QPIP) benefits to make the same claims for childcare expense and disability support deductions. EI recipients would be able to claim childcare expenses and the disability support deductions against their income from regular EI benefits (including EI special benefits) and QPIP benefits for 2020 and 2021. The Canadian government proposed to extend for more weeks certain recovery benefits that provide economic relief for those individuals whose employment has been affected by the coronavirus Three temporary recovery benefits—the Canada recovery benefit (CRB), Canada recovery sickness benefit (CRSB), and Canada recovery caregiving benefit (CRCB)—were introduced to help individuals who required income support but did not qualify for employment insurance (EI), effective September 27, 2020. The proposed changes would: – Extend the maximum duration of CRB and the CRCB to 38 weeks (from 26 weeks) – Extend the CRSB to four weeks (from two weeks) – Extend EI regular benefits so they are available to a maximum of 50 weeks (from a maximum of 26 weeks), for claims that are made between 27 September 2020 and 25 September 2021. The government proposed to allow self-employed workers who opted in to the EI program to access special benefits, to use a threshold of $5,000* of net self-employment income in 2020 (compared to the previous threshold of $7,555). This change would be retroactive to claims established as of 3 January 2021 and would apply until 25 September 2021.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Canada	Announced	Individual Income Tax	Canada's federal government on August 20, 2020 announced that it will extend the CERB by an additional four weeks (to 28 weeks) and simplify the EI program to help eligible individual's transition from CERB to the EI system starting September 27, 2020. Among other changes, the government: – Will allow more individuals to qualify for EI by effectively lowering the insurable hours required to qualify and providing national minimum unemployment and benefit rates – Will propose new recovery benefits for eligible individuals who may not qualify for EI or are unable to fully return to work due to reasons related to COVID-19 Finance delivered the 2020 Fall Economic Update on November 30, 2020. The Update also announced a temporary increase to the amount of the Canada Child Benefit for 2021. Quarterly payments will be provided in January, April, July or October 2021 as follows: – A family with a net income of $120,000 or less may be eligible to receive $300 per child under the age of six – A family with a net income above $120,000 may be eligible to receive $150 per child under the age of six. According to the government, legislation will be proposed to reflect that international travelers who need to quarantine upon return to Canada would not be eligible to receive support from any of the COVID-19-related benefits during their mandatory quarantine—benefits under programs such as the Canada recovery benefit (CRB), the Canada recovery caregiving benefit (CRCB) and the Canada recovery sickness benefit (CRSB), all programs that are intended to support eligible individuals who may not qualify for employment insurance or who are unable to fully return to work due to COVID-19. The legislation would be effective retroactively to January 3, 2021.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Canada	Implemented	Payroll Tax	The CRA has announced it will **waive the 1% minimum employer contribution requirement for money purchase provisions of certain registered pension plans for the remainder of 2020**. This relief will only apply to plans that are amended to suspend accruals under the plan for the year, meaning that there will be no employer or employee contributions made to the plan or provision following the plan amendment. This relief measure was announced on May 5, 2020 and is restricted to plans that submit an amendment to the Registered Plans Directorate. The government of Canada confirmed that it will temporarily freeze the federal employment insurance premium rates for 2021 and 2022 at current levels. – The employment insurance premium rates for employees will remain at $1.58* per $100 of insurable earnings in 2021 and 2022. – The maximum insurable earnings for 2021 will increase to $56,300 (from $54,200). This will result in an annual cash increase in the employment insurance contribution: o For employees—$33.18 o For employers—$46.76	KPMG TNF and KPMG TNF
Canada	Implemented	PE and Place of Management	The CRA has issued guidance that addresses cross-border tax issues caused by recent international travel restrictions. Specifically, the CRA guidance clarifies that prolonged stays in Canada that solely result from travel restrictions will not necessarily affect the tax residency or permanent establishment of a non-resident entity. The CRA guidance also: – Provides that prolonged stays in Canada that solely result from travel restrictions due to COVID-19 will not necessarily affect the tax residency or permanent establishment of a non-resident entity	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– Clarifies that the travel restrictions may not affect the tax residency of a non-resident individual, or the ability of a cross-border employee to qualify for treaty benefits on employment income – Provides administrative relief to reflect delays in the CRA's processing of certain withholding tax waiver requests and "section 116 certificates" due to COVID-19 The CRA guidance applies from March 16, 2020 to **September 30, 2020** (extended from August 31, 2020). The CRA says it does not anticipate further extensions of the guidance, and taxpayers whose situation persists past September 30 are advised to contact the CRA. The CRA issued guidance addressing the **residency of foreign affiliates and qualifying non-resident employees**, confirming that the residence of a foreign affiliate of a Canadian corporation in a treaty jurisdiction—for surplus calculation purposes—will not necessarily change solely because the foreign affiliate's director cannot participate in board meetings due to the current COVID-19 travel restrictions. In addition, the CRA guidance now states that certain non-resident employees may not lose their status as "qualifying non-resident employees" due to prolonged stays in Canada because of the travel restrictions. As a result, their non-resident employer may not have to withhold and remit Canadian income tax on employment income they pay to those employees, if the employer is certified as a qualifying non-resident employer. The CRA's expanded guidance states that when a **director of a foreign affiliate** resident in a treaty country before the travel restrictions is unable to participate in board meetings because of the current COVID-19 travel restrictions, the CRA will not consider that the corporation is no longer a resident of that country for surplus calculation purposes solely for this reason.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The CRA advised that it will determine corporate residency involving foreign affiliates resident in non-treaty countries before the travel restrictions on a case-by-case basis. The CRA also expanded its guidance to address certain **non-resident employees** that may have otherwise lost their status as "qualifying non-resident employees." The CRA guidance advises that the CRA will not count the days during which a non-resident individual is working or present in Canada and cannot return to the country of residence due to the travel restrictions when calculating whether the individual has reached 45-days worked in Canada or 90-days present in Canada under the "qualifying non-resident employee" definition. The CRA stated that it will apply this position when it can reasonably be shown that the employer expected the employee to leave Canada before losing their "qualified non-resident employee" status, and the employee returns to the country of residence as soon as the employee can. A non-resident employer that is certified as a "qualifying non-resident employer" will not have to withhold and remit tax on payments to employees who retain qualifying non-resident employee status. The CRA also noted that to retain its certification, the employer must track and document the days during which the qualifying non-resident employee is working or present in Canada and cannot return to the country of residence due to travel restrictions, as well as the employment income for these days of work in Canada. On October 15, 2020, the CRA updated its international income tax guidance. The CRA confirms that it will generally consider the federal government's recommendation to Canadians to return to Canada as a "Travel Restriction". In addition, the CRA says it will provide relief for certain non-resident employers who would be subject to Canadian withholding, remitting, and reporting obligations due to non-resident employees working remotely in Canada because of the travel restrictions.	

Jurisdictions	Status	Type	Brief description	Source
			On April 1, 2021, the CRA provided guidelines for certain cross-border employees about how to file their 2020 Canadian income tax filings, extended previous administrative relief for U.S. resident employees working in Canada, and for individuals who may otherwise meet Canada's individual residency test. The new guidance extends certain aspects of the previous relief and also documents the CRA's views on certain permanent establishment issues but does not extend the CRA's previous guidance for permanent establishments or corporate residency, which expired September 30, 2020. Corporate taxpayers affected beyond this date are directed to contact the CRA. The CRA clarified the meaning of "travel restrictions" and the process for requesting interest and penalty relief for individual taxpayers affected by international travel restrictions .The CRA reported that generally it will consider relief on a case-by-case basis for Canadian residents who ordinarily work in a country other than the United States, and for foreign non-U.S. resident employees who are working in Canada as a result of travel restrictions. In addition, the CRA advised that it intends to provide additional guidance for affected individuals and employers for their 2021 tax years. The CRA also reported it will consider taxpayer situations as part of its answers, and advises individuals and employers to be in contact with the CRA regarding relief for other specific situations.	
Canada	Implemented	Suspension of Tax Audits	At the end of March 2020, the CRA announced that it will temporarily **suspend all audit interaction** with taxpayers with certain exceptions. On May 28, 2020, the CRA updated its collections, audit, objections and appeals webpage that indicates the CRA is resuming a full range of audit work and adapting their practices to reflect the health and economic impacts of COVID-19. The CRA is prioritizing its commencement of audits focusing on higher dollar audits first, audits close to completion, and those	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			with a strategic importance to governments, or Canada's tax treaty partners.	
Canada	Announced	VAT and other Indirect Tax	In the Speech from the Throne on September 23, 2020, the government outlined some of its tax and economic priorities in the wake of COVID-19. The government said it intends to identify additional ways to tax wealth inequality, including by taxing digital giants. The government's pledge to tax "digital giants" may refer to new rules that would apply GST/HST to digital services from foreign-based firms, often referred to by the media as a "Netflix" tax. This measure could require non-resident suppliers of digital services and operators of electronic platforms to register for GST/HST and put systems in place to collect and remit GST/HST on qualifying taxable supplies.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Cayman Islands  **Contact:** David Conen dgconen@kpmg.com.ky	Implemented	Filing/Payment Deadline Extension	The Department for International Tax Cooperation (DITC) extended both the **CRS** reporting deadline and the **FATCA** reporting deadline for the 2019 reporting period to November 16, 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Chile  **Contacts:** Rodrigo Stein rodrigostein@kpmg.com Francisco Lyon flyon@kpmg.com	Implemented	Accelerated Refund	Expedited refunds of income tax during April 2020, for individuals and for companies with annual sales up to UF 75,000 have been announced.	KPMG TNF
Chile	Implemented	Business Income Tax	All expenses incurred in measures related to the COVID-19 outbreak will be deductible for income tax purposes, regardless of the specific activities carried on by the taxpayer. Donations made in the context of the COVID-19 pandemic are treated as tax exempt. The Government provided additional tax relief measure in response to the COVID-19 pandemic. One measure is a **temporary reduction of the rate of the IDPC** (Impuesto de Primera Categoría) to 10% (from 25%)—a measure provided under the framework of the emergency plan for economic and employment reactivation. In general, taxpayers subject to the IDPC regime can benefit from this reduction in 2020, 2021, and 2022. This relief would also apply with regard to advance payments of IDPC. Other relief includes a **temporary change to the rules for depreciation**, allowing IDPC taxpayers to depreciate 100% of the value of assets in the year in which they are acquired. The depreciation regime applies for the period 1 June 2020 through 31 December 2022. Depreciation is also allowed at 50% in the year in which use of the asset begins (effective 1 October 2019 through 31 May 2020) and a 100% write-off for goods used in the Araucanía region for the period 1 October 2019 through 31 May 2020.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			A **temporary rule allows 100% amortization of certain intangibles** (that is, intangibles intended for the development or maintenance of the business such as industrial property, intellectual property or a new plant variety, if purchased between 1 June 2020 and 31 December 2022).	
Chile	Implemented	Customs/Import and Other Miscellaneous Taxes	**Stamp tax** rate reduced to 0% for all credit, financial and refinancing transactions between April 1 and October 30, 2020	KPMG TNF
Chile	Implemented	Filing/Payment Deadline Extension	– **Deferral of VAT payable for the April – June, 2020 period**, for taxpayers with annual sales up to UF 350,000 (equivalent to US$11.8m approx.). Deferred VAT payable in 6 or 12 equal installments with 0% interest starting in July 2020 – **Deferral of annual income tax payment until July 31, 2020** for SMEs, i.e. taxpayers with annual sales up to UF 75,000 (equivalent to US$2.5m approx.) – **Deferral of the payment of real estate tax for individual** owners of real estate with aggregate fiscal value equivalent to US$160k approx. and companies with annual sales up to UF 350,000. – **Waiver of interest and penalties** for late filing of income tax returns due 30 April 2020 and for monthly VAT returns, when returns are filed on or before 30 September 2020 – **No monthly advance income tax payments** required of all taxpayers for the period April - June 2020	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
China **Contact:** David Ling davidxling@kpmg.com	Implemented	Business Income Tax	Specific corporate income tax (CIT) incentives have been introduced for enterprises engaged in producing key supplies related to COVID-19 protection and containment (e.g. masks, protective clothing). – This includes a **100% expensing deduction for investment in equipment** to expand production capacity. Under existing rules, expensing is only allowed for purchased equipment with a unit value less than RMB5 million (USD700K). The new CIT incentive means that larger scale capital investments will now also benefit. – A **full CIT deduction is granted for cash and goods donations for Covid-19 prevention and control**. This applies where the donations are made through public welfare social organizations, state governments above the county level and its departments, and other state authorities. Supporting documents can include the public welfare donation certificate, or general payment certificate of non-taxable income. – **R&D expenditure** incurred for Covid-19 prevention and control is entitled to a **super deduction of 75%** (i.e. deduct 175% of amount spent). Intangible asset outlays are entitled to tax amortization at 175% of the asset cost. – Government subsidies or special funds obtained by enterprises for COVID-19 prevention and control may be exempted from CIT, subject to requirements. – For qualified small, low-profit enterprises with annual taxable income of no more than CNY3	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			million, the effective CIT burden can be reduced to between 5% and 8.4%	
China	Implemented	Customs/Import and Other Miscellaneous Taxes	Announcement No. 6 clarifies that imported supplies, donated by domestic and foreign donors and used for prevention and control of the epidemic, can be exempted from **import duties, import VAT, and import consumption tax**. This relief is valid from January 1 to March 31, 2020. In addition, the preferential treatment also applies to supplies imported by the health administration for the outbreak, even though the supplies are not donated. Tax refunds can be obtained for qualified supplies for which taxes have already been paid. Electronic payments can be made by February 24 for Customs Duty declared in January 2020. For tax payment deadlines within the period from February 3 to the date of resumption of work announced by the local governments the payment deadline is postponed to 15 calendar days after the date of resumption of work.	KPMG TNF
China	Implemented	Filing/Payment Deadline Extension	Circular 19 **extends the February 2020 statutory tax filing deadline** to February 28, 2020. This can be further extended by local tax authorities where the outbreak is identified as serious (such as in Hubei province). Affected taxpayers and withholding agents can apply for further extension. Circular 19 also encourages local tax authorities and taxpayers to deal with tax matters online or via mobile application.	KPMG TNF
China	Implemented	Individual Income Tax	Announcements No. 9 and 10 provide the following tax relief measures: – **An individual income tax exemption on receipt of the following types of income**: (1) temporary subsidy and bonus received by medical and epidemic prevention staff engaged in prevention	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			and control activities, that are in accordance with prescribed standards of local government authorities; and (2) medicines, medical supplies, protective equipment and other benefit-in-kind, excluding cash, provided by employers to their employees for prevention of COVID-19 – **Full tax deductibility of the following types of donations made by individuals**: (1) donations in cash or in kind, made by individuals through non-profit social organizations or governmental authorities at the county level or above or their subordinate departments; and (2) donations in kind, made directly by individuals to designated hospitals undertaking the tasks of the prevention and treatment of COVID-19.	
China	Implemented	Loss Relief	For seriously affected enterprises, CIT losses incurred in 2020 will be provided with a longer tax loss carry-forward period (i.e., 8 years vs the standard 5 years). The latter treatment solely covers enterprises in the transportation, catering, accommodation and tourism sectors. COVID-19 related tax losses, incurred by high-new-tech enterprises and small-and-medium-sized technological enterprises, can be carried forward and offset within 10 years.	KPMG Global
China	Implemented	Payroll Tax	China's Ministry of Human Resources and Social Security issued guidance (Announcement No. 7), which provides measures for local social security bureaus and allows enterprises to make catch-up employer **social security contributions** within a period of three months following containment of COVID-19 outbreak without adversely affecting employee rights to social security benefits. In addition, certain local authorities have introduced policies in the respective city/province in order to support local	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			enterprises during the outbreak. These included deferring adjustments to social security contribution base, adjusting employer contribution rate for certain social security plans, extending payment of employer social security contributions, and relaxing the restrictions on applying for refunds of unemployment insurance.	
China	Implemented	PE and Place of Management	The State Taxation Administration issued a set of Q&As as guidance intended to clarify how the permanent establishment and tax residence rules will be applied in the context of the COVID-19 pandemic and the resulting disruptions to cross-border travel. These Q&A clarifications are of use to foreign businesses in assessing and limiting their China tax exposures. **Fixed-place PE:** For staff of a foreign company conducting "home office" work in China, the Q&As clarify that "intermittent and occasional" at-home work activity generally does not result in a fixed-place PE. PE is defined in tax treaties as a fixed place of business through which the business of an enterprise is wholly or partly conducted. Circular 75, drawing on elements of the OECD Model Treaty Commentary, provides that: – A place of business is relatively fixed, with a certain degree of permanence. – Conducting activities "through" a place of business applies to any situation when business activities are conducted at a particular location that is at the disposal of the enterprise. However, in contrast to the OECD Model Treaty Commentary, Circular 75 does not provide any further guidance on meaning of "at the disposal of." This has meant that foreign companies have struggled in the past to assess whether staff present in China at a location other than an office (e.g., at home, or at hotel or client premises) could give rise to a risk of PE. The Q&As now clarify that	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			"intermittent and occasional" at-home work activity during the COVID-19 disruption period should not result in fixed-place PE. This is in line with the OECD's April 2020 guidance that temporary working at home should not result in PE, given that the situation lacks permanency and that working from home because of government movement and travel restrictions should not be viewed as putting an employee's home at the disposal of the enterprise. **Agency PE:** For staff of a foreign company conducting "at-home work" in China, the Q&As clarify that "occasional" conclusion of contracts on behalf of the foreign enterprise should not result in an agency PE. Tax treaties recognize an agency PE when an agent has and habitually exercises an authority to conclude contracts in the name of a foreign enterprise. The Q&As recognize that occasional contract signing from a home office may not rise to this level. However, the Q&As qualify this by stating that agency PE might still be regarded as arising if the relevant staff had been acting in China on behalf of the enterprise for a long period of time before the COVID-19 disruption period or if their role has shifted for the longer term, as a consequence of COVID-19, to habitually concluding contracts for the foreign enterprise.	
China	Implemented	VAT and other indirect taxes	The provision of monetary donations should not generally trigger VAT implications for the donor. The provision of free services for welfare purposes should not generally trigger VAT implications either. In addition, STA Announcement (2020) No.9 further provides that the **donation of goods related to coronavirus containment** is exempted during the epidemic period. However, the input VAT in relation to the VAT exempt items may be denied. Various VAT incentives policies have been released:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– MOF and STA Announcement (2020) No.8 o Companies producing key supplies related to novel coronavirus containment are eligible to get a full refund of the incremental VAT credit balance amount from 1 January 2020. o Transportation services in connection with key protective supplies will be exempted from VAT. o Public transportation, life science services, postal and express services for essential necessities of residents will be exempted from VAT. – MOF and STA Announcement (2020) No.9 o Organizations and individuals who donate goods through charity organizations and government authorities or directly to the hospitals related to the coronavirus containment could be exempted from VAT, consumption tax and surcharges.	

Jurisdictions	Status	Type	Brief description	Source
Colombia  **Contact:** Ricardo Ruiz ricardoaruiz@kpmg.com	Implemented	Accelerated Refund	Taxpayers that are not classified for income tax and VAT purposes as having a "high tax risk profile" are eligible to obtain a tax refund or to offset the amount of the refund against other tax debts within 15 business days following the date when they file an application for the tax refund or for the tax offset. The tax refund procedure will be available during the course of the COVID-19 emergency. Taxpayers are not required to submit certain information (e.g., a detailed list of costs, expenses, and deductions in support of the refund claim), but after the end of the COVID-19 emergency period, taxpayers will need to submit such a list within 30 calendar days after the date when the emergency is declared to be over, without the need for a request from the tax authority. A failure to submit this information will be subject to penalties.	KPMG TNF
Colombia	Announced	Customs/Import and Other Miscellaneous Taxes	For 6 months, the following determinations will apply for custom purposes: – 0% tariff rate will apply to the importation of certain HTS codes related to medicines, medical equipment. – 0% rate will apply to the importation done by Airlines in charge of the transportation of cargo or passengers. The exportation and the re-exportation of some goods needed to cover the emergency related to the COVID-19 are prohibited for six months.	KPMG TNF
Colombia	Implemented	Filing/Payment Deadline Extension	The national tax authority (DIAN) announced certain tax relief measures in response to the COVID-19 pandemic. Among the measures: – The deadlines for the filing and payment of national tax returns for direct taxes were extended. – Some local authorities have extended the deadlines for the submission and payment of municipal tax returns.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The deadlines for submitting tax and exchange information to DIAN were extended. With respect to **VAT declarations and payments**: – The deadline for paying the tax is extended for taxpayers whose economic activities include: the sale of food and alcoholic beverages for consumption within the establishment and activities of travel agencies and tour operators. Criteria were established for the recognition and payment of compensation in favor of the most vulnerable population to generate greater equity in the VAT system. In March 2021, the tax authority of Bogotá district modified the tax calendar for 2021 in an effort to simplify and facilitate the rules for compliance with tax obligations. In particular, under these relief provisions, "common regime taxpayers" with tax not exceeding a threshold amount and withholding agents shall file returns on a bimonthly schedule. For other taxpayers, the return will be filed annually. Taxpayers qualifying under a preferential regime are to file their annual returns for the tax year 2021 no later than 4 February 2022. Other relief measures concern the unified property tax; the related return must be filed and the property tax paid no later than 23 July 2021. Regarding residential and non-residential properties, there may be a discount of 10% for timely payments of the tax. Under an alternative payment system, the return is due 31 May 2021, with the tax to be paid in four equal installments. With regard to the tax on vehicles registered in Bogotá, the tax must be declared and paid no later than 27 August 2021. A 10% discount is available if the tax is remitted on or before certain designated dates.	

Jurisdictions	Status	Type	Brief description	Source
			Decree 375 of 9 April 2021 reduces the percentage of payments of advance income tax and supplementary tax to zero percent (0%) for taxpayers (grandes contribuyentes) operating in certain listed sectors. This relief is intended to improve cash flow for entities in the affected sectors (that is, sectors that continue to show negative economic growth). Taxpayers not conducting listed business activities must continue to remit advance payments of income tax pursuant to normal procedures. Separately, Decree 376 of 9 April 2021 provides relief regarding late payments of pension contributions for April and May 2020. A grace period of 36 months, beginning 1 June 2021 through 31 May 2024, is provided to allow for payment of the missing contributions corresponding to the months of April and May 2020, without requiring payment of interest for the late payment.	
Colombia	Announced	Suspension of Tax Audits	The national tax authority (DIAN) **suspended terms in the processes and administrative actions in tax, customs and, exchange matters, from March 19th, to April 3rd**. Some territorial tax authorities have also suspended the terms in the processes and administrative actions in tax matters. As a consequence of COVID-19, all the **administrative proceeding deadlines** related to **customs procedures** before the customs authority are suspended. This suspension covers the period between March 19, 2020 and April 3, 2020.	KPMG TNF
Colombia	Announced	VAT and other indirect taxes	The exemption from VAT on the import and sale in the national territory of certain goods and supplies essential for the provision of medical services to patients with COVID-19 was decreed until 17 April 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Costa Rica **Contact:** Sergio García sgarcia1@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The General Customs Administration established the applicable criteria for the transfer of fixed assets outside the authorized area for Free Trade Zone entities, with the aim of facilitating the work from home of their employees, during the sanitary emergency the country is facing. The General Customs Administration has the authority to block exports of the following products. – Mono glasses – N95 masks – Disposable surgical masks – Nitrile gloves – Disposable robes However, exports of these products from companies located in "free trade zones" are excluded from the application of this measure. The export restriction applies as of 10 April 2020 and is to remain effective until the emergency decree is lifted.	KPMG TNF and KPMG TNF
Costa Rica	Implemented	Filing/Payment Deadline Extension	Tax moratorium on payments of income tax, VAT and customs tariffs has been introduced. On March 29, 2020 additional Guidance regarding the tax relief measures were released. **Regarding VAT and selective consumption taxes**: – The tax relief applies for tax payments due in April, May, and June. – If the amount of the tax declared for these months is paid in full by 31 December 2020 (whether paid in a single payment or in installments), no interest or late-payment penalties will be imposed.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Taxpayers must still comply with the tax return or tax declaration requirements. Effective 23 April 2020, eligible taxpayers may defer payments of VAT and excise tax corresponding to the months of March, April and May of 2020, if they: – Anticipate they will not be able to pay all taxes by 31 December 2020 – Submit an application request for application of the relief provisions no later than 15 October 2020 Among other requirements, taxpayers must be current with their tax obligations for a period of six months prior to submitting the application. **Regarding income tax**: – Taxpayers may forgo making partial payments corresponding to the months of April, May, and June without petitioning the tax administration, and no penalties will be assessed. Effective August 18, 2020, submission of requests before the tax authority using the new system, Virtual Processing Platform (TRAVI), is mandatory. The system of virtual services aims to facilitate compliance with tax obligations. A resolution (DGT-ICD-R-17-2021, 29 April 2021) extends to 31 May 2021 the **deadline for submitting the ultimate beneficiary return** for 2021. The social security administration extended health insurance coverage, for three additional months, for workers who are subject to a suspension of their employment contracts because of the national emergency resulting from the COVID-19 pandemic. The extension for health insurance coverage is from 1 April 2021 through 30 June 2021.	

Jurisdictions	Status	Type	Brief description	Source
Costa Rica	Implemented	Individual Income Tax	Employees can make **eligible withdrawals** from their defined contribution plans if their labor contracts have been terminated, temporarily suspended or their salaries have been reduced. After the eligible employee's **application is filed and approved**, the amount available to the employee is that which is available under the defined contribution plan at the time of termination, contract suspension or salary reduction.	KPMG TNF
Costa Rica	Implemented	Payroll Taxes	The Board of Directors of the Costa Rican Social Security Fund decided, on February 5, 2021, to extend the health insurance coverage for employees whose working agreement was suspended due to COVID-19. The measure adopted by the Social Security Fund applies for employees whose employment contract has been suspended as a result of the national emergency caused by COVID-19. The insurance coverage will be extended until March 31, 2021.	KPMG TNF
Costa Rica	Implemented	PE and Place of Management	Based on a disposition issued on June 2020, Board of Directors whose term expired between March 1st and December 31, 2020, were granted an automatic one-year extension. This provision is applicable to Board of Directors of legal entities in general, for instance, Corporations, Associations, Social Organizations, Condominiums, Foundations and other legal entities. In January 2021, the Ministry of Health issued resolutions MS-DM-KR-0161-2021 and MS-DM-KR-0163-2021 according to which, as from March 1, 2021, the validity term of Board of Directors will be subject to a new automatic extension. In this case, the term will be extended for six more months and will apply to Board of Directors of legal entities, just like the original extension.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Costa Rica	Implemented	Suspension of Tax Audits	Costa Rica's tax authorities and tax court have suspended the ability of taxpayers to have "in-person" meetings or presentations.	KPMG TNF
Costa Rica	Implemented	VAT and other indirect taxes	A VAT exemption has been provided for commercial leases (including leases of immovable or movable property) of either tangible or intangible goods. It has been clarified that "commercial activity" refers to all economic or for-profit activities and that the VAT exemption applies to both the lessee and the lessor to the extent those are registered as taxpayers.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Croatia  **Contact:** Maja Maksimović mmaksimovic@kpmg.com	Proposed	Business Income Tax	Amounts received by companies as **grants** to mitigate the special circumstances caused by the coronavirus **would not be taxable** for corporate profit tax purposes.	KPMG TNF
Croatia	Implemented	Customs/Import and Other Miscellaneous Taxes	Imports of goods for the purpose of mitigation of adverse COVID-19 effects are exempt from customs.	KPMG Global
Croatia	Implemented	Filing/Payment Deadline Extension	Among the tax relief measures implemented: – Some provisions would allow certain taxpayers to **defer payment or to arrange an installment payment plan** for their tax liabilities, social security contributions and certain non-tax levies without being subject to interest during the deferral period (payments in installments) – **Refunds of assessed individual (personal) income tax and city surtax** would be paid to the taxpayer upon issuance of the relevant tax assessment (with no change to the deadline for the right to file an objection), while the deadline for payment of any assessed individual income tax and city surtax liabilities remains unchanged – **Deferral can be applied for VAT liability** arising from the March VAT return due by 30 April 2020, and the VAT liability arising from the April VAT return due by 31 May 2020. – Taxpayers with business activities that are banned, disabled or significantly impeded and have a decrease in income of at least 50% in the period from 20 March 2020 to 20 June 2020 comparing to the same period previous year, could be **fully or**	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			partially exempted from paying their tax obligations due in April, May, and June 2020. However, the exemption is not applicable on VAT, excise duties, custom duties, contributions for pillar II of mandatory pension insurance, taxes and surtax on final income, fees and charges on games of chance, liabilities based on previously concluded administrative agreements and rescheduled liabilities from pre-bankruptcy and bankruptcy proceedings. Authority granted to the Ministry of Finance to issue regulations to postpone reporting and payment deadlines for all taxes	
Croatia	Implemented	Filing/Payment Deadline Extension	New tax regulations provide for a **postponement of three months** from the original due date of certain tax payments, without triggering interest, and also allow for a possible further extension for an additional three months. This means eligible tax payments generally are not due until June 20, 2020. Specifically: – **VAT liability** is due within three months, starting with the VAT liability due in April 2020. – Liabilities due for **taxes (other than VAT), contributions and other public charges** (excluding customs duties and excise duties) are due 20 June 2020 – There are provisions that allow for payments of deferred tax payments to be made in installments for a 24-month period. Guidelines have been provided with respect to who can apply to defer tax payments, how to apply for the extension, and the timing for making an application. On 9 April 2020, new provisions entered into force which regulate the implementation of measures for deferral of tax payments and exemption procedures in	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			special circumstances, and include the postponement of deadlines for filing annual corporate tax returns, financial statements, and accounting records for 2019.	
Croatia	Proposed	Individual Income Tax	Amounts received by individuals as **grants** to mitigate the special circumstances caused by the coronavirus **would not be taxable** for individual income tax purposes.	KPMG TNF
Croatia	Implemented	Payroll Taxes	Among other proposed tax relief measures, any employer using a grant provided to support job preservation would be exempt from paying contributions on supported net salaries. Exemptions will be determined ex officio by the Tax Authorities.	KPMG TNF and KPMG TNF
Croatia	Implemented	VAT and other indirect taxes	Donations of goods and services for the purpose of mitigation of adverse COVID-19 effects will be VAT-exempt. Imports of goods for the purpose of mitigation of adverse COVID-19 effects will be exempt from import VAT. Import VAT does not need to be paid in order to be recoverable—that is, the reverse charge mechanism applies. The exemptions apply to goods imported or donated by 20 June 2020, and the first exemption applies to the VAT liability due in April 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Cyprus **Contact:** George Markides george.markides@kpmg.com.cy	Implemented	Filing/Payment Deadline Extension	The Minister of Finance on 30 March 2020 issued a decree providing an extension until June 1, 2018 for filing companies and self-employed taxpayers filing income tax returns for 2018. In addition, the **payment of the VAT** is postponed until 10 November 2020. However, the deferral of payment of VAT only applies to periods ending on 29 February 2020 (1 December 2019-29 February 2020), 31 March 2020 (1 January 2020-31 March 2020) and 30 April 2020 (1 February 2020-30 April 2020), provided that the relevant VAT returns are timely submitted (on 10 April, 10 May, and 10 June, respectively) and that the taxable persons do not fall under certain exclusions. The VAT legislation was amended on 9 February 2021 to assist assisting businesses to manage their cash flow due to COVID-19. The amendments relate to the deferral of payment of VAT for periods ending 31 December 2020 and 31 January 2021. The VAT payment for these periods is due in three equal installments on the following dates: – 10 April 2021 – 10 May 2021 – 10 June 2021 The deferral of payment of VAT due only applies to periods ending on 31 December 2020 and 31 January 2021, provided that: – The relevant VAT returns are timely filed (10 February and 10 March, respectively) – Taxpayers do not come within categories specified in the amending law. Businesses may need to confirm their economic activity	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			code with the tax department to check whether they fall under the specified categories. If the conditions are met and the amount due is paid in three equal installments by 10 April 2021, 10 May 2021, and 10 June 2021, neither administrative penalties nor interest will be levied. Legislative amendments approved 29 April 2021 allow taxpayers to settle overdue tax debts by reducing their turnover for 2020 (compared against 2019) by 25%. Tax debts eligible to be settled concern those for the period 1 January 2016 through 31 December 2019. Taxpayers must apply for the relief, and the last day to apply is 29 April 2022 (12 months after the effective date of the law) and the deadline for submitting the related tax returns is 31 December 2021. The ability to settle overdue tax debts does not extend to a new tax debt that may arise in the future even if it relates to the relevant period (e.g., following a tax assessment). This means that the eligible debts are the ones already declared by the taxpayer (or to be declared) by 31 December 2021. There are special rules for unremitted tax installment payments not remitted within the period starting from 1 March 2020 through 31 December 2020. The amendments to the VAT law, also approved on 29 April 2021, allow taxpayers to write off monetary and other penalties (such as the penalty for failure to timely submit quarterly or monthly VAT returns) for periods from March through July 2020.	
Cyprus	Announced	Filing/Payment Deadline Extension	The Ministry of Finance announced its intention of proposing an additional deferral of the due date for value added tax (VAT) payments for businesses	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			facing liquidity problems. The proposed VAT payments for certain months in 2021 would be once again deferred in response to the coronavirus (COVID-19) pandemic. • VAT payments due 10 May, 10 June, and 10 July have already been deferred to 10 August, 10 September, and 10 October, respectively. • Under the proposal, these VAT payments would be further deferred to 10 October, 10 November, and 10 December, respectively. • To be eligible for the VAT payment deferral, VAT returns must be timely filed by 10 August, 10 September, and 10 October, respectively.	

Jurisdictions	Status	Type	Brief description	Source
Czech Republic  **Contact:** Jana Fuksová jfuksova@kpmg.cz	Announced	Business Income Tax	The Ministry of Finance has announced a proposal that would **abolish the immovable property acquisition tax** and cancel the deductibility of interest on new mortgages pursuant to the Income Tax Act. Further changes in this area can also be expected. At present, immovable property acquisition tax is paid by the buyer, amounting to 4% of the tax base, determined specifically according to the manner in which real property has been acquired, i.e. purchase, transfer, auction, or insolvency. The cancellation of interest deductions should neither apply to contracts that have already been concluded nor to contracts that are new but have only been concluded to refinance existing mortgages. Based on information from the Ministry of Finance, the bill should be effective retroactively, on the date it is approved by the government.	KPMG TNF
Czech Republic	Implemented	Filing/Payment Deadline Extension	Tax relief measures generally applicable and not requiring individual application: – **Extended deadline for filing personal and corporate income tax returns** for the 2019 taxable period and the deadline for paying the tax until 18 August 2020 (as extended by the third liberation package). Entities whose tax administrator is the Specialised Tax Authority are excluded – **Health insurance premiums** for March to August 2020 must be paid by 21 September 2020 with no application of penalties. This waiver of penalties for health insurance premiums should apply to late payment of both employers' and employees' premiums. – A general **waiver of penalties and default interest** in respect of income tax (for tax returns for the 2019 tax	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			period with an original filing deadline of 1 April 2020). Corporations with taxable periods other than the calendar year may not make use of the general waiver and must apply for a waiver separately. – **Waiver of interest on deferred tax amount, where the deferment of tax payment was granted upon an individual application -** Taxpayers who based on their individual applications pursuant to Section 156 of the Tax Procedure Code have been granted a deferment/postponement of tax payments or the payment of tax in installments for reasons connected with the outbreak of COVID-19, will have the default interest and the interest on deferred tax amount waived to 31 December 2020, if originated from 12 March 2020 (the beginning of the state of emergency). – **Waiver of income tax prepayments** for payable on 15 June 2020 for calendar year-end taxpayers, without an obligation to file an application. – **General waiver of penalties for the late filing of VAT ledger statements**. – **Waiver of the fine for late submission of VAT Control Statement** o The CZK 1,000 penalty for late submission of the VAT Control Statement will be waived, if it was incurred between 1 March and 31 July 2020. o If a fine for the VAT Control Statement (in connection with COVID-19) has been waived upon individual request, the fine for late submission of VAT returns for the same period will also be automatically waived. – **Waiver of penalties for the late filing of VAT returns**: to the extent a penalty relating to a VAT ledger statement has been waived based on an individual application, the penalty for the late filing of a VAT return for the same	KPMG Global and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			period shall also be waived automatically, on the condition that the payer files a VAT return no later than on the date a late VAT ledger statement is submitted. – **Waiver of penalties for the late filing of immovable property acquisition tax returns** and related default interest for the late payment of tax or its prepayment until 31 December 2020. This applies to all tax returns with a filing deadline between 31 March and 30 November 2020. – **Waiver of selected administrative fees applicable to customs if filed by the end of 2020** – **Waiver of penalty for late filing of a notice of tax-exempt income** - The third liberation package also waives the penalty for the failure to notify the tax authority of tax-exempt income received by individuals in 2019, as long as such a notice is given by 18 August 2020 at the latest. – Waiver of penalty for late filing by employers of **withholding tax statements for 2019** where the statement should have been filed with the tax administrator by 31 May 2020. – Waiver of sanctions connected with late filing of an additional personal income tax return for 2018 and late payment of additionally assessed tax for 2018 where the reason for filing the additional tax return for 2018 was a change in the manner of deducting expenses in the course of 2019 or the start of keeping accounts or tax records. The above sanctions will be waived as long as the additional tax return for 2018 is filed and the tax paid by 18 August 2020 at the latest. On an individual basis, it is possible to apply for a **waiver of default interest, interest on the deferred sum and other penalties** for the late filing of VAT ledger statements if a causal relationship with the coronavirus can be sufficiently proven.	

Jurisdictions	Status	Type	Brief description	Source
			For **self-employed** individuals, among other measures, the filing of annual statements of income, expense and premiums paid for health and social security (pension and state employment policy contributions) purposes is postponed until 3 August 2020. The General Financial Directorate (GFD) published guidance that allows taxpayers to apply for a **postponement of advance payments** or **for paying the tax in installments** regarding certain types of withholding tax and for individual (personal) income tax on "dependent activities." Taxpayers can apply for this relief with regard to withholding tax that is due between 31 March and 31 August 2020 and concerning dependent activities for the period from February to July 2020. However, the postponement is available until 30 September 2020. The Ministry of Finance adopted the "Tax liberation package", with additional tax relief measures for those operating in the retail and services sectors and that had to close their business premises beginning 22 October 2020. The tax relief relates to the road tax, income tax prepayments, and default interest related to VAT. To claim the tax relief, more than half of the taxpayer's income must derive from activities that were banned or curtailed by the government's emergency measures. Taxpayers who fulfil certain conditions and have notified the tax authority are entitled to claim the following relief: — default interest relating to VAT for the September 2020, October 2020 and November 2020 taxable periods or VAT for the third quarter of 2020 taxable period, if the VAT to which default interest relates is paid no later than on 31 December 2020	

Jurisdictions	Status	Type	Brief description	Source
			— road tax prepayments for the 2020 taxable period payable on 15 April 2020, 15 July 2020, 15 October 2020 and 15 December 2020 — income tax prepayments payable in the period from 15 October 2020 to 15 December 2020. Requests for relief concerning the road tax and income tax prepayments do not waive the tax itself, and the relief concerning VAT does not cover the late filing of a tax return—both VAT returns and VAT ledger statements still have to be filed within the statutory deadlines. The Ministry of Finance announced that default interest on certain taxes for taxpayers in qualifying industry sectors and certain administrative fees will be waived. The waiver of default interest only applies for qualifying taxpayers when the "prevailing portion" of their revenue between 1 June 2020 and 30 September 2020 was generated from activities that were limited or restricted by government decree or action between 22 October 2020 and 31 March 2021. For these taxpayers, the following shall be waived: – default interest on VAT for the taxable period of September, October, November and December 2020, and January, February and March 2021, or for the taxable period of the third and fourth quarter of 2020 and the first quarter 2021; – default interest on road tax for the 2020 taxable period The waiver applies also to administrative fees for applications for a waiver of default interest or interest on deferred tax amount, for deferment of tax payment or payment of tax in installments, for tax debt-free or personal tax account balance confirmations, as well as to selected applications in the customs area, if filed between 1 January and 16 August 2021.	

Jurisdictions	Status	Type	Brief description	Source
			Finally, default interest and interest on deferred tax amount where the deferment of tax payment or payment of tax in installments was granted for reasons connected with the outbreak of COVID-19 are also waived upon an individual application. The waiver remains valid until 16 August 2021. In April 2021, the Ministry of Finance announced that under certain conditions, penalties for the late filing of income tax returns for the 2020 tax period (and related default interest and interest on the deferred tax amount) will be waived. The relief applies for both corporate and individual (personal) income tax returns for the 2020 tax period if the returns are filed no later than 3 May 2021 (or by 1 June 2021 if filed electronically).	
Czech Republic	Proposed	Filing/Payment Deadline Extension	The Government approved draft legislation which would **reduce the penalties applicable to late payments of social security premiums** levied by employers in the amount of 24.8% of their employees' wages (employer's premiums) **payable for the calendar months of May to July 2020**. If the due premium is paid not later than by 20 October 2020, the employer will be required to pay only 20% of the standard penalty for late payment stipulated by the Insurance Premiums Act. The reduced penalty will thus correspond to approx. 4% interest rate per annum. To be eligible for this relief, the employer would be required to make a timely payment of the part of the social security premiums for employees (that is, the amount for the relevant month, by the 20th day of the following calendar month). Thus, employers would still be required to submit reporting overviews and pay premiums for their employees by the regular deadlines. A tax package now being discussed at the senate proposes the possibility to postpone, by a governmental decree, the deadline for meeting obligations associated with the automatic exchange of information with another member	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			state, in line with the EU Commission's proposal to postpone deadlines for reporting selected cross-border arrangements (**DAC 6**) and for exchanging information about financial accounts (**DAC 2**).	
Czech Republic	Proposed	Loss Relief	The chamber of deputies passed the Ministry of Finance's proposed amendment to the Income Tax Act introducing the option to utilize tax losses retrospectively for up to two years, or prospectively for up to five years. **Tax loss carryback** - Under the bill's transitional provisions, taxpayers may deduct an estimated tax loss, solely in the period immediately preceding the taxable period for which the loss may be first carried back. This means that taxpayers with a calendar-year taxable period may deduct the expected loss for 2020 in their tax return or additional tax return for 2019. Once the tax loss is actually determined, i.e. upon filing the tax return for 2020, the standard procedure under the amended act shall be followed, i.e. the tax base for two preceding taxable periods may be reduced by the tax loss actually assessed. However, if taxpayers overestimate the tax loss, they would have to file an additional tax return, settle the tax underpayment and pay related default interest under the Tax Procedure Code. If they underestimate the loss, they could still file an additional tax return and claim the difference, as they would end up with a tax overpayment. There is a limit of CZK 30 million to the amount that may be carried back, and the same limit applies to the first taxable period in which an estimated tax loss may be utilized. **Tax loss carry forward** - A tax loss may also be claimed in taxable periods, or periods for which a tax return is being filed, that commenced within five years after the end of the period for which the tax loss has been ascertained. The five-year deadline shall end on the elapse of the last day of the sixth year.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			If the calendar year 2020 is used as a taxable period, the six-year deadline to claim the loss assessed for the current year shall elapse on 31 December 2026, meaning that the tax loss may be last claimed in the taxable period of the year 2026. **Waiver of the right to claim loss -** The bill also introduces the possibility to waive the loss carry-forward. The waiver has to be made within the deadline for filing the tax return for the period in which the tax loss has been assessed. The waiver applies to all subsequent periods in which the loss may be deducted, and covers the whole amount of the tax loss; this means that it is not possible to waive just a portion of a tax loss, and taxpayers will also lose the possibility to deduct any additionally assessed loss in the event of a tax inspection. The waiver does not affect the right to carry back tax losses. The purpose of the waiver is to limit the deadline for assessing tax: since the tax loss can no longer be deducted from the tax base, the deadline for assessing tax for the period when the tax loss was assessed or for subsequent periods shall not be extended. **Tax loss upon business transformations** - The proposed wording does not allow to carry back losses taken over upon business transformations and transfers of a business establishment. Tax losses also cannot be claimed (or carried back) if there was a substantial change in the persons directly participating in the taxpayer's capital or control; this shall not apply if the taxpayer proves that at least 80% of revenues after such substantial change have been generated from the same activity. **Tax loss of investment incentives' recipients** - For investment incentives' recipients, there will be a special regulation of loss carry back. Taxpayers claiming tax relief on	

Jurisdictions	Status	Type	Brief description	Source
			the grounds of granted incentives will have to meet special conditions.	
Czech Republic	Implemented	VAT and other indirect taxes	Free delivery of goods and provision of services to the bodies of the Integrated Rescue System, the army, healthcare providers and social services facilities are exempted from VAT. Exempted supplies include, for example, free medical goods or provision of refreshments to these entities, their employees, clients and volunteers working for them. The waiver applies until May 17, 2020 (unless extended). Waiver of VAT on gratuitous supplies of basic protective tools, namely face masks, respirators, disinfectants and other listed items (or gratuitous supplies of goods intended for the production of such) where the duty to report tax originated between 18 May 2020 and 31 July 2020. The Minister of Finance has decided to waive VAT on supplies of in-vitro diagnostic medical devices for COVID-19 testing and COVID-19 vaccinations. The decision shall be in effect from 16 December 2020 to 31 December 2022 and has been published in Financial Bulletin No. 35/2020. Moreover, the ministry decided to waive VAT on supplies of respirators and filtering half masks from 3 February 2021 to 3 April 2021.	KPMG TNF and KPMG TNF
Czech Republic	Proposed	VAT and other indirect taxes	The chamber of deputies passed an anti-crisis tax package involving a **reduction of the VAT rate** from 15% to 10% for accommodation services, entrance fees for cultural and sports events and to sports centres (including ski lift passes), saunas and other similar facilities. The government also proposes to extend the definition of an extraordinary event to allow municipalities to **exempt certain real property from real estate tax**.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Denmark **Contact:** Peter Rose Bjare peter.bjare@kpmg.com	Proposed	Accelerated Refund	Loss-making companies may get a tax credit for their R&D costs. Usually, the tax credit is paid in November when the final tax for the companies has been assessed. With the new agreed measure, the payment has been advanced so that 2019 tax credits will be paid in June 2020 instead of in November 2020. The monetary limit of the R&D costs of DKK 25 million has not been amended.	**KPMG TNF**
Denmark	Proposed	Filing/Payment Deadline Extension	The Government is considering the introduction of the following measures: – A **four-month deferral of payment deadlines** for "A-tax" and labor-related contributions for liabilities arising during the months of April, May, and June 2020 (but no changes to the deadlines for reporting A-tax and labor contributions) – The payment of "B-tax" for self-employed persons for April is to be postponed from 20 April 2020 to 20 June 2020. Similarly, payment of B-tax for May 2020 is to be deferred from 20 May 2020 to 20 December 2020. – A one-month delay of the deadlines for the **declaration and payment of VAT for certain entities** (typically large companies) that are on the monthly reporting and paying basis (the declaration period will be the 25th day of the second month following the end of the tax period for the tax periods from March 2020 to May 2020) – Companies subject to **quarterly VAT** reporting are granted an **extension until September 1, 2020** to state the VAT for the first and second quarters (Q1 and Q2) of 2020. – A temporary **increase** to the amount of **credit balance in the tax account** (the current limit of DKK 200,000 that the companies may have in the tax account, on March 17, 2020 was proposed to	**KPMG TNF** and **KPMG TNF** and **KPMG Global** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			be increased to DKK 10 million, until 30 November 2020). According to a new agreed measure, the limit was further increased to DKK 100 billion and would cease to apply during the period from early May 2020 until 1 April 2021. In February 2021, the Danish parliament put forward a proposal for a number of initiatives to strengthen the liquidity of the Danish business sector: – Postpone the payment deadlines for "A-tax" and social security contributions for all businesses for a period of four and one-half months – Extend "loan arrangements" (effectively, a refund of tax in the form of an interest-free loan) for the payment of A-tax for small and medium-sized enterprises (SMEs) – Allow a similar VAT "loan arrangement" for SMEs	
Denmark	Implemented	Filing/Payment Deadline Extension	The Danish Minister for Taxation on 31 March 2020 announced a **postponement of the tax return deadline** for FY 2019, as well as the **contemporaneous transfer pricing documentation**, which must be ready no later than at the time for submission of the tax return. Companies with a tax return due date for the income year 2019 on the 31 March 2020 or later, all have their due date postponed to 1 September 2020. For financial years that follows the calendar year this means a two-month postponement from 30 June to 1 September 2020. The deadlines are **extended automatically**. There is no need for taxpayers to apply for an extension to 1 September 2020.	KPMG TNF and KPMG TNF
Denmark	Implemented	PE and Place of Management	Danish and Swedish authorities provided guidance to help commuters in the Øresund region who apply the Øresund Agreement for both tax and social security:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Taxation of salary income For commuters using the Øresund Agreement on taxation, there will be no difference in the way that workdays from home will be viewed in relation to the Øresund Agreement. Accordingly, during the COVID-19 lockdown period many of the employees who apply the Øresund agreement in 2020 will not be able to fulfil the requirement of more than 50% of their workdays in the employment country, and consequently split taxation between Denmark and Sweden will be applicable for this period. For employees living in Sweden and working in Denmark, split taxation will in many cases lead to a lower overall taxation of the employment income. For employees living in Denmark and working in Sweden, split taxation may be a disadvantage if they are covered by Swedish social security. In that case, the part of the employment income that is taxed in Denmark instead of Sweden will be taxed according to the normal Danish rates up to approximately 55% instead of the lower Swedish flat tax rate of 25% ("SINK" taxation). **Social security** In the beginning of the COVID-19 lockdown, the social security authorities in both Denmark and Sweden stated that the applicable social security, in particular the Øresund Agreement on social security, would not be affected by the lockdown when an employee works from home. The likelihood of a different work pattern affecting the applicable social security is thus minimal, and as such, employers will not be required to register for payment of social security contributions in another country. **Likelihood of creating a permanent establishment – working from home or place of effective management**	

Jurisdictions	Status	Type	Brief description	Source
			When an employee is working from home, it is generally relevant to examine if this work from home could create a PE and corporate taxation for their foreign employer in the country of residence of the employee. According to the OECD Analysis and the Danish guidelines (Styresignal), the situation does not in itself mean that a PE will be created due to working from home during the COVID-19 lockdown. However, it is worth noting that if the conditions regarding a PE due to a home office were present prior to the lockdown, the likelihood will remain unchanged. The same applies to the evaluation of place of effective management of the company.	
Denmark	Proposed	VAT and other indirect taxes	According to additional measures agreed, certain companies may be **refunded their VAT payment as an interest-free loan**. – Companies liable for VAT with an annual revenue of less than DKK 5 million that paid VAT for the second half of 2019 at 2 March 2020 and – VAT-liable companies with an annual revenue between DKK 5 million and DKK 50 million that paid for Q4 2019 at 2 March 2020. Further, VAT-exempted entities subject to payroll tax under the so-called "method 4" (e.g., passenger transport companies, dentists, and doctors) that paid payroll tax for Q1 2020 no later than 15 April 2020 may have the amount of tax returned to them as a "loan," plus a quarterly share constituting ¼ of the taxable profit for 2019. The loan must be repaid on or before 1 April 2021. There is a condition that to be eligible for this "loan," the company is not undergoing any restructuring, bankruptcy proceedings, liquidation or forcible settlement. Furthermore, any arrears of taxes owed will be set off against the payment. Companies may request the loan from 4 May until 15 June 2020. In total, the interest-free loans may amount to DKK 35 billion.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Dominican Republic  **Contact:** Marco A. Bañuelos mbanuelos@kpmg.com	Implemented	Business Income Tax	The Dominican Tax Authority (DGII) has provided that complementary payments made by employers, in favor of employees currently benefiting from contributions to the Employee Solidarity Assistance Fund (FASE), would be deductible, for corporate income tax purposes.	KPMG TNF
Dominica Republic	Implemented	Customs/Import and Other Miscellaneous Taxes	The Ministry of Finance has instructed the DGII and the General Customs Direction to grant a temporary exemption on tariffs on the import of certain medical products.	KPMG TNF
Dominican Republic	Implemented	Filing/Payment Deadline Extension	Tax relief measures recently implemented: – **Extending** the **deadline** for filing and paying obligations related to income tax and the "simplified tax regime" to April 30, 2020 or May 29, 2020 (depending on the type of tax) – Allowing taxpayers to pay the additional tax owed after having filed their income tax returns in four **installments** (interest free) – Allowing installment payments of VAT owed for February 2020 – Allowing **installment payment arrangements** up to 3 consecutive months for **VAT and Excise tax** corresponding to the March 2020 period (which shall be filed by April 2020) – Providing **relief from penalties and interest** for taxpayers with outstanding tax obligations	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– An exemption on **payment of advanced corporate income tax** corresponding to the March 2020 period (originally due 15 April 2020) for certain taxpayers – An **extension of the deadline for payment arrangements due for the months of April, May, and June 2020**, with simultaneous application of a 50% discount on such payment arrangements (this relief is not available with regard to the VAT return for February 2020 or the corporate income tax return for taxpayers with a 31 December year-end) The DGII has extended the due dates for filing various tax returns and for making certain tax payments as follows: – The due date for filing certain information returns, originally due 30 March 2020, is now 30 April 2020. – Payments of taxes related to certain gaming activities, originally due 7 March 2020, are now due 7 July 2020. – The **withholding tax return** that was originally due to be filed on 13 April 2020 is now due 24 April 2020. – **Individual income tax returns and the returns of "undivided estates"** that were originally due 30 April 2020 are now due 29 May 2020. – The first **payment of the corporate income tax** for taxpayers under the "simplified tax regime" (RST) originally due 30 April 2020 is now due by 29 May 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The **second payment of the asset tax for legal entities** with a fiscal year ending 30 June was originally due 30 April 2020, but is now due by 29 May 2020. With respect to the **customs relief measures**, penalties that normally would be imposed for the late filing of import returns may be waived, provided that a written request is filed with the DGA. The DGII has provided additional tax relief measures: – An exemption from the first installment of the **asset tax** (due 29 June 2020) by certain small and medium sized enterprises that maintained "regular operations" during the course of fiscal year 2019 – An extension of the tax return filing due date for the corporate income tax return (filed on IR-2 form) to 29 June 2020 (originally due 29 May 2020) – An extension of the tax return filing due date for the individual and undivided estates income tax return (filed on IR-1 form) to 29 June 2020 (originally due 29 May 2020) – An extension of the tax return filing due date for the income tax return filed by individuals with sole proprietorships to 29 June 2020 (originally due 29 May 2020) – An extension of the asset tax payment deadline to 29 June 2020 (originally due 29 May 2020) – An extension of the deadline for making advance payments of corporate income tax to 31 August 2020 (for installments originally due 30 June 2020), to 30 October 2020 (for installments originally due 30 September	

Jurisdictions	Status	Type	Brief description	Source
			2020) or 31 December 2020 (for installments originally due 30 September 2020) The tax relief also allows for payments of income tax by companies, individuals, and sole proprietorships to be made in four equal, consecutive installments and relief with regard to the first installment (due 15 June 2020). However, the tax authority has determined that taxpayers that owe a payment of advance corporate income tax for June 2020 (due on 15 July 2020) are "exempt" from this installment. The payment of individual income tax and corporate income tax can be made in four equal installments. Some deadlines do not change (for example, the due date for payment of the second installment of the asset tax for companies with a fiscal year ending 31 December remains 29 May 2020 and the due date for filing information returns on related-party transactions remains 29 June 2020). Additional measures provided by the **Tourism Recovery Plan**: – As of September 1, 2020, 35% reduction would apply to the Advance Price Agreements (hereinafter, "APA") rate, concerning the September-November period of 2020. – An exemption on the advanced Corporate Income Tax ("CIT") payments has been granted for the tourism sector, for a 6-month period. – An Asset Tax ("AT") exemption has been granted for the tourism sector, until June 2021. Provisions set forth by the **Complementary Budget Bill, No. 222-20**: – The Asset Transparency and Revaluation Law, No. 46-20, has been amended as to provide the following:	

Jurisdictions	Status	Type	Brief description	Source
			o A tax amnesty has been set forth, which would allow taxpayers to settle CIT and VAT liabilities, concerning FYs 2017, 2018 and 2019, by paying a 3.5% tax on the average of the net operating income declared during the aforementioned FYs. o Tax liabilities currently under appeal, either before the Dominican Tax Authority ("DGII") or a Tax Court, may be settled by a single payment of 70% of the corresponding tax liability, thus eliminating the surcharges and interest fees. o One 100% of surcharges will be eliminated from the tax liabilities arising from ordinary declarations, self-assessments and voluntary amendments. – The social assistance programs, worker income maintenance programs and job protection currently in force would be extended, until December 2020, due to the COVID-19.	
Dominican Republic	Implemented	Transfer Pricing	The DGII has implemented measures that will temporarily cease to apply the corresponding rate of **APA**s on the hospitality industry.	KPMG TNF
Dominican Republic	Implemented	VAT and other indirect taxes	The Ministry of Finance has instructed the DGII and the General Customs Direction to grant: – a full exemption on the import VAT customarily charged for raw materials, industrial machinery and capital goods for industrial application, listed in Article 24 of Law No. 557- 05; as well as other capital goods and raw materials, provided they have a zero percent tariff.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– temporary exemption on VAT, for the import and sale of the certain medical products	

Jurisdictions	Status	Type	Brief description	Source
Ecuador  **Contact:** Karina Rubio krubio@kpmg.com	Implemented	Business Income Tax	The following tax relief measures have been introduced: – A regime for "self-withholding" of income tax at a rate of 1.75% of monthly taxable income has been established for financial entities and entities that provide mobile phone services – A "self-withholding" income tax at a rate of 1.5% of monthly taxable income has been established for entities involved in exploration and exploitation of non-renewable resources and hydrocarbons, including entities that transport crude oil	KPMG TNF
Ecuador	Implemented	Filing/Payment Deadline Extension	Tax relief measures recently implemented: – Payment of corporate income tax for fiscal year 2019 and VAT for the months of April, May, and June 2020 can be deferred and paid in six installments by certain taxpayers – An extension of certain tax formal obligations and compliance deadlines.	KPMG TNF
Ecuador	Implemented	Suspension of Tax Audits	The terms of all tax administrative processes and the statutes of limitation for collection actions are suspended from March 16 to March 31 (both days included).	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Egypt  **Contact:** Ahmed Salah asalah@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Tax Authority has extended the filing deadline (March 31, 2020) for the income tax return for individuals to April 16, 2020. However, there has been no announcement of extended deadlines for filing corporate income tax returns. Corporate taxpayers, therefore, must file an extension request. The tax authority is also allowing taxpayers the option of remitting tax payments either electronically or through bank cheques.	KPMG TNF
Egypt	Announced	Individual Income Tax	The **capital gains tax** realized by Egyptian tax residents from disposals of securities listed on the Egyptian stock exchange would be deferred until 31 December 2021 (from the current "on hold" date of 16 May 2020). For non-residents, such capital gains are permanently exempt from tax. The rate of stamp tax imposed on total proceeds realized by tax residents of Egypt from the buying and selling of listed securities is reduced to 0.05% (from 0.15%), and the rate of stamp tax imposed on the total proceeds realized by non-residents from the buying and selling of listed securities is reduced to 0.125% (from 0.15%). All "spot transactions" are exempt from stamp tax.	KPMG TNF
Egypt	Implemented	Suspension of Tax Audits	The Egyptian tax authority issued instructions regarding the mechanism for lifting tax liens. A tax lien shall be lifted when a taxpayer is committed to the following: – Paying 1% of the value of the due amounts pertaining to the tax lien in certain cases of indebtedness – Paying 5% of the value of the indebtedness pertaining to the tax lien in case it is payable pursuant to the decree taken by certain Committee – The remaining tax due must be paid on installments within a period of not less than 2 years	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Egypt	Announced	WHT	It was announced that the rate of withholding tax imposed on dividend distributions made by companies listed on the Egyptian stock exchange would be reduced to 5% (from 10%) when the dividends are paid to both tax residents and non-residents.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
El Salvador  **Contact:** Flor de María Jaime fjaime@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Government officials have introduced the following tax relief measures: – The date for making the **corporate income tax payment is extended for 30 days** (to 31 May 2020) without a penalty or interest being imposed regarding taxpayers that have a tax liability of less than US$10,000. There is no extension to the date for filing the tax return. – The date for **corporate income tax payment is extended** without a penalty or interest being imposed for taxpayers involved in the **energy sector** or for taxpayers that provide **television services, residential and commercial internet services**, and **fixed and mobile telephone services**, as long as these taxpayers request to make installment payments of tax, with the first installment beginning 31 May 2020. There is no extension to the date for filing the tax return. – The payment date for remitting **advance income tax for the months of March, April, and May is extended** without a penalty or interest being imposed on taxpayers that provide television services, residential and commercial internet services, and fixed and mobile telephone services, as long as they request an installment payment.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
European Union Contact: Raluca Enache enache.raluca@kpmg.com	Implemented	Business Income Tax	On April 3, 2020, the EU Commission (EC) announced the adoption of an amendment to the Temporary Framework which, among others, would extend it to the support for coronavirus related R&D.	KPMG TNF
European Union	Announced	Business Income Tax	In July 2020, officials of the EU agreed on a recovery package to address certain consequences of the pandemic. Among the provisions: – Tax would be imposed on non-recyclable plastic in the EU as of 1 January 2021. The measure would be intended to encourage the reuse of plastic. EU Member States would be required to collect the tax, with revenue to be remitted to the EU. The tax would be calculated on the basis of the weight of non-recyclable plastic packaging waste, at an expected rate of €0.80 per kilogram. – There are plans to impose a levy on carbon dioxide (CO_2) at the EU level, beginning 2023. This levy would be a "border adjustment." Currently, it is uncertain whether it would be a tax. The EU would allow for the taxation of products that are imported from countries without a climate policy. Proposed legislation is expected at the end of 2021. – The EU has had an emission trading system for CO_2 since 2015. Heavy industry and companies in the energy and EU aviation sectors are required to buy rights for each ton of CO_2 emitted. The emission trading system may be extended to maritime shipping, and the "free rights" for the aviation industry may be phased out.	KPMG TNF
European Union	Implemented	Customs/Import and Other	The EC has taken steps to protect the availability of supplies of personal protective equipment (PPE), by	KPMG TNF

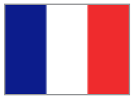
Jurisdictions	Status	Type	Brief description	Source
		Miscellaneous Taxes	requiring that exports of such equipment outside the EU are subject to an **export authorization** by Member States. The EC has also temporarily waived customs duties on the import of medical devices, and protective equipment, from third countries in order to help in the fight against coronavirus. On July 20, 2020, the EC announced that that certain countries (identified as Haiti, Madagascar, Senegal, and Vietnam) are allowed more time to comply with the "registered export" (REX) system because of the coronavirus COVID-19 pandemic. Accordingly, these countries where the REX system could not be deployed or used due to the pandemic are allowed another extension of the transition period to 31 December 2020.	and KPMG TNF and KPMG TNF
European Union	Implemented	Filing/Payment Deadline Extension	On April 3, 2020, the EC announced the adoption of an amendment to the Temporary Framework which, among others, would extend it to targeted support in the form of deferral of tax payments and/or suspensions of social security contributions. On June 24, 2020, the EU Council announced that it has adopted an amendment to the Directive on Administrative Cooperation (DAC) allowing EU Member States an option to defer the time limits for: – Automatic exchanges of information on financial accounts of which the beneficiaries are tax residents in another Member State—i.e. the EU common reporting standard (CRS) for reporting financial institutions (DAC2), and – Filing and exchange of information with respect to mandatory disclosure requirements (MDRs) for intermediaries and relevant taxpayers under the Directive DAC6.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			With respect to **DAC6**, the amendments as adopted give EU Member States the option to delay the deadlines for filing information on reportable cross-border arrangements by up to six months, as follows: – By 28 February 2021 (previously 31 August 2020) for arrangements the first step of which was implemented between 25 June 2018 and 30 June 2020 (so-called "historical arrangements") – The start date for the 30 days reporting deadline to begin by 1 January 2021 (originally 1 July 2020), including with respect to cross-border arrangements for which the reporting trigger occurs between 1 July 2020 and 31 December 2020 – The new deadline for the first periodic report on marketable arrangements will be 30 April 2021 The EU Council's announcement notes that the optional deferral is in response to the severe disruption to the activities of many financial institutions, tax advisers, and tax authorities caused by the COVID-19 pandemic and lockdown measures. The amendment provides the possibility for the Council to extend the deferral period once, for a maximum of three further months. Any extension would depend on the evolution of the pandemic and would be subject to strict conditions. The amendment entered into force on the day after its publication in the Official Journal of the EU, on June 26, 2020.	
European Union	Proposed	Filing/Payment Deadline Extension	The EC also proposes a **delay of the entry into application of the VAT e-commerce package** by six months—that is, the rules would apply as of 1 July 2021 instead of 1 January 2021. The EU Council initiated a procedure concerning the EC proposal in July 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
European Union	Implemented	VAT and other indirect taxes	The EU Commission has temporarily waived VAT on the import of medical devices, and protective equipment, from third countries in order to help in the fight against coronavirus. Some countries in Europe have changed their VAT rates in response to the pandemic. Please read the report "*EU: Effects of and considerations about VAT rate reductions*" prepared by KPMG member firm in Switzerland for insight on ERP (enterprise resource planning) considerations that tax functions of a business need to examine. On December 7, 2020, the EU Commission issued a release concerning VAT relief measures allowing EU Member States to provide a complete VAT exemption for EU hospitals, medical practitioners, and individuals when acquiring COVID-19 vaccines and testing kits, which is not allowed under current rules. The new rules will apply from the day after their publication in the Official Journal of the EU and will remain in place until the end of 2022, or until an agreement is reached on the EC's pending proposal for new rules on VAT rates, whichever is earlier. The EU Council on 13 July 2021 adopted Directive 2021/1159 to amend the EU value added tax (VAT) Directive regarding temporary exemptions for imports of certain supplies in response to the coronavirus (COVID-19) pandemic. The so-called "buy and donate" directive is intended to make it easier for the European Commission and EU agencies to buy goods and services in order to distribute them free-of-charge to EU Member States. Therefore, the VAT exemption would be available with regard to purchases made by an EU	**KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			body for both official use and for donations to EU Member States, health authorities or hospitals. The "buy and donate" directive has a retroactive effective date of 1 January 2021.	
European Union	Proposed	VAT and other indirect taxes	On April 12, 2021, the Commission proposed to exempt from VAT certain goods and services made available by the Commission and EU bodies and agencies to EU Member States and citizens during the coronavirus (COVID-19) pandemic. Once in place, the new measures would allow the EC and other EU agencies to import and purchase goods and services VAT-free when those purchases are being distributed during an emergency response in the EU. The recipients could be EU Member States or third parties, such as national authorities or institutions (for example, hospitals or a national health or disaster response authority). According to an EC release, goods and services covered under the proposed VAT exemption would include: – Diagnostic tests and testing materials and laboratory equipment – Personal protective equipment (PPE) such as gloves, respirators, masks, gowns, disinfection products, and equipment – Tents, camp beds, clothing, and food – Search and rescue equipment, sandbags, life jackets, and inflatable boats – Antimicrobials and antibiotics, chemical threat antidotes, treatments for radiation injury, antitoxins, iodine tablets – Blood products or antibodies	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Radiation measuring devices – Items used in development, production, and procurement of "necessary products," research and innovation activities, strategic stockpiling of products and used in pharmaceutical licences, quarantine facilities, clinical trials, and disinfection of premises	

Jurisdictions	Status	Type	Brief description	Source
Fiji  **Contacts:** Lisa Apted lapted@kpmg.com.fj	Implemented	Business Income Tax	Tax measures in the 2020-2021 budget include extensions of certain relief measures that were provided in response to the COVID-19 pandemic. Among the income tax-related relief provisions are items that: – Increase the thin capitalization debt-to-equity ratio from 2:1 to 3:1 – Make permanent the 100% write-off on the purchase of fixed assets (up to $10,000*) used for business purposes – Make permanent the 100% write-off on the construction of a new commercial and industrial building and no longer require prior approvals – Extend a tax deduction for landlords that grants a reduction of commercial rent (for the period 1 April 2020 through 31 December 2021) – Make permanent the ability to remit advance tax payments in nine installments – Continue penalty-waiver relief for a three-year period – Extend an income tax exemption for debt forgiveness (for debts forgiven during the period 1 April 2020 through 31 December 2021) – Introduce new medical investment incentives – Allow the fringe benefits tax to be deductible for tax purposes	**KPMG TNF**
Fiji	Implemented	Filing/Payment Deadline Extension	Tax measures in the 2020-2021 budget include extensions of certain relief measures that were provided in response to the COVID-19 pandemic. Among other measures: – Make permanent the ability to remit advance tax payments in nine installments – Continue penalty-waiver relief for a three-year period	**KPMG TNF**
Fiji	Implemented	VAT and other indirect taxes	Tax measures in the 2020-2021 budget concern indirect tax, including provisions that: – Repeal of the service turnover tax (previously imposed at a rate of 6%)	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			– Reduce the rate of the environmental and climate adaptation levy (ECAL) to 5% (from 10%) – Increase the ECAL turnover threshold increased to $3 million (from $1.25 million) – Further delay of the value added tax (VAT) monitoring system to 1 January 2022 – Repeal the VAT reverse-charge mechanism on supplies received from abroad – Allow a VAT exemption for the supply of residential accommodation	

Jurisdictions	Status	Type	Brief description	Source
France **Contacts:** Marie-Pierre Hoo mhoo@kpmgavocats.fr Patrick Seroin Joly pseroinjoly@kpmgavocats.fr	Implemented	Accelerated Refund	Guidance has been given within the tax administration to accelerate the refund of the following tax credits and receivables: – VAT credits – Tax credits refundable in 2020 (with no need to wait for the filing of the tax return) On 2 March 2021, the Ministry of Economy and Finance announced new measures intended to provide relief to companies encountering financial challenges. A program allowing expedited or accelerated refunds of corporate income tax credits in 2020 is continued into 2021. Under this process, companies benefiting from a tax credit that is refundable in 2021 can obtain the corresponding refund without having to wait to file their tax return. The Ministry of Economy and Finance specified that this expedited refund mechanism concerns all tax credits that are refundable in 2021, and, in particular, tax credits that were enacted or granted since the beginning of the pandemic (such as the tax credit granted to lessors waiving their rent receivables or the energy renovation tax credit for small and medium-size entities for fiscal year 2020). Accordingly, the expedited credit refund process also applies to: – CICE (competitiveness and employment tax credit) – CIR/CII (R&D tax credit) – Tax credit for film production expenses – Tax credit for production expenses for audiovisual works – Tax credit for foreign film and audiovisual production expenses – Tax credit for businesses engaged in live musical or variety shows – Tax credit for phonographic production expenses – Tax credit for video game makers	KPMG TNF and KPMG TNF
France	Proposed	Accelerated Refund	The third "corrective" Finance Bill for fiscal year FY2020 (scheduled to be discussed in Parliament beginning June 29,	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2020) proposes a new measure as support French companies such as an accelerated refund of "carryback receivables". Tax losses incurred during a given fiscal year may, upon election and under certain conditions, be used to reduce the tax liability of the preceding fiscal year, and are in turn converted into a "receivable" against the French government (up to a certain ceiling). In principle, these loss receivables are either: – Offset against corporate income tax due in respect of fiscal years closed during the five years following the fiscal year during which the loss carried back was suffered, or – Refundable if not fully offset after the five-year period **Proposal for relief** French companies subject to corporate income tax, under standard conditions, could benefit from an accelerated refund of the carryback receivables, as follows: – Carryback receivables arising from an election exercised in respect of a prior fiscal year (with a FY closing date, at the latest, of 31 December 2020) would be refundable immediately even if the five-year period (noted above) has not yet lapsed. The new mechanism would only apply with regard to receivables that have not been transferred to a credit institution. – In addition, as regards tax losses realized during the fiscal year ended in 2020, companies would be allowed to elect to apply the carryback mechanism and to request the immediate refund of the corresponding receivable. **Practical implications** – The immediate refund of previously carried back receivables would have to be requested at the latest on the corporate income tax return for FY 2020 by the	

Jurisdictions	Status	Type	Brief description	Source
			return's filing deadline (in principle, the third business day following 1 May if the year-end is 31 December). – As regards tax losses realized during FY 2020, the carryback request could be filed as from the first day following the FY closing date (i.e., based on an estimate with no need to wait for filing the corresponding corporate income tax return) in order to support the taxpayer company's immediate need for cash. However, if the amount refunded were to exceed by more than 20% the amount of the receivable determined on the basis of the final taxable result, as declared in the corporate income tax return filed in May 2021 (for companies closing their fiscal year on 31 December), late-payment interest of 0.2% per month and a 5% late-payment penalty would be applied to the amount of the unduly refunded excess.	
France	Announced	Business Income Tax	The French government may grant **tax rebates** to certain companies facing extreme difficulties as a result of the coronavirus situation. The tax rebate opportunity, however, appears to be limited because rebates generally would be available only with respect to corporate income tax and would be granted on a case-by-case basis after an examination of the company's situation. The difficulties required to benefit from the rebate also appear relatively significant, given that they are described as "companies threatened with disappearance due to the economic impact of COVID-19."	KPMG TNF
France	Implemented	Business Income Tax	**Tax treatment of rental debt waivers granted by lessors** (simplification measure) **For the lessor** - Rental debt waivers related to real estate properties lease agreements are fully tax deductible. - Conditions:	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			o Rental debt waivers granted to professional lessees only (not individuals) who are not considered as related parties with the lessor o Rental fees waivers granted between 15 April and 31 December 2020 o No justification required - Applicable to lessors closing their financial year on or after 15 April 2020 and subject to corporate income tax or personal income tax **For the lessee -** Increase of the €1m ceiling available to offset tax losses by the amount of the rental debt waivers granted between 15 April 2020 and 31 December 2020	
France	Implemented	Customs/Import and Other Miscellaneous Taxes	**Duty-free and tax-free importation of sanitary equipment** – This measure must still be authorized by the EU Commission – Pending such authorization, the French customs authorities allow, upon request (and subject to specific formalities to be complied with), the entry of sanitary equipment, free of duty, subject for the importer to commit to pay import duties and taxes if the authorization is not granted by the EU Commission – The benefit of the exemption is not available to companies that import sanitary equipment for distribution to their staff or for their own activities **Sea grant duties exemption on sanitary equipment** – Applicable on certain products – To sea grant duties to be paid as from 1 April 2020 in territories where the health emergency state is in force	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
France	Implemented	Filing/Payment Deadline Extension	**Postponement tax return filings. As a general principle, all expired deadlines are extended** – This general principle does not apply to tax returns related to the assessment, the computation of the tax base, the settlement and the collection of taxes, duties and fees but postponement measures have been taken by instructions to the tax administration services – However, for entities closing their FY in December 2019, January 2020 or February 2020, the deadline to file the CIT return has been pushed to 30 June 2020. – Possibility to adjust reporting procedures to allow companies to continue to be able to certify that they are up to date with their social and tax obligations (in particular with a view to submit a request before the Commission des chefs des services financiers (CCSF) **Extended filing deadline for 2019 individual income tax returns:** – Online filing: 15 extra days (depending on the residence in France, the deadline is pushed to 4 June 2020 or 11 June 2020) – For paper filers, the new deadline is 12 June (one extra month) **Extended filing deadline for 2019 CIT returns and 2019 categorical income benefits returns** (including tax returns of "Sociétés civiles immobilières" not subject to CIT): – Filing deadline extended to 30 June 2020 o Applicable to fiscal years ending in December 2019, January 2020 and February 2020 o The deadline is also applicable for all tax credits returns	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Extended filing deadline for election to the tax consolidation regime – Filing deadline postponed until 30 June 2020 for fiscal years ending in December, January and February – Possibility to submit the election letters as a signed and scanned PDF document emailed to the FTA via the secure messaging system of the company's tax account (rather than the sending by mail with acknowledgment of receipt) **Extended filing deadline for final returns for the CVAE (business contribution on added value) – form #1329 DEF** – If the company is in a CVAE credit position: the return must be filed on 5 May 2020 – If the company is in a CVAE debit position: the deadline to submit the return is postponed until 30 June 2020 (payment of the CVAE balance amount must be done by the same date and will then be subject to compliance with the commitment to responsibility, if applicable). **Extended deadline to submit election letter for the CIT regime** – An extended period may be granted to submit the election form to the CIT regime (upon request by the company and subject to the justification that it has not the ability to file the option (premises or accounting firm are closed) – If the company is not in such specific situation, it must exercise its option before the end of the third month of the fiscal year in respect of which the company wishes to be subject to CIT for the first time (in case of tax consolidation, this option must be exercised at an early stage)	

Jurisdictions	Status	Type	Brief description	Source
			All companies may postpone, without penalty, the payments of direct taxes due in March, April and May 2020: – Applicable to all direct taxes (CIT and payroll taxes) but not to VAT, indirect taxes or the withholding of the employees' personal income tax levied by employers – The payment is postponed for a period of 3 months – Upon request to the competent tax center without justification by submitting a simplified form; however, "large companies" must commit not to distribute dividends in 2020 – If March/April deadlines are already settled (notably for the first CIT installment), the is the possibility to request a reimbursement from the tax center once the debit has been processed on the bank account **Companies facing serious difficulties may request a tax rebate (that could also be extended to late payment interest and penalties):** – On request by submitting a simplified form to the tax center and upon justification of the impossibility to pay the relevant amounts – This possibility can, on a case by case basis, be extended to VAT for taxpayers subject to the simplified VAT regime **Payment of the 'cotisation foncière des entreprises' (business contribution on property) and the 'taxe foncière' (property tax):** – Upon request to the tax center, the monthly payments can be suspended	

Jurisdictions	Status	Type	Brief description	Source
			– The total amount of unpaid tax will be settled upon final payment, without penalty **The CCSF, under certain conditions, can grant companies in financial difficulties payment deferral plans for tax and social security debts (employers' contributions).** – Conditions: o Be up to date with the filing of tax and social security returns and the payment of employee contributions and personal income tax of employees at source o Not have been convicted for undeclared work – Nature and amount of debts: o All taxes, social security contributions to the exception of the employee social contributions' share and personal income tax of employees at source o No minimum or maximum amount **Payment facilities and measures concerning the temporary storage of goods under suspension of duties and taxes** – Possibility to claim for a deferral of payment to the customs authorities – Specific measures applicable from 27 March until further notice **Postponement of deadline for payment of social security contributions** – Companies with more than 50 employees can defer all or part of the payment of the employee and employer contributions due on 5 April 2020 for up to 3 months. Please refer to the TNF for more details	

Jurisdictions	Status	Type	Brief description	Source
			– Companies with less than 50 employees can also defer the payment **FATCA and CRS** technical guidance have been updated – An extended submission deadline for FATCA reports for the 2019 reportable year to 15 October 2020 – An extended submission deadline for CRS/DAC2 reports for the 2019 reportable year to 15 October 2020 **Temporary softening conditions of VAT returns and payments for March and April 2020** Possibility to pay an 80% down payment or, in the event of total closure or a very sharp drop in activity, a lump-sum payment corresponding to 80%, or even 50% of the VAT due **VAT refund deadline extended to 30 September 2020** The deadline for filing claims for refunds of VAT is being extended to 30 September 2020. Taxable persons established outside the EU and not conducting taxable transactions in France generally can obtain a refund of the amount of VAT charged in France under certain conditions. The claim for a VAT refund must be submitted by a date that is no later than 30 June of the next year. The French tax department with jurisdiction over non-residents, however, has stated in social media posts that because of the COVID-19 pandemic, the deadline for eligible non-residents to file refund claims for VAT paid in 2019 is being extended until 30 September 2020. **Transfer pricing: Documentation and reporting requirements** The annual transfer pricing return (Form 2257-SD) is generally due six months after the filing deadline for the corporate income tax return. Given the extended deadline for	

Jurisdictions	Status	Type	Brief description	Source
			filing the corporate income tax return, Form 2257-SD is now to be filed no later than: – 31 December 2020 (for companies with financial year ended on 31 December 2019, 31 January 2020 and 29 February 2020) – 31 January 2021 (for companies with financial year ended 31 March 2020) In March 2020, France notified the European Commission of an aid measure in the form of a deferral of the payment of civil aviation tax and solidarity tax on airline tickets due on a monthly basis during the period from March to December 2020. The deferral benefitted airlines holding a French license and involved postponing the payment of those taxes to 1 January 2021 and then spreading payments over a period of 24 months (until 31 December 2022). The precise amount of the taxes would be determined by reference to the number of passengers carried and the number of flights operated from a French airport. The EC decided in March 2020 that the deferral of the payment of the taxes was state aid that was compatible with the internal market, in accordance with Article 107(2)(b) TFEU. Pursuant to that provision, aid to make good the damage caused by natural disasters or exceptional occurrences would be compatible with the internal market. An airline challenged this determination, and the General Court of the European Union dismissed this action. The General Court found this aid scheme was "appropriate for making good the economic damage" caused by the COVID-19 pandemic and did not constitute discrimination. The case is: Ryanair DAC v. Commission (T-259, 17 February 2021). On 2 March 2021, the Ministry of Economy and Finance announced new measures intended to provide relief to companies encountering financial challenges.	

Jurisdictions	Status	Type	Brief description	Source
			Greater flexibility for 15 March and 15 June 2021 installments of corporate income tax. French corporate income tax is paid by taxpayers in four quarterly installments, with the positive or negative balance being settled three to four months after the fiscal year-end. The first installment of corporate income tax for 2021—due 15 March 2021 by companies with a fiscal year ending 31 December 2020—can be adjusted under the relief measures. As an exception to general rules, calendar-year companies can compute their first installment of the estimated corporate income tax for the fiscal year ending 31 December 2020 with a 10% margin of error (whereas standard rules provide that the first installment must be, in principle, based on the profits of the penultimate fiscal year (that is, for 2021, the installments would be based on the fiscal year ending 31 December 2019). If the company elects to adjust its first installment of corporate income tax due 15 March 2021, the amount of the second installment that is due 15 June 2021 is to be determined based on the sum of the first two installments if this amount equals at least 50% of the corporate income tax due for the fiscal year ending 31 December 2020. These measures also apply with regard to the 3.3% social contribution on corporate income tax installments due 15 March and 15 June 2021. No specific election formalities are required. This treatment is optional. Companies, therefore, can decide to follow the standard rules for determining the quarterly installments of corporate income tax paid in 2021. Large companies (those companies or corporate groups with more than 5,000 employees or annual revenues greater than €1.5 billion) that elect to apply these relief rules will need to make two commitments: (1) that they will not make any dividend distributions or share buy-backs in 2021; and (2) that their head office or subsidiary without economic substance is not located in a non-cooperative country or territory.	

Jurisdictions	Status	Type	Brief description	Source
			Expedited refund of corporate income credits in 2021	
France	Implemented	Suspension of Tax Audits	The French tax authorities have announced that, in general, **no new tax audits will be started during the COVID-19 "lockdown period"** and that new procedural actions (notifications and assessments) will not be initiated except in specific cases. For **tax audits currently in progress**, companies may consider replying that they are not able to respond to the tax authorities' requests. **Future Tax audits** – The statute of limitation for the French tax authorities normally expiring on 31 December 2020 is suspended until the end of the month following the end of the sanitary emergency o Statutes of limitation will then start running again o Applicable only for the year with a statute of limitation expiring on 31 December 2020 o The time limits of statute of limitation expiring after 31 December 2020 are not affected by the suspension – Suspension, during the same period, of all time limitations for conducting audit and investigation procedures in tax matters: – Applicable to both the taxpayers and the tax authorities – No audit will be initiated during this period – Identical provisions have been ruled for all time limitations applicable to recovery, inspections and tax rulings under the French Customs Code	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
France	Implemented	VAT and other indirect taxes	A reduced VAT rate (5.5% instead of 20%) is applicable to supplies and imports of the following products: – masks and protective suits, – Products intended for personal hygiene. The reduced rate is applicable retroactively for supplies of masks and protective suits as from 24 March 2020 for products intended for personal hygiene as from 1 March, and for imports of such products as from 27 April 2020. However, a decree specifying the list of the eligible products is still pending, in order for operators to be able to benefit from the reduced rate.	KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
Germany  **Contact:** Gerrit Adrian gadrian@kpmg.com	Announced	Business Income Tax	Measures being discussed: – **Increased depreciation** for "digital assets" – An option for corporate income tax for partnerships – **Modification** of the **CFC rules** with an adjustment of the low tax rate	KPMG TNF
Germany	Implemented	Business Income Tax	**Re-introduction of the declining-balance method of depreciation**: for moveable fixed assets acquired or produced in 2020 and 2021 in the amount of up to 25% per year. **Tax incentive for research**: for eligible expenses incurred after 30 June 2020 and before 1 July 2026, the incentive will be granted on an assessment base of up to €4m per enterprise; hence, the maximum incentive amounts to €1m per year (25% of the assessment base). The upper limit of the assessment base until June 2020 is €2m (hence, the maximum incentive up to now €500,000 per year). **Trade tax add-backs**: the allowance for trade tax add-back of financing expenses pursuant will be increased, as of assessment period 2020, from €100,000 to €200,000. **Tax privileged re-investments**: The periods for tax privileged (re-)investments according to Sec. 6b and 7g Income Tax Act is extended for one year. Further, the BMF will be authorized to prolong the period for reinvestments (Sec. 6b In-come Tax Act) by one more year.	KPMG TNF
Germany	Implemented	Customs/Import and Other Miscellaneous Taxes	Donations to institutions responsible for the medical care of the COVID-19 risk groups (e.g., hospital and old people's homes) are exempt from import duties. EU-Code C26 to be stated on customs declaration. Regarding the importation of items for disaster victims of the COVID-19 pandemic crisis, e.g., medical, surgical and	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			laboratory equipment for emergency treatments, Customs has implemented a fast track to accelerate the importation. The importers should use a special code in the customs declaration called 9DFA "Einfuhr von medizinischen Hilfsgütern aufgrund der Corona-Situation". Customs declarations can be submitted in advance (before the goods are presented to the customs authorities) through ATLAS IT-Service in order to ensure a faster clearance. Possibility to apply for a suspension of enforcement measures.	
Germany	Implemented	Filing/Payment Deadline Extension	Relief measures introduced: – **A waiver of enforcement measures or late-payment penalties is to be granted until 31 December 2020**. Enforcement measures (e.g. direct debit into bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus. Late payment-penalties from the period from 19 March 2020 to 31 December 2020 will be waived, older fees will be suspended until 31 December 2020 – **Advance payments of income tax, corporate income tax, and trade tax** may be made "on presentation of circumstances" by taxpayers that can show they are "directly and not inconsiderably affected" by COVID-19. Applications for a reduction of the trade tax base, for purposes of advance payments, can be submitted until 31 December 2020. A corresponding period for deferral applications and applications for adjustment of advance payments for income and corporation tax is also available. – **Deferrals of tax collection** to be facilitated, without the assessment of interest, in particular if the collection would impose a considerable hardship on the taxpayer. Taxpayers may submit applications until 31 December	KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2020 for deferral of taxes already due or becoming due by that date. – **Social security contributions** may be deferred under certain circumstances, however, the deferral period is initially limited until the due date for the contributions for May 2020, i.e. at the end of May 2020 the deferred social security contributions from March and April would then have to be paid – Extension of the deadline for submitting **monthly / quarterly wage tax registrations** during the Corona crisis is possible if the employer is demonstrably prevented through no fault of his own from submitting the wage tax registrations on time (max. deadline extension = 2 months) – **Tax deferrals are to be granted without interest** - Decision on the duration of the tax deferral is made by the competent tax office (individually for each company). Applications for deferral without indication of a requested deferral period are initially granted for three months. Subsequent deferrals are possible until 31 December 2020, taking into account certain special features – Possibility to defer the payment of taxes collected by the customs authorities (e.g. import VAT, energy tax and air traffic tax). (Effective until 31 December 2020) – Possibility to adjust the prepayment of taxes. (Effective until 31 December 2020) The agencies that administer the energy tax and air travel tax as well as VAT were directed to grant appropriate relief measures. Taxpayers seeking to invoke these relief measures need to **submit an application** with the responsible tax office. The **Central Customs Authority** (Generalzolldirektion), which administers e.g. energy duty and aviation tax, grants	

Jurisdictions	Status	Type	Brief description	Source
			interest-free deferral of these taxes until 31 December 2020 upon instruction of the Federal Ministry of Finance. On June 30, 2020, the deadlines for filing **FATCA and CRS returns** for the 2019 reportable period, were extended to 31 October 2020.	
Germany	Proposed	Filing/Payment Deadline Extension	A draft bill presented in the lower house of the German parliament (Bundestag) would extend the tax return deadline for the 2019 assessment period. Specifically, for tax and assessment returns prepared by tax professionals, the bill would allow a longer processing period in light of this exceptional situation, without requiring application or bearing any consequences in the form of late filing penalties or interest. The draft bill provides for a six-month extension of the 2019 tax period, which normally ends at the end of February 2021, unless the tax return was requested beforehand by the competent tax office in the taxpayer's specific case. At the same time, the regular 15-month interest-free grace period would be extended by six months for the 2019 tax period, and would apply equally to interest on refunds and back taxes.	KPMG TNF
Germany	Announced	Individual Income Tax	An increase in the reduction factor for the trade tax credit for individuals is being discussed.	KPMG TNF
Germany	Implemented	Loss Relief	The tax loss carryback (for income tax and corporate income tax) for the years 2020 and 2021 will be increased to €5 million or, in the event of joint assessment, to €10 million. An adjustment (relief) of minimum taxation for loss carryforwards is not foreseen. It shall be possible to utilize the (increased) loss carryback for 2020 already to adjust prepayments for the assessment period in 2019. Upon request tax prepayments for the assessment period can be reduced retroactively by reducing the total income used by a	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			flat 30% rate, €5 million max (or €10 million in case of joint assessment). Further, in the tax assessment period 2019, an amount of 30% of the total income may be deducted, upon request, as a "preliminary loos carryback" from 2020, €5 million max (or €10 million in case of joint assessment). Both measures are subject to the condition that the prepayments for 2020 were reduced to zero. On 9 February 2021, the governing coalition's parliamentary groups submitted a draft of a "third act to implement tax relief measures for coping with the coronavirus crisis" (Third Coronavirus Tax Assistance Act). In particular, the tax loss carryback mechanism for income and corporation tax would be increased to €10 million or €20 million for joint assessment. The increase applies only for 2020 and 2021 (that is, for loss carrybacks from 2020 to 2021 and from 2019 to 2020. The Second Coronavirus Tax Assistance Act had already increased the amounts from an initial €1 million (€2 million for joint assessment) to €5 million (€10 million for joint assessment). The new increase applies also for the limits concerning the adjustment of advance payments for the 2019 assessment period and for the preliminary loss carryback for 2020. From the 2022 tax assessment period onwards, the upper limits will return to the prior amounts of €1 million and €2 million.	
Germany	Implemented	Payroll Tax	On 9 April 2020, the BMF published a decree providing that special payments of up to €1,500 made to employees in 2020 will be exempt from wage tax and social security contributions. However, the BMF FAQ state that only additional payments in context with the Corona crisis are tax exempt. It is therefore necessary to provide the benefits and allowances to mitigate the additional burdens of the Corona crisis and in addition to the remuneration already owed.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Germany	Implemented	PE and Place of Management	Mutual agreements with Austria, Luxembourg, the Netherlands and Belgium have already been agreed to avoid income becoming taxable in the country of residence for those working from home. The BMF intends to conclude temporary agreements with neighboring countries.	KPMG TNF
Germany	Implemented	VAT and other indirect taxes	A VAT reduction has been implemented for restaurant and catering services provided after June 30, 2020. Restaurant and catering services (with the exception of the tax treatment of drinks) will be taxed at rate of 5% from 1 July 2020 until 31 December 2020, and at 7% from 1 January 2021 until 30 June 2021. Separate Ministry of Finance BMF guidance released on July 2, 2020 includes certain "no-objection rules" in instances for separating the total purchase price of so-called "combo offers" (such as a buffet all-inclusive offer) for food (reduced VAT rate) and for drinks (regular VAT rate). Also, the guidance refers to the VAT treatment of business packages, in which supplies are partially not subject to reduced VAT. From July 1, 2020 to December 31, 2020, the standard VAT rate would be reduced from 19% to 16%, and the reduced VAT rate would be lowered from 7% to 5%. Application and implementation guidance have also been published on June 30, 2020. On 9 February 2021, the governing coalition's parliamentary groups submitted a draft of a "third act to implement tax relief measures for coping with the coronavirus crisis" (Third Coronavirus Tax Assistance Act). In particular, the VAT rate would be reduced to 7% for restaurant and catering services (with the exception of beverages) until 31 December 2022 (from 30 June 2021). The First Coronavirus Tax Assistance Act had originally reduced the period from 1 July 2020 to 30 June 2021.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Ghana  **Contact:** Emmanuel Asiedu easiedu@kpmg.com	Implemented	Business Income Tax	Donations and contributions toward fighting COVID-19 pandemic shall be allowed as deductible expenses.	KPMG TNF
Ghana	Proposed	Filing/Payment Deadline Extension	**Corporate Income Tax (CIT) / Personal Income Tax (PIT) Returns - Extended from Four (4) to Six (6) months after the end of the Basis Period. -** The due date for filing annual CIT and PIT returns has been extended automatically from 4 months to 6 months after the end of companies' or individuals' basis period. The automatic extension also applies to the payments of tax amounts due on the returns. However, a circular clarified that taxpayers who redeem their outstanding debts by 30 June 2020 will not be subject to penalties. **Monthly filing of return** - Taxpayers are expected to file their periodic monthly tax returns using email addresses provided. **Vehicle Income Tax (VIT) - 2nd Quarter extended to 15 May 2020** - The due date for sale of VIT Stickers for the 2nd quarter has been extended by one month, ending 15 May 2020	KPMG TNF
Ghana	Implemented	Individual Income Tax	**Waiver of Income Tax on Withdrawals from Provident Funds and Personal Pension Schemes – Tier Three** Funds drawn from the Provident Fund or Personal Pension Schemes before maturity consequent to a permanent loss of employment or capital, due to the COVID-19 pandemic, shall be exempted from income tax (generally subject to 15% tax).	KPMG TNF
Ghana	Proposed	VAT and other indirect taxes	A waiver of VAT on donations of stock of equipment and goods for fighting the COVID-19 pandemic has been proposed.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Gibraltar  **Contact:** Darren Anton darrenanton@kpmg.gi	Implemented	Business Income Tax	All businesses will now benefit from business rates waiver for the second quarter of 2020 and a one-off capital allowance of £50,000 for the current financial year, given that expenditures will have been incurred in adapting operations to the challenges of this pandemic.	KPMG TNF
Gibraltar	Implemented	Customs/Import and Other Miscellaneous Taxes	**Import customs duties are waived** until midnight on April 30, 2020 in respect of all classes of goods (except for the tobacco, fuel, and alcohol). This waiver will be reviewed by the government with business representative organizations before the end of April 2020. However, in relation to motor vehicles, the waiver will be administered as a rebate on the sale of the vehicle. Adjustments to import customs duties will continue until the end of the fourth quarter of 2020. The import duty waiver scheme will continue until March 31, 2021 for all commercial imports other than cars, fuel, building materials, alcohol, tobacco, and disposable single-use plastic products when there is a higher duty regime in place, for instance regarding plastic plates and straws. The import duty waiver scheme will continue for all commercial imports (with this waiver not applying to cars, fuel, building materials, alcohol, tobacco, and disposable single-use plastic products when there is a higher duty regime in place, for instance regarding plastic plates and straws).	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF
Gibraltar	Implemented	Filing/Payment Deadline Extension	All employers will be allowed to defer their **employment-related taxes or contributions** (PAYE and social insurance) for the second quarter 2020 for a period of 12 weeks from month-end (extended from 10 weeks) and also will be able to benefit from the online streamlined	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			employee registration process that was previously announced for the gaming and financial services sectors.. License fees payable by gaming companies on 1 April 2020 are deferred until 1 July 2020 and that gaming duty will be deferred to the end of each quarter. The waiver of tables and chairs license fees has been extended through March 31, 2021.	and KPMG TNF
Gibraltar	Implemented	Payroll Tax	The payment of salaries to employees by affected businesses in the hospitality, leisure, distributive, and catering sectors will **not be subject to PAYE or employee or employer social insurance contributions** for the month of April 2020. The Chief Minister announced the continuation of business measures in response to the COVID-19 pandemic. The COVID-19 relief measures are effective from 1 December 2020 to 31 March 2021. PAYE (on earnings up to £1,155) and social insurance will be waived for the month of January 2021 only (businesses will be required to confirm that they are up-to-date with their tax and social insurance obligations). 20% of average "business employee assistance terms" payments (under a program to provide financial support assistance with regard to inactive employees) will continue for October and November 2020 for those firms that have been and are complying with all other relevant guidelines and rules.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Greece  **Contacts:** Ariel Manika amanika@cpalaw.gr Christos Krestas ckrestas@kpmg.gr	Implemented	Accelerated Refunds	Among other tax relief measures implemented there is a provision that allows an **acceleration of refunds of income tax and VAT currently pending**, when the refund amounts do not exceed € 30,000 per type of tax and per taxpayer.	KPMG TNF
Greece	Implemented	Filing/Payment Deadline Extension	– Installments of tax and social security payments for certain employers have been **suspended**. – A financing program that allows for a refund (fully or partially) of advance payments of tax – A 25% reduction of assessed liabilities on installments of tax payments that are due between 30 March 2020 through 30 April 2020 (VAT and withholding taxes are not eligible for this 25% reduction)	KPMG TNF and KPMG TNF
Greece	Implemented	Filing/Payment Deadline Extension	Among other relief measures implemented, the following shall apply to the extent companies or individuals retain the existing number of employees: – Extension to August 31, 2020 for the payment of VAT amounts (as assessed in VAT returns) and installments of other assessed tax liabilities payable from March 11, 2020 to April 30, 2020 without the imposition of penalties or/and interest for late payment – 25% deduction on installments of assessed tax liabilities (excluding withholding taxes and VAT), payable from March 30, 2020 to April 30, 2020,	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to the extent that these payments are timely settled (extension of timely payment for March liabilities to 21.4.2020) – Possibility to offset 25% of the VAT amount arising from VAT returns of the first quarter of 2020 (for single-entry books) and of March 2020 (for double-entry books), which will be timely and fully settled by April 30, 2020, against assessed tax liabilities of any type arising from May 1, 2020 onwards. – Extension of the deadline for the payment of social security contributions (both employer's and employee's) for February and March 2020 employment, due on March 31, 2020 and April 30,2020, until September 30, 2020 and October 31, 2020 respectively. – **Suspension of tax collection** of assessed social security contributions that were unpaid as of 11 March 2020, until 31 August 2020 – Tax installment payments due in March 2020 by certain freelancer, self-employed or independent contractors will be extended for three months In addition, applicable to all taxpayers: – The deadline for the submission of the Capital Concentration Tax and the Stamp duty returns with a deadline in March and April 2020, has been extended 2 months – The deadline for the submission of following tax returns originally due in March and April 2020 has been extended until May 29, 2020: inheritance tax, gaming tax, gift tax and parental donation tax (for which no notarial deed is concluded)	

Jurisdictions	Status	Type	Brief description	Source
			Extension of payment deadline and suspension of collection of assessed tax liabilities. Ministerial Decision A. 1200/2020 further extends the deadline for the payment of assessed tax liabilities by COVID-19-affected enterprises and their employees to 30 April 2021 (the deadline had previously been extended to 31 August 2020). Although not explicitly mentioned, it appears that the extension also applies to assessed VAT liabilities, for which the payment deadline had already been extended to 31 August 2020. **Extension of payment deadline of assessed tax liabilities for individuals (lessors) and possibility to offset (25%)**. Circular E. 2141/2020 extends the payment deadlines (and suspends collection) for assessed tax liabilities and installments of assessed tax liabilities subject to a special settlement or payment facilitation process for individuals (lessors) renting real estate property to persons who because of the COVID-19 situation were granted the benefit of 40% reduction on lease payments. The payment deadlines are extended to dates ranging between 31 August 2020 and 31 October 2020 depending on the date of the initial payment deadline. Also, there is now an opportunity to reduce the tax payment by 25% in cases of timely payment of these assessed tax liabilities (this reduction does not apply with regard to VAT or certain other liabilities).	
Greece	Implemented	Suspension of Tax Audits	The Government has granted a suspension of tax audits and related deadlines; the statute of limitations that would apply during the period from 30 March through 31 May 2020 is extended to 31 July 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The **issuance of preliminary tax assessment notes** for taxes and penalties as well as of final tax assessment notes for taxes and penalties is suspended until April 30, 2020 (except for refunds cases that are being completed following a tax audit). The deadline for **submission of objections/arguments** against preliminary assessment notes issued, as well as the deadline for **presentation of books or records** or any other documents requested by the tax authorities in the course of tax audits, is suspended until May 31, 2020 (except for refunds cases that are being completed following a tax audit). This suspension applies to deadlines that have not lapsed as of March 11, 2020 onwards. The deadlines for the **submission of administrative appeals** and of **requests for the suspension of payments**, ended or ending from March 11, 2020 to May 31, 2020, are suspended for 60 days.	
Greece	Implemented	VAT and other indirect taxes	The government announced a **reduced rate of VAT** — reduced to 6% from 24%— for certain products that are necessary to protect against COVID-19 (such as mask and gloves, antiseptic liquids and wipes, etc.) effective until the end of the year (December 31, 2020). In addition, The Government has granted VAT exemption for donations of goods made to the Greek government in support of the efforts against COVID-19.	KPMG TNF and KPMG TNF

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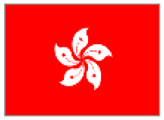
Guatemala  **Contact:** Christian Aldana christianaldana@kpmg.com	Implemented	Filing/Payment Deadline Extension	**Income tax returns for 2019** and monthly **VAT returns** corresponding to **February 2020** are now due April 15, 2020. The deadline for returns corresponding to **income tax withholdings** is April 18, 2020 and for VAT withholdings is May 5, 2020.	KPMG TNF
Guatemala	Implemented	Suspension of Tax Audits	The **tax audit process**, **information requests**, and other procedures are suspended until April 15, 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Guernsey  **Contact:** Antony Mancini amancini@kpmg.com	Implemented	Filing/Payment Deadline Extension	The tax authority in Guernsey has announced an extension of the **FATCA** and common reporting standard (**CRS**) reporting deadline. The deadline for reporting financial institutions in Guernsey for the 2019 reportable year has been extended to 30 September 2020. Additionally, the CRS Schema v2.0 will be effective 1 January 2021. CRS reports received between 30 June 2020 and 30 September 2020 will likely be transmitted by late October or early November. If the receiving jurisdiction rejects a report, then the reporting financial institution in Guernsey will have to provide corrections for that report using CRS Schema v2.0, which will increase the cost of compliance. Therefore, reporting financial institutions in Guernsey need to consider completing their reports by 30 June 2020 in order to avoid any increased compliance costs related to report submission using the new CRS Schema v2.0. Further, reporting financial institutions in Guernsey are required to register by 30 June 2020.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Hong Kong  **Contact:** David Ling davidxling@kpmg.com	Implemented	Business Income Tax	The Hong Kong government has announced a reduction of 2019-20 profits tax payable by 100%, subject to a ceiling of HKD 20,000. On May 27, 2020, the Government released guidance which exempts from tax most payments or grants received in response to the pandemic. The order has an effective date of 29 May 2020, and will be tabled at the Legislative Council for "negative vetting" on 3 June 2020. Key points include: – Beneficiaries of the assistance granted will be exempt from profits tax and salaries tax unless "the sums are paid for general business activities and are not paid in a matching arrangement." Most of the key supports for businesses (such as the employment support scheme) are covered by the tax exemption. A summary of the proposed tax treatment for the two rounds of measures under the anti-epidemic fund is shown below. – The same principles will be adopted to provide tax exemptions if and when further relief measures are rolled out under the anti-epidemic fund. – In respect of 2019/20 tax returns: o Employers and employees do not need to report the sums exempted in the tax returns. o Businesses or individuals who have already filed their tax returns can submit written notifications to the Hong Kong Inland Revenue Department (IRD) to amend the relevant information. Employers would need to file revised employer's return(s) for the relevant employee(s), if applicable. For a list of the measures covered by the tax exemption please refer to the TNF.	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Hong Kong	Implemented	Filing/Payment Deadline Extension	The Hong Kong government has announced: – Waiver of the surcharge for up to one year on tax payments deferred under an approved installment plan. The waiver is applicable for the 2018-19 year of assessment, and covers profits tax, salaries tax, and personal assessment. Taxpayers in need would be able to apply for an installment payment plan before the due date of the respective tax payments. – When the government announced work-from-home requirements for the public service, tax deadlines—including tax return filing, tax payment and responding to enquiries—have generally been deferred until the tax authority reopens. – Delaying by one month, the issuance of profits tax returns to 4 May 2020 and salaries tax returns to 1 June 2020 for the year of assessment for 2019/20 – Extending the deadlines for filing (lodgment) to 4 May 2020 of objections and holdover applications as well as for filing due date of tax returns that fall between 23 March 2020 and 2 May 2020 – Automatic extension of deadlines by three months for payment of Salaries Tax and Personal Assessment and Profits Tax for the year of assessment 2018/19 that will be falling due in April to June this year. No application by taxpayers is required for the relief. – For taxpayers who have promptly settled the first installment of their respective demand notes under Salaries Tax, Personal Assessment and Profits Tax for the year of assessment 2018/19, the deadline for payment of tax for the second installment will be automatically extended for 3 months from the due date of the second installment as specified on the demand note.	KPMG TNF and KPMG TNF

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Jurisdictions	Status	Type	Brief description	Source
Hong Kong	Implemented	Filing/Payment Deadline Extension	The Inland Revenue Department announced an **extended deadline for the CbC Reporting notification**. According to the Inland Revenue release, the Hong Kong entity and its service provider will be deemed as having complied with the notification deadline for the relevant accounting period that ended between 31 December 2019 and 29 February 2020, if the notification is received via the CbC reporting portal on or before 1 June 2020.	KPMG TNF
Hong Kong	Proposed	Individual Income Tax	The Hong Kong government has announced a reduction the 2019-20 salaries tax and tax under personal assessment by 100%, subject to a ceiling of HKD20,000	KPMG TNF
Hong Kong	Implemented	Individual Income Tax	On May 27, 2020, the Government released guidance which exempts from tax most payments or grants received in response to the pandemic. The order has an effective date of 29 May 2020, and will be tabled at the Legislative Council for "negative vetting" on 3 June 2020. Key points include: – Beneficiaries of the assistance granted will be exempt from profits tax and salaries tax unless "the sums are paid for general business activities and are not paid in a matching arrangement." Most of the key supports for businesses (such as the employment support scheme) are covered by the tax exemption. A summary of the proposed tax treatment for the two rounds of measures under the anti-epidemic fund is shown below. – The same principles will be adopted to provide tax exemptions if and when further relief measures are rolled out under the anti-epidemic fund. – In respect of 2019/20 tax returns:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			o Employers and employees do not need to report the sums exempted in the tax returns. o Businesses or individuals who have already filed their tax returns can submit written notifications to the Hong Kong Inland Revenue Department (IRD) to amend the relevant information. Employers would need to file revised employer's return(s) for the relevant employee(s), if applicable. For a list of the measures covered by the tax exemption please refer to the TNF.	
Hong Kong	Implemented	PE and Place of Management	The Inland Revenue Department (IRD) on 29 July 2021 issued guidance outlining the IRD's general views relating to issues concerning the tax residence of companies and individuals, permanent establishments, employment income of cross-border employees, and transfer pricing arising from the COVID-19 pandemic.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Hungary **Contact:** Gábor Beer gabor.beer@kpmg.hu	Implemented	Accelerated Refund	According to a communication from the Hungarian Ministry of Finance, the Ministry has requested that the Hungarian tax authority (NAV) **accelerate refunds of VAT** claimed by small and medium-sized enterprises (SMEs). Under this relief measure, the tax authority would be expected to refund VAT to SMEs within 30 days (instead of 75 days) of the filing date of the refund claim. For "reliable taxpayers," a VAT refund could be made within 20 days of the filing of the refund claim. For this purpose, SMEs are those that employ fewer than 250 people and have either an annual turnover not exceeding the HUF equivalent of €50 million or an annual balance sheet total not exceeding €43 million.	KPMG TNF
Hungary	Implemented	Business Income Tax	Effective May 1, 2020 new surtaxes will be levied on credit institutions and on the retail sector, as a part of the government's response to the COVID pandemic. **Surtax on credit institutions** - credit institutions will be required to pay surtax in the 2020 tax year and to declare the amount of the surtax on a separate form by 10 June 2020 and to pay the amount of the surtax in equal installments by 10 June, 10 September and 10 December 2020. The base of the surtax is the amount of the adjusted balance sheet total exceeding HUF 50 billion (based on the data of the annual report for the second tax year preceding the given tax year) and the tax rate is 0.19%. Proposed amendments to the legislation would allow credit institutions to deduct 20% of the amount of the surtax from their usual "bank tax" in equal installments over the five tax years from 2021 onwards. **Retail surtax** - The following retail activities will be subject to the surtax: – Retail sale of motor vehicles and motorcycles, parts and accessories (TEÁOR 45.1, 45.32, 45.40 with exceptions)	KPMG TNF and KPMG TNF

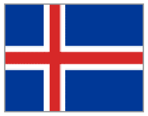
Jurisdictions	Status	Type	Brief description	Source
			– Any other retail sale, including sales in non-specialized shops (e.g., stalls and markets), or made by mail order houses or through the internet (TEÁOR 47.1-47.9) Foreign persons and entities that do not have a Hungarian branch office also can be subject to the surtax for goods sold to their customers through a delivery point located in Hungary. The basis of the retail tax is the net sales revenue deriving from the taxable activities or in case of foreign taxpayers, the net sales price increased by the income derived from services provided by the taxpayer to the supplier of the goods sold, or the discount provided by such suppliers. The tax rate ranges between 0% (up to a tax base of HUF 500 million) and 2.5% (for a tax base exceeding HUF 100 billion). Taxpayers must declare and pay a tax advance by 31 May 2020, and subsequently pay advances of the tax in each month during the state of emergency period, by the last day of the given month. Based on draft amendments: – The retail tax will be permanent (originally introduced as a temporary measure) – Tax advances would be payable in two equal installments, by the 20th day of the seventh and 10th months of the tax year. As for tax year 2020, special provisions would apply: o The first advance would be due by the 20th day of the second month following when the act becomes effective; o The second advance would be due by the 20th day of the fourth month following when the act becomes effective. – The annual tax return would be due by the last day of the fifth month following the year-end. In terms of tax year 2020, annual tax would be calculated on the basis of the total taxable income realized in the tax year, pro-rata according to the number of days	

Jurisdictions	Status	Type	Brief description	Source
			falling within the effective date of the act and the balance sheet date. **Tourism tax** - Taxpayers are no longer required to assess tourism tax on overnight stays, from the effective date of the decree until 31 December 2020, nor does it need to be submitted or settled. However, the determined but uncollected tax liability has to be submitted to the Tax Authority. Moreover, no tax return should be filed if the amount is zero.	
Hungary	Proposed	Business Income Tax	On April 28, 2020, the Government introduced draft legislation which provides that for corporate income purposes the tax deduction of the development reserve would be capped at the amount of the total pre-tax profit for the tax year (instead of the previous 50% limit), but would still be disallowed for amounts exceeding HUF 10 billion per tax year. A transitional provision would provide that this treatment could already be applied to the 2019 tax year, on election by the taxpayer, as follows: – If the taxpayer has already filed a corporate income tax return for 2019 before the effective date of the new act and has an approved annual report as well, then the taxpayer can amend the tax return no later than 30 September 2020, by creating a fixed reserve at the same time in accordance with the revision rules of accounting for the 2019 tax year. The above accounting treatment is still available if the taxpayer has not yet filed a corporate income tax return for 2019, but has an approved annual report: in this case, there is no need for an amendment.	KPMG TNF
Hungary	Implemented	Filing/Payment Deadline Extension	Tax Administration – **An extension to 30 September 2020 has been granted for filing the return an pay the obligation of corporate income tax, Robin Hood**	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			tax, local business tax, innovation contribution, small business tax (i.e., taxes for which calculation is based on financial statements/annual reports), whether or not the taxpayer is entitled to postpone the submission of its annual financial statement (e.g. banks, insurance companies, listed companies). Taxpayers can request a **reduction of the tax advance payment before the due date**, if, according to its calculations, the tax liability for the tax year starting in 2020 does not meet or exceed the sum of the tax advance payment amounts.	
Hungary	Implemented	Payroll Tax	The government announced that **modified social security** rules shall be applied for the period of March-June 2020 to the following sectors: – Hospitality and tourism; – Entertainment, film industry, performing art; – Sport services; – Event organization; – Gambling The amended rules provide for the following measures: – Employers will not be liable to pay their part of social security contributions (17.5%+1.5%) with respect to employment income provided by them in the March-June 2020 period. – Employees will only be liable to pay 4% healthcare social security contribution on the employment income received in the March-June 2020 period, instead of the aggregated 18.5% social security contribution. Nevertheless, the upper limit of the above healthcare social security contribution will be HUF 7,710/month. It should be noted that personal income tax will be still payable.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			As of 1 July 2020, the rate of social tax will be a flat 15.5% (instead of 17.5%). Furthermore, as of 1 July 2020, when social tax is payable, borne by the individual and it is not refunded to him or her, the personal income and social tax base shall be 87% of income (an increase on the current 85%). Special rules will also apply for entrepreneurs dealing with passenger transport if they have opted for simplified lump-sum taxation (known as "KATA" in Hungarian). Based on the amendments, these entrepreneurs are not required to remit the lump-sum tax for the March-June 2020 period.	
Hungary	Implemented	VAT and other indirect taxes	Effective July 1, 2020, **all invoices issued to Hungarian domestic taxpayers must be reported online to the tax authority**; thus, the current threshold of HUF 100,000 for electronic reporting will cease to apply. However, certain relief is being made available. According to a June 2, 2020 statement by the State Secretary, the tax authority will not levy penalties on taxpayers that are not capable of meeting the new reporting requirements until September 30, 2020. In any event, taxpayers that previously were not required to provide such data need to register with the tax authority's official online reporting system before the issuance of the first invoice (that is, before 1 July 2020) in order to be eligible for the penalty relief. Relief from penalties only applies to new requirements effective from July 1. In instances of non-compliance regarding invoices above the HUF 100,000 threshold, the tax authority may still impose penalties. The Hungarian government has introduced a temporarily reduced rate of VAT of 5% on the supply of meals and non-alcoholic drinks prepared on site for takeaway. The reduced rate applies to all meals and non-alcoholic drinks that would be taxed as a supply of service at the 5% rate, which applies for on-site consumption. Government Decree 498/2020, prescribing the VAT rate reduction, has an	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			effective date of 14 November 2020 and applies to early February 2021.	

Jurisdictions	Status	Type	Brief description	Source
Iceland  **Contact:** Soffia Eydís Björgvinsdóttir sbjorgvinsdottir@kpmg.is	Implemented	Business Income Tax	Individuals and legal entities engaged in business or independent activity and that have suffered a 60% or greater reduction in income attributable to the pandemic may be eligible for a relief grant, subject to certain conditions. Grants also may be available in instances of a business closure. The relief grants are available for the period 1 November 2020 through 31 May 2021. Information about the relief grant program is available on the website (English) of the tax authority. The application deadline for a relief grant is 30 June 2021.	KPMG TNF
Iceland	Implemented	Customs/Import and Other Miscellaneous Taxes	All **customs fees** for ships and planes outside normal business hours are eliminated until 31 December 2021.	KPMG TNF
Iceland	Implemented	Filing/Payment Deadline Extension	**Postponement of payment deadline for public levies and social security contributions**. Subject to certain conditions, employers have the right to postpone the payment deadlines of up to three payments of social security tax and withheld public levies at source that fall due between 1 April – 1 December 2020. The payment deadline for all the payments postponed will be 15 January 2021. The payment deadline for payments previously postponed from 1 March 2020 to 1 April 2020, will be postponed even further till 15 January 2021. **Real estate taxes**. Subject to certain conditions, the payers of real estate taxes on business property are authorized to postpone up to three tax payments. **Prepayment of income taxes**. The Minister of Finance and Economic Affairs was given authority to decide via regulation in the year 2020 to lower or suspend prepayment of income tax for the income of	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2019. He may also decide on a new payment deadline for prepayments. **VAT**. The VAT deadlines are not being postponed according to the legislative changes. However the Minister has issued guidelines that the Icelandic Tax Authorities will not be imposing penalties if VAT payments are not made before the deadline on 6 April, for the reporting period of January and February 2020. **Import fees**. Everyone who has been awarded postponed payment deadlines for import fees will now pay the fees on the fifth day of the second month from the end of each reporting period. This change entails that import fees incurred during the reporting period of March – April shall have a payment deadline of 5 June instead of 15 May. The payment deadline is therefore postponed by 20 days. **City Tax**. All city tax for the time period 1 April 2020 – 31 December 2021 has been eliminated.	
Iceland	Implemented	VAT and other indirect taxes	Persons and entities building, renovating or maintaining residential housing or vacation homes can seek **reimbursement for 100% of the VAT** incurred due to certain craftsman labor. The **reimbursement rate has been increased** from 60% to a 100% and now includes more types of labor, for example architects. The VAT reimbursement also applies to VAT incurred by to non-profit entities, such as charities, sports clubs and rescue units due to certain craftsman labor on construction sites, building, renovating or maintaining structures that are entirely in their possession.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Reimbursements are also available for **100% of VAT** incurred due to the following services: – **Car repair**. Individuals can claim 100% reimbursement of VAT incurred due to car repair or car painting on civilian cars. – **Home care**. Owners and renters of residential housing can claim 100% reimbursement of VAT incurred due to home care.	

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Jurisdictions	Status	Type	Brief description	Source
India  **Contact:** Himanshu Parekh himanshuparekh@kpmg.com Sunil Badala sunilbadala@kpmg.com	Proposed	Business Income Tax	**Taxability of income earned by specific fund**. A bill introduced in September 2020 proposes to tax income on securities held by certain specified fund at a 10% rate. The provision shall apply only to the extent of income attributable to units held by non-resident (other than a PE in India of a non-resident). Please refer to the TNF for specifics on the calculation. The amendments would apply from financial year 2020-2021 onwards. **Sovereign wealth fund and pension fund**. The Finance Act 2020 introduced an exemption on dividend, interest or long-term capital gains arising from investment made in India by specified persons and subject to certain conditions. The specified person has been defined as a wholly owned subsidiary of the Abu Dhabi Investment Authority (if the subsidiary is resident in the UAE), a sovereign wealth fund and a pension fund (subject to the condition that they are notified by the central Government on the Official Gazette). The bill introduced in September 2020 proposes that: - the wholly owned subsidiary should be resident of Abu Dhabi - sovereign wealth fund and a pension fund shall fulfil conditions specified by the central Government on the Official Gazette	KPMG TNF
India	Implemented	Customs/Import and Other Miscellaneous Taxes	Customs related relaxations - Primarily exporters importing goods under Advance Authorization/Export Promotion Capital Goods scheme and imports made by an Export oriented unit, were granted exemption from levy of IGST and Compensation Cess up to 31 March 2020. The said exemption has now been extended until 31 March 2021.	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			- The government has notified an exemption from levy of both Basic Customs Duty and Health cess on import of Ventilators, face masks and surgical masks, personal protection equipment, COVID-19 testing kits and also on inputs used in the manufacture of these goods. Central Board of Indirect Taxes & Customs ('CBIC') have recently announced measures to further enhance the automation in customs clearance process. Accordingly, from 15 April 2020, customs authorities will enable electronic communication of PDF based Final electronic Out of Charge copy ('eOoC') of Bill of Entry (BoE) and e-Gatepass to the importers / Customs Brokers. The Final eOoC copy of BoE and e-Gatepass copy will be emailed to the concerned Customs Broker and / or importer, if registered, once the Out of Charge is granted. The e-Gatepass copy will be used by the Gate Officer or the Custodian to allow physical exit of the imported goods from the Customs area.	
India	Implemented	Filing/Payment Deadline Extension	The following tax relief measures have been implemented: – **Postponement of the direct tax payment deadline arising between March 31, 2020 and June 30, 2020, to** June 30, 2020 without additions to tax; a bill introduced in September 2020 proposes to extend the due dates for any compliance falling between 20 March and 30 December 2020 until 31 December 2020. – A **reduced interest rate** for certain tax payments made by 30 June 2020, and a waiver of late-filing penalties – Postponed deadlines for payments of GST	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– The deadline for filing the GST annual return for FY 2018-2019 has been extended to 30 September 2020. – **Extension** of the date for certain tax procedural actions falling between March 20, 2020 and up to December 31, 2020, generally postponed to March 31, 2021 (except otherwise specified) – A new tax dispute resolution scheme, allowing an option to settle tax when a percentage is paid by 30 June 2020 – Extension of the 2019 reporting deadline for **FATCA** and **CRS** to 30 June 2020 from 31 May 2020. – Validity period of **e-way bill** generated on or before March 24, 2020 and expiring on or after March 20, 2020, has been extended until June 30, 2020 – GST refund claims shall be processed no later than 30 June 2020 or 15 days after the receipt of a reply to an initial notice, whichever is later, The Central Board of Indirect Taxes and Customs (CBIC) issued a circular addressing some of the challenges encountered by taxpayers in adhering to certain tax compliance requirements. The due date for payments regarding Employees Provident Fund contributions for March 2020 has been extended to 15 May 2020 (from 16 April 2020). The due date of **all the income tax returns will be extended from July 31, 2020 and October 31, 2020 to November 30, 2020**. To ensure that the taxpayer is able to avail all benefits of the timeline extension under the Income-tax Act (like investment, etc.), the new updated tax return forms have provided separate schedules to furnish	KPMG Global and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			details of investments/deposits/payments made on or after 1 April 2020 to 30 June 2020. **Option to defer payment of tax and filing of GST returns** - As an immediate relief, the government has granted an option to the taxpayer to defer payment of tax and file GST return in Form GSTR-3B for the period February to April 2020 up to 24 June 2020 without payment of any late fee and penalty. As far as interest is concerned, a concessional interest at 9% p.a. (instead of 18% p.a.) is leviable only after 15 days from the end of the original due date. Similarly, monthly return of outward supplies in Form GSTR-1 which is generally due on the 11th of next month has been extended to 30 June 2020 for the months of March, April and May. - Annual Return and GST Reconciliation Statement for FY 18-19 which was due by 31 March 2020 has been extended to 30 September 2020. **Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019** - Amount payable under the scheme has been extended until 30 June 2020. Further, it may be noted that various timelines prescribed for issuance of the statement by the designated committee, have also been extended to 31 May 2020, except in cases where the amount estimated exceeds the amount declared by the declarant, in such cases. The Finance Minister further extended the timeline from 30 June 2020 to 31 December 2020. The bill released in September 2020 proposed:	

Jurisdictions	Status	Type	Brief description	Source
			◦ to extend last day for making payment without being subject to an additional amount until 31 December 2020 ◦ that any payment made after 1 January 2021 shall be subject to an additional 10%. **New registration procedures for charitable entities**. The new registration procedures for charitable and research institutions have been deferred to October 1, 2020. The bill from September 2020 proposed that the new procedures shall be affective from 1 April 2021and the old regime will continue to apply until 31 March 2021. The Government has extended certain deadlines for assessment, reassessment and imposition of penalties. Please refer to the *report* prepared by KPMG member firm in India for additional information. The CBDT announced additional extensions of a variety of tax-related deadlines to 30 June 2021 (previously extended to 30 April 2021). The extension applies with regard to the deadlines for orders of assessment or reassessment and for the issuance of notice for reopening an assessment, among other items. Please refer to the *report* prepared by KPMG member firm in India for additional information On 20 May 2021, the CBDT extended the FATCA and CRS deadlines for the 2020 reporting period to 30 June 2021 (from 31 May 2021). In June, 2021, the CBDT issued various notices and circulars that reflect **further extensions of certain tax-related deadlines** offered as relief in response to the COVID-19 pandemic.	

Jurisdictions	Status	Type	Brief description	Source
India	Implemented	Individual Income Tax	The Central Board of Direct Taxes (CBDT) issued guidance clarifying certain aspects about individuals and their residency (or dual residency) during FY 2020-2021, and re-iterating that the income tax law when read in conjunction with relevant income tax treaties mitigates the possibility of double taxation in spite of situations arising because of the COVID-19 pandemic.	KPMG TNF
India	Announced	Payroll Tax	The Prime Minister announced on May 13, 2020 a reduction for 3 months (i.e., June, July and August) of the EPF contribution from 12% to 10%).	KPMG TNF
India	Implemented	PE and Place of Management	The Central Board of Direct Taxes (CBDT) issued a circular which clarifies that the period of stay in India during "lockdown" is not to be counted for determining the residential status of non-resident Indians and foreign nationals whose stay was extended due to the COVID-19 lockdown.	KPMG TNF
India	Implemented	Suspension of tax audits	The Prime Minister announced that the date of assessment getting barred on September 30, 2020 is extended to December 31, 2020 and those getting barred on March 31, 2021 will be extended to September 30, 2021. Reporting relating to GAAR and GST under the Tax Audit Report has been kept in abeyance till 31 March 2021.	KPMG TNF and KPMG Global
India	Implemented	VAT and other indirect taxes	**Amendment to the Central Goods and Services Tax Act, 2017** - New section 168A has been inserted in the Central Goods and Services Tax (CGST) Act, 2017, to give powers to the central government, on the recommendation of the GST Council, to extend the	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			time limit of compliances in case of 'force majeure' such as Covid19. **Temporary suspension of provision restricting the claim of input tax credit for unreported transactions** – Currently, the taxpayer is allowed to avail Input Tax Credit (ITC) of the amount appearing in the Form GSTR-2A (i.e. invoices reported by the vendors in their returns). – However, in respect of unmatched invoices, the ITC is restricted to 10% of matched invoices. Unmatched invoices are those invoices which have not been disclosed/uploaded by the supplier in their respective GST returns. – With the aim to provide an immediate relief to the industry, the aforementioned restriction has been relaxed for the tax period February 2020 to August 2020. However, taxpayer would be required to make a cumulative adjustment for the aforementioned months in the GST return for the month of September 2020.	
India	Announced	WHT	In order to provide more funds at the disposal of the taxpayers, the rates of Tax Deduction at Source (TDS) for non-salaried specified payments made to residents and rates of Tax Collection at Source (TCS) for the specified receipts are reduced by 25%of the existing rates: – Payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc. shall be eligible for this reduced rate of TDS.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			– This reduction shall be applicable for the remaining part of the Financial Year 2020-21 (i.e., 14 May 2020 to 31 March 2021). For a table with the reduced rates, please see the *Annexure*.	

Jurisdictions	Status	Type	Brief description	Source
Indonesia **Contact:** Abraham Pierre abraham.pierre@kpmg.co.id	Implemented	Business Income Tax	Among other tax relief measures: – The **corporate income tax rate** will be reduced from 25% to 22% for financial years 2020 and 2021, and 20% for financial year 2022 onwards, with an additional 3% reduction applicable for "listed company" with more than 40% public shares. – The government will bear the cost of employee income tax for the months of April - September 2020 for employees who receive income from an employer that has a business classification reported on its 2018 corporate income tax return as among those classifications listed in the Attachment A of PMK-23, or is declared as a company granted with import facility for export purposes. There are other criteria such as a requirement for a tax identification number and annualized regular income not exceeding IDR 200 million. – With respect to the e-commerce activities, income tax or electronic transaction tax can be imposed on e-commerce transactions of foreign individuals or digital companies that have a "significant economic presence."	KPMG TNF and KPMG TNF
Indonesia	Implemented	Customs/Import and Other Miscellaneous Taxes	Among other tax relief measures, an exemption from income tax on imports is provided for companies that: – Have a business classification stated in the 2018 corporate income tax return that is among those listed in the Attachment F of PMK-23; and – Have been declared as a company granted with import facility for export purposes. The exemption is valid from the issuance date of the Tax Exemption Letter until 30 September 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Concerning **customs and excise tax**, the relief provisions allow the Minister of Finance to grant certain exemptions or relief from custom duty.	
Indonesia	Implemented	Filing/Payment Deadline Extension	Relief for individual taxpayers: – The tax administration will waive the administrative penalty that would be imposed if the annual income tax return for fiscal year 2019 and payment of tax is made by individual taxpayers on or before 30 April 2020. – Tax amnesty annual reporting by individuals (that had been set to be submitted by 31 March 2020) can be submitted by 30 April 2020. In general, the relief allows more time for taxpayers and the tax administration to comply with certain deadlines, such as: o The due date for filing an objection is extended for a maximum of six months (from three months to nine months). o The deadline for refunds of tax overpayments will be extended for one month. o The due date for requesting reductions or elimination of administrative penalties, refunds of tax overpayments, cancellation of incorrect tax assessments, and cancellation of inspection (audit) results will be extended for a maximum of six months.	KPMG TNF
Indonesia	Implemented	VAT and other indirect taxes	With respect to VAT, the government will automatically consider certain taxpayers as "low risk" and will accordingly provide a preliminary VAT refund for the following entities:	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– those that have a business classification stated in the 2018 corporate income tax return that is among those listed in the Attachment F of PMK-23; – those that have been declared as a company granted with import facility for export purposes; or – those for which the amount of preliminary VAT refunds available has been increased from IDR 1 billion to IDR 5 billion. The VAT refund treatment is available when VAT returns (including amendments) for the fiscal periods April to September 2020 are filed on or before 31 October 2020. Regarding the taxation of electronic-based trading activity (e-commerce), the measures provide that VAT can be imposed (charged) on taxable intangible goods and/or services sold through e-commerce platforms.	

Jurisdictions	Status	Type	Brief description	Source
Ireland **Contact:** Claire Davey claire.davey@kpmg.ie	Implemented	Accelerated Refund	Ireland Revenue on 1 April 2020 issued guidance for companies claiming the research and development (R&D) tax credit and availing themselves of the cashback mechanism. The guidance provides that when a company is claiming the R&D payable credit mechanism, Revenue will **expedite the payment of any installment of excess R&D tax credit that is due to be paid in 2020**—that is, the second and third cash installments from 2017 and 2018, but also potentially the first installment of 2019, subject to "appropriate checks" by Revenue.	KPMG TNF
Ireland	Implemented	Business Income Tax	Beginning from 17 November 2020, qualifying businesses can make a claim for a payment under the **COVID restrictions support scheme (CRSS)**. There is a two-step process for claiming the relief: (1) registration for the CRSS, and (2) submission of a specific claim for relief. Under CRSS, a business can make a claim to Irish Revenue for a cash payment based on the business' average weekly turnover. Specific rules apply to determine a business' average weekly turnover depending on when the business commenced. Broadly, the weekly cash payment under CRSS is calculated as the sum of: – 10% of the business' average weekly turnover for 2019 up to a €20,000 limit; and – If the business' average weekly turnover for 2019 exceeded €20,000, 5% of the average weekly turnover for 2019 that exceeded the €20,000 limit There is a cap for weekly CRSS payments of €5,000 per week. **Effective dates** From 17 November, eligible businesses can make a claim for the current COVID-19 restrictions period up to 1 December 2020. The start date for the claim will depend on the level of restrictions that were in place in the area of the	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			country where the business operated during October, with 13 October (the date that the CRSS was announced) being the earliest start date. For example, if an eligible business was affected by Level 3 restrictions announced by the government in early October 2020, it would be eligible for a CRSS payment for a seven-week period from 13 October to 1 December. The program will be extended until the end of 2021. Additionally, there will be an enhanced re-start payment for businesses exiting the scheme, equal to three weeks at double rate of payment, subject to certain limits. **Qualifying conditions** To be entitled to participate in the scheme, the following key qualifying conditions need to be satisfied: – Customer access to the business premises must be prohibited or restricted as a direct result of the government's public health restrictions. – The turnover of the business during the period of the restrictions must not exceed 25% of the business' normal average weekly turnover. – The claimant must intend to conduct the business activity once the relevant public health restrictions have been lifted. – The claimant must have complied with all VAT registration and return obligations. – The claimant must hold a valid tax clearance certificate. Specific rules apply in calculating the 25% limit on turnover. For established businesses, the average weekly turnover in 2019 must be compared to turnover during the restricted period. The business must be able to demonstrate that, as a result of having to close the premises to customers for the restricted period, the turnover of the business activity during the restricted period will be no more than 25% of average 2019 weekly turnover multiplied by the number of weeks in the claim period.	

Jurisdictions	Status	Type	Brief description	Source
			For example, a retail business with average weekly turnover of €3,000 in 2019, is closed for a six-week period during Level 5 restrictions but undertakes online sales during this time earning €2,000 in total over the six-week period. The €2,000 earned in the six-week period must be compared to the "normal" expected earnings based on 2019 of €18,000 (€3,000 x six (6) weeks). The online sales results in 11% of the 2019 average turnover and on this basis the reduction in turnover test must be satisfied. In calculating the 25% turnover limit, specific rules apply to newly established businesses, businesses that do not operate on a calendar year-end and in circumstances where different business locations are subject to different COVID-19 restrictions. A new **business resumption support scheme (BRSS)** will be introduced in September 2021 for businesses with turnover reduced by 75% compared to 2019 as a result of public health restrictions. The scheme will not be restricted by location, rate paying or physical premises. Qualifying businesses will be able to apply to Irish Revenue for a cash payment. This scheme acknowledges the fact that not all businesses will return to full trading activity immediately. The **tax debt warehousing scheme** will be extended through the end of 2021. In practical terms, this means that businesses will not have to pay warehoused tax liabilities until 1 January 2023, with interest at a rate of 3% applying for a certain period thereafter. Management of cash flow is a key consideration for businesses in the early months of resumed trading activity.	
Ireland	Implemented	Customs/Import and Other Miscellaneous Taxes	Revenue has announced that critical pharmaceutical products and medicines will be given "green routing" status for customs purposes in order to ensure an	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			uninterrupted importation and supply process during these exceptional and difficult times.	
Ireland	Implemented	Filing/Payment Deadline Extension	Irish Revenue provides for the following extensions: – An extension of the reporting deadline for **2019 share scheme returns**, such as those related to share option schemes, from 31 March to 30 June 2020. – An **extension** by an additional 60 days of the 90-day filing period for employers to make a claim for employee eligibility for **Ireland's expatriate regime** under the Special Assignee Relief Programme. Exceptional cases which do not meet this extended filing deadline can apply to Revenue for consideration on a case by case basis. – Not strictly enforcing the 30-day notification requirement for a foreign employer (or the local Irish entity as agent) to obtain a PAYE clearance for the non-application of Irish payroll taxes for a business traveler or foreign employee from a country with which Ireland has a double taxation treaty, and who was due to spend in excess of 60 work-days in Ireland, irrespective of COVID-19. – An extension of the 31 March 2020 return filing date which applies to both the employer and employee when the employer has applied real time credit relief for foreign tax in taxing the employee's 2019 restricted stock unit awards through Irish payroll. **The employee's tax return filing deadline is extended** to the standard income tax filing deadline (31 October 2020), with the employer notification to be made as soon as possible but no later than the employee tax return deadline.	KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Tax returns must be sent on time regardless of businesses experiencing temporary cash flow difficulties – Revenue have committed to working with taxpayers where they have difficulty in meeting payment obligations and will waive interest for late payment of certain taxes on a case by case basis as well as debt enforcement proceedings for a defined period of time – The application of interest on late payments is suspended for **January/February, March/April and May/June VAT liabilities** are suspended for SMEs (i.e., for this purpose business with turnover of less than €3 million that is not dealt with by Revenue's Large Corporates or Medium enterprises division) – The application of interest on late payments is suspended for **February, March/April and May/June PAYE liabilities** are suspended for SMEs (i.e., for this purpose business with turnover of less than €3 million that is not dealt with by Revenue's Large Corporates or Medium enterprises division)All debt enforcement activity is suspended until further notice – The current tax clearance status will remain in place for all businesses over the coming months – The planned RCT (Relevant Contracts Tax) review scheduled to take place in March 2020 is also suspended. The RCT is a WHT that applies to certain payments to subcontractors. RCT is a withholding tax that applies to certain payments by principal contractors to subcontractors in the	

Jurisdictions	Status	Type	Brief description	Source
			construction, forestry, and meat-processing industries, at rates of tax of 0%, 20%, and 35% – Revenue have also announced a debt “warehousing” scheme whereby any tax liabilities that are postponed during the COVID-19 period will be warehoused for a period of 12 months with a low interest rate applying thereafter until the tax has been repaid. On 18 June 2020, the Irish Revenue Commissioners extended the deadline for filing **FATCA and CRS/DAC2** returns for the 2019 reporting period from 30 June 2020 to 30 September 2020, due to the impact of the COVID-19 pandemic.	
Ireland	Implemented	Individuals	Irish Revenue has published an updated Tax and Duty Manual 05-02-13 which covers the tax treatment of expenses and benefits for certain e-workers (i.e., individual who works partially or fully from home and who uses technology daily to log-in to an employer’s computer system and remotely exchange data and ideas, develop or deliver products and services). The updates include the following: – Guidance on the treatment of expenses incurred by an e-worker relating to light, heat and broadband including where those costs are incurred solely as a result of the COVID-19 pandemic or shared by another e-worker – Confirmation that no tax relief will be available for expenses incurred personally by an e-worker which relate to capital items such as office equipment – Clarification that the normal place of work for an e-worker, including during the period of COVID-19, remains the office – Examples of eligible and non-eligible expenses and benefits	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Ireland	Proposed	Loss Relief	Ireland's government presented the job stimulus package on July 23, 2020, which includes a carryback of losses to prior year.	KPMG TNF
Ireland	Implemented	Payroll Taxes	According to eBrief No. 046/20, a taxable benefit-in-kind will not arise where employers provide equipment such as laptops, printers, scanners and office furniture in order for employees to set up a working space in their homes. Revenue has also released expanded guidance on the tax treatment of e-workers and remote workers. This sets out the amount of a tax free daily allowance employers can pay to employees to compensate them for additional expenses incurred by them in working at home. Where an employer does not or is not in in a position to provide a payment to the employee, or reimburse them for additional expenses incurred, an employee can make a claim to Revenue for tax relief in respect of actual vouched expenses. On 24 March 2020, the Irish government announced as part of its National COVID-19 Income Support Scheme the introduction of a "**Temporary COVID-19 Wage Subsidy Scheme**", please read the Insight prepared by our KPMG member firm in Ireland. On August 14, 2020, Irish Revenue published additional guidance on the operation of the Employment Wage Subsidy Scheme (EWSS), which was introduced by the Financial Provisions (No.2) Act 2020 (Act No. 8 of 2020). The EWSS replaces the temporary wage subsidy scheme and is effective as of September 1, 2020. The guidance provides practical insight into the operation of the scheme and more clarity in respect of assessing employer eligibility for the scheme. According to the Economic Recovery Plan announced by the government in June 2021, the pandemic unemployment payment will be gradually phased out with no new	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			claimants permitted from July 1, 2021; however, it is possible for individuals to claim jobseeker benefits instead. The employment wage subsidy scheme (EWSS) is extended through December 31, 2021, with the government indicating that the current enhanced payment rates are to be retained for the third quarter, but rates could be reviewed in September. The time period for assessment for EWSS also is extended from the current six months to 12 months, with the aim of benefiting more businesses. The plan also signals a potential future increase to pay-related social insurance (PRSI) rates across all classes, with no specific details included. In August 2021, Irish Revenue released updated guidance on the operation of the employment wage subsidy scheme. While most of the key points provided for in the guidance have already been publicised either in the Act or in the related commentary, the guidance from Irish Revenue does provide additional practical insight into the operation of the scheme and offers more clarity in respect of assessing employer eligibility for the scheme.	
Ireland	Announced	Payroll Taxes	Ireland's government is expected to announce stimulus initiatives to boost economy activities, including pay-related social insurance (PRSI) relief to ease the impact of the COVID payment wind-down.	KPMG TNF
Ireland	Implemented	PE and Place of Management	On 23 March 2020, Irish Revenue released eBrief No. 046/20 in relation to advice and information to assist taxpayers and their agents during the COVID-19 pandemic. – Revenue will not seek to enforce Irish shadow payroll obligations for employees of a foreign employer who normally work wholly outside Ireland but who relocate temporarily to Ireland as a consequence of COVID-19 and will perform duties	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			for their foreign employer while in Ireland. This relief applies only to genuine cases. The standard period for relief from Irish payroll taxes for short term business travellers to Ireland was 60 days in a calendar tax year for residents from jurisdictions with which Ireland has a double tax treaty and 30 days for non-tax treaty residents. – For non-resident employees working abroad for an Irish employer for whom a PAYE exclusion order is in place, the standard condition for this relief from Irish payroll taxes was that the employee did not spend more than 30 workdays in Ireland during the tax year. Revenue's guidance confirms this will not be adversely impacted where the employee works more than 30 days in Ireland due to COVID-19. – Irish cross-border workers relief (trans-border workers relief) can provide relief from Irish tax on a foreign employment exercised wholly outside Ireland in a tax treaty location, once certain conditions are met. These conditions include that the employee returns home at least one day a week and does not perform more than incidental duties of the foreign employment in Ireland. Revenue guidance confirms that days spent working at home in Ireland solely as a result of COVID-19 will not preclude the individual from being entitled to claim this relief provided all other conditions of the relief are met. – Ireland has a day-based test of residence for individuals, with a day counted as including any part of a day spent here. Existing Revenue guidance provides that a day spent in Ireland after an intended day of departure provided the individual is unavoidably present in Ireland due to 'force majeure' circumstances can be ignored in	

Jurisdictions	Status	Type	Brief description	Source
			computing days spent in Ireland. Where a departure from Ireland is prevented due to COVID-19, Revenue will consider this 'force majeure' for the purposes of establishing an individual's tax residence position.	
Ireland	Implemented	Suspension of tax audit	Irish Revenue have suspended audit and other compliance intervention activity on taxpayers' premises until further notice. Where possible, Revenue will seek to finalize any open investigations online or via phone.	**KPMG Global**
Ireland	Proposed	VAT and other indirect taxes	Ireland's government presented the job stimulus package on July 23, 2020. The tax measures include items to stimulate demand, such as a temporary 2% reduction in the standard VAT rate, from 23% to 21% for a six-month period beginning 1 September 2020, and the introduction of a "stay and spend" incentive. According to the Economic Recovery Plan announced by the government in June 2021, a lower VAT rate of 9% will apply for tourism and hospitality through 31 August 2022.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Isle of Man  **Contact:** David Parsons davidparsons@kpmg.co.im	Implemented	Filing/Payment Deadline Extension	The Isle of Man's income tax authority announced that the deadline for filing **FATCA** and common reporting standard (**CRS**) **returns for the 2019** reportable year **is extended to 30 September 2020**, in response to the COVID-19 pandemic. Concerning CRS reports, financial institutions are reminded of the following: – CRS reports for the 2019 reportable year are required to be made in accordance with the current version of the CRS schema v1.0. – CRS reports for the 2020 reportable year are required to be made using the updated CRS Schema v2.0 and must be submitted by 30 June 2021. – Any data submitted after 1 December 2020 must be filed in accordance with CRS Schema v2.0. – Financial institutions that need to file a corrected report or additional data must use CRS Schema v2.0 if filing after 1 December 2020, regardless of the reportable year.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Israel  **Contact:** Asaf Leshem aleshem@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Israeli government on 27 March 2020 published Temporary Regulations #8432 to provide tax relief measures. In particular, the following deadlines have been extended: – Deadline for filing **annual corporate income tax** reports—the due date of 31 May is postponed to 31 July 2020 (further extensions are available upon request), and the same deadlines apply for individual income tax reports submitted electronically. – Deadline for filing **paper individual income tax** reports—the due date of 30 April is postponed to 30 June 2020 (further extensions are available upon request). – Deadline for **monthly VAT reporting and payment**—the due date of 16 March is postponed to 26 March 2020. – Deadline for **bi-monthly VAT reporting and payment**—the due date was postponed from 15 April to 27 April 2020. – Deadline for **renewing annual withholding tax certificates**—the due date is postponed from 31 March to 30 April 2020. **Income tax law:** Deadlines for distribution of stock options to employees after approval Deadlines for submission of notification of certain qualified tax-neutral reorganizations **Real estate tax law:** Deadlines for issuance of a written decision by the tax authorities	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Deadlines for various notifications that need to be submitted to the tax authorities—in particular, notifications of selling an apartment Deadlines for the tax authorities to confirm or contest the value used in a transaction and for the taxpayer to appeal this determination	
Israel	Implemented	Suspension of Tax Audits	The Israeli government on 27 March 2020 published Temporary Regulations #8432 to provide tax relief measures. In particular, the following deadlines have been extended: – Certain deadlines for collection of tax debts – Deadlines for **auditing tax returns** (this provision applies for income tax and VAT purposes) – Deadlines for taxpayers to **appeal the tax authorities** decisions (this provision applies for income tax and VAT purposes)	KPMG TNF
Israel	Implemented	Transfer Pricing	The Israeli government on 27 March 2020 published Temporary Regulations #8432 which among other things extended the deadlines for the tax authorities to answer a taxpayer request for an **advance pricing agreement**.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Italy **Contacts:** Richard Murphy rmurphy1@kpmg.it Fabio Avenale favenale@kpmg.it Leanne Barrie lbarrie@kpmg.it	Implemented	Business Income Tax	A Law Decree (to be converted into law within 60 days and subject to change during the parliamentary process) would introduce: – Provisions regarding corporate cash needs and the assignment of receivables. If trading and financial receivables are assigned for consideration by December 31, 2020 and the customers have defaulted (payment is over 90 days late), it is possible to **convert the deferred tax assets into a tax credit**. – The **tax credit for sanitization costs has been extended** to include the costs of purchasing PPE, the costs of purchasing and installing other safety equipment to protect workers from accidental exposure to biological agents or to ensure that people are at a safe distance from one another, and the costs of hand cleansers and disinfectants. The tax credit amounts to 50% of the cost incurred up to December 31, 2020 and is capped at € 20,000 per beneficiary. – A special deduction from taxable business income (for Italian Regional Production Tax (IRAP) purposes) for donations made in cash or in kind to support certain charities (Organizzazione non lucrativa di utilità sociale (ONLUS)), international organizations of which Italy is a member, and other central, regional and local authorities. – Companies with revenues up to €250 million are exempted from paying the IRAP balance for FY2019 and the first installment for FY2020; this exemption does not apply to banks, financial institutions, insurance companies, public administrations or public entities.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Conversion of tax deductions into a discount and into a transferable tax credit: deductions can be made directly by taxpayers through their tax returns. – The tax credit for advertising expenses incurred in 2020 has been increased to 50%. – Transfers of tax credits arising from measures issued in the context of the COVID-19 outbreak: between 19 May 2020 and 31 December 2021, taxpayers that have taken one of the tax credits introduced by the Cure Italy Decree and by the Liquidity Decree are entitled to transfer them (totally or partially, at the taxpayer's option) to third-party buyers, including banks, financial institutions and financial intermediaries. The August Decree provided for a general **revaluation for accounting purposes of business assets and 2020 shares**. The purpose is to allow the adjustment of the accounting value of the assets to their actual value. The revaluation should be carried out in the financial statement of the year following the year ending 12/31/2019 and can be carried out distinctly for each asset. The higher accounting value attributed by the effect of the revaluation may also be recognized to tax purposes through the payment of a 3% substitute tax of income tax, IRAP and any surtax, for depreciable and non-depreciable assets. Decree Law no. 73 (Support Decree 2) of May 25, 2021 (which must be converted into law within 60 days of its publication in the official gazette), introduced additional tax relief measures: – Relief for the textile and fashion industry and for other economic activities that have been particularly affected by the COVID-19 pandemic emergency – Changes to the rules on the tax credit for new capital goods	

Jurisdictions	Status	Type	Brief description	Source
Italy	Implemented	Customs/Import and Other Miscellaneous Taxes	The start date for the application of the rules introducing the **plastic tax** and the **sugar tax** have been postponed to January 1, 2021. The entry into force of the plastic tax has been postponed to January 1, 2022.	KPMG TNF and KPMG TNF
Italy	Implemented	Filing/Payment Deadline Extension	On April 8, 2020 the "Liquidity Decree" was published and it provides for the following measures (as modified by the "Relaunch Decree and by the August Decree): – **Tax payment deferral for falls in turnover -** Payments of WHT on wages of employees and equivalent workers, VAT, social security and welfare contributions, and INAIL insurance premiums, due in April and May 2020 can be paid in a lump sum by 16 September 2020, or in equal monthly installments starting from 16 September, without any interest or penalties. Any amount of taxes already paid is not refundable. Alternatively, the August Decree provides that 50% of the suspended amounts can be paid all at once by September 16, 2020 or divided into a maximum of four installments starting from September 16, 2020. The remaining 50% may be paid without interest and penalties, in up to 24 installments with the first one no later than January 16, 2021. To qualify, taxpayers shall have fiscal domicile, registered office or operations centre in Italy and be: o Businesses or professionals with revenues less than €50 million in the previous fiscal year, if there is a reduction in turnover of at least 33% in March or April 2020 when compared to March or April 2019, respectively o Businesses or professionals with revenues greater than €50 million in the previous fiscal year, if there is a reduction in turnover of at least	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			50% in March or April 2020 when compared to March or April 2019, respectively o Businesses or professionals that started up after 31 March 2019 o In the case of businesses whose tax residence, registered office or place of business is in the province of Bergamo, Brescia, Cremona, Lodi or Piacenza, the deferral of VAT payments for April and May is subject to one condition only: they must have suffered a fall in turnover of at least 33%, irrespective of revenues. – **Tax payment deferral for taxpayers with a turnover below €2 million** – payments for WHT on wages, VAT, payments of social security contributions and insurance premiums due between 8 March and 31 March can be made in a lump sum by 16 September 2020, or in equal monthly installments starting from September, without any interest or penalties. Alternatively, the August Decree provides that 50% of the suspended amounts can be paid all at once by September 16, 2020 or divided into a maximum of four installments starting from September 16, 2020. The remaining 50% may be paid without interest and penalties, in up to 24 installments with the first one no later than January 16, 2021. – **Withholding tax payment deferral for taxpayers with a turnover of less than €400,000**: the Cure Italy Decree provided that taxpayers with (i) a fiscal domicile, registered office or operations center in Italy, and (ii) a turnover of less than €400,000 in the fiscal year preceding that in which the decree came into effect, would not be subject to withholding tax on revenue or equivalent income received between 17 March 2020 and 31 May 2020 (provided they had no employee or employee-equivalent costs/expenses in the previous	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			month). Under the Relaunch Decree, the tax not levied by withholding agents can be paid directly by the taxpayer in one lump sum by 16 September 2020 or in up to four equal monthly installments (the first installment is due by 16 September 2020). Any amounts already paid are not refundable. – **Advance installments falling in June** - Underpayments of advance installments of IRPEF, IRES and IRAP (calculated on provisional 2020 results rather than with the historical method) will not trigger any penalties or interest, provided that the difference between the payment and the amount due is not more than 20% – **Extension of payment deadline** - Payments to the public administration, falling due on 16 March 2020 and, and previously postponed until 20 March 2020, will be considered timely if made by 16 April 2020. – **Stamp duty tax** - The payment of stamp duty has been deferred to: o 20 July 2020, in the case of stamp duty for the first quarter of 2020, amounting to less than EUR250; o 20 October 2020, in the case of stamp duty for the first and second quarters of 2020, totaling less than EUR250 – **The Relaunch Decree postpones, from 1 January 2020 to 1 January 2021, the entry into force of the new rule on stamp duty** introduced in 2019. Under this rule the Italian Revenue Agency will automatically check that e-invoices comply with stamp duty requirements and could apply penalties ranging from 100% to 500% of the stamp duty for non-compliant e-invoices. – Under the Relaunch decree, for fiscal year 2020, the annual cap on offsetting a credit for one type of tax	

Jurisdictions	Status	Type	Brief description	Source
			against liabilities for another type of tax has been increased to €1 million (from €700,000). – The Relaunch decree extends the grace period to electronically report their daily receipts within 12 days of the date of sale to 1 January 2021 for certain retailers whose turnover does not exceed a threshold of €400,000 – There is a 60-day extension, without any interest or penalties, for custom duty payments falling due between May1, 2020 and July 31, 2020 and made in accordance to certain procedures. In cases of serious economic or social difficulties, this extension can be granted upon request to certain custom debit account holders (e.g., companies providing transport services that among other conditions have seen a 33% or 50% fall in turnover). In addition, taxes not levied by withholding agents can be paid directly by the taxpayer in one lump-sum by May 31, 2020 or in a maximum of five equal monthly installments, starting from May 2020, without penalties or interest for late payment. On 6 May 2020, the Italian tax authorities published Notice no. 11/E, providing some **further guidance on VAT provisions.** With respect to postponement of VAT filings: – **Annual VAT return for 2019** (original deadline of 30 April 2020, now due 30 June 2020) – **First quarter (Q1) 2020 TR form for quarterly refund claim** (original deadline of 30 April 2020, now due 30 June 2020) – **First quarter (Q1) 2020 quarterly communication of VAT settlements** (original deadline of 1 June 2020, since 31 May 2020 is a Sunday, now due 30 June 2020) – **First quarter (Q1) 2020 communication of cross-border transactions** (*'Esterometro'* – original deadline of 30 April 2020, now due 30 June 2020)	

Jurisdictions	Status	Type	Brief description	Source
			With respect to **the deferral of VAT payments due for March and April 2020 for members of VAT pooling arrangements or VAT groups**, the notice clarifies that if only some of the members satisfy the conditions for the VAT payment deferral (when considered singularly) without these conditions being satisfied at a pooling or group level, the eligible members may benefit from the tax deferral and be excluded from the calculation of the VAT payable by the pooling or group by 18 May 2020. With respect to the **postponement of the VAT filings for non-established taxpayers**, the notice has interpreted the law provision broadly and allows for the postponement of VAT filings (listed above) by non-established taxpayers VAT that are VAT-registered in Italy. However, pending confirmation from the tax authorities, based on the legislative text non-established but VAT-registered taxpayers should not be entitled to benefit from the payment deferral to June 30, 2020. **The entry into force of the rules on prepopulated VAT ledgers has been postponed from 1 July 2020 to 1 January 2021**. Under these rules, the Revenue Agency will prepopulate the (i) input and output VAT ledgers and (ii) quarterly VAT settlement reports due by VAT taxpayers established in Italy and will make them available inside the taxpayer's personal tax account on the Revenue Agency website. The Relaunch Decree also confirms that, starting with the annual VAT return for 2020, the Revenue Agency will prepopulate the annual VAT return and make it available inside the taxpayer's personal tax account on the Revenue Agency website. On 30 June 2020, the Italian Ministry of Economy and Finance extended the deadline for filing **FATCA and CRS**	

Jurisdictions	Status	Type	Brief description	Source
			returns for the 2019 reportable period from 30 June 2020 to 30 September 2020. Decree Law no. 41 of March 22, 2021 extended the deadline for the payment of the digital service tax (DST) from February 16 to May 16, 2021 and for the submission of the tax return from April 30 to June 30, 2021. In addition, taxpayers with a drop in the turnover of more than 30% in 2020 compared to the prior year can benefit from the elimination of penalties and additional charges imposed in notices of tax irregularities arising from automated checks of tax returns for fiscal years 2017 and 2018. The measures in the decree are effective March 23, 2021 but must be converted into law within 60 days of the decree's publication in the official gazette (March 22, 2021). It is possible certain measures could be amended during the legislative conversion process.	
Italy	Implemented	Individual Income Tax	The Cure Italy Law Decree (to be converted into law within 60 days and subject to change during the parliamentary process) would introduce a **30% tax deduction** subject to a cap of €30,000 for donations made by individuals and non-profit entities during 2020 to the state, regions, local public authorities, other public institutions or legally recognized non-profit organizations to finance investments or expenses aimed at coping with the COVID-19 emergency. The Liquidity Decree has extended the **look-through regime** to instances when **dividends received by non-commercial partnerships are distributed by non-resident companies and entities, including trusts**. Also, it clarified that if the partners of the non-commercial partnership are resident non-commercial entities, the dividend is fully taxable, and that the 26% or 1.20% withholding tax will apply if the partners are not resident in Italy. Finally, the measures clarify that the new look-through taxation regime will apply to dividends received as of 1 January 2020. A transitional regime is available for distributions approved by 31 December 2022 and made by	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			companies/entities subject to IRES (corporate income tax) and from profits generated up to the fiscal year in progress on 31 December 2019. These profits will be subject to the rules predating the 2018 Budget Law. The Relaunch decree included among other things, the following measures: – Step up the tax basis of land and equity investments (those not traded in regulated markets) held by individuals, partnerships, and non-commercial entities. This allows a step-up to fair market value of the tax basis of assets held on 1 July 2020, as well as assets held on 1 January 2020 (this earlier step-up opportunity was introduced by the 2020 Budget Law). For assets owned on 1 July 2020, the deadline for the preparation and certification of the appraisal plus payment of the substitute tax (or at least the first installment) is 30 September 2020. – 20% of cash contributions made to increase share capital to be claimed as a tax credit by investors. This mechanism is available for investments in joint-stock companies, limited partnerships, limited liability companies, and cooperatives that have registered offices in Italy, provided that certain conditions are satisfied.	
Italy	Implemented	Suspension of Tax Audits	Effective from March 11, 2020 and until "further notice" **tax audits and certain other tax-related inspections are suspended.** The Italian Revenue Agency also announced the suspension of all formal audits of tax returns and other audit, assessment, inspection, collection and litigation actions—if these actions involve no imminent deadlines (or have already been suspended by law). However, there is uncertainty as to whether the suspension also applies to negotiated	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			settlements (accertamenti con adesione) and to mediation processes (especially those already underway).	
Italy	Implemented	Suspension of Tax Audits	The Law Decree n.18/2020 (to be converted into law within 60 days and subject to change during the parliamentary process) would: – **Suspend the collection payment deadlines related to payment notices** (cartelle di pagamento) issued by collection agents and by the social security authorities, as well as tax assessment notices (avvisi di accertamento) issued by the tax authorities. Similarly, all notices of payment issued by the customs authorities and local authorities have been suspended. – Provide for a **temporary suspension of certain tax agency deadlines and the statute of limitations**. For instance, from March 8 to August 31, 2020, there will be a suspension of the deadlines by which the tax agency must finalize tax audits, issue and serve notices of assessment, request payments and pursue litigation; respond to applications for tax rulings (ordinary rulings, fast-track rulings under the cooperative compliance regime, and substantial investment rulings); confirm admission to the cooperative compliance regime (even as part of the procedure to be followed when disclosing an unreported permanent establishment); and respond to applications for international rulings (such as APAs), unilateral corresponding adjustments (transfer pricing), and patent box relief. Pursuant to the Law Decree n.23/2020 ("Liquidity Decree"), between March 9, 2020 and May 11, 2020: – The deadline to appeal before the first level tax court and to reach a compromise with the Revenue	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Agency's legal team on disputes whose value is less than € 50,000 have been suspended – Tax litigation hearings have been postponed until after May 11, 2020 – Court deadlines have been suspended The Relaunch Decree provides: – Any amounts due for tax bills (so called "avvisi bonari") between March 8, 2020 and May 31, 2020 can be paid by September 16, 2020. – Suspension of the offsetting of tax credits against tax debts – the Italian tax authorities will refund the full amount of credits to the taxpayers. The August Decree postponed from August 31, 2020 to October 15, 2020 the ending date of the suspension of the payments deriving from payment notices, enforcement notices, as well as allocation obligation deriving from third party seizures. Decree Law no. 41 of March 22, 2021 introduced an extension of tax collection suspension (from February 28 to April 30, 2021) for the payments of tax bills, enforceable notice of assessment and social security bills. The seizure of assets held by third parties and the blocking of payments by the public administration will be suspended until April 30, 2021. Old tax debt up to € 5,000, assigned for collection between 2000 and 2010, will be automatically cancelled.	
Italy	Implemented	VAT and other indirect taxes	In case of free supplies pharmaceutical products made for "compassionate" purposes, the presumption of sale does not apply for VAT purposes. Therefore, the fair market value of such products is not subject to VAT and excluded from the computation of VAT taxable turnover.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The Relaunch decree repeals the increase of the VAT rates that was introduced by the Budget Law 2020 starting from January 1, 2021. Thus, unless the law is revised, the 22% standard rate and the 10% reduced rate will remain in effect during 2021. The Relaunch decree also introduces a **"super-reduced" 5% rate of VAT for supplies of certain medical goods** needed to address the COVID-19 outbreak. These goods include ventilators, monitoring systems, infusion pumps for drugs, endotracheal tubes, and certain protective devices and masks, among many other items. Supplies of eligible goods if made by 31 December 2020 will be VAT-exempt, with the right to recover VAT. On March 30, 2021, the deadline for retailers to update their cash registers has been postponed to October 1, 2021, from April 1, 2021. The guidance postpones once again the deadline for adopting the new technical specifications (version 7.0) with regard to the transmission of daily payment details. The Italian government also recently postponed the rules to provide "pre-populated" documents for taxpayers that are residents of or established in Italy. The Italian tax agency will now: – Make draft VAT ledgers and periodical VAT settlements available for transactions conducted on or after 1 July 2021 – Make draft VAT returns available for transactions conducted on or after 1 January 2022 Decree Law no. 73 (Support Decree 2) of May 25, 2021 (which must be converted into law within 60 days of its publication in the official gazette), introduced additional tax relief measures:	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Possibility of claiming VAT relief on bad debts at the beginning of an insolvency /bankruptcy rather than at the end; – Amendments to the annual limit for offsetting VAT credits: for 2021 only the amount of VAT credits that can be offset against other taxes or claimed as a refund is capped at Eur 2 million (currently Eur 700,000)	

Jurisdictions	Status	Type	Brief description	Source
Japan **Contact:** Takayuki Kozu takayuki.kozu@jp.kpmg.com	Implemented	Business Income Tax	On April 13, 2020, the NTA has amended the administrative guidance for corporation tax to provide that certain actions in transactions between business entities—such as forgiveness of trade receivables or the provision of low-interest loans—when there are financial difficulties related to the pandemic, should not be treated as donations or entertainment expenses. In addition, for small and medium-sized enterprise (SMEs), the following measures have been introduced: – A **tax reduction** (in terms of special depreciation or tax credits) has been introduced for **capital investment in teleworking**. – Special measures to reduce fixed assets tax for depreciable assets and buildings used by SMEs – Extension and expansion of special measures for fixed assets tax with the aim of achieving a "productivity revolution" For more details on the mechanism please refer to "*New Tax Measures introduced by the 'Emergency Economic Measure for COVID-19'*" prepared by KPMG member firm in Japan.	KPMG TNF and KPMG TNF and KPMG TNF
Japan	Implemented	Customs/Import and Other Miscellaneous Taxes	On April 30, 2020, the National Diet passed additional tax relief measures which, among others, provide for a reduction in the taxable basis for **property tax** purposes of depreciable assets and houses for business owned by SMEs to one half or zero for 2021.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Japan	Implemented	Filing/Payment Deadline Extension	The payment due dates for 2019 tax return for **taxpayers who use automatic bank transfer** will be extended as follows: – **Individual income tax** and special reconstruction income tax are due May 15, 2020. – **Individual consumption tax and local consumption tax** are due May 19, 2020. The payment due date for consumption taxpayers who apply special measures for certain short tax periods is also May 19, 2020. The Tokyo tax authorities announced an **extension of business tax** (local tax) due between February 27, 2020 and April 15, 2020 to April 16, 2020 (except for when a taxpayer closed the business in the middle of the year). These announcements followed the national tax agency's previous announcements that—due to the COVID-19—the **tax return filing and payment dates for individual income tax, gift tax, and individual consumption tax** for 2019 are extended to April 16, 2020. A new announcement released by the National Tax Agency (NTA) on April 6, 2020 introduced a "flexible approach" for income tax, estate tax, and consumption tax returns filing due date: late filing on or after 17 April 2020 will be flexibly accepted without a deadline. Income tax, estate tax, consumption tax payment due date was initially extended to April 16, 2020 if the tax payment is made in cash through a tax payment slip. In connection with the above filing due date extension, tax payment due date also extended to when tax returns are filed.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The FAQs released on March 25, 2020 by NTA about the tax filing and tax payment relief measures have been updated and include the procedure to get the flexible approach for filing due dates. On April 8, 2020, additional FAQs were released addressing the procedures for extending the return filing and tax payment due dates with respect to corporation tax, local consumption tax, and withholding tax. On April 14, 2020, additional FAQs were released, addressing the following: – Procedures for the extension of tax return filing and tax payment due dates for corporation tax, local corporation tax, and consumption tax in response to the pandemic. – Providing instructions concerning the treatment of reductions of directors' compensation in response to business downturn. – Procedures for individual taxpayers with regard to extensions of tax return filing and tax payment due dates regarding individual income tax, gift tax, and individual consumption tax. On April 15, 2020, the NTA extended the AEOI reporting deadline and amended the CRS legislation. On April 20, 2020, the Tokyo Bureau of Taxation released information on the procedures that companies should follow to extend the **tax return filing and payment due dates for corporate business tax and inhabitant tax purposes**. Companies not able to file their tax returns or pay the related taxes by the due date because of "unavoidable reasons" related to the COVID-19 pandemic may avail themselves of one of	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			two application methods for an extension for filing returns and paying tax: – File Form No. 22 regarding extension by disaster (under Tokyo metropolitan ordinance 17-2) – File Form No. 13 regarding extension by disaster (under local taxation law 72-25) A list of FAQs addresses the procedures for extension of return filing and tax payment due dates for corporate business taxpayers and payers of corporate inhabitant tax in Tokyo. On April 30, 2020, the National Diet passed additional tax relief measures, such as a **Special Grace Period** which can be granted for up to 1 year, upon request to the tax office for taxpayers who cannot pay national tax at one time due to the effect of the coronavirus. Taxpayers who meet both of the following requirements are eligible for special grace: – decrease in their income from business for any period (more than one month) after February 2020 by about 20% or more compared to the same period of the previous year due to the influence of COVID-19 – facing difficulty paying their national tax in a lump sum Special grace covers national taxes which are due by the date between February 1, 2020 and February 1, 2021 (excluding stamp duty which is payable by affixing a stamp). If taxpayers are granted special grace, delinquent taxes (interest on principal tax) will be fully discharged. A taxpayer that wishes to avail of the Special Grace Period provision needs to file an application form, along	

Jurisdictions	Status	Type	Brief description	Source
			with the documentation to demonstrate the decrease in revenue and an inventory of assets, by the payment due date of the national tax to which the Special Grace Period is intended to be applied. In May 2020, the NTA released specific *FAQs* the grace system for national tax payments. On May 29, 2020, Japan's National Tax Agency released a list of Q&As addressing alternative procedures for the application of treaty protection on withholding taxes, where a withholding obligator cannot submit an original application form for income tax convention or a tax treaty residency certificate to the tax office by the due date due to COVID-19. On December 15, 2020, the NTA updated certain FAQs concerning: – Tax returns filed for 2020 – Relief concerning tax return filing and tax payment processes. o Taxpayers who have not filed final income tax, gift tax, or individual consumption tax return for 2019 due to the impact of COVID-19, shall file by the filing due date for 2020 o Specific procedures for extension of filing due dates for corporation tax, local corporation tax and consumption tax for companies, and withholding income tax by individual application – A "grace period" for taxpayers encountering difficulty paying their taxes because of the economic situation caused by the pandemic	

Jurisdictions	Status	Type	Brief description	Source
			The NTA in February 2021 updated a set of FAQs to provide additional time for individual taxpayers to file tax returns and remit payments of tax. Based on the updated FAQs, the return filing and payment due dates for individual income tax, individual consumption tax, and gift tax for 2020 are extended to 15 April 2021. The payment dates for individual income tax and individual consumption tax made by using automatic bank transfer is also extended. The FAQs further explain that the deadline extension applies to certain other taxpayer filings and procedures. On February 15, 2021, the NTA published a notice extending the tax return filing and tax payment due dates for individual income tax, individual consumption tax, and gift tax for 2020 will be extended to 15 April 2021. The extended due date of 15 April 2021 also applies with regard to the filing of the report of foreign assets and the report of asset and liabilities. The NTA updated the FAQs concerning corporate tax return filing and tax payment procedures. The recently updated COVID-19-related FAQs include new FAQs #Q7, #Q7-2, and #Q7-3 that address the timing for corporation tax purposes of revenue recognition of subsidies, of interest subsidies, and of subsidies for credit guarantee fees regarding substantially interest-free loans from private financial institutions with no collateral condition. On March 25, 2021, the NTA released updated FAQs addressing relief regarding the tax filing and tax payment procedures (specifically, concerning the timing of revenue recognized by subsidiaries) and a "grace period" for payments of tax. On April 6, 2021, the NTA updated an FAQs to indicate that an "extremely simple method" for extended filing	

Jurisdictions	Status	Type	Brief description	Source
			and payment due dates (such as by adding a note to an application for an extension of return filing and payment due dates relating to COVID-19 in an open space on a tax return) will not be acceptable on or after 16 April 2021. A new FAQ 3.7 was added to specify that entities that cannot provide CRS reports by the deadline because of unavoidable circumstances related to the pandemic are directed to contact the tax agency.	
Japan	Implemented	Individual Income Tax	On April 30, 2020, the National Diet passed additional tax relief measures which include allowance of a charitable (donation) deduction by individuals who forfeited a right to claim a refund of the amount they paid for admissions to a cultural, arts or sporting event that was cancelled because of the pandemic. The NTA released administrative guidance about the tax treatment of donations by individuals of the admission fee paid to cultural, arts or sports events that were cancelled.	**KPMG TNF** and **KPMG TNF**
Japan	Implemented	Loss Relief	The scope of eligible companies for a tax refund by the application of tax loss carrybacks generated between February 1, 2020 and January 31, 2021, has been expanded and now includes companies with stated capital of JPY 1 billion or less (from JPY 100 million or less). In order to qualify for a tax refund, a refund claim must be submitted by certain deadlines: – at the time the final tax return is filed – by July 31, 2020 for companies which have filed the final return before July 1, 2020 For more details on the mechanism please refer to "*New Tax Measures introduced by the 'Emergency*	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			Economic Measure for COVID-19"' prepared by KPMG member firm in Japan.	
Japan	Implemented	Payroll Tax	On May 31, 2021, the NTA updated the FAQs to address the tax treatment of amounts paid to employees who are working from home in response to the COVID-19 pandemic. The updated FAQs provide information about the tax treatment of office supplies or consumable goods provided to employees who work from home and also amounts paid to employees with regard to COVID-19 prevention.	**KPMG TNF**
Japan	Implemented	PE and Place of Management	On October 23, 2020, Japan's NTA updated a set of FAQs concerning the tax return filing and tax payment procedures. The FAQs cover a variety of tax relief measures,and have been updated several times since being originally released in March 2020. The most recent update adds new FAQs concerning the tax treatment for income tax purposes of certain situations arising because of the pandemic, including the following: – When an employee (a Japanese resident) is unable to depart from Japan – When an expatriated worker of a foreign parent company works overseas, engaged in the business of the Japanese company – When an employee (a Japanese resident) who originally departs from Japan for a temporary business trip but does not return to Japan and works overseas, engaged in the business of the Japanese entity When an employee (a non-Japanese resident) who is seconded to a foreign company returns temporarily to Japan	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Japan	Implemented	VAT and other indirect taxes	On April 30, 2020, the National Diet passed additional tax relief measures which include, among others provide for: – Special rules for consumption tax—when sales for a one-month (or longer) period between 1 February 2020 and 31 January 2021 are decreased significantly (50% reduction or more), the selection or cancellation of taxable company status for consumption tax purposes is permitted – Stamp tax exemption for contracts involving public or private financial institutions whose business is affected by COVID-19	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Jersey  **Contact:** John Riva jriva@kpmg.com	Announced	Filing/Payment Deadline Extension	The authorities have announced the following measures. **Deferral of payment of social security contributions.** Businesses with less than 80 employees and self-employed individuals are automatically eligible to defer their Social Security contribution payments for the first two quarters of 2020 Businesses with more than 80 employees may seek to claim the deferment by emailing Social Security sscontributions@gov.je. **Deferral of payment of GST**. GST-registered businesses have been offered the option to defer their GST payments due in relation to any GST returns for periods ending 31 March, 30 April, 31 May and 30 June Whenever possible, businesses **should continue to submit their tax returns** (income tax, GST, ITIS, Social Security contributions) as normal. Revenue Jersey has stated that they will utilize their statutory discretion regarding the late filing of GST and ITIS returns in "grave and exceptional circumstances". An online form has been released to facilitate such requests.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Jordan  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Payroll Tax	The rate of **social security contributions** is decreased to 5.25% (instead of the typical rate of 21.75%). With this rate reduction, the employer share of social security contributions will be 4.25% and the employee share will be 1%. Payments of the reduced social security contributions must be remitted by 31 December 2023 to avoid imposition of interest.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Kazakhstan  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Business Income Tax	Business owners are exempt until 31 December 2020 from: – **Property tax** for legal entities and self-employed individuals that operate in large shopping centers, shopping and entertainment malls, cinemas, theatres, exhibitions, sport centers, and sport and recreation complexes. – **Land tax** on agricultural lands used by farmers to produce agricultural products. In February 2021, a new retail tax regime was introduced for entrepreneurs affected by the COVID-19 pandemic. The government approved a list of industries (such as retail, transportation, hotel and tourism, catering, and entertainment sectors) eligible for the retail tax regime, and the list is effective from 1 January 2021 to 1 January 2023. Under the special retail tax regime, special procedures for calculating tax apply and those applying the retail tax regime are exempt from social insurance tax. A taxpayer operating under this retail tax regime is not required to comply with VAT registration for the applicable period of the retail tax regime.	KPMG TNF and KPMG TNF
Kazakhstan	Implemented	Customs/Import and Other Miscellaneous Taxes	A tax relief measure provides for "nil" customs duties for export of oil products (including gasoline, diesel fuel, jet fuel, liquefied gas, etc.) from 1 April to 31 December 2020. Oil refineries are exempt from **excise tax** on exported gasoline and diesel fuel until 31 December 2020.	KPMG TNF
Kazakhstan	Implemented	Filing/Payment Deadline Extension	– The deadline for the submission of tax declaration is postponed to Q3 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The penalty accrual on unfulfilled tax obligations to be ceased until 15 August 2020. – Tax deferrals: SMEs will be allowed to defer tax and other obligatory payments for a period of three months, with no fines and penalties.	
Kazakhstan	Implemented	Individual Income Tax	Self-employed individuals that work under standard taxation scheme are exempt until 31 December 2020 from individual (personal) income tax.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Kenya **Contact:** Clive Akora cakora@kpmg.co.ke	Implemented	Business Income Tax	The Government has implemented a reduction of the resident corporate income tax from 30% to 25% to allow companies additional resources to sustain their operations, and increased the withholding tax on dividends to nonresidents from 10% to 15%.	**KPMG TNF**
Kenya	Proposed	Business Income Tax	On 27 November 2020, the government published "The Tax Laws (Amendment) (No.2) Bill 2020", which among other things, proposes to reinstate the 30% corporation tax rate for resident companies for the year of income 2021 and subsequent years.	**KPMG TNF**
Kenya	Proposed	Individual Income Tax	The Government has proposed a: – 100% tax relief for individuals earning gross monthly income of up to KES 24,000 (generally classified as "low income earners") – A payment of additional income for a person earning a monthly income of KES 24,000	**KPMG TNF**
Kenya	Implemented	Payroll Tax	The Government has implemented a reduction of the top "pay as your earn" (PAYE) rate from 30% to 25%.	**KPMG TNF**
Kenya	Implemented	VAT and other indirect taxes	The Cabinet Secretary has published Legal Notice No. 206 of 2020 of 23 November 2020 to the effect that the standard VAT rate shall revert to 16% (from 14%) effective 1 January 2021.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Kosovo  **Contact:** Raluca Enache enache.raluca@kpmg.com	Announced	Filing/Payment Deadline Extension	Tax officials in Kosovo announced postponed tax return filing and tax payment deadlines: – The deadline for the **submission of corporate and individual income tax returns** and **payment** of tax liabilities is extended until 30 April 2020. – Any tax refund review and approval procedure is suspended until 30 April 2020. – Submission of consolidated financial statements, management reports, consolidated management reports, audit reports on the financial statements of legal entities has also been suspended to 30 June 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Kuwait  **Contact:** Zubair Patel zpatel@kpmg.com Fahim Bashir fbashir@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Ministry of Finance issued guidance providing an extension of deadlines with respect to the filing of tax returns, making tax settlements, and filing objections and appeals. The guidance provides relief for business taxpayers regarding corporate income tax, Zakat, and tax procedural deadlines. In general, the filing deadlines for tax returns are extended for: – 60 days from the date when the Ministry of Finance resumes operations for taxpayers whose fiscal year-end is either 31 December 2019 or 31 January 2020 – 30 days from the date when the Ministry of Finance resumes operations for taxpayers whose fiscal year-end is before 31 December 2019 The Kuwait tax authority issued Circular No. 4 of 28 June 2020 which extends the return filings and payment deadlines for businesses with fiscal year-ends of 29 February 2020, 31 March 2020, and 30 April, and apply with respect to corporate income tax, Zakat liabilities, and the labor support tax. Deadlines are extended as follows: – 27 August 2020 - Submission of returns for tax payers with a 29 February 2020 year end, being 60 days from the date the Ministry of Finance ("MOF") resumed operations on 30 June 2020. – 13 September 2020 - Submission of returns for tax payers with a 31 March 2020 year end, being 60 days from the statutory due date of 15 July 2020 14 October 2020 - Submission of returns for tax payers with a 30 April 2020 year end, being 60 days from the statutory due date of 15 August 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Latvia  **Contact:** Ilze Berga iberga@kpmg.com	Implemented	Accelerated Refunds	The government of Latvia on March 20, 2020 has introduced a **quicker process for VAT refunds**: beginning 1 April 2020, the tax authority will refund the approved input VAT within 30 days after the due date of submitting the VAT return (and not until end of the tax year), and the faster refund of input VAT will also apply for January and February 2020.	KPMG TNF
Latvia	Implemented	Filing/Payment Deadline Extension	The government of Latvia on March 20, 2020 passed the following tax relief measures: – **For companies "most affected" by Covid-9 - postponement of current and overdue tax payments, for up to three years**, or the ability to make installment payments when the delay is related to COVID-19 without triggering late-payment penalties; a request must be submitted to the tax authority – **Cancellation of advance payments of individual income tax** for self-employed individuals, and no late-payment fees for failure to remit the advance payments – **Postponement of real estate tax** payments to be allowed by municipalities – **Submissions of financial statements** (annual report and consolidated annual report) may be made later than the legal deadline (three or four months, respectively) On March 26, 2020 the above measures were made available to all companies—regardless of their industry sector, provided the companies meet certain criteria: Turnover in March or April 2020 compared to the respective month in 2019 decreased by 30% or more	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Turnover in March or April 2020 compared to the respective month in 2019 decreased by 20%, if one of the three following requirements is met: The company's revenues from export amounted to at least 10% of total turnover in 2019, but not less than €500,000 Average salary paid in 2019 was at least €800 Long-term investments in fixed assets as at 31 December 2019 was at least €500,000	

Jurisdictions	Status	Type	Brief description	Source
Lebanon  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The Lebanese Government introduced an **exemption for 2 months from custom duties and excise tax** on medical and laboratory equipment used to counter the COVID-19 pandemic.	KPMG TNF
Lebanon	Implemented	Filing/Payment Deadline Extension	Tax relief measures introduced by the Lebanese Government include: – Suspending tax deadlines such as the due date for filing tax returns and paying tax, as well as the due dates for taxpayer registration and deregistration, and for filing objections and appeals and other tax obligations—in general, postponed until the end of the COVID-19 "lockout" – Allowing taxpayers to submit their requests to the Ministry of Finance through email – Deferring payments of social security contributions relating to the first six months of 2020 for an additional six months from the original due dates	KPMG TNF
Lebanon	Implemented	VAT and other indirect taxes	A VAT exemption has been introduced on the imported raw material directly used in the Pharmaceutical industries.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Liechtenstein  **Contact:** Jason Zuecker jzuecker@kpmg.com	Implemented	Filing/Payment Deadline Extension	The tax authority of Liechtenstein announced that the reporting deadlines for the submission of **FATCA** and common reporting standard (**CRS**) reports for the 2019 reporting period have been extended to 31 July 2020 due to the COVID-19 pandemic. Additionally, Liechtenstein financial institutions are required to notify individuals and legal entities that are subject to being reported under the FATCA or CRS regimes about the transfer of information abroad. Liechtenstein "passive non-financial entities" are required to forward this information to the persons subject to reporting. The deadline transmission of this information is 31 March of the year when this data is to be exchanged for the first time. On 28 April 2021, the tax authority of Liechtenstein announced that the reporting deadline for the submission of FATCA and CRS reports for the 2020 reporting period has been extended to 31 July 2021. –	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Lithuania **Contact:** Birutė Petrauskaitė bpetrauskaite@kpmg.com	Implemented	Filing/Payment Deadline Extension	For **corporate taxpayers**: The deadline for **filing advance corporate income tax returns and making payments** of tax is deferred until March 30, 2020 (instead of March 16, 2020). Taxpayers may revise their advance corporate income tax calculation methods (for instance, based on estimates for the current year, instead of using the previous years' results). Taxpayers may also apply for a **tax installment agreement** to: – defer tax underpayments (without interest); – request a suspension of collection of tax underpayments; and – seek abatement of penalties and late-payment interest. For **individual taxpayers** the deadline for submitting their **annual income tax returns and for remitting payments** of tax is extended until July 1, 2020 (instead of May 4, 2020). On November 7, 2020, the Government ordered another "lockdown" in response to the second wave of the pandemic. Tax-related relief measures in response to the COVID-19 pandemic concerning tax payments and installment agreements are the following. **Tax payment**: – Taxpayers included in the "list of taxpayers" directly affected by COVID-19-related measures will incur no late-payment interest for tax liabilities incurred for the period from 16 March 2020 through 31 December 2020. To qualify for this interest relief, the taxes must be paid or tax instalment (loan) agreements must be concluded by 28 February 2021.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Other taxpayers not included in the list, although affected by the COVID-19 pandemic, may apply to the tax authorities to become eligible for the relief by 31 December 2020. The subject taxes must also be paid or a tax instalment (loan) agreement must be concluded by 28 February 2021. – This relief applies also to self-employed individuals, whose activities were restricted or prohibited by the lockdown. **Tax installment agreement**: – Taxpayers directly affected by COVID-19 may conclude an interest-free agreement for a two-year period, through 31 December 2022. – Tax instalment (loan) agreements may be concluded for a longer period of five years. However, if the loan period goes beyond 31 December 2022, general rules will apply, and interest will be assessed. – For other taxpayers, the general rules for concluding loan agreements apply.	
Lithuania	Implemented	VAT and other indirect taxes	A temporary reduction to the VAT rate—effective 1 July 2021 through 31 December 2022—applies with regard to: • Services of restaurants, cafes, and similar establishments providing catering and takeout (but not available with regard to sales of alcoholic beverages) • Attendance at art and cultural institutions, cultural events, sports events, sports clubs • Admission to performances provided by singers, musicians, actors, etc.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source

Luxembourg
 	
Contact:
Sébastien Labbé
sebastien.labbe@kpmg.lu
	Implemented	Filing/Payment Deadline Extension	Specific tax measures have been implemented.
			– Companies and self-employed individuals with income from professional, commercial or agricultural activities can request help if they are facing liquidity issues due to COVID-19. Eligible taxpayers can file a request for:
			  – **cancellation of the first and second quarterly advance payments** for both (corporate) income tax and municipal business tax for 2020;
			  – **a four-month extension to the deadline for the payment of (corporate) income, municipal business and net wealth taxes** due after 29 February 2020, without any penalty for late payment. The tax authorities will automatically approve all eligible requests.
			– Authorities have extended the deadline to file both corporate and individual (personal) income tax returns to June 30, 2020.
			– On 7 May 2020, a motion was introduced in the parliament to reduce the late-payment interest rate from currently 0.6% per month to 0.3% per month (i.e. 3.6% per year).
			On May 12, 2020, the Luxembourg VAT authorities announced the end of the administrative tolerance in regard to the late submission of VAT returns, put in place at the beginning of confinement. As a result, all **pending VAT returns not yet submitted** due to the Covid-19 crisis (in particular January and February monthly VAT returns) **should be filed as soon as possible**, in order to avoid any potential administrative fines. No specific provisions regarding a transitional period or progressive measures are foreseen. Enforced collection of tax debts is suspended for the time being.
			On June 4, 2020, the Luxembourg government announced its intention to opt for the **DAC6 reporting**
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Jurisdictions	Status	Type	Brief description	Source
			deadlines six-month deferral and on July 24, the Luxembourg Official Journal published the bill providing the extension of the reporting deadlines. On July 24, 2020, the Luxembourg Tax Authority extended the deadline for filing **FATCA and CRS returns** for the 2019 reporting period from June 30, 2020 to 30 September 2020.	
Luxembourg	Proposed	Filing/Payment Deadline Extension	The government on 21 December 2020 announced it would propose a draft law to extend the deadline for filing corporate and individual income tax returns for the years 2019 and 2020. The deadline for the 2019 corporate and individual tax returns has been extended from 31 December 2020 to 31 March 2021. The bill should be drafted and adopted by the Chamber of Deputies at the beginning of 2021. The draft law, extending certain deadlines for individual and corporate tax returns has been filed with the Luxembourg Chamber of Deputies under Bill 7746. The extension, which was announced by the Prime Minister in December 2020, was granted due to the ongoing pressure on individuals and businesses as a result of the COVID-19 crisis. Once enacted, the filing deadlines would be extended as follows: – Deadline for filing the individual income tax returns for 2019 to 31 March 2021 – Deadline for filing the individual income tax returns and corporate tax returns for 2020 to 30 June 2021 – Deadline for the Luxembourg resident taxpayers to opt for – via the filing of the form 931 – and pay the 20 percent withholding tax on qualifying interest paid by foreign paying agents (so-called "RELIBI Law") for 2020 to 30 June 2021.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Deadline for married couples and individuals in a partnership to opt for the individual taxation for tax year 2020 to 30 June 2021. The Bill does not provide for an extension of the deadline for the 2019 corporate tax returns. For these returns an administrative tolerance until 31 March 2021 was announced in the press release by the government on 21 December 2020, meaning that no penalties should be imposed if the corporate tax return is filed before that date. The Bill will now have to follow the usual legislative process before becoming law.	
Luxembourg	Implemented	PE and Place of Management	– The days that Belgian, French and German residents work from home due to COVID-19 will not count towards the 24-day tax threshold for the Belgians, the 29-day threshold for the French or the 19-day threshold for the Germans. The days will be taxed in Luxembourg. – It has been confirmed that working at home in another country will not affect your social security status: those covered by the Luxembourg system will still be covered regardless of number of days worked at home during the outbreak. – French, Belgian, and German cross-border workers require a certificate, signed by their employer, to cross the Luxembourg border. By special Grand Ducal decree (dated March 20, 2020), the Luxembourg authorities have formally decided that shareholders meetings and board meetings can be held by video conference or through other means (circular resolutions for board meetings, votes in writing or special proxies for shareholders meeting). The tax authorities of Luxembourg and France concluded two agreements concerning the taxation of French	**KPMG TNF** and **KPMG Global** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			residents working in Luxembourg, including workers who are working in Luxembourg because of the coronavirus pandemic. The French and Luxembourg authorities have signed two separate agreements: – The first gives clearer guidance on calculating the 29-day threshold – The second classifies the COVID-19 pandemic as a 'force majeure' that is, as such, exempt from the 29-day threshold calculations The guidelines for calculating the 29-day threshold can be summarized as follows: – **Exclude from calculations**: days-off, weekends, public holidays when the employee is not required to work, sick days, and cases of "force majeure" beyond the control of the employer and the worker (including days working from home due to the COVID-19 pandemic) – **Consider as one full day in calculations:** any part of a day worked outside Luxembourg (including for professional training) – Specific cases: o Part-time employment: the 29-day threshold is reduced proportionally based on the work schedule outlined in the employment contract o The 29-day threshold is to be considered as an overall threshold of 29 days per calendar year, including in cases where several activities are performed under different employment contracts during the same year o Statutory sickness and maternity allowances are taxable in the state that pays the allowance	

Jurisdictions	Status	Type	Brief description	Source
			○ Compensation for overtime is taxed in the state where the overtime is performed The burden of proof, in any case, lays with the taxpayer. In order to demonstrate their physical presence in Luxembourg, French residents can provide documents including the following: an employment contract or employer's certificate referring to the place where the position is actually exercised, attendance lists for meetings or trainings, documents relating to time worked such as time-sheets or recordings, documents relating to travel such as train or plane tickets, invoices for accommodation expenses like accommodation or car rental, or proof of meal expenses like receipts or credit card account statements.	
Luxembourg	Implemented	Suspension of tax audits	New measures adopted 7 May 2020 provide additional tax procedure relief. This includes **suspension of the deadlines for filing administrative appeals until 30 June 2020** (from 18 March 2020). Taxpayers receiving a tax assessment, for example, as of 13 December 2019 now have until 1 July 2020 (instead of 18 March 2020) to file administrative appeals. As another example, tax assessments dated 13 January 2020 should have a new appeal deadline of 30 July 2020. For tax assessments issued between 13 March and 25 June 2020, the three-month deadline is paused—it will begin to run on 1 July 2020 and end three months later, on 1 October 2020. If taxpayers missed deadlines for administrative appeals despite exercising all due care, they can still request a re-establishment of their rights. Other measures reflect: – The tax relief also suspends or postpones the deadlines for bringing cases before the	[KPMG TNF]

Jurisdictions	Status	Type	Brief description	Source
			administrative tribunal or the court of first instance in direct tax matters. – The Luxembourg tax administration will have one additional year to assess, modify, collect and, if necessary, enforce direct taxes. – According to the new law, the statute of limitations period that would expire on 31 December 2020 will now be extended by one year to 31 December 2021.	

Jurisdictions	Status	Type	Brief description	Source
Malaysia  **Contact:** Tai Lai Kok ltai1@kpmg.com.my	Proposed	Business Income Tax	The Prime Minister has proposed the following measures: – Annual allowance for qualifying capital expenditure incurred on machinery and equipment from March 1, 2020 to December 31, 2020 will be increased to 40% – A tax deduction of up to RM 300,000 will be given for expenses incurred on renovation and refurbishment of business premises from March 1, 2020 to December 31, 2020 – Double deduction will be given on pre-commencement expenses incurred by International Shipping Companies for setting up regional offices in Malaysia – Tax deduction on expenses incurred by companies for provision of disposable personal protective equipment	KPMG TNF
Malaysia	Implemented	Business Income Tax	The Inland Revenue Board (IRB) released guidelines on the tax deduction for contributions made to the COVID-19 relief fund that address: – Eligibility criteria for the applicants – Who are qualifying recipients of the relief fund – What are qualifying donations On January 18, 2021, the Prime Minister introduced a package of extended tax incentives and exemptions provided as economic relief measures: – Special tax deduction (rental deduction) of at least 30% of business premises rented to small and medium enterprises (SMEs) from April 2020 to June 2021 (subject to publication of the relevant rules in the official gazette) – Special tax relief of up to RM2,500 for purchases of personal computer, smartphone or tablet incurred from 1 June 2020 to 31 December 2021 – Double tax deduction will be given to employers who fund the cost of Covid-19 screening for their employees in year 2021.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Sales tax exemption for purchase of passenger cars from 15 June 2020 to 30 June 2021, subject to conditions: o 100% on domestically assembled passenger cars o 50% on imported passenger cars – The condition of ownership to qualify for exemptions from excise duty and sales tax for the purpose of transfer, disposal and for private use of taxis reduced to five years (from seven years) extended through 31 December 2021 The Malaysian Inland Revenue Board issued a set of updated FAQs on the special tax deduction available for landlords that provide a rental reduction of at least 30% SME tenants and regarding business premises rented to non-SMEs. The FAQs provide: – A qualifying person will be allowed a special tax deduction in an amount equal to the rental reduction granted to SME tenants and non-SME tenants as follows: o For SME tenants—the period of rental reduction is from April 2020 to June 2021. o For non-SME tenants—the period of rental reduction offered is from January 2021 to June 2021. – For purposes of claiming the special tax deduction, an SME status certificate issued up to 30 June 2021 can be used as verification of the tenants' SME status. – The tax authority is currently updating the worksheet (form) to be used to claim the special tax deduction. A plan unveiled 17 March 2021 is intended to offer tax and other incentives as support for businesses affected by the coronavirus. – Additional tax deduction up to RM50,000 for qualifying companies in manufacturing and related services, participating in Safe@Work initiative, on expenses incurred in relation to the rental of employees' premises and hostel facilities	

Jurisdictions	Status	Type	Brief description	Source
			– Further tax deduction with regard to COVID-19 screening expenses incurred by employers until 31 December 2021 – Extended tax incentives for tour operators – Deferment of tax instalment payments for tourism industry – Income tax relief on domestic travel	
Malaysia	Proposed	Customs/Import and Other Miscellaneous Taxes	The Prime Minister has proposed the following measures: – Import duty and sales tax exemption on equipment and machineries for port operators – Expansion of the value-added activities permitted in the Licensed Manufacturing Warehouse and the Free Industrial Zone	KPMG TNF
Malaysia	Implemented	Filing/Payment Deadline Extension	The Malaysian Inland Revenue Board has announced and further updated the FAQs on the following measures: – No penalty will be imposed on late payment of taxes provided the payment is made by 30 April 2020. – Extension of time to 31 May 2020 is given for **tax installment payments (CP204)** due on 15 April 2020 and May 15 2020. – **Deferment of Monthly Tax Installment Payments (CP204):** - 3 Months from April 2020 through June 2020 for **Small and Medium Enterprises** ("SMEs") - 6 Months from April 2020 through September 2020 for Companies in the **Tourism Industry** – **Deferment of Monthly Tax Installment Payments (CP500)** - CP500 payment for March 2020 and May 2020 tax installments can be deferred starting from April 2020 to June 2020; and - There is no requirement to pay the deferred tax installment payments and tax penalties will not be	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			imposed. The balance of tax (if any) has to be settled upon the submission of the income tax return. – An extension of time until 31 May 2020 is allowed for submitting documents for **tax audit or investigation** – **Payments of WHT** can be made between 29 April 2020 and 31 May 2020 – Extension to 31 May 2020 for the submission of the irrevocable election form (Form LE3) for Labuan entities, where the due date falls within the period 18 March 2020 and 28 April 2020.	
Malaysia	Implemented	Filing/Payment Deadline Extension	The deadline for **CbC reports** has been extended to: – 15 May 2020 (for those CbC reports originally due 31 March 2020) – 31 May 2020 (for those CbC reports originally due 30 April 2020) The deadline for **CbC notifications,** originally due on 31 March 2020 or 30 April 2020, have been extended to 31 May 2020.	KPMG TNF
Malaysia	Implemented	Individual Income Tax	Effective June 1, 2020: – A **stamp duty exemption** is granted for the purchase of residential property priced more than RM300,000 but not more than RM2.5 million (subject to a discount of at least 10% provided by the developer except for a residential property which is subject to controlled pricing) under the Home Ownership Campaign 2020/2021 in respect of the following instruments: o Loan agreements - full exemption o Instruments of transfer - exemption limited to the first RM1 million of the house price and 0.3% stamp duty on the price exceeding RM1 million.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– **Real Property Gain Tax (RPGT) exemption** is granted provided that the sale and purchase agreement ("SPA") for the purchase of the residential property is between an individual who is a Malaysian citizen or co-purchasers who are Malaysian citizens and a registered property developer. The SPA must be executed on or after 1 June 2020 but not later than 31 May 2021. An RPGT exemption is given on the chargeable gain on the disposal of a residential property by an individual who is a Malaysian citizen on or after 1 June 2020 but not later than 31 December 2021, subject to meeting specified conditions. The exemption is limited to the disposal of 3 units of residential property for each disposer. On January 18, 2021, the Prime Minister introduced a package which included tax relief of up to RM8,000 for medical expenses incurred for the treatment of serious diseases for taxpayer, spouse and children and the cost of fertility treatment (including full medical check-up of RM1,000 and prescribed vaccination of RM1,000, as well as for extended full medical check-up to cover Covid-19 screening).	
Malaysia	Implemented	VAT and other indirect taxes	A plan unveiled 17 March 2021 is intended to offer tax and other incentives as support for businesses affected by the coronavirus: – Extended exemptions from service tax and tourism tax for hotels and other similar establishments – Exemption from entertainments tax (duty) – Excise-tax exemption for motorcycles assembled domestically The temporary exemption from service tax allowed accommodation operators (hotels, inns, lodging houses, service apartments, homestays and any other similar establishments) has been extended through 31 December 2021. The service tax	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			exemption was previously provided from 1 March 2020 through 30 June 2021. The Royal Malaysian Customs Department issued an amendment to earlier guidance with respect to an exemption from service tax for hotels and certain other accommodation operators (including inns, lodging houses, service apartments, homestays, and other similar establishments). A temporary exemption from service tax—relief offered to accommodation operators in response to the coronavirus (COVID-19) pandemic—was previously extended through 31 December 2021. The recent amendment reiterates that the service tax exemption for the extended period through 31 December 2021 is limited to the provision of accommodation premises and certain related services.	

Jurisdictions	Status	Type	Brief description	Source
Malta **Contact:** Doreen Fenech doreenfenech@kpmg.com.mt	Implemented	Filing/Payment Deadline Extension	**Employers and self-employed persons are being granted a two-month extension on the payments of any Provisional Tax, VAT and National Insurance Contribution due till the end of April**. Further information regarding guidelines and applications is still to be issued by Malta Enterprise. The Inland Revenue of Malta issued a deadline extension for **FATCA** and common reporting standard (**CRS**) reporting to 30 June 2020 for the 2019 reporting year. On July 14, 2020, the Revenue updated the initial notification to **extend the tax deferral relief measures** for certain taxes until the end of August 2020. The extended deferral applies to **provisional tax, social security contributions of self-employed persons** (the Class 2 contributions) and **VAT** first due in March 2020 and up to and including August 2020 (previously extended through June 2020). Eligible taxes are to be settled by 31 May 2021 (extended from 31 October 2020). The tax deferral relief was not extended for employee taxes, maternity fund payments, and social security contributions (Class 1 contributions) that were due in March 2020 up to and including June 2020. The payment of such deferred social security and employee taxes is to be settled as from 1 July 2020. The tax deferral relief measures are available for companies and self-employed businesses that have suffered a significant downturn in turnover (as defined in the Revenue notification), provided that they had applied for the scheme by 15 May 2020. The deadline of filing **individual tax returns** (either paper or electronically filed) for year of assessment	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2020 / basis year 2019 has been extended by two months to 31 August 2020. Individual taxpayers required to file a tax return (for year of assessment 2020 / basis year 2019) would have usually submitted the return by the end of June 2020 but are being allowed to file the return until the end of August 2020. The temporary COVID-19 measure providing for a reduced tax and duty rate of 5% and 1.5% respectively on the first EUR400,000 of immovable property transferred inter vivos has been extended by four months, until the end of July 2021 (formerly March 2021). Such extension is effective pursuant to the publication of Legal Notices 129 and 130 of 2021. Where a promise of sale or promise of transfer is entered into by the said July date, the schemes apply provided that the final transfer is made by 31 January 2022 (formerly 31 December 2021). On April 19, 2021, the Inland Revenue of Malta issued a deadline extension for FATCA and common reporting standard (CRS) reporting for the 2020 reporting year to 30 June 2021.	

Jurisdictions	Status	Type	Brief description	Source
Mauritius **Contact:** Wasoudeo Balloo wballoo@kpmg.mu	Implemented	Business Income Tax	The Mauritius Revenue Authority (MRA) announced the following measures: – "Double tax deduction" on the emoluments payable to the staff working remotely and a 5% tax credit on certain IT system purchases available to employers in an effort to promote employee telecommuting and working from home. These measures are transitional and apply only for the period 01 July 2018 to 30 June 2020. – Enhanced tax deductions for plant and machinery acquired during the period March 1, 2020 through June 30, 2020.	KPMG TNF
Mauritius	Implemented	Business Income Tax	On May 16, 2020, a new Bill was enacted: – **COVID-19 Levy**: Employers (individuals, companies and societies) who have benefited from the Government Wage Assistance Scheme (GWAS) will be liable to a COVID-19 levy (Levy). The levy is payable over two consecutive years. Calculation of the COVID-19 levy generally is limited to the lower of the amount of financial support received or 15% of the employer's tax adjusted income. An employer will not be subject to the Levy if the employer is not liable to tax. Failure to remit the Levy to the Mauritius Revenue Authority (MRA) will be subject to penalty of 10% of Levy amount and interest of 1% per month or part of the month shall be imposed in addition to the Levy amount. False/misleading statements or declarations may be subject to a fine not exceeding MUR1 million and imprisonment for up to 2 years. – **Extension of the GWAS**: The GWAS has been extended to cover for the month of May 2020. Under the GWAS, employers are entitled to an allowance of 50% of the basic salary of an	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			employee for the month of March 2020, capped at MUR 12,500. For the month of April 2020 and May 2020, the allowance is equivalent to an employee's salary up, capped at MUR 25,000. The GWAS does not apply to employees with monthly salary exceeding MUR 50,000. – **Contribution of COVID-19 Solidarity Fund**: Contribution made by companies to the COVID-19 Solidarity Fund up to 30 June 2021 will be deducted from the net income of the company when calculating the tax liability. Any unutilized amount may be carried forward and deducted from the net income up to a maximum of 2 years.	
Mauritius	Implemented	Customs/Import and Other Miscellaneous Taxes	Facilities for the electronic submission of Customs Declarations, including electronic payment of duties and taxes, remain available on the Customs Management System.	KPMG TNF
Mauritius	Implemented	Filing/Payment Deadline Extension	The MRA announced that taxpayers that are unable to timely submit their tax returns or to timely remit tax payments because of the COVID-19 situation will not be subject to assessments of penalties or interest for late filing or late payments. A second communique was issued by the MRA on 1 April 2020 providing some clarity on which tax return / payment the relief applies: – Payment of **customs duty, excise duty and taxes under the Deferred Payment Scheme** for goods cleared during the month of February 2020 and for which payments were due by 10 March 2020; – Returns/statements and payments due by 31 March 2020: o Submission of Current Payment System Statement & Payment of Tax electronically	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			for quarter ending 31st December 2019 by individuals; o Submission of Advance Payment System for quarter ending 31st December 2019 by companies; o Submission of return and Payment of Tax by companies with accounting year ending in September 2019; o Remittance of Passenger Fee/Passenger Solidarity Levy; o Joint electronic PAYE & National Pension Fund / National Savings Fund return and electronic payment of tax withheld; o Submission of VAT Return for February 2020 electronically and Payment of Tax electronically; and o Monthly Return of Tax Deduction at Source and electronic payment of Tax deducted. – Returns and payments due on 20 March 2020 by operators of Limited Pay-Out Machines, Casinos, Gaming House, Coin Operated Machines and Amusement Machines – Returns and payments due on 20 March 2020 and 27 March 2020 by Betting operators (Bookmaker conducting fixed odds betting on foreign football, Local pool promoter and Agent of a foreign pool promoter). A new Bill enacted on May 16, 2020 provides that **any tax payment** due during the COVID-19 period **must be made on or before 25 June 2020**. Otherwise, penalties and interest will apply.	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The deadline for reporting information on financial accounts to the MRA for **FATCA** and common reporting standard (**CRS**) purposes has been extended, to 30 September 2020. The MRA **announced the dates for the filing of returns and payment of taxes have been rescheduled**, as follows: – Returns that were due during the lockdown period are to be filed no later than 25 June 2020. – Returns that are due for the month of June 2020 are to be filed no later than 26 June 2020. Interest and penalties will be assessed if returns are filed and taxes paid after the prescribed dates. The deadline for companies with an **accounting period ended in the months from September to December 2019 and that owe no tax payment or that declare a loss** will have until 31 July 2020 to file the return. Returns filed by 31 July 2020 will not be subject to interest or penalty assessments. In addition, companies involved in tourism activities with an accounting period ending during the period between 1 September 2019 and 30 June 2020 and that are eligible for the government's wage assistance program for the month of June 2020 are allowed more time to remit payments of tax in two installments, the first due 28 December 2020 and the second payment due 28 June 2021. On 26 March 2021, the Mauritius Revenue Authority issued a release announcing that the due date for the submission of CbC reports and CbC notifications by entities having an accounting period ended 31 March 2020, has been extended to 20 April 2021.	

Jurisdictions	Status	Type	Brief description	Source
			The Mauritius Revenue Authority announced that the due date for submitting **FATCA** and common reporting standard (**CRS**) information has been extended to 16 August 2021 (from 31 July 2021).	
Mauritius	Implemented	Individual Income Tax	On May 16, 2020, a new Bill was enacted: – **COVID-19 Levy**: Employers (individuals, companies and societies) who have benefited from the Government Wage Assistance Scheme (GWAS) will be liable to a COVID-19 levy (Levy). The levy is payable over two consecutive years. Calculation of the COVID-19 levy generally is limited to the lower of the amount of financial support received or 15% of the employer's tax adjusted income. An employer will not be subject to the levy if the employer is not liable to tax. Failure to remit the levy to the Mauritius Revenue Authority (MRA) will be subject to penalty of 10% of Levy amount and interest of 1% per month or part of the month shall be imposed in addition to the Levy amount. False/misleading statements or declarations may be subject to a fine not exceeding MUR1 million and imprisonment for up to 2 years. – **Extension of self-employed Assistance Scheme (SEAS)** – SEAS has been extended to cover for the month May 2020. Self-employed people have been entitled to an amount of MUR 5,100 for the one month period, 16 March 2020 to 15 April 2020, and MUR 2,550 for the fortnight 16 April 2020 to 30 April 2020. Self-employed people will be entitled to an amount of MUR 5,100 for the month of May 2020. – **Contribution of COVID-19 Solidarity Fund**: Contribution made by individuals to the COVID-19 Solidarity Fund up to 30 June 2021 will be	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			deducted from the net income of the company when calculating the tax liability. Any unutilized amount may be carried forward and deducted from the net income up to a maximum of 2 years.	
Mauritius	Implemented	Suspension of tax audits	On May 16, 2020, a new Bill was enacted. It would provide for: – **Written representation due during COVID-19 period** - Taxpayers aggrieved by a decision under the Income Tax Act, VAT Act or Gambling Regulatory Authority Act, have 28 days to lodge a written representation with the Assessment Review Committee (ARC). Where the 28-day delay falls during or post 21 days after the COVID-19 period, the statutory delay of 28 days will be suspended. The statutory delay will resume as from the last day following the COVID-19 period, or 21 days post the COVID-19 period, as the case maybe. – **Extension due to COVID-19** - Where an assessment, a decision, a determination, a notice or a claim becomes due: o during COVID-19 period, an extension of 2 months post the COVID-19 period will be granted; or o 30 days post the COVID-19 period, an extension of 2 months post the 30 days will apply. – **Expeditious Dispute Resolution Tax Scheme (EDRTS)** - Where an assessment is raised by the MRA before 1 July 2016, a taxpayer has up to 30 June 2020 to make an application for the assessment to be reviewed under the EDRTS. The deadline of 30 June 2020 has now been extended	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to 31 August 2020. The EDRTS applies to tax assessment cases below MUR10 million.	
Mauritius	Implemented	VAT and other indirect taxes	On May 16, 2020, a new Bill was enacted. According to the Bill, protective masks against dust and odors and other breathing appliances and gas masks, previously subject to a 15% VAT rate, have been classified as **zero-rated VAT products**. This measure entered into force as of March 24, 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Mexico  **Contact:** Armando Lara armandolara@kpmg.com.mx	Implemented	Filing/Payment Deadline Extension	The **state of Nuevo León** on 20 March 2020 extended the deadlines for complying with certain reports or documents requested by the supervisory authorities, as well as the deadline for filing of administrative appeals. The postponement applies from 17 March 2020 to 20 April 2020. The **state of Mexico** has extended the deadline for complying with vehicle taxation, providing that payments of the tax are due now no later than 30 June 2020. The **federal district of Mexico City** (CDMX) announced the extension of certain deadlines for compliance with tax return filings and tax payments to be made during April 2020. The deadline is 30 April 2020. Other rules apply with regards to license and fees. Also, the states of Baja California, Colima, Durango, Mexico state, Jalisco, Hidalgo, Morelos, Puebla, Sonora, Quintana Roos, and Zacatecase have provided some form of tax relief (with extended deadlines for filing returns or paying taxes). On July 24, 2020, the Mexican Tax Authority extended **FATCA and CRS filing deadlines** for the 2019 reporting period from August 15, 2020 to December 7, 2020, due to the impact of the COVID-19 pandemic. The extension also applies to the submission of nil reports, third party providers and Reporting Financial Institution tax ID registration.	KPMG TNF and KPMG TNF and KPMG TNF
Mexico	Implemented	Payroll Taxes	Certain restaurant businesses in Mexico City are eligible for payroll tax relief. A resolution provides relief from 100% of the payroll tax during January 2021 for eligible restaurants that:	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Demonstrate in their January 2021 monthly declaration that they retained or increased their workforce when compared against the number of workers declared in December 2020, and – Provide restaurant services even if not their main activity, as long as they offer for sale food prepared for consumption on the premises (the payroll tax relief applies exclusively to employees who work within the restaurant service) The related payroll tax return must be timely filed during the period 1 - 17 February 2021. The workers' housing fund is providing support for employers with regard to workers with housing loans and who were unemployed during 2020 because of the COVID-19 pandemic. The Institute of the National Housing Fund for Workers (Instituto del Fondo Nacional de la Vivienda para los Trabajadores—Infonavit) is offering support to employers that rehire workers with housing loans and who were unemployed during 2020. The relief application is to be made no later than 30 June 2021. If eligible and the requirements are satisfied, an employer can be awarded the equivalent of the amounts paid during six continuous two-month periods, measured from the date of hiring by each of the accredited or eligible workers. The support requirements include, in part, the following: – Accredited workers who have lost their employment between 1 March and 30 November 2020 – Workers hired between 1 September 2020 and 30 June 2021 who maintain an employment	

Jurisdictions	Status	Type	Brief description	Source
			relationship for at least six continuous two-month periods – Employers to verify if the hired workers are eligible and to request this support no later than 30 June 2021 Employers may use the support in one or more two-month periods until it is exhausted or until 31 December 2022, whichever is earlier.	
Mexico	Proposed	VAT and other indirect taxes	A proposal that is part of a tax law reform initiative, submitted on 22 September 2020 to the Congress, would reduce the recovery period for refunds of VAT. The initiative proposes that favorable VAT balances would be refunded in 15 days of the filing of the refund claim, instead of the current 40 days. The tax authorities could require additional information from taxpayers during the following 10 days after the refund claim is filed, and taxpayers would then have an additional 10 days to respond.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Montenegro  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Filing/Payment Deadline Extension	**Extension** of the deadline **for filling** of statutory financial statements and **corporate income tax returns** from 31 March 2020 to April 15, 2020. However, the extension does not apply to the payment of corporate income tax liability. **90-day postponement for businesses and individuals economically affected by the COVID-19** pandemic to pay their tax liabilities: – individual income tax; – social security contributions; and – amounts owed under a payment plan for taxes due for prior tax periods.	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Myanmar **Contact:** Thomas Chan tchan8@kpmg.com	Implemented	Business Income Tax	On 27 April 2020, the Government of Myanmar announced the following relief measures: – 0% non-refundable tax credits on incremental wage bills; – Allow for tax deduction of 125% of wages paid; – 10% non-refundable tax credits for incremental investment in capital goods; and – One time increase of capital depreciation equal to 125% of normal rates. In September 2020, the tax authorities issued guidance to provide the following tax reliefs: – **Non-refundable tax credit on total incremental wages and salary**: A 10% tax credit is available only on the incremental wages and salary cost spent in the current fiscal year as compared to the prior fiscal year. The tax credit will not be re-fundable, will not be offset against other types of taxes, and cannot be carried forward to future years. Tax credits carried forward from previous fiscal years and advance income tax paid during the year is to be set off against the income tax payable before the additional 10% tax credit can be applied. – **Allowance for deduction on total incremental wages and salary:** A deduction of 125% of the additional wages and salaries incurred during FY2019-20 is available even if the business is in loss-making position. The loss under this relief can be carried forward to next fiscal year in accordance with the law. This is also available to taxpayers currently benefiting under the tax exemption for the Myanmar investment law (MIL) and special economic zone law (SEZL). – **Non-refundable tax credits on incremental investment on capital equipment:** A 10% tax	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			credit is available on incremental investment on capital equipment made within FY2019-20 when compared against the cost of capital equipment in the taxpayer's depreciation schedule at the end of the prior fiscal year. Certain investments—in intellectual property rights; in the purchase, upgrade or expansion of land and/or building; and in the revaluation of the existing assets—will not be regarded as qualifying investments. Tax credits carried forward from previous fiscal years and advance income tax paid during the year is to be set off against the income tax payable before the additional 10% tax credit is used. Business enjoying reinvestment exemption incentives under MIL or SEZL will not be eligible for this tax credit. The tax credit may be "clawed back" if the capital equipment which the tax credit was granted is sold or transferred within three years. – **Allowance for deduction on deprecation for the incremental capital assets:** A deduction of 125% of the depreciation on incremental capital equipment (one-time depreciation) can be claimed even if the business is in a loss-making position. This deduction is also eligible for businesses enjoying the re-investment exemption under the MIL or SEZL. The depreciation allowance cannot exceed the cost of the capital equipment.	
Myanmar	Announced	Customs/Import and Other Miscellaneous Taxes	On 27 April 2020, the Government of Myanmar announced a waiver of Specific Goods Tax, customs duties and commercial tax on critical medical supplies and products related to the prevention, control and treatment of COVID-19.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Myanmar	Implemented	Filing/Payment Deadline Extension	The tax relief provided for these taxpayers includes: – Postponed deadlines for **payment of income tax** for the quarters ending 31 March 2020 and 30 June 2020—the new deadline is extended to 30 September 2020 – **Advance income tax** at a rate of 2% on exports is exempt from tax until 30 September 2020 – **Deferral of payment of monthly commercial tax** for the period 31 March 2020 through 30 August 2020 until 30 September 2020	KPMG TNF
Myanmar	Implemented	PE and Place of Management	Myanmar's law on corporate governance requires a registered company to have at least one director who is ordinarily resident in Myanmar. For these purposes, the term "ordinarily resident" is defined as being resident in Myanmar for at least 183 days in every 12-month period. However, as part of Myanmar's efforts to control the pandemic, the country on 29 March 2020 closed all of its points of entry for individuals who were overseas. As a consequence, companies may have directors that have not been able to return to Myanmar to be in compliance with the 183-day requirement. The Directorate of Investment and Company Administration issued Notification No. 92/2020 (20 October 2020) to clarify that the period of the country's closure in response to the pandemic will not be counted for purposes of determining the period of residence for directors in companies.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Namibia  **Contact:** Robert Grant robertgrant@kpmg.com	Proposed	Business Income Tax	The Finance Minister in late May 2020 presented the 2020-2021 budget which includes the following measures which appear to be aimed at addressing the COVID-19 situation: – Introduction of a 10% dividend tax for residents – Repeal of the conduit principle that would result in the taxation of trusts – Imposing "normal" corporate income tax on income derived from commercial activities of charitable, religious, educational and other types of institutions – Phase out of tax incentives for manufacturers and exporters of manufactured goods – Repeal the provisions of the export processing zone rules – Introduction of a "special economic zones" regime	KPMG TNF
Namibia	Proposed	Customs/Import and Other Miscellaneous Taxes	The Finance Minister in late May 2020 presented the 2020-2021 budget which proposed an increase in the rate of excise tax on alcohol and tobacco. Subject to further consultation, the following excise levies and duties as previously announced are being considered: – Expanding coverage of export levy to include other specific agricultural, forestry, game products and other mining products currently not covered by the export levy regime, and – Revising the export levy for forestry products from a levy in percentage rates to an amount in Namibia Dollars per kilogram to prevent undervaluation of forestry products such as timber.	KPMG TNF
Namibia	Proposed	VAT and other indirect taxes	The Finance Minister in late May 2020 presented the 2020-2021 budget which includes the following measures which appear to be aimed at addressing the COVID-19 situation:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Introduction of VAT on the income of "listed asset" managers – Removing zero-rating VAT with respect to sugar – Mandatory requirement for vendors to issue tax invoices for VAT purposes	

Jurisdictions	Status	Type	Brief description	Source
Netherlands  **Contact:** Fred van Horzen vanhorzen.fred@kpmg.com	Implemented	Business Income Tax	On April 14, 2020, the Deputy Minister of Finance released a policy statement which provides for the following relief measures: – **Tax-neutral conversions and tax-neutral transformations**: Due to current pandemic circumstances, it may not be possible to realize tax-neutral conversions or tax-neutral transformations with retroactive effect to the beginning of the year within the 15-month period. The tax inspector is authorized to extend this period by three months if the period expires between 1 March 2020 and 31 May 2020. – **Business mergers, legal mergers and divisions**: To apply the tax relief for business mergers, legal mergers, and divisions with retroactive effect to the beginning of the financial year, certain legal transactions must be performed within 12 months (legal mergers and divisions) or 15 months (business mergers) of the date on which the tax relief has retroactive effect. The tax inspector is authorized to extend the periods by three months if these periods expire between 1 March 2020 and 31 May 2020.	KPMG TNF
Netherlands	Implemented	Business Income Tax	On April 24, 2020, the Deputy Minister of Finance announced among other additional measures to support businesses, **a reduction of the "normative salary" in the event of a decline in turnover.** The normative salary is a salary determined by the legislation that normally holders of a substantial interest must, in any case, pay tax on. The government would allow substantial interest holders to assume a lower salary in 2020 that is in proportion to the decline in turnover. With regard to the decline in turnover, the same period in the year 2020 will be compared to the same period in 2019. On May 6, 2020 a policy statement approved a reduction of the normative salary for 2020, which may be set, without consultation with the tax inspector, at the amount of the	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			normative salary for 2019 multiplied by the fraction (turnover first four months of 2020 / turnover first four months of 2019). Three conditions apply to this approval: – The current account overdrafts or the dividend does not increase as a result of the lower normative salary. – If the DMS actually receives more salary than follows from the above calculations, then that higher salary applies. – This approval does not apply insofar as the turnover for the year 2019 or 2020 is affected by other special circumstances, such as incorporation, cessation, merger, division and extraordinary results. The approval means that the normative salary could be less than EUR 46,000, 75% of the salary of the most comparable employment or the salary of the highest-earning employee. In special situations, a customized solution can be found in consultation with the tax inspector. In a letter from January 21, 2021, the government announced that in view of the large loss of turnover incurred in some sectors due to the corona crisis, it will be arranged that the normative salary for 2021 may also be determined at a lower amount. Unlike in 2020, during which a similar measure applied, an entry threshold will apply for 2021, which means that a loss of turnover of at least 30% must be incurred in 2021 compared to 2019. If this is the case, then the normative salary for 2021 may, without having to consult the tax inspector, be set at the amount of the normative salary for 2019 multiplied by a factor being the turnover for the whole of 2021 divided by the turnover for the whole of 2019. For 2020, the first four months of 2020 were compared to the first four months of 2019. Otherwise, the same requirements apply as for reducing the normative salary for the year 2020	
Netherlands	Announced	Customs/Import and Other	The Dutch Customs authorities have announced:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
		Miscellaneous Taxes	– Measures intended to support those companies that are temporarily facing difficulties in meeting their payment obligations under the applicable customs and excise regulations and that may fail to comply with deadlines and formalities under the regulations. – The postponement of the requirement for an entity to be established in the EU in order to act as exporter for customs purposes.	
Netherlands	Implemented	Filing/Payment Deadline Extension	The Government announced in March and introduced in April the following measures as retroactively effective from March 12, 2020). **Tax payment deferral shorter than 3 months** The tax administration has granted deferred payments upon request. The following taxes fall under this approval: payroll taxes and social security contributions, VAT, personal income tax/national insurance contributions, income-related contributions for health insurance under the Health Insurance Act, corporate income tax, tax on games of chance, insurance premium tax, the landlord levy (*verhuurderheffing*), environmental taxes (energy tax and the surcharge for sustainable energy and climate transition (*Opslag Duurzame Energie en klimaattransitie*; ODE), coal tax, waste tax, tax on tap water), excise duties and consumption tax on non-alcoholic drinks. To the extent that VAT, excise duties, consumption tax on non-alcoholic drinks and coal tax are levied under Customs import legislation, a specific Customs arrangement applies. The request for a deferral of payment may be submitted either in writing or electronically, after a tax assessment for one of the above taxes has been imposed. As soon as the request is received, the Dutch tax collector will, in principle, immediately put the tax collection measures on hold for a period of three months. Please note that **dividend WHT is excluded** from the temporary deferral policy because distributing dividends actually weakens the liquidity position of companies.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The option of requesting the deferral of payments was originally available until June 19, 2020. This period will be extended until September 1, 2020. **Tax payment deferral longer than 3 months** Requests for a deferral of payment of longer than three months can only be submitted in writing. The following conditions apply to such requests: – The current payment problems necessitate a longer deferral. – These payment problems arose mainly as a result of the corona crisis. – The obligation to file a tax return was complied with in respect of the tax debt for which a deferral is requested. – The requested deferral relates to one or more taxes that fall under the approval (see taxes in scope for the 3 months deferral) – If the total tax debt at the time the request for deferral of payment is received amounts to or exceeds EUR 20,000, then an expert third party statement is required. – With respect to requests for a deferral of payment of longer than three months made on or after June 19, 2020 an additional requirement will apply, which entails that businesses must state that they will not distribute any dividends, award any bonuses or redeem any own shares. During the period that the deferral of payment granted under the policy statement applies, the Dutch tax authorities will, in principle, not credit any tax refunds against tax debts to which a deferral of payment applies. If businesses are granted a deferral of payment longer than 3 months, this deferral will not be withdrawn before September 1, 2020. A suitable payment arrangement will be offered when the deferral of payment ends. **No default penalty**	

Jurisdictions	Status	Type	Brief description	Source
			Any payment default penalties imposed during the period March 12, 2020 through to the date on which the deferral of payment granted under the policy statement ends, will therefore be regarded as not having been imposed. If a payment default penalty is imposed, it will be canceled ex officio. **Interest on tax due and late payment interest** Effective March 23, 2020, late payment interest rate for all tax debts would be reduced from 4% to 0.01% for a period of 3 months. Temporary reduction does not apply to late payment interest that the tax collector must reimburse. The reduction of the late payment interest rate has been extended until October 1, 2020. The government had also already indicated that as of June 1, 2020 the rate for interest on tax due would be reduced to 0.01% for 3 months, with the exception of personal income tax, for which the reduced rate will apply as of July 1, 2020. It has now been decided that the reduction of the rate for interest on tax due will be extended until October 1, 2020. **Decrease provisional assessment** If a provisional assessment has been imposed during the financial year, and it appears that the taxable profit will be lower than the profit estimated for the provisional assessment, a reduction of the provisional assessment can be requested (thus improving cash-flow since less tax will have to be paid immediately). The government has indicated that any requests for reduction in connection with the coronavirus will be granted by the tax authorities. **Deferral of payment for private motor vehicle and motorcycle tax**. As of the period May 2020, it will be possible for license holders to obtain a deferral of payment for private motor vehicle and motorcycle tax (*belasting van personenauto's en motorrijwielen*; BPM). A request for a deferral of payment of the BPM is only possible if a	

Jurisdictions	Status	Type	Brief description	Source
			supplementary assessment has been imposed; for the period May 2020 this will be around the middle of July 2020. **Customs** will apply a deferral policy for payment obligations under EU Customs legislation for the months March, April and May 2020. To extend or phase out this policy, agreement from the European Commission is needed. The government will address this issue separately. The Deputy Minister of Finance intends **to phase out the temporary deferral scheme**. The main elements of this phasing out are: – **The resumption of newly arisen payment obligations** as of January 1, 2021 or, if the deferral ends before January 1, 2021, as soon as the deferral ends. As of January 1, 2021, businesses will again have to comply with the payment obligations arising on or after that date. This will be different if the special deferral of payment granted to a business ends before January 1, 2021. In that case, the payment obligations must be resumed after the date on which the granted deferral ends. – **Repayment of accrued tax debt** - as of January 1, 2021 the accrued tax debt may be repaid in a maximum of 24 equal monthly installments, without the business having to provide security. Moreover, during the 24-month repayment period no crediting against any tax refunds will take place and additional conditions will not, in principle, be imposed. There is an exception to this and that is when the interests of the State are at stake. If a business is unable to repay their accrued tax debt within the stipulated 24-month period, a customized solution will be sought. – **Interest on tax due and late payment interest** - In order to limit the interest expense associated with the outstanding tax debt, the reduction of the late	

Jurisdictions	Status	Type	Brief description	Source
			payment interest rate to 0.01% will be extended through to December 31, 2021. By contrast, the rate for interest on tax due will again be increased as of October 1, 2020 from 0.01% to the original rate of 4%. The 4% rate also applies to corporate income tax through to December 31, 2021; this in deviation from the original 'pre-emergency package rate' of 8%. – **Communication about phasing out and a roadmap -** the Dutch tax authorities will contact businesses that have not requested an extension of the initial three-month deferral of payment and that do not meet their newly arisen payment obligations. It will be pointed out to them that they have until October 1, 2020 to request an extension of the deferral. If they do not take advantage of this possibility and also do not start paying the obligations arising after the granted deferral ends, then the collection of the new debt may commence. This also applies to businesses for which the deferral expires on January 1, 2021. These businesses can, after all, request an additional deferral under the normal applicable policy. Businesses that have been granted a deferral of payment will shortly receive a letter with general information about the main features of the phasing out of the deferral scheme. A detailed letter will follow in December 2020 with a provisional payment arrangement of which the first installment expires at the end of January 2021, together with a provisional overview of the debt on which the payment arrangement is based. In March 2021 businesses will again receive a letter containing an updated overview of the accrued debt, including the remaining payment installments and the (adjusted) accompanying amounts. According to the Deputy	

Jurisdictions	Status	Type	Brief description	Source
			Minister, the phasing out scheme can be further reviewed if the development of the coronavirus gives cause for new or tightened measures. – **Payment default penalties** - The temporary easing of payment default penalties will end on January 1, 2021. Failure to remit, on time, payroll tax and social security contributions or VAT for which the payment deadline expires in 2021, for example the payment for the tax period December 2020, will then again be subject to the normal penalty policy. The government is extending the period during which businesses can apply for a deferral of payment of taxes (or an extension thereof) until April 1, 2021. Businesses that have not previously applied for a deferral or extension now have until April 1, 2021 to do so. Businesses that had previously only filed an application for a three-month deferral, may now ask to have that deferral extended until April 1, 2021. For businesses that had already been granted an extension earlier this year, this extension will now automatically apply until April 1, 2021. For all these businesses this means that as of April 1, 2021 at the latest they will again have to comply with the payment obligations arising on or after that date. The tax debt accrued during the deferral period will not have to be paid in full on April 1, 2021: businesses are eligible for a payment arrangement of 36 months as of July 1, 2021. The deferral of administrative obligations with regard to payroll tax and social security contributions has been further extended until July 1, 2021. In a letter from January 21, 2021, the government announced the extension of the period during which and for which businesses can apply for a deferral of payment of	

Jurisdictions	Status	Type	Brief description	Source
			taxes or an extension thereof until July 1, 2021 (was April 1, 2021). This means that businesses have until July 1, 2021 at the latest to apply for a deferral of payment or an extension of a deferral already granted: – Businesses that submit an application for the first time after April 1, 2021 will not have to comply with their newly arising payment obligations, such as the periodic remittance of VAT and payroll tax and social security contributions, until July 1, 2021. – Businesses that had previously only filed an application for a three-month deferral, may – under certain conditions – still ask to have that deferral extended until July 1, 2021. It is essential that if these businesses cannot meet their payment obligations after the end of that three-month deferral, they apply for an extension of the deferral themselves. If they do not do that, they risk being excluded from the payment arrangement of 36 months for the accrued tax debt. – For businesses that have already been granted an extension this year, the extension will automatically apply until July 1, 2021. As of July 1, 2021, all these businesses must again comply with the payment obligations arising on or after that date. The tax debt accrued during the temporarily eased deferral period does not have to be paid in full on July 1, 2021: businesses are eligible for a payment arrangement of 36 months as of October 1, 2021 (was July 1, 2021). On May 27, 2021 the caretaker government announced in a letter sent to the Lower House of Parliament that it intended to extend the current relief and recovery package for the economy and labor market by three months as of July 1, 2021. **Deferral of payment**	

Jurisdictions	Status	Type	Brief description	Source
			The more flexible policy on the special deferral of payment ends on June 30, 2021. This means that businesses must, in any case as of July 1, 2021, again comply with the payment obligations arising on or after that date. Please note: if the deferral ends before July 1, 2021, then as of that earlier date businesses must comply with the payment obligations incurred on or after that date. The government wishes to set up a generous payment arrangement for tax debts accrued before July 1, 2021 ("the corona debt"). Timely compliance with payment obligations arising after the granted deferral has expired is a condition for being entitled to this payment arrangement. **Payment arrangement for corona debt** For the repayment of corona debt, the government wants to set up a broader payment arrangement that that initially proposed. In short, the revised payment arrangement means that as of October 1, 2022 (previously October 1, 2021) the accrued corona debt will be able to be repaid in a maximum of 60 (previously 36) equal monthly installments. Businesses will thus have until October 1, 2027 to repay the accrued corona debt. **Late payment interest** To limit the interest expense associated with the outstanding tax debt, the late payment interest rate has been set at 0.01% since March 23, 2020. As of January 1, 2022, the late payment interest will amount to 1%. It will subsequently be increased to 2% as of July 1, 2022. Thereafter, the interest rate will be increased by one percentage point at the beginning of each calendar year until the usual rate of 4% has been reached. Thus: 3% on January 1, 2023 and 4% on January 1, 2024. **Debt rescheduling** The government is looking into the possibilities of expanding the Dutch tax authorities' debt rescheduling policy. This, for businesses that are only viable if their receivables are wholly	

Jurisdictions	Status	Type	Brief description	Source
			or partly remitted. The government is exploring the possibilities of restructuring unsustainable debts at viable businesses on the basis of public-private agreements. To speed-up this process, the government is organizing round table discussions with both specialists and the largest creditors, including banks. The government will inform the Lower House of Parliament about the results of these discussions.	
Netherlands	Implemented	Individual Income Tax	The Government announced that will ease the "hours criterion". Entrepreneurs that are personal income taxpayers are only entitled to certain types of entrepreneur allowances, such as the self-employed persons' deduction, if they meet the 'hours criterion'. The 'hours criterion' requires entrepreneurs to spend at least 1225 hours per year on their business. To prevent entrepreneurs losing their entitlement to a deduction as a result of the corona crisis, during the period March 1, 2020 through May 31, 2020 the Dutch tax authorities will assume that these entrepreneurs spent at least 24 hours per week on their business. This applies even if as a result of the corona crisis they didn't actually spend these hours on their business. The number of hours (24) was chosen because this is the weekly average of 1225 hours on a calendar year basis.	KPMG TNF and KPMG TNF
Netherlands	Implemented	Loss Relief	The COVID-19 crisis means that companies may incur a tax loss in 2020. Because this can only result in a (provisional) loss set-off after the tax return for 2020 has been filed, permission approval is allowed for corporate income taxpayers to create a tax reserve (**corona reserve**) when determining the tax profit for the 2019 financial year. The corona reserve may be created for all or part of the "corona-related loss" that is expected to be incurred for the 2020 financial year. The corona reserve means that the expected loss for 2020 may be used immediately (subject to certain	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			conditions) to arrive at a lower (provisional) assessment for 2019, thus resulting in a liquidity benefit. The following conditions must apply: – There is an expected ‘corona-related tax loss’ in the 2020 financial year. – The expected corona-related loss must not exceed the total tax loss that the taxpayer expects to incur for the 2020 financial year. It is thus not possible to create a corona reserve if a tax profit is expected for the 2020 financial year. The taxpayer itself estimates as best as possible the expected size of the corona-related loss. – The addition to the corona reserve in the 2019 financial year amounts to a maximum of the profit for the 2019 financial year that would apply if this reserve had not been created. – The reserve is fully included in the profit no later than the 2020 financial year. When including the corona reserve in the profit, the same conditions should apply with regard to the determination of the profit as those applying when this reserve was created in the preceding financial year. – The addition to the corona reserve is reported in the 2019 corporate income tax return under the heading “Other reserves for tax purposes”. The release in the 2020 financial year will be included as a withdrawal under this heading in the 2020 corporate income tax return. Taxpayers with a split financial year may create a corona tax reserve in the last financial year that ends in the period January 1, 2019 through March 31, 2020. In that case, the reserve will be fully included in the profit no later than the following financial year. The abovementioned conditions apply accordingly. Interest on tax due applies if the tax payable on the final 2019 corporate income tax assessment is higher than the tax payable on the provisional 2019 corporate income tax	

Jurisdictions	Status	Type	Brief description	Source
			assessment. In principle, interest on tax due is charged on the amount payable on every (provisional) corporate income tax assessment for 2019 that is imposed more than six months after the end of the 2019 financial year. Although the interest on tax due is to be reduced to 0.01% as of June 1, 2020, it may not be entirely possible to avoid a higher rate being charged over a certain period if at a given time the interest on tax due is again increased to the current 8% (most likely as of September 1, 2020), given the time the Dutch tax authorities need to impose a (provisional) assessment in response to a request or a tax return, in combination with the fact that the interest on tax due runs until the payment date of the assessment, i.e. six weeks after the date of the (provisional) assessment.	
Netherlands	Implemented	Payroll Tax	**Fixed travel allowance** - The Deputy Minister has approved that during the operation of the policy statement employers may use the normal travel patterns of employees, which means that the temporarily changed travel patterns can in fact be ignored. The approval also applies to fixed travel allowances with an agreed recalculation. In a letter from January 21, 2021, the government announced that measure for the untaxed fixed travel allowance will be extended until April 1, 2021 (was February 1, 2021). This means that until April 1, 2021 employers may pay existing fixed travel allowances untaxed, even if these travel expenses are no longer (fully) incurred as a result of working from home. However, this is subject to the condition that an employee had an unconditional right to this fixed travel allowance on March 12, 2020 at the latest. The tax-free travel allowance will be extended until October 1, 2021. **Increased fixed exemption in work-related cost rules** - Employers can use the fixed exemption in the work-related costs rules to give employees untaxed reimbursements and provisions. By letter dated April 24, 2020 sent to the Lower	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			House of Parliament, the Deputy Minister announced that in 2020 the fixed exemption will be increased from 1.7% to 3% for the first EUR 400,000 of the payroll for each employer; this will be a one-off and temporary increase. Consequently, the fixed exemption for 2020 will be increased from EUR 6,800 to EUR 12,000. In a letter from January 21, 2021, the government announced that as in 2020, the fixed exemption in the work-related costs rules will also be increased in 2021 from 1.7% to 3% for the first EUR 400,000 of the payroll for each employer. **Border workers** - Dutch residents who work in Germany may be eligible for German social security benefit payments, which may be subject to tax in the Netherlands. The Deputy Minister is therefore allowing a proportionate reduction of the Dutch tax that is allocable to the social security benefit payments received by Dutch residents during the period March 11, 2020 through to December 31, 2020. This must concern Kurzarbeitergeld, Insolvenzgeld and Arbeitslosengeld, to which payments the taxpayer did not yet have a demonstrable entitlement before March 11, 2020. The Netherlands and Germany have also reached agreement on how to deal with salaried cross-border workers who work at home during the corona crisis. Taxpayers may treat the extra days worked at home as a result of the corona measures in accordance with where they would work under normal circumstances (the 'usual' state of employment). This agreement applies from March 11, 2020 through April 30, 2020 and will be automatically extended each month until one of the countries terminates the agreement. The agreement with Germany and Belgium concerning the taxation of frontier workers has been further extended to October 1, 2021. **Overtime and unemployment insurance contribution differentiation** - As of January 1, 2020, a low contribution for not on-call contracts employment contracts and a high	

Jurisdictions	Status	Type	Brief description	Source
			contribution for flexible contracts applies for the purposes of determining the amount of the unemployment insurance contribution. If the low contribution applies, but during a calendar year 30% more hours are remunerated than were contractually agreed (overtime), the application of the low contribution must be revised. The corona crisis is currently leading to a lot of overtime in certain sectors. The Minister has provided for a generic exception to the correction for 2020 only. Employers will not have to correct the low contribution for 'overtime'.	
Netherlands	Implemented	VAT and other indirect taxes	Retroactively effective from March 16, 2020 and until September 1, 2020, subject to certain conditions: – The outsourcing of healthcare workers would remain outside the scope of VAT, without affecting the recovery of outsourcer's input VAT; – No VAT has to be paid on medical supplies (relief supplies and equipment) that are provided free to healthcare institutions, care facilities and general practitioners. An approval has been given to apply the reduced VAT rate of 90% to fitness lessons offered online by gyms and similar VAT taxable persons. This approval can be applied retroactively to March 16, 2020 and runs until the mandatory closure of gyms is lifted. The following measures have been further extended until October 1, 2021: – the zero VAT rate on face masks; – the zero VAT rate on the outsourcing of healthcare workers; – the zero VAT rate on COVID-19 vaccines and testing kits **Deadline for submitting refund requests for energy tax and the surcharge for sustainable energy** - The energy tax	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			and surtax on supplies of natural gas and electricity during the period April - September 2020 (as well as VAT) will become payable on the date when the additional invoice is issued (in October 2020 at the latest). Related refund requests must be submitted within 13 weeks of the end of the energy-use period and will be deemed timely if submitted within 13 weeks of October 31, 2020.	
Netherlands	Announced	VAT and other indirect taxes	The Government announced that if the taxpayer's customers are not able to pay their debts due to the coronavirus, then VAT paid in this regard can be reclaimed as a **VAT refund** under certain conditions. VAT taxable persons that have to remit payroll tax and social security contributions while they are in a refund position for VAT purposes, can, under certain conditions, offset the payroll tax and social security contributions against the VAT refund. For businesses that are permanently in a refund position and which file quarterly returns, the refunds will be received earlier if monthly returns are filed. Upon request, the Dutch tax authorities will issue monthly returns instead of quarterly returns. A VAT rate of 0% on COVID-19 vaccines, test kits and face masks will apply until April 1, 2021	**KPMG TNF** and **KPMG Global** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
New Zealand **Contact:** John Cantin jcantin@kpmg.co.nz	Implemented	Business Income Tax	The Government has enacted the following measures: – The reintroduction, from the 2020-21 income year, of a **2% Declining Value or 1.5% straight line depreciation deduction for commercial and industrial buildings**. This would include hotels and motels but not other small scale short-term accommodations – NZD 2.8 billion in business tax changes to free up cash flow, including a provisional tax threshold lift, the reinstatement of building depreciation and writing off interest on the late payment of tax – Refundability rules for R&D tax credits have been brought forward to the 2019-20 income year. – A temporary **increase** in the threshold **for expensing low-value assets** from NZ$500 to NZ$5,000 during the 2020-21 income year. The threshold would be NZ$1,000 from the 2021-22 income year. – Changes to the calculation of the **in-work tax credit** to remove the hours worked test.	**KPMG TNF** and **KPMG TNF** and **KPMG Global**

New Zealand	Proposed	Business Income Tax	The Government has introduced a tax bill which would:
			– Allow feasibility expenditure:
			    o Totalling less than $10,000 in a year to be immediately deducted for tax.
			    o Totalling greater than $10,000 to be deducted over 5 years, if the expenditure does not result in a tax deduction (i.e. is "black hole" expenditure presently).
			– Change the shareholder continuity rules for tax losses to ensure they work for start-ups that are trying to attract new capital investment.
			– Review the R&D tax loss cash-up rules. (Those rules were introduced prior to the new R&D tax credit and the proposal currently before Parliament to make the credit refundable.)
				KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Allow the accounting treatment to be followed for tax for leased plant and equipment when IFRS 16 is applied – Allocate the total purchase price, for tax purposes, when the vendor and purchase have not agreed the allocation across different assets – Tax the sale of residential and business premises, when there is a regular pattern of buying and selling such land	
New Zealand	Announced	Filing/Payment Deadline Extension	The Government announced the following measures: – The threshold for paying **provisional tax** will increase from NZ$2,500 to NZ$5,000 of residual income tax, from the 2020-21 income year – Inland Revenue will be given the power to **write off interest on late payments** for those adversely impacted by COVID-19 for tax payments due after February 14, 2020.	KPMG TNF
New Zealand	Implemented	Individual Income Tax	Inland Revenue has released guidance on allowances paid to employees for expenditures (e.g. phones and usage plans such as electricity, phone, broadband) incurred while working from home (WFH) due to COVID-19. In December 2019, the Commissioner issued a determination which allowed a reimbursing payment of up to $5 per week, per employee, to be treated as exempt income. Above this amount, the exempt amount is 25% if the device/plan is used partly, 75% if used mainly, or 100% if used exclusively for employment purposes. Evidence needs to be kept of employment use and the employee's costs (actual or estimated on a reasonable basis). The Commissioner has issued a new temporary COVID-19 related determination for payments between 17 March and 17 September 2020 to reimburse additional WFH costs. This allows:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– An additional $15 per week, per employee, to be exempt income for "other" WFH expenditure. – A tax-exempt payment for use of furniture or equipment when WFH to reimburse the depreciation of the item. The payment will typically be for the cost of the asset and the payment will still be deductible to the employer.	
New Zealand	Announced	Loss Relief	On April 14, 2020, the Minister of Finance announced loss relief measures: – **A tax loss "carry back" rule** o For the 2020 and 2021 tax years, a tax loss will be able to be carried back to the 2019 or 2020 year to allow a refund of tax paid in the earlier year. Refunds cannot exceed the imputation credit account balance. Tax losses can be estimated to receive the refund. If an estimate is made, interest will be applied to any refund made in excess of the actual loss. This rule will be urgently legislated in late April 2020 so that it applies in time for the 7 May 2020 provisional tax installment. o For later years, the loss will need to be confirmed in a tax return. It cannot be estimated. Further modifications to the temporary rule will be made. The permanent rule is expected to be legislated later this year after more detailed consideration is given to how the permanent rule should apply. – **A tax loss 'carry forward" rule** - The current rules require at least a 49% continuity in ultimate shareholders for a company to carry tax losses forward. The rule is intended to prevent tax loss trading. The proposed change is to allow companies	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to apply a "same or similar business test" from the 2021 tax year. The Minister of Revenue announced details of further changes to the tax loss rules. The revisions are intended to help businesses affected by the COVID-19 to maintain their tax losses if they breach the current 49% minimum shareholder continuity test (for example, with capital from new investors). The new business continuity test would be added to the Taxation (Annual Rates for 2020-2021, Feasibility Expenditure, and Remedial Matters) Bill, by way of a Supplementary Order Paper (SOP). The bill is expected to be passed before 1 April 2021. – The business continuity test would apply from the 2020-2021 income year. While this is aimed at COVID-19-driven shareholding changes, this would not be a requirement for the business continuity test to apply. – The business continuity test would be a hybrid of the Australian and UK "same or similar business" tests for carrying forward tax losses. It would allow companies to carry forward losses unless there is a major change in business activities. To determine when there is a "major change": – The new business continuity test would have regard to the assets used in the business and factors such as business processes, use of suppliers, markets supplied to, and the types of products or services supplied. – The changed and unchanged business activities would need to be compared. Whether a change is "major" would be a question of scale (having regard to the operation of the entire company). There would be limited exceptions when a major change will not result in a breach of the business continuity test if changes are to: – Increase efficiency or scale – Keep pace with technological developments	

Jurisdictions	Status	Type	Brief description	Source
			– Rationalize a product or services range by introducing new items produced using largely the same assets (other than land) or related to products currently or previously produced A range of integrity measures are proposed including: – Changes in the use of land (as a business asset) would not qualify as a major change exception. – Losses able to be carried forward under the business continuity test would be limited to those arising in the 2013-2014 income year onwards. – The business continuity test would need to be met for at least five years after a shareholding breach under the existing test (or, if the losses relate to bad debt deductions, until those losses are used). – Dormant companies would be excluded from the business continuity test. – There would be Australian-style anti-income injection rules and rules to prevent losses being artificially transferred to associated companies. The business continuity test would not apply for carrying forward imputation credits, and 66% shareholder commonality would remain for offsetting group losses (preventing offsetting of pre-acquisition losses).	
New Zealand	Proposed	Payroll Tax	**Non-resident employer's obligations to deduct PAYE, FBT and ESCT.** Inland Revenue released a draft operational statement OS 20/0X, *Non-resident employers' obligations to deduct PAYE, FBT and ESCT in cross-border employment situations.* This document is open for consultation, with submissions closing on 1 September 2020. The draft statement provides that non-resident employers only have an obligation to withhold PAYE or return fringe benefit tax (FBT) and employers superannuation contributions tax (ESCT) if: – The employer has sufficient presence in New Zealand to be subject to New Zealand tax law; and	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The services performed by the employee are attributable to the employer's presence in New Zealand. The draft statement also provides that no PAYE withholding obligation arises on non-resident's foreign-sourced income or if the employee's income is exempt under a provision in the domestic law or an income tax treaty for the avoidance of double taxation. Please read the TNF prepared by KPMG member firm in New Zealand for insight.	
New Zealand	Implemented	PE and Place of Management	**Tax residence of individuals** Inland Revenue has released guidance to address situations where individuals would breach tax residence thresholds due to travel restrictions and prima facie become subject to tax in New Zealand. The key requirement is that a person must leave New Zealand within a reasonable time after they can travel. If that is the case: – Individuals here for more than 183 days will remain non-resident for New Zealand tax purposes. – Individuals here for more than 92 days in a 12-month period because of travel restrictions, but who otherwise satisfy the requirements for the short stay exemption, will continue to be exempt. – Non-resident contractors exceeding the 92-day threshold but who otherwise are exempt from tax in New Zealand will not become subject to withholding tax. – Transitional residents who planned to leave New Zealand prior to their transitional residence period ending will remain transitional residents. With the borders to many countries re-opening to citizens and permanent residents, for individuals who choose to stay in New Zealand after they are no longer practically restricted from travelling, the COVID-19 tax concessions will not apply. This means individuals may become subject to New Zealand tax and their non-resident employers may be required to register as an employer with Inland Revenue and account for	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			PAYE withholding tax, FBT and ESCT. These obligations would be backdated to the first day the employee was present in New Zealand unless an exemption is available under the domestic law (such as the short-term visit exemption) or a Double Tax Agreement. Where no exemption applies, and the non-resident employer does not want to register with Inland Revenue, the IR56 taxpayer regime may be of interest. This regime allows the employee to take on the responsibility of the payroll reporting to Inland Revenue instead of the employer. **Corporate tax residence and PE** Inland Revenue's residence guidance also confirms that COVID-19 will not cause foreign companies to become New Zealand tax residents simply because, for example, directors are stranded in New Zealand. The test is how that company is managed in reality. That is, if directors ordinarily do not exercise control from New Zealand, the fact that directors are not presently able to travel to hold board meetings offshore should not adversely impact this conclusion. Similarly, Inland Revenue confirms that a foreign company will not have a fixed establishment in New Zealand, for example, due to the extended unplanned presence of foreign employees. The relevant consideration is whether any New Zealand presence is permanent (i.e. whether business is regularly carried on partly or wholly from a fixed place). The expectation is that the lockdown should not change the answer. If there was no fixed place of business prior to COVID-19, the effect of restricted travel should not create one.	

Jurisdictions	Status	Type	Brief description	Source
New Zealand	Announced	Transfer Pricing	Inland Revenue announced relief concerning **advance pricing agreement (APA) reporting and compliance**, and in particular with regard to possible breaches in the terms of an APA during the coronavirus (COVID-19) pandemic. The Inland Revenue guidance permits companies to make crucial business decisions that may have arm's length implications that in turn may result in breaches of an existing APA without having to notify Inland Revenue. Previously under the terms of an APA, companies were expected to discuss any APA breaches with Inland Revenue and to disclose the implication of these breaches on the validity of the APA prior to filing (lodging) an annual compliance report. Because companies will no longer be required to discuss breaches (or potential breaches) with Inland Revenue during this time, these breaches will need to be addressed in the annual compliance report when it is filed with Inland Revenue. Under this relief, Inland Revenue will review the annual compliance reports in due course and keeping in mind the implications of COVID-19 for the business. Once the disruption caused by COVID-19 has significantly passed, APAs will potentially be reset or reconsidered with Inland Revenue.	KPMG TNF
New Zealand	Proposed	VAT and other indirect taxes	The Government has introduced a tax bill which would: – Apply 15% GST to mobile roaming services where a New Zealand mobile device is used overseas. – "Clarify" the credit note situation where GST was incorrectly charged on the original supply.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Nigeria **Contact:** Wole Obayomi wole.obayomi@ng.kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The **import duties** on medical equipment, medicines and personal protective gears required for treatment and management of COVID-19 have been suspended for six months, effective 1 May 2020.	KPMG TNF
Nigeria	Implemented	Filing/Payment Deadline Extension	Tax relief measures implemented: – **Extension of the due date for filing of VAT and withholding tax returns** from the 21st day of the month to the last business day of the month, following the month of deduction – **Extension** of the due date for filing of the company's **income tax returns** by one month, and calendar year-end companies now have until 31 July 2020 to submit their returns and pay their tax liabilities for 2020. No interest or penalties will be imposed for timely filed returns and payments of tax. Same extension applies to statutory transfer pricing returns, as they are an integral part of the annual companies' income tax return. Timely filing will avoid a late-filing penalty of ₦10 million, in the first instance, and ₦10,000 for every day in which the failure continues. – Filing of tax returns without audited financial statements which must be submitted within two months of the revised due date of filing – Use of electronic platforms to file tax returns, pay taxes and process tax clearance certificates – Grant **tax rebate of 50%** of the actual amount due or paid as **pay-as-you-earn**, to Nigerian	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			companies who retain all their employees from 1 March 2020 to 31 December 2020 – A **waiver of the late filing penalty** for returns by taxpayers that timely pay their tax liabilities but submit their tax returns late – An extension of the **individual (personal) income tax returns** filing deadline for certain individuals (including non-resident persons) by three months to 30 June 2020 (from 31 March 2020) – Taxpayers facing challenges in sourcing foreign exchange (FOREX) to settle tax liabilities on their FOREX-denominated transactions are permitted to pay the Naira equivalent, based on the prevailing Investors & Exporters FOREX window rate on the day of payment On April 30, 2020, the Federal Inland Revenue Service (FIRS) issued a Public Notice announcing the decision to waive interest and penalties on outstanding tax debts arising from desk reviews, tax audits, tax investigations, and approved installment payment plans under the Voluntary Assets and Income Declaration Scheme (VAIDS). However, to be eligible for the relief, the affected taxpayers must settle their outstanding tax debts in full by 31 August 2020 (this deadline was previously extended from 31 May 2020 to 30 June 2020). On May 19, 2020, the FIRS announced the **extension to 30 September 2020** (from 31 May 2020) of the deadline or financial institutions to file their annual returns under the rules for automatic exchange of information (**AEOI**) and the common reporting standard (**CRS**) regime. Please read the *set of FAQs*	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			prepared by KPMG member firm in Nigeria, intended to simplify the CRS-AEOI rules. The **Lagos State tax authority** (LIRS) extended the deadline for filing annual tax returns for employees and self-employed persons by two months, from 31 March 2020 to 31 May 2020. However, the extension does not apply to filing and payment of monthly withholding tax and "pay as you earn" (PAYE) tax. the deadline for employers PAYE tax returns has been extended to 14 February 2021. The **LIRS** implemented additional tax relief measures: – Approval of **installment payment** of outstanding liabilities on case-by-case basis to ease the cashflow challenges that taxpayers are currently facing; – **Waiver of penalty** for late payment of **PAYE** liabilities for March – May 2020; – **Waiver of penalties** due for late filing of 2020 annual tax returns (Form A); – Waiver of interest and penalty on additional tax liabilities arising from 2009 to 2015 tax audit exercise for taxpayers who commit to a structured payment plan that terminates by 31 December 2020 The tax authority of **Bayelsa state** announced: — an extension of the deadline for taxpayers filing Form A returns to 30 September 2020; — waiver of interest and penalties for "pay-as-you-earn" (PAYE) remittances to 31 August 2020; and — a 50% "discount" on individual income tax assessments for 2020.	

Jurisdictions	Status	Type	Brief description	Source
			The tax authority of **Kebbi state** in July 2020 announced: — a suspension of implementation of new tax rates, penalties, and levies for one year; — an extension of the deadline for filing individuals and businesses tax returns to 30 July 2020; and — a 50% waiver of accrued interest and penalties on outstanding corporate tax liabilities and a 30% waiver of the tax liability of individual taxpayers. The tax authority of **Ogun state** announced: — an extension of the deadline for filing the 2019 individual income tax returns to 30 September 2020; — an extension of the deadline for filing the annual PAYE tax returns to 30 September 2020; and — waiver of interest and penalties related to PAYE returns for earlier periods. The **Delta State Board of Internal Revenue** announced the waiver of interest and penalties on outstanding tax liabilities arising from tax audits carried out on private primary and secondary schools, eateries and hotels from 2011 to 2019 financial years. Affected taxpayers that want to request a waiver of interest and penalties on tax liabilities arising from audits must apply within 21 days of the assessment notice, and then settle the outstanding (principal) tax liabilities by 30 September 2020. On addition on July 29, 2020, the Board approve the following additional tax relief measures in the State: – payment of outstanding tax liabilities in installments for taxpayers on case by case basis. – waiver of penalties for late payment of liabilities under the PAYE Scheme that was due during the	

Jurisdictions	Status	Type	Brief description	Source
			COVID-19 lockdown in the State from 1st April 2020 till 31st October 2020. – waiver of penalties due on the late filing of the year 2020 annual tax returns – waiver of interest and penalties on additional tax liabilities arising from 2009 to 2015 tax audit exercise for taxpayers who can settle the outstanding principal amount by 31st December 2020. On November 4, 2020, the FIRS issued a notice announcing an additional period of **relief from penalties and interest on outstanding tax liabilities** arising from self-assessments, desk reviews, tax audits, and investigations. To take advantage of this relief, taxpayers must settle their outstanding tax debts in full by 31 December 2020. The relief applies with regard to VAT and income tax. The Lagos State tax authority extended the deadline for individuals filing their annual tax returns to April 14, 2021.	
Nigeria	Implemented	Individual Income Tax	The **LIRS** grants of tax credit of 20% of cash and kind donations made by resident individuals to Lagos State Government (LASG) for COVID-19 management. The credit will be available to offset 2021 year of assessment tax liabilities and subject to a cap of 35% of tax due.	**KPMG TNF**
Nigeria	Implemented	Suspension of Tax Audits	All field tax audit, investigations and monitoring visits have been suspended. On June 2, 2020, the **FIRS announced that it is resuming all tax audits, investigations, and monitoring exercises**.	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			The audit actions are to resume in two phases—reconciliation of tax findings arising from desk reviews, monitoring visits; and tax and investigations are to resume immediately. Field audits will begin at the end of June 2020. The **Lagos Internal Revenue Service** issued guidance that allows conducting "**tax audit reconciliation committee**" (TARC) meetings by video conferencing, with physical meeting being an exception, and provides for electronic submissions of documents.	and KPMG TNF
Nigeria	Implemented	VAT and other indirect taxes	A circular issued 30 April 2020 reflects the implementation of new fiscal policy measures aimed at facilitating imports of medical supplies in response to the COVID-19 pandemic. The circular provides that "essential medical supplies" are exempt from VAT for a six-month period, effective 1 May 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Norway **Contact:** Per Daniel Nyberg per.daniel.nyberg@kpmg.no	Implemented	Customs/Import and Other Miscellaneous Taxes	The **excise tax on air passengers** has been **suspended** for the period from 1 January 2020 until 31 October 2020. Norway's Customs indicated that freight transport is operating as normal.	KPMG TNF and KPMG TNF
Norway	Implemented	Filing/Payment Deadline Extension	The Government has introduced the following initial measures: Payment of the **second installment** of advance tax payment for **companies**, originally due April 15, 2020, is postponed until September 1, 2020. Payment of **VAT** for the first term 2020, with original due date April 14, would be postponed to June 10, 2020. Extension of time for **traders and certain other business owners** to make the **first installment** of advance payment of tax for 2020 would be provided to May 1, 2020 (from March 15, 2020). – **Owners of loss-making companies** in 2020 can postpone payments of **net wealth tax** in respect of the value of the assets of the companies. – Payment of **social security contributions,** originally due May 15, 2020, is postponed until August 15, 2020. The deadline for filing corporate income tax returns for 2019 has been extended to 31 August 2020 (from 31 May 2020). According to the Ministry of Finance, there will be no further extensions. On April 8, 2021, the Norwegian government announced that most Norwegian companies can apply for an **extension of the deadline to submit the**	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			corporate income tax return. Under the extension process, the new deadline would be 20 August 2021 (instead of the normal deadline of 31 May 2021). The extension relief would not be available for petroleum companies (that still must file by 30 April 2021). Companies seeking an extension of time to file their income tax returns must file an application for extension. This differs somewhat from last year when all companies were automatically granted an extension.	
Norway	Implemented	Loss Relief	Subject to certain conditions, companies that are in a loss-making position in 2020 will be able to **carry back losses** for that year against the taxable profits for the two previous years. Relief is allowed for **up to NOK 30 million of corporate losses in 2020**.	KPMG TNF
Norway	Implemented	VAT and other indirect taxes	The VAT "lower rate" has been temporarily reduced from 12% to 8% until October 31, 2020. This is a temporary arrangement to apply for a limited time-period, but it is retroactive to January 1, 2020. Sales subject to the VAT low rate of 8% include passenger transport, overnight lodging, public broadcasting, access to cinema, museums, amusement parks and major sporting events.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
OECD	Implemented	PE and Place of Management	The OECD Secretariat released recommendations with respect to certain tax issues raised by the coronavirus (COVID-19) pandemic involving cross-border workers who are unable to physically perform their duties in their place of employment and individuals who are stranded in a country that is not their country of residence. The specific issues addressed by the OECD include: – Concerns related to the creation of permanent establishments – Concerns related to the residence status of a company (place of effective management) – Concerns related to the residence status of individuals The OECD found that the COVID-19 crisis calls for an exceptional level of coordination and co-operation between countries, notably on tax issues, to mitigate the potentially significant compliance and administrative costs for employees and employers. The OECD encourages countries to work together to alleviate the unplanned tax implications and potential new burdens arising due to effects of the COVID-19 crisis.	KPMG TNF
OECD	Implemented		The OECD issued a report concerning tax and fiscal policy responses to the coronavirus (COVID-19) pandemic. The report shows that while many governments have taken rapid, extensive, and often unprecedented action, getting the support to "the most vulnerable households and firms" still poses significant challenges.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Developing countries will need specific support—notably significant financial support—for helping health and fiscal systems withstand the current shocks. – Maintaining business cash-flow has been a core goal of the fiscal policy measures. Measures include extending deadlines for tax filing, deferral of tax payments, faster tax refunds, more generous loss offset provisions, and some tax exemptions. – Governments have also helped businesses retain their workers through short-time work schemes or wage subsidies, and have extended income support to households, eased access to and expanded eligibility for sick-leave benefits, and sometimes broadened the coverage of unemployment benefits to self-employed workers.	
OECD	Implemented		On May 4, 2020, the OECD held a webcast on which it noted that with global economic activity facing a historic drop and government spending rising dramatically, the implications of the Covid-19 crisis on public finances and tax revenues are significant. Drawing on its multi-disciplinary expertise, the OECD is deploying its data gathering and analytical capacities to help governments face these unprecedented challenges while supporting businesses and people towards economic recovery. The OECD specifically noted that: – Governments are taking multifaceted actions to support their citizens and businesses and to maintain the provision of vital public services, often putting new and unforeseen pressure on public finances.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The OECD is providing critical advice on a range of tax topics while using its large tax co-operation network to facilitate collaboration among all countries. – A recent report examined emergency tax and fiscal policy measures introduced by countries in response to the COVID-19 crisis, and noted that tax and fiscal policy responses "are playing a key role in limiting the hardship caused by containment measures, and should continue to do so as governments seek to pursue economic recovery from the global pandemic." – Among the tax relief items are measures being taken to ease the burdens on taxpayers and to support businesses and individuals with cash flow problems, with difficulties in meeting tax reporting or payment obligations or otherwise facing hardship. – The strict quarantine requirements have led to new concerns over tax treatment of cross-border workers, many of whom are stranded in a country that is not their country of residence or unable to physically perform their duties in their country of employment. This situation has an impact on the right to tax between countries, which is currently governed by international tax treaty rules that delineate taxing rights. The OECD has issued guidance on these issues per member countries' request.	
OECD	Implemented		On May 26, 2020, the OECD released: – The "*Tax Administration Responses to COVID-19: Recovery Period Planning*" report, which outlines how tax administrations can prepare for the potentially prolonged, uncertain and complex	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			recovery period from the COVID-19 crisis. The report highlights that even during the immediate crisis period, there will be significant benefit from early business restoration planning to help identify the main challenges and opportunities for both tax administrations and taxpayers, and to take early preparatory actions. In undertaking business restoration planning, tax administrations will need to take into account the distinguishing features of the COVID-19 pandemic which, unlike other crises, are likely to persist during the recovery period. In particular, the continued risks to health, including from further outbreaks; the impacts on staff and administration systems as a result of the need for continuing adjustments; and the potential length and volatility of the recovery period given the depth and scale of the economic shock. – The "Tax Administration: Privacy, Disclosure and Fraud Risks Related to COVID-19", which highlights the increased security risks and greater opportunities for errors, misconduct and fraud in the current environment, including as a result of increasing remote working. The report provides examples of these high-level risks and identifies some mitigation actions that tax administrations may wish to take.	
OECD	Implemented	Transfer Pricing	On December 18, 2020, the OECD released "*Guidance on the transfer pricing implications of the COVID-19 pandemic*" intended to clarify and illustrate the practical application of the arm's length principle to unique fact	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			patterns and specific challenges resulting from the COVID-19 pandemic. The guidance provides clarification and support for both taxpayers and tax administrations as they evaluate and administer the application of transfer pricing rules for periods affected by the COVID-19 pandemic. Four priority issues identified and covered in the guidance are: – Comparability analysis – Losses and the allocation of COVID-19-specific costs – Government assistance programs – Advance pricing agreements (APAs)	
OECD	Implemented		On January 21, 2021, the OECD released updated guidance on tax treaties and the effect of the COVID-19 pandemic. Measures imposed or recommended by governments, including travel restrictions and curtailment of business operations, have been in effect in most jurisdictions in various forms and stages during most of 2020 due to the COVID-19 pandemic, and this situation continues in 2021. According to an OECD release, the "note" revisits guidance issued in April 2020. The updated guidance: – Represents the OECD's views on the interpretation of the provisions of tax treaties intending to provide greater certainty – Illustrates how some jurisdictions have addressed the effect of COVID-19 on the tax situations of individuals and employers – Outlines the application of the existing rules and the OECD commentary on concerns related to the	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			creation of permanent establishments, the application of "tie-breaker" rules to dual residents, and the tax treaty treatment of income from employment	

Jurisdictions	Status	Type	Brief description	Source
Oman  **Contact:** Ashok Hariharan ahariharan@kpmg.com	Implemented	Business Income Tax	The Tax Authority has clarified that **donations or contributions** made by taxpayers for the purpose of dealing with the COVID-19 pandemic in Oman will be **treated as tax deductible.** The onus is on taxpayers to prove that the purpose was for dealing with the COVID-19 pandemic. Such donations are to be governed by the same rules as have been already prescribed in the Executive Regulations to the Oman Tax Law and would be subject to the overall 5% of gross revenue capping. An economic stimulus plan was announced on March 9, 2021 and aims at supporting the economic recovery: – **Income tax exemption for new businesses involved in economic diversification** - five-year tax exemption has been announced for new businesses whose main activities would be to engage in the economic diversification sectors. The main activities should commence between 1 January 2021 and 31 December 2022 and tax exemption shall begin from the date of registration in the commercial registration certificate. Rules and conditions relating to the above tax exemption would be announced by the Oman tax authorities. – **An income tax exemption for 2020 and 2021tax years for hotel** establishments has been introduced. – **Unlimited carry forward of losses allowed for tax losses incurred for tax year 2020 -** Companies and establishments have been allowed to carry forward	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			their tax loss incurred for tax year 2020 for an unlimited period to be adjusted against future taxable income. Under the current income tax law, tax losses are allowed to be carried forward for a period of five years from the year of its incurrence. – T**ax rate for small and medium enterprises** (SMEs) **reduced to 12%** (from 15%) for the tax years 2020 and 2021 (extended on April 27, 2021 to additional classes of taxpayers (Omani companies and establishments but excluding PEs such as branch offices and Oman operations of foreign companies). Eligible taxpayers must cumulatively satisfy two requirements (as currently applicable to SMEs registered with Riyada):1) Turnover for the tax year of less than OMR 5 million; and 2) Total number of employees less than or equal to 150 persons)) – Tourist establishments **exempted from both tourism and municipal tax levy until end of 2021**.	
Oman	Implemented	Filing/Payment Deadline Extension	**Tax return(s) filing and related tax payment deadlines extended by three months**: – The Tax Authority has allowed deferral of tax return filing and payment of tax due as per the tax return by a period of up to three months for taxpayers who have been adversely affected by the COVID-19 pandemic as a result of the precautionary measures imposed by the government in Oman. This would mean that taxpayers who follow the calendar year as their tax year, for whom provisional tax returns were due on 31 March	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2020, or those taxpayers whose tax year ended on 30 September last year and whose final returns were due on 31 March 2020, may now rely on this announcement. They may file the tax returns and pay related taxes on or before 30 June 2020, if not already filed and paid. On July 8, 2020, the tax authority further extended the tax returns filing deadline for years ended on 31 December 2019, until 30 September 2020. These relief provisions have now been extended through 31 December 2020. – Further, the announcement clarifies that no fines and penalties would be levied on such taxpayers who could not file their returns and pay the taxes within the prescribed due dates as a result of the precautionary measures imposed by the government in Oman to counter the COVID-19 pandemic. – Penalties related to a failure to comply with the due dates for filing tax returns, both provisional and final, along with the annual audited accounts for the year ended 31 December 2019 o Additions to tax (1% per month) triggered by non-payment of income tax for the tax year ended 31 December 2019. This relief provision has now been extended through 31 December 2020. o Additions to tax (1% per month) from 1 January 2020 to 30 September 2020 for non-payment of income tax due for tax years ended prior to 31 December 2019. This relief	and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			provision has now been extended through 31 December 2020. **Flexible tax payment mechanism introduced along with exemption from additional tax (interest) levy:** – Taxpayers may reach an agreement with the Tax Authority allowing the settlement of outstanding taxes in installments. – Additional tax (interest) of 1% per month on such outstanding taxes for cases governed by this arrangement will be exempt. – On 8 July 2020, the tax authority granted additional tax relief measures: o Allow installments of tax payments for the year ended 31 December 2019 with the possibility of no addition to tax (1% per month) based on the facts and circumstances of each situation. o Provide for the rescheduling of previously approved tax installment plans for prior tax years with the possibility of no addition to tax (1% per month), based on facts and circumstances of each situation. The Tax Authority announced an extension of the **CbC notification** due date by four months for entities whose Reporting Fiscal Year ends on 31 December 2020**.** The CbC notifications under the extended timeframe can now be filed on or before 30 April 2021. An economic stimulus	

Jurisdictions	Status	Type	Brief description	Source
			plan was announced on March 9, 2021 and aims at supporting the economic recovery: – **Installment based tax payments without levy of additional tax allowed during the year 2021** - Taxpayers have been permitted to make tax payments in installments for tax due during the year 2021, without monthly 1% of additional tax. An installment-based tax payment plan was also provided last year as a relief measure to taxpayers. Taxpayers would be required to agree to the terms of the installment-based tax payments with the tax authority separately. – **Tax rebate of 1% announced for tax year 2021** - A deduction of 1% of the tax due (up to a maximum of OMR 10,000) has been announced for all taxpayers who shall file the tax return for the tax year 2021 and pay taxes within the prescribed due date. For taxpayers with 31 December as year-end, the tax return and taxes will be due for tax year 2021 on or before 30 April 2022. This measure has been extended on 27 April 2021 and it is now applicable for tax year 2020 as well for all classes of taxpayers (thereby offering immediate relief) – **Suspension of withholding tax on dividends and interest for an additional period of five years from tax year 2020** - The withholding tax on dividends and interest has been suspended for a period of five years starting from tax year 2020 until tax year 2024.	

Jurisdictions	Status	Type	Brief description	Source
Oman	Implemented	Suspension of Tax Audits	– For objection submissions against assessment orders or rectified assessment orders or additional tax assessment orders that are delayed as a result of the precautionary measures imposed by the government to counter the COVID-19 pandemic in Oman, the Tax Authority has clarified that such submission beyond the statutory period of 45 days will be permitted. The delay period will be treated as a 'force majeure' event, based on which such deferment would be granted. The onus lies on the taxpayer to prove that the delay in submission beyond the statutory period for objection submission is due to the imposition of the government's precautionary measures. – Taxpayers have been given the opportunity to request an extension to submit their supporting documents and clarifications for the ongoing objections proceedings. This request is subject to the approval of the Tax Authority – On 8 July 2020, the tax authority granted additional tax relief measures o Allow a stay of demand requests until the conclusion of objections, even if such a request is made after the statutory period of 30 days from the date of the filing of the objection. o Allow additional time for submission of details and information during assessment and objection proceedings. If additional time is granted by the tax authority, the time frame as specified by the income tax law for completion of assessment proceedings or for the tax	KPMG TNF and KPMG TNF

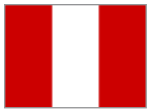
Jurisdictions	Status	Type	Brief description	Source
			authority's objection will be extended by such additional time granted.	

Jurisdictions	Status	Type	Brief description	Source
Pakistan  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Business Income Tax	Effective May 1, 2020, the construction sector is entitled to seek exemption from advance tax on import of plant and machinery, besides claiming a tax credit on income from new projects according to the new tax regime. However, the credit is only available to non-corporate sector. For additional informational on the new regime for builders, developers and construction industry, please read the *report* prepared by KPMG member firm in Pakistan.	**KPMG TNF**
Pakistan	Implemented	Customs/Import and Other Miscellaneous Taxes	The Government has approved paybacks of pending sales tax and income tax refunds, duty drawbacks to textile exporters and customs duties. In addition: – the rate of advance tax on the import of different food items was reduced to 0% from 2% – additional customs duty at 2% on soya bean oil, canola oil, palm oil and sunflower oil (also on oil seeds) has also been exempted	**KPMG TNF**
Pakistan	Implemented	WHT	Individuals and associations of persons providing basic food items to government-owned departmental stores will pay a reduced rate of withholding tax of 1.5% (reduced from 4.5%)	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Panama **Contact:** Luis Laguerre llaguerre@kpmg.com	Implemented	Filing/Payment Deadline Extension	– An **extension of time to file tax returns** for the fiscal year 2019, until 30 May 2020 – An **extension of time** (120 days) for the **payment of certain taxes** to 18 July 2020, without giving rise to an accrual of interest or penalties for late payments (this does not apply with regard to income taxes withheld from employees or from payments made to non-residents, dividend tax, certain property tax, among other taxes) – A **reduction of the amount of estimated tax** (in general, to be based on 70% of the tax paid for 2019), with the estimates to be paid at two dates—30 September 2020 and 31 December 2020 – **Tax amnesty-related relief allowing for a forgiveness of 85% of the interest, penalties, and surcharges and fines for delinquent taxes arising until 30 June 2019** as long as the amount of the entire tax liability is paid no later than 31 December 2020 – Tax amnesty related relief - an **extension of the deadline** to 30 June 2020 for submitting **certain reports and affidavits** (such as transfer pricing reports, information returns of donations received, payroll reports, pension information returns) without incurring a penalty, when originally due by 29 February 2020 – The date for submitting a **transfer pricing report generally is extended until 30 September 2020** with respect to operations conducted with related parties during the fiscal period 2019. – **Extended due date of 31 August 2021** for filing for **CRS reports** On July 16, 2020, the Ministry of Economy and Finance issued executive decree No. 356 to postpone to July 3, 2020 the deadline for filing tax returns and for paying tax, as follows:	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Filing income tax returns corresponding to fiscal year 2019 – Submitting a statement by taxpayers that have not claimed the 30% reduction of the estimated tax – Paying direct and indirect taxes related to fiscal year 2019 (except for remittances made by withholding agents for dividend tax, ITBMS withheld, etc.) – Paying property tax withheld by banks and corresponding to the first four-month period of 2020 A separate executive decree No. 357 of 16 July 2020 addresses rules concerning the alternative tax on income calculation (known as "CAIR"). In general, the decree reduces the period allowed for the tax authority to issue a ruling on taxpayer requests for non-application of the CAIR regime to three months. In other words, for requests submitted after 31 July 2020, the authority has three months to issue the ruling. If a ruling is not issued, then it will be understood that the request has been accepted. The tax authority issued a resolution No. 201-4168 of 16 July 2020 that extends the deadline to 31 July 2020 for taxpayers to present a report of payments made to third parties and reports of amounts received for fiscal year 2019. On 29 December 2020, the tax authority approved a resolution that extends the due date for certain tax payments and the deadline to participate in a tax amnesty program. The extended tax payment date is 15 January 2021 (for tax year 2020). Therefore, the taxes that were to have been remitted by 31 December 2020, may be paid by 15 January 2021 without incurring penalties and interest. This extension applies to payments of income tax and property tax, among others.	

Jurisdictions	Status	Type	Brief description	Source
			The availability of relief under the tax amnesty regime (under Law 99 of 2019 and Law 161 of 2020) is also extended until 15 January 2021. On March 31, 2021, Decreto Ejecutivo No. 110 was puclished in the Official Gazette and it extends the return filing and income tax payment due date to 17 May 2021 (from 31 March 2021) for individual taxpayers and for legal persons. In addition, taxpayers under the special tax regime for micro, small and medium-size enterprises (PYMES) are afforded more time, until 17 May 2021, to present an amending declaration.	
Panama	Implemented	Suspension of Tax Audit	*Resolución 201-2422* of 27 April 2020 implements certain administrative relief measures for a period of 120 calendar days for taxpayers with delinquent accounts, as long as they present the corresponding request duly motivated and supported. *Resolución 201-2419* of 20 April 2020 generally provides that any administrative act by either the tax administration or the taxpayer may be completed by email. Accordingly, taxpayers need to determine that their emails are correctly registered in the e-tax system.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Peru  **Contact:** Ahmed Vega ahmedvega@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	A temporary reduction to 0% of the customs tariff rate is provided for import of medicines and medical equipment.	KPMG TNF
Peru	Implemented	Filing/Payment Deadline Extension	– The Peruvian tax authority (SUNAT) extended the **annual income tax filing and payment deadlines** for the fiscal year 2019. The new deadlines are between 24 June 2020 and 9 July 2020. This rule is applicable for taxpayers that generated a net income not higher than 5,000 tax units during 2019 (approximately US$6 million). – UNAT extended the monthly income tax and VAT filing and payment deadlines for the tax periods: February, March, and April 2020. – The requirement for issuing certain authorized documents without using the electronic billing systems is extended to 31 May 2020. – SUNAT is to apply **discretional authority** for **not imposing tax penalties** during the emergency period, including penalties imposed as of 16 March 2020. – Installments of tax payments due on 31 March 2020 and 30 April 2020 may be paid on or before 29 May 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Philippines  **Contact:** Ma Carmela M. Peralta mperalta@kpmg.com	Implemented	Business Income Tax	Revenue Regulations No. 09-2020 (approved 06 April 2020, effective from 16 March 2020 to 25 June 2020), subject to certain conditions and requirements, provides full deductibility against the gross income of the donor Corporation/donor-individual for the following donations/gifts, when given for the sole and exclusive purpose of combatting COVID-19 during the period of the state of national emergency under RA No. 11469: – Cash donations – Donations of all critical or needed healthcare equipment or supplies – Relief goods such as, but not limited to, food packs (rice, canned goods, noodles, etc.) and water – Use of property, whether real or personal (shuttle service, use of lots/buildings) To be entitled to full deductibility, the donations shall be made to any of the following donees: – National Government or any entity created by any of its agencies (including public hospitals) which is not conducted for profit, or to any political subdivision of the said Government, including fully-owned government corporations – Accredited non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization and/or research institution or organization The Philippine Economic Zone Authority (PEZA), with the support of the Bureau of Internal Revenue (BIR), identified several additional deductions for use in computing the 5% gross income tax in response to the COVID-19 pandemic. The PEZA guidelines provide that the following may be considered as direct costs for purposes of computing for the 5% gross income tax:	**KPMG Global** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			– Costs for temporary accommodations for operations and for maintenance personnel of a PEZA-registered enterprise for the period of quarantine when the work can be directly attributable to the PEZA-registered service – Costs for providing shuttle services for such operations and maintenance personnel – Certain port charges arising from delays in the release of shipments immediately after the implementation of the quarantine – Costs for disinfecting and costs of personal protective equipment and sanitation requirements if incurred for operations and maintenance personnel and their work areas The BIR expressed its position that expenses relating to COVID-19 testing are not directly related to the rendition of PEZA-registered services because the registered activities could still be conducted without such costs. Therefore, unless it can be proven that such COVID-19 tests are directly related to the registered service, the BIR position is that these costs must be classified as operating expenses and not direct costs.	
Philippines	Implemented	Customs/Import and Other Miscellaneous Taxes	Revenue Regulations (RR) No. 06-2020 (approved 30 March 2020, effective immediately): – Exempts the **importation of critical or needed healthcare equipment or supplies** intended to combat the COVID-19 public health emergency from VAT, excise taxes (if applicable), and other fees. – Exempts the importation of materials needed to make health equipment and supplies deemed as critical or needed to address the current public health emergency from the VAT, excise tax (if applicable) and other fees, provided that the importing manufacturer is included in	KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			the Master List of the Department of Trade and Industry (DTI) and other incentive granting bodies. – Exempts the importations above from the need to secure an authority to release imported goods (ATRIG) as issued by the Bureau of Internal Revenue. – **Exempts the donations of the above imported goods from donor's tax**, if the donations are made to, or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.	
Philippines	Implemented	VAT and other indirect taxes	Revenue Regulations (RR) No. 06-2020 (approved 30 March 2020, effective immediately): – Exempts the **importation of critical or needed healthcare equipment or supplies** intended to combat the COVID-19 public health emergency from VAT, excise taxes (if applicable), and other fees. – Exempts the importation of materials needed to make health equipment and supplies deemed as critical or needed to address the current public health emergency from the VAT, excise tax (if applicable) and other fees, provided that the importing manufacturer is included in the Master List of the Department of Trade and Industry (DTI) and other incentive granting bodies.	KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
Poland **Contact:** Katarzyna Nosal-Gorzen knosal@kpmg.pl	Implemented	Business Income Tax	**Exemption from bad-debt relief**—An exemption is provided from the requirement to increase the debtor's taxable base by payables that have not been paid or settled in any other form in 90 days measured from the date of expiration of settlement periods falling in 2020, provided that in the given settlement period, the taxpayer suffered negative economic consequences of the COVID-19 pandemic and the income was at least 50% lower than income in the corresponding period in the previous tax year. **Exemption from tax on revenues from commercial buildings** for the period from 1 March 2020 to 31 December 2020. **Ability to deduct contractual penalties and damages,** provided that the defect in the goods delivered, works or services performed, a delay in the delivery of goods free of defects or a delay in the removal of defects in goods or works and services performed, was due to the state of epidemic threat or the state of epidemic. **Tax incentives for donations made in response to COVID-19**—Current measures provide for income tax deductions (for corporate taxpayers and individual taxpayers) regarding donations made to health care providers in response to the COVID-19 pandemic, from 1 January to 30 September 2020 (the proposed draft would have allowed deductions throughout all of 2020). The deductible amount depends on the timing of the donation. The ability to deduct in-kind donations such as laptops and tablets not older than 3 years made to certain entities (such as educational establishments) during the period from 1 January 2020 to 30 September 2020 **Taxpayers can claim a one-time tax depreciation write-off** from the initial value of fixed assets purchased in order to produce goods used to address the COVID-19 pandemic (such as protective masks or respirators).	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Taxpayers will also be allowed to deduct qualifying R&D costs aimed at developing products necessary to counteract the COVID-2019 pandemic.	
Poland	Proposed	Business Income Tax	Poland's government on May 15, 2021 unveiled details about a new stimulus plan designed to bolster the economy following the COVID-19 pandemic. Concerning corporate income tax, the plan would introduce a new relief related to automation and would extend the existing research and development (R&D) and intellectual property (IP) relief schemes. There would be extended tax relief regarding Estonian corporate income taxpayers and tax relief to reduce the costs of entering the stock exchange.	KPMG TNF
Poland	Implemented	Filing/Payment Deadline Extension	**Extended deadline for filling corporate income tax returns, making tax payments** – The deadline for submitting the **corporate income tax return** on form CIT-8 and for paying corporate income tax for 2019 is extended for all taxpayers until 31 May 2020. – For taxpayers that realized only **tax-exempt income** or whose revenue consisted of revenue from work for public benefit (at least 80%), the deadline for **submitting tax returns** is extended until 31 July 2020. – The deadline for **preparing and submitting information pursuant to agreements concluded with non-residents** (ORD-U) that expire during the period from 31 March 2020 to 31 May 2020 are extended for up to five months after the end of the tax year. For taxpayers whose tax year ended within the period from 31 December 2019 to 31 January 2020, the deadline for submitting information on revenue derived by legal persons not having a seat or place of management in Poland is extended for up to five months after the end of the tax year. – The deadlines for **financial reporting** were also extended. The deadlines for preparing and approving the annual	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			financial statements were extended by three months, and by two months for entities subject to the supervision of the Polish Financial Supervision Authority. **Opt-out option for "small taxpayers" on tax advances in a simplified form—**Small taxpayers who in 2020 paid advances (estimates) of corporate income tax and individual income tax by means of a simplified form can opt out of making further advance payments during the tax year. **Postponement of other deadlines** – **For certain tax advances** collected in March and April 2020 on revenues; the date for the requirement to collect and remit advance payments of individual income tax will be 1 June 2020 (provided that the taxpayer has been subject to negative economic impact of COVID-19). – **Exemption from social security contributions payments** – under certain conditions and subject to the submission of an application, there are exemptions for the period from 1 March 2020 to 31 May 2020 – The deadline for the **minimum commercial property tax payment** for the period March-May 2020 is extended to 20 July 2020 (provided that the taxpayer has been subject to negative economic impact of COVID-19 in the given month and the revenue from business activity was lower by at least 50% compared to previous months). – Temporary lift of the so-called prolongation fee (charged in the event of deferment or payment in installments of taxes and ZUS contributions, currently 4% per annum). – The deadline for mandatory submission of new **SAF-T files** is extended from 1 April 2020 to 1 July 2020. – The deadline for the required **entry of information** by companies entered into the National Court Register (KRS) before 13 October 2019 to the **Central Register of Beneficial Owners** is extended to 13 July 2020. – The deadline for submitting a statement that **transfer pricing documentation** has been prepared and for	

Jurisdictions	Status	Type	Brief description	Source
			providing transfer pricing information (forms TPR-C and TPR-P) has been extended as follows: o 31 December 2020—for taxpayers for whom the deadline was scheduled to expire between 31 March 2020 and 30 September 2020 o By three months—for taxpayers for whom the deadline was scheduled to expire between 1 October 2020 and 31 January 2021 – The deadline for preparing the Master File and the Local file have been postponed as follows: o The deadline for preparing the **Local File**, submitting the statement of transfer pricing documentation, and filing the TP-R information return is 31 December 2020. o The deadline for preparing or attaching the **Master File** to the Local file is 31 March 2021. – The deadline for submitting a **notification of payments** made to an account from outside the **so-called "white list" of VAT taxpayers** has been extended from three days to 14 days. – The effective date of the **new matrix of VAT** rates has been postponed from 1 April 2020 to 1 July 2020. – The revised deadline for using the **required VAT form (SAF-T)** was extended from 1 July 2020 to 1 October 2020 – The tax on retail sales has been deferred until 1 January 2021. – The deadlines for **mandatory reporting of tax schemes** will not start to run, and for any already running deadlines, has been suspended starting from 31 March 2020 until the 30th day after the date when the state of epidemic threat or the state of epidemic concludes, but in any event, no later than 30 June 2020. – Applications for **binding rulings** submitted and pending before the effective date of this legislation and applications	

Jurisdictions	Status	Type	Brief description	Source
			for binding rulings submitted as of the legislation's effective date until the date of when the state of epidemic threat or the state of epidemic is withdrawn are extended by three months (that is, the three-month deadline for issuing a binding ruling is extended by another three months). – The deadline for paying the **annual perpetual usufruct fee** for 2020 has been extended to 31 January 2021	
Poland	Implemented	Individual Income Tax	On December 15, 2020, the head of the tax administration issued a ruling (0115-KDIT2.4011.739.2020.1.RS) regarding the tax treatment of allowances paid to employees working remotely at least 60% of their monthly hours as compensation for their increased electricity and internet bills incurred in response to directions from their employers to work remotely because of the COVID-19 pandemic. The tax administration agreed that there would be no obligation to collect individual income tax on payments of advances for this type of benefit and stated that the benefits received by employees, regardless of their form, do not constitute income within the meaning of the Polish individual income tax law.	KPMG TNF
Poland	Proposed	Individual Income Tax	Poland's government on May 15, 2021 unveiled details about a new stimulus plan designed to bolster the economy following the COVID-19 pandemic. The proposed program introduced amendments to the Polish tax system, including changes affecting individual taxpayers such as: – An increase to income for the "tax-free allowance" for low-wage earners – An increase to the threshold that triggers for individual taxpayers, application of the higher income tax bracket of 32% to PLN 120,000 (currently PLN 85,528) – An increase to the total tax and contribution burden for non-deductible health insurance contributions In principle, the proposed amendments would aim to reduce the tax burden for individuals with monthly earnings that do not	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			exceed certain amounts for employees and individuals operating a business activity. At the same time, the tax and health contribution burden would increase for those that exceed the designated amounts. Another incentive brought by the Program is the so-called "return relief", which is to encourage not only employees, but also entrepreneurs who have settled abroad to return to Poland. As announced, individuals coming back to Poland will pay half of their PIT due within two years of their return. Importantly, the "Polish Deal" does not cover solely PIT and health contribution-related considerations, extending to other levies and fees.	
Poland	Implemented	Loss Relief	**Corporate and individual taxpayers** can offset **tax losses** incurred in 2020 against taxable income declared in their 2019 income tax returns, subject to a ceiling of PLN 5 million loss; the offset rules are available only with regard to taxpayers whose revenue in 2020 will be lower by at least 50% (when compared to revenue in 2019).	KPMG TNF and KPMG TNF
Poland	Implemented	Payroll Taxes	On December 15, 2020, a new relief package "Shield 6.0" was published in the Polish Journal of Law. The package aims at providing support for sectors including food services and catering activities, culture and entertainment (stage events, museums, film and photography industry), sports industry (gyms, fitness clubs, swimming pools, aquaparks, and health resorts), retail sales sector (clothing shops and retail sale on stalls and markets), tourist industry (hotels, travel agents, tour operators, and tour guides), transport industry (coach companies, taxi drivers), and the educational sector. – **Exemption from ZUS contributions for November 2020**. Under certain conditions and subject to an appropriate application, exemptions from the obligation to pay contributions to social security, health insurance, Labour Fund, Solidarity Fund, Guaranteed Employee Benefit Fund or Bridge Pension Fund, due for the month of November.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– **Extension of the exemption from ZUS contributions for July – September 2020.** Provided that affected taxpayers suffer a drop in revenue of 75% compared to the previous year, exemptions from contributions to social security, health insurance, Labour Fund, Solidarity Fund, Guaranteed Employee Benefit Fund or Bridge Pension Fund due for the period from July 1, 2020 to September 30, 2020.	
Poland	Implemented	Suspension of Tax Audits	– **Suspension of all procedural and court statute of limitations** - During the COVID-19 pandemic, the statute of limitations for all procedural and judicial deadlines for matters pending in the judicial and administrative courts, as well as administrative proceedings, tax audits, and customs audits will not begin to run and any tolled statute of limitations will be suspended. – **Voluntary disclosure, individual income tax** - Filing the annual individual (personal) income tax return and settling the related tax liability after the statutory deadline, but no later than by 31 May 2020, will be treated as filing a voluntary disclosure statement, and the tax authorities will not initiate any legal proceedings against the individual taxpayer and will discontinue any pending ones. – The "Shield 6.0" tax relief package provides that the public administration will be able to suspend procedural deadlines for a period no longer than 30 days, upon prior notification to the parties.	KPMG TNF and KPMG TNF
Poland	Proposed	VAT and other indirect taxes	Poland's government on May 15, 2021 unveiled details about a new stimulus plan designed to bolster the economy following the COVID-19 pandemic. Among other proposals, with respect to VAT, the Program proposes to eliminate VAT on settlements within capital groups and introduce the possibility of selecting VAT settlement method for financial transactions.	KPMG TNF
Poland	Implemented	WHT	The Ministry of Finance released on June 24, 2020 decrees that further postpone the effective date of **withholding tax rules**	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			for corporate income tax purposes. The new effective date is 31 December 2020. The decrees concern the requirement that Polish entities making payments of interest, dividends, or royalties or payments for certain intangible services to foreign taxpayers must collect withholding tax (at a standard rate of 20% or 19%) and then foreign taxpayers or the payers themselves (depending on who bears the economic burden of tax) may apply for a refund of the collected withholding tax (under the pay and refund mechanism). The withholding tax was originally scheduled to be effective 1 January 2019 but had been previously postponed (most recently to 30 June 2020). The withholding tax collection mechanism for individual (personal) income tax purposes had already been effective for half a year, but the new decree suspends these rules from 1 January 2020 to 31 December 2020. The Ministry of Finance again postponed the effective date for a withholding tax collection mechanism applicable for both corporate income tax and individual income tax purposes. The new effective date is 30 June 2021.	and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Portugal **Contact:** Pedro M Alves pmalves@kpmg.com	Implemented	Business Income Tax	Order no. 99/2021 – XXII, of 26 March 2021, allows relief for taxpayers claiming depreciation or amortization for FY 2020. Specifically, taxpayers may communicate to the Portuguese tax authorities the depreciation or amortization of assets based on depreciation or amortization rates lower than the minimum rates provided for by law until the end of the fifth month following the end of the applicable tax period, without penalty, provided that the reasons for adopting the lower rates result from a break in business activity due to the COVID-19 pandemic. Decree-law no. 23-A/2021 amends the scheme providing "extraordinary support" concerning the progressive reopening of business activity of companies that experienced a temporary reduction of the "normal working period" and the scheme that establishes "support mechanisms" under the current state of emergency. The measures adopted under this decree-law aim to support workers and as well as those who were unemployed. In particular, the decree-law provides for employers in the tourism and cultural events sectors, full (100%) and partial (50%) exemptions of social security contributions due for March, April, and May 2021. – An employer experiencing a temporary reduction of the "normal working period" is entitled to an exemption of 50% of the social security contributions when there is a decrease in turnover of 75% or more. – For an employer experiencing a decrease in turnover of less than 75%, there is a full exemption of the social security contributions due for the period. For these purposes, for taxpayers that had been in business for less than 24 months, the decrease in turnover is computed by comparing the monthly average	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			turnover measured at the beginning of business activity against the month (penultimate month) prior to the month that the request for the extraordinary financial benefit refers to. In addition, Decree-law provides relief for "micro companies"—for the first half of 2021, "simplified financial support" is provided to support employment (corresponding to two times the minimum national salary, per employee). Micro companies also may be eligible to receive additional financial support, to be received between July and September 2021, corresponding to an extra minimum national salary, per covered employee. This additional support is available if: (1) the company continues to be in a "business crisis" situation in June 2021; and (2) the company has not benefited from other financial support provided to maintain employment or jobs (per Decree-law no. 6-E/2021) or as funding to compensate in the progressive reopening of business activity (per Decree-law no. 46-A/2020). Furthermore, companies in a "business crisis"—that is, a total suspension of business activity or a suspension of at least 40% of business activity (in the previous month)—and that experienced a disruption of supply chains or had orders suspended or cancelled, when more than half of the company's invoices from the prior year were related to activities or sectors that were or have been suspended or closed pursuant to a legislative or government orders, may apply for "extraordinary support" to maintain employment jobs. An application for this extraordinary support is to be made in March and April 2021. Finally, the Decree-law provides "extraordinary financial support" for companies that in the first trimester of 2021 benefited from the extraordinary support to maintain jobs or the extraordinary support for the progressive reopening of business activity. Subject to certain conditions, eligible	

Jurisdictions	Status	Type	Brief description	Source
			companies are entitled to receive an extraordinary financial support, as follows: – When requested on or before 31 May 2021, the support will correspond to two times the minimum national salary, per employee, paid fractionally over six months. In this situation, the company is entitled to an exemption of 50% of the social security contributions during the first two months of the incentive. – When requested after 31 May 2021, the support corresponds to one times the minimum national salary, per employee, paid fractionally over three months.	
Portugal	Implemented	Customs/Import and Other Miscellaneous Taxes	In line with EU Commission Decision no. 2020/491, of 3 April 2020, Portugal applies a relief of import duties and a VAT exemption to imports of goods intended to be distributed / made available (free of charge) to the persons affected by or at risk from COVID-19 or involved in combating the COVID-19 outbreak. These measures were to be applicable to imports carried out between 30 January 2020 and 31 July 2020. Afterwards, several EU Commission Decisions amending EU Commission Decision no. 2020/491, of 3 April 2020 were published and, according to EU Commission Decision no. 2021/2693, of 19 April 2021, the period of application of the relief and the exemption in question is extended until 31 December 2021.The entities eligible to benefit from the import duties relief and from the VAT exemption and the procedure to be adopted with this regard are set out in Circular Letter no. 15762, issued by the Portuguese Tax Authorities in 22 April 2020.	**KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
Portugal	Implemented	Filing/Payment Deadline Extension	Effective from March 13: – **Extension** of the deadline regarding the **first installment of the special payment on account** (due in March) to June 30, 2020, without being subject to any penalty – **Extension** of the deadline from May 31, 2020 to July 31, 2020, without any penalty for **filing the FY 2019 corporate income tax return** ("Modelo 22") – **Extension** of the deadline of the first installment of the payment on account and the first installment of the additional payment on account by companies (due in July) to August 31, 2020, without any penalty – Situations of infection or preventative isolation of taxpayers and their accountants, declared by health authorities will be considered reasonable cause for a delay to the fulfilment of tax reporting obligations – Postponement of the legal deadline regarding the submission of the annual simplified business information return ("IES / DA") for 2019 tax period — it has been extended from 15 July 2020 to 7 August 2020, without any penalties On March 24 the State Secretary for Tax Affair released an order which provides for: – A **postponement of the new Monthly Stamp Duty return**, which should now only apply to operations and facts occurred from 1 January 2021 onwards – **Stamp duty settlement and payment obligations** related to 2020 transactions are to follow the procedure available as of 31 December 2019. On April 23, 2020, the Portuguese Government **postponed the submission of the transfer pricing documentation** to 31 August 2020.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			On April 27, 2020, he State Secretary for Tax Affairs released an order providing for additional flexibility measures: – **Renewal of procedures regarding VAT declarative reporting obligations:** o The March 2020 VAT return (monthly VAT regime) and the January to March VAT Return 2020 (quarterly VAT regime) can be computed based on information/data included in the electronic invoicing system ("e-factura"); o Deadline for submission: until 22 May 2020; o Tax payment deadline until 25 May: Several amendments related to the deadline of compliance with VAT obligations were recently introduced in the VAT law (these amendments are covered in the State Secretary for Tax Affairs' Order no. 133/2021-XXII, of 22 April 2021 and Circular Letter no.30234, of 23 April 2021). As a consequence of said amendments, the submission and payment deadlines regarding the following VAT returns have been adjusted as follows: 1) Monthly VAT regime - April and May 2021 VAT returns may be submitted until 21 June and 20 July 2021, respectively. The payment of the tax resulting from the aforementioned returns may be made until 25 June and 26 July, respectively; June 2021 VAT return (monthly VAT regime) may be submitted until 31 August 2021. The payment of the tax resulting from the aforementioned return may be made until 31 August 2021. 2) Quarterly VAT regime - VAT returns regarding the 2nd quarter of 2021 (April to June 2021) may be submitted	

Jurisdictions	Status	Type	Brief description	Source
			until 31 August. The payment of the tax resulting from the aforementioned return may be made until August 31. o If needed, the adjustment of the errors arising from the computation based on the "e factura" information/data should be carried out through a substitution VAT return, without any cost or penalties, provided that the referred return and corresponding payment/settlement occurs during August 2020; o The referred measures are applicable in the following cases: ▪ taxpayers with a turnover up to € 10,000,000 in 2019; ▪ taxpayers that initiated their activity in or after 1 January 2020; or ▪ taxpayers that restarted their activity in or after 1 January 2020 and had no turnover in 2019. – **Adjustment to the calendar of some tax obligations** o Flexibility of the submission and payment deadlines regarding periodic VAT returns, not subject to an installments payment plan: ▪ February 2020 VAT return may be submitted until 17 April 2020 (instead of 10 April 2020) and the payment of the tax resulting from the aforementioned declaration may be made until 20 April 2020 (instead of 15 April 2020) ▪ March and April 2020 VAT returns (monthly VAT regime):	

Jurisdictions	Status	Type	Brief description	Source
			• Deadline for submission: until 18 May and 18 June 2020, respectively; • Tax payment deadline: until 25 May and 25 June 2020, respectively. ▪ January to March 2020 VAT return (quarterly VAT regime): • Deadline for submission: until 22 May 2020; • Tax payment deadline: until 25 May. o The **Personal Income Tax and Corporate Income Tax withholdings** regarding April and May 2020 may be delivered to the Portuguese Treasury by 25 May and 25 June 2020, respectively; o The **payment of the Stamp Duty** regarding the months of April and May 2020 can be made by 25 May and 25 June, respectively. – Social contribution o Reduction of social contributions due by the employer entities to 1/3 in March, April and May of 2020, while the remaining amount is paid in equal installments in July, August and September of 2020 (three installments) or from July to December of 2020 (six installments), without interest and without prejudice for the possibility of the employer paying the social contributions immediately. o Possibility of applying the deferral of the payments for the contributions due in April, May and June of 2020 to the cases in which the contributions due in March were fully paid by the employer entities / self-employed workers.	

Jurisdictions	Status	Type	Brief description	Source
			o Following the abovementioned State Secretary for Tax Affairs' Order no. 133/2021-XXII, of 22 April 2021, the filing of the CIT return ("Modelo 22") for FY2020 tax period, as well as the corresponding payment, can be done until 30 June 2021, without any cost or penalty. Decree-law no. 24/2021 of March 26, 2021, amends the exceptional and temporary scheme for compliance with tax obligations and social security contributions available in response to the pandemic and allows for the payment in installments of taxes and social security contributions. Regarding the deferral of tax payments for the first half of 2021, taxes may be remitted under general terms (i.e., until the end of the voluntary payment period) or in monthly installments (three-month or six-month instalments of €25 or more, without any interest). This deferral mechanism is available for taxpayers that: – Had for FY 2019 a turnover of no more than the maximum limit available to be classified as a micro or small and medium-sized enterprise (SME) and declared and provided proof of reduced turnover (reported through the e-invoice scheme) of at least 25% of the monthly average for 2020 (the full calendar year) compared to the same period for the previous year, or – Had their main business activity in accommodations, catering and similar, or cultural events, or – Started or restarted their business activity on or after 1 January 2020 Under Decree-law no. 24/2021, a special scheme allows for the deferral of the following corporate income tax payments: — Corporate income tax payments relating to tax return declaração Modelo 22: The relief allows taxpayers to	

Jurisdictions	Status	Type	Brief description	Source
			remit the difference between the total assessment of corporate income tax due and the amount of advance corporate income tax payments for (1) the tax period beginning on or after 1 January 2020 and (2) for taxpayers with a turnover in that period up to the maximum limit for classification as either a micro or SME, can be fulfilled under the established general terms and dates or in installments of €25 or more (without interest). — Corporate income tax payments on account: The deferral regime is also available with regard to the first and second payments on account regarding the tax year beginning on or after 1 January 2021, and the tax payment obligations may be fulfilled in three equal monthly instalments of €25 or more (without interest). Under this relief measure, taxpayers must comply with the installment plan until the legally established deadline for compliance with these tax obligations. — Possible to limit corporate income tax payments on account: The deferral regime allows eligible taxpayers to limit the second payment on account up to 50% of the amount due whenever such payment relates to: (1) the tax period beginning on or after 1 January 2021; and (2) the taxpayer had for FY 2020 turnover of up to the maximum limit allowed to be classified as a micro enterprise. In instances when as a result of adhering to this limitation, the taxpayer fails to pay more than 20% of the amount that would have been paid under normal conditions, the payment obligation may be regularized without any additional costs. Also, for taxpayers that are members of a taxpayer group, this deferral mechanism is only available when all of the companies of the group comply with the requirements under the law. Lastly, Decree-law no. 24/2021 sets out an exceptional scheme to remit payments in installments for tax and	

Jurisdictions	Status	Type	Brief description	Source
			social security debts, as applicable, for the period between 1 January and 31 March 2021.	
Portugal	Implemented	Suspension of Tax Audits	According to Law no. 16/2020, of 29 May, procedures and proceedings that have been brought before administrative and tax courts are subject to a transitional and exceptional regime in what regards those procedures requiring the physical presence of the involved parties, providing the possibility of such procedures to be carried out trough technologic means of distance communication. Additionally, the same law foresees the suspension of some deadlines and procedural acts whose diligences cannot take place under the alternative terms set out in this diploma. Moreover, the referred Law ceases the suspension regime applied to tax procedures and proceedings under the COVID-19 pandemic situation (implemented by Law no 1-A/2020, of 19 March) establishing the reinforce regime. Under Law no 13-B of March 26, 2021 in response to the pandemic, any proceedings before the administrative and tax courts may be conducted via technologic means (e.g., video conference) when the physical presence of the involved parties is required. Additionally, certain deadlines and procedural acts that cannot take place under the alternative means are suspended. Furthermore, the referred Law ceases the suspension regime applied to tax procedures and proceedings under the COVID-19 pandemic situation (implemented by Law no 1-A/2020, of 19 March, with the amendments made under Law n.º 4-B/2021, of 1 February) establishing the restoration of the regime previously in force.	**KPMG Global** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Portugal	Implemented	VAT and other indirect taxes	A **VAT exemption** applies with regard to "free of charge" supplies of goods made to the government, to private social institutions, and to non-governmental non-profit organizations, and applies even if the goods remain in the ownership of the entities. Initially, Law no. 13/2020, of 7 May 2020 foresaw a VAT exemption applicable to domestic supplies and intra-EU acquisitions of goods necessary to combat COVID-19 outbreak included in its annex (namely face masks, gloves, protective suits, waterproof coats and respirators for intensive and sub-intensive care) made from 30 January 2020 to 31 July 2020, provided that they are made for one of the following purposes: free distribution to people affected by the outbreak of COVID-19, exposed to that risk, as well as to people participating in the fight against COVID-19 or treatment of people affected by the outbreak or on its prevention. This Law has been amended and, according to its last amendment, it applies to domestic supplies and intra-EU acquisitions of goods necessary to combat COVID-19 outbreak made from 30 January 2021 to 30 April 2021. Further developments are expected in this regard. Initially, the Law also established the reduction of the VAT rate applicable to supplies of face masks and disinfecting hand gel (from 23% to 6%, in the Portuguese mainland) from 8 May 2020 until 31 December 2020. This Law has also been amended and, according to its last amendment, it applies to supplies made from 8 May 2020 to 30 April 2021. Further developments are expected in this regard. Law no. 4-C/2021, of 17 February 2021, establishes a VAT exemption applicable to supplies, intra-EU acquisitions and imports of medical devices to in vitro diagnosis of COVID-19, vaccines against the same disease, as well as	KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			services that are closely linked to these products, which will be in force until 31 December 2021.	

Jurisdictions	Status	Type	Brief description	Source
Puerto Rico  **Contact:** Rolando Lopez rlopez@kpmg.com	Proposed	Business Income Tax	A bill, currently pending consideration by the Puerto Rico Senate would provide for COVID-19-related relief measures. **Tax credit reimbursable** to industries or businesses for payroll paid, including expenses related to employer contributions or payroll contribution for the tax years when the emergency declaration occurred and until the emergency or law ends, whichever comes first: – **100% tax credit** o Applicable for businesses that have not operated as a result of the lockdown o Eligible businesses suffered a net loss in operations during the tax year(s) directly caused by the COVID-19 emergency o Businesses must have not received federal or state subsidy payment for payroll under the CARES Act (Pub. L. No. 116-136) – **50% tax credit** o Applicable for businesses that have only partially operated as a result of the lockdown o Eligible businesses suffered a reduction in income of at least 25% of the income reported in the tax year prior to the effective date of the law; if a newly established business (one that conducted business operations for a period of at least six months, but less than one year), it must have experienced a reduction in income of at least 25% of the income reflected in its accounting books since it began operations o Businesses must have not received federal or state subsidy payment for payroll under the CARES Act – **50% tax credit for industries considered "essential services"** o Applicable for businesses that have operated during the lockdown	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			○ Eligible businesses had a payroll payment of more than 10% of the total payroll payment made during the tax year prior to the effective date of this law; only excess payroll, directly caused by the COVID-19 emergency, will qualify for the tax credit ○ Businesses must have not received a federal or state subsidy payment for payroll under the CARES Act **Special contribution to pay in advance long-term capital gains** - Special tax of 10% would be introduced on built-in gains on capital assets that are long-term assets for tax years when the declaration of emergency was declared and until the sunset of the law. **Special tax on dividend distributions or implicit dividend** - Special 5% tax on the total amount distributed considered as a dividend or deemed dividend based on the accumulated earnings at the end of the 2019 tax year – If the taxpayer elects to pay the special tax on the deemed dividend, the resulting tax would not be reduced by any future deficit – If the taxpayer elects to pay this special tax and then decides to carry back net losses, the taxpayer would be required to recalculate the corporation's accumulated earnings and profits at the end of the 2019 tax year, and pay the additional resulting tax, if any	
Puerto Rico	Implemented	Business Income Tax	Legislation enacted on June 14, 2020, includes the following economic and tax relief measures: – **Loss carryback and carryover**: Losses incurred during the year 2020 as a result of COVID-19 may be carried back for each of the two previous years, starting with the older of the two tax years. Please refer to the "Loss Relief" section for additional information. – **Net operating loss (NOL) carryover**: Losses incurred during tax year 2020 resulting from COVID-19 will not be	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			subject to percentage limitations but will be fully allowed as deductions in future years. Please refer to the "Loss Relief" section for additional information. – **Alternative minimum tax (AMT)**: The minimum $500 AMT charge applicable to corporations will not apply with respect to tax year 2019. Corporations that have already paid the minimum $500 AMT charge can file a claim for a refund. – **Agreed upon procedure** (AUP) / compliance attestation (CA): The AUP or CA report required to validate expenses for AMT purposes will not be required for tax year 2019. – **Gross income**: The amount of debt associated with loans from the Paycheck Protection Program (PPP) and Disaster Fund under CARES Act or any other federal law that is forgiven by these programs and any other stimulus or federal or state subsidy will be excluded from income taxation, for regular and AMT purposes. Deductions associated to payments from these loans' proceeds will be allowed as a deduction.	
Puerto Rico	Implemented	Filing/Payment Deadline Extension	**Extension of electronic filing period without penalties for the 2019 informative returns due to COVID-19**. The period for filing of informative returns corresponding to the 2019 tax year is extended; these informative returns must be completed and filed via SURI no later than April 15, 2020, to avoid penalty assessments. **Extension of filing period for income tax returns and its corresponding payments**. – For pass-through entities and other taxpayers that have income tax returns due during March 2020, the PRTD granted an additional extension of the returns and payments until April 15, 2020 (including the payments due with returns, extensions and estimated income tax due on March 16, 2020).	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– For taxpayers with income tax returns due on April 15, 2020, the PRTD granted an additional extension of the returns and payments (including the payments due with returns, extensions and estimated income tax) through May 15, 2020. – Any income tax return for tax year 2019 due any time between March 15 and June 15, 2020, is automatically extended to July 15, 2020, as are any payments that would be due with such return. Any taxpayer with a tax due with regard to such return may request a payment plan to satisfy the tax debt, no later than March 31, 2021. In order to be eligible for the payment plan, the taxpayers must be in compliance with their other tax responsibilities with the Puerto Rico Department of Treasury. **Payment plans moratorium**. Taxpayers economically affected by COVID-19 and the closure order will not be required to follow the terms of a payment plan between the period March 16, 2020, and April 30, 2020. The PRTD will not be imposing interest and penalties for non-compliance with the payment plans. If there is a notice for interest and penalties, the taxpayer may submit a request to eliminate such charges. **Information returns or declarations:** The due dates for filing the information declarations corresponding to year 2019 are extended up to May 31, 2020. **Withholding of tax on payments for services rendered:** The income tax withholding requirement on payments for services rendered covered by section 1062.03 of the 2011 PR Code will be waived from Monday, March 23, 2020, through Tuesday, June 30, 2020. This waiver does not exempt the payee of the services rendered from income tax on the payments receipt. **Monthly sales and use tax returns:** The deadline for filing the monthly sales and use tax returns and for remitting the	

Jurisdictions	Status	Type	Brief description	Source
			corresponding payment, for the periods of February, March, April, and May 2020 will be, respectively, as follows: – February until April 20, 2020 – March until May 20, 2020 – April until June 22, 2020 – May until July 20, 2020 **Monthly import tax return:** The deadline for filing this return and the corresponding payment for the periods of March, April, and May, 2020 will be, respectively, as follows: – March until May 10, 2020 – April until June 10, 2020 – May until July 10, 2020 **Biweekly sales and use tax payments:** Penalties will not be assessed or imposed for noncompliance with requirements for biweekly sales and use tax payments for the months of March, April, May, and June 2020, as long as the total of the sales and use tax owed for these months is paid in full with the filing of the monthly sales and use tax returns for the periods. For a summary in table format of the revised due dates for filing tax returns and making tax payments, please consult the TNF from March. The Puerto Rico Treasury Department (PRTD) issued Administrative Determination No. 21-04 (AD 21-04) to **postpone the due date for filing income tax returns** by taxpayers (calendar, short-year or fiscal year-end) that ordinarily would file their income tax returns no later than April 15. The due date has been postponed to May 17, 2021.	

Jurisdictions	Status	Type	Brief description	Source
			Similarly, the due date to pay any balance of tax due with the return has been postponed until May 17, 2021. Any taxpayer needing additional time to file an income tax return may obtain an automatic six-month extension request that will be valid up to November 17, 2021, if the extension request is filed by May 17, 2021, The automatic extension request, however, does not extend the time for paying tax, and any balance of tax owed must be paid along with the extension request to avoid the imposition of interest, surcharges, and penalties. AD 21-04 also postponed the first installment of 2021 estimated tax until June 15, 2021 (that is, the original due date to pay the second installment of estimated tax). Any taxpayer taking advantage of this postponement relief must remit both the first and second installments of estimated tax by June 15, 2021. Lastly, any individual taxpayers eligible to pay their 2020 income tax in two installments must pay the first installment when filing of the return (that is, no later than May 17, 2021), and the second installment no later than November 17, 2021. The PRTD issued Circular Letter No. 21-07 to **extend the due date to file Form 480.2 (EC), Informative Income Tax Return Pass-Through Entity**, and the corresponding Form 480.6(EC) Informative to Partners, for calendar year taxpayers to April 15, 2021 (from March 15, 2021). For taxpayers with a fiscal year-end, the due date to file the Forms 480.2(EC) and 480.6(EC) will be the last day of the third month following the close of the tax year. For example, a pass-through entity with a tax year ending on March 31, 2021, must file its Forms 480.2(E) and 480.6(EC) for tax year 2020 no later than June 30, 2021 (instead of June 15, 2021). Taxpayers requiring additional time to file Forms 480.2(EC) and 480.6(EC) may file an automatic six-month extension request. For tax year 2020, the extension as well as Forms 480.2(EC) and 480.6(EC) must be filed electronically through the SURI platform.	

Jurisdictions	Status	Type	Brief description	Source
			The Puerto Rico Office of Management and Budget issued Circular Letter No. 008-2021 to **postpone the due date to file the 2021-2022 Volume of Business Declaration** (21-22 VOB) until May 24, 2021. The circular letter clarifies that any taxpayer that wants to request an extension of time to file the 21-22 VOB, may do so by submitting an extension request no later than May 24, 2021. Considering that the maximum extension period to be granted is six months, the extended due date to file the 21-22 VOB will be November 24, 2021. A 5% discount for the license tax is available when the business remits its license tax by a certain date. Those seeking to claim the benefit of the 5% discount will have until May 24, 2021, to submit full payment and thus to claim the benefit of the 5% discount.	
Puerto Rico	Implemented	Loss Relief	The legislation enacted on June 14, 2020, introduces new relief measures regarding income tax and would amend the loss limitation rules as follow: **Loss carryback -** Losses incurred during the year 2020 as a result of COVID-19 may be carried back for each of the two previous years, starting with the older of the two tax years. This measure will only be allowed for companies with $10 million or less of gross income, and not for large taxpayers (as defined in section 1010.01(a)(35) of the 2011 PR Code. Eligible taxpayers will have until the due date of the 2020 income tax return, including extensions, to claim benefits from the carryback. The maximum amount of the loss to be carried back is $200,000 and the maximum refund is capped at $50,000. **Net operating loss carryover -** Losses incurred during tax year 2020 resulting from COVID-19 will not be subject to percentage limitations but will be fully allowed as deductions	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			in future years. However, taxpayers will first need to use the NOLs incurred prior to the 2020 tax year.	
Puerto Rico	Implemented	Suspension of Tax Audits	**Extension of administrative terms due to COVID-19**. – An additional 120 days, added to the period established in any notification issued by the PRTD of mathematical error or adjustment in returns – An additional 90 days added to the expiration date for filing administrative complaints and for the presentation of information or documents required by the PRTD's Office of Administrative Appeals when the expiration date falls on a date from March 12, 2020, and later – Automatic extension of all administrative hearings to be held from March 16, 2020, until June 15, 2020 (thereafter, taxpayers are to be notified of the new date(s)) – An additional 120 days to allow clearance of any debt-review letter issued on or before March 12, 2020 The PRTD released Informative Bulletin No. 21-03 announcing what will be the priority areas of focus for tax audits and investigations. The PRTD determined that its audit and investigation procedures during the year 2021 will focus on: – Compliance by entities and individuals with the requirements under the various tax-exemption decrees, including tax concessions granted under Act 22-2012 – Compliance with excise tax declarations and payments relating to motor vehicles, crude oil (petroleum), and partial and finish products derived from crude oil or mixture of hydrocarbons – Compliance with the collection and remittance of sales and use tax for sales made by electronic means, including but not limited to sales made via the internet	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Compliance with the payment of income taxes and reporting advertising payments paid to persons that use digital media, including but not limited to "influencers" as well as compliance with the payment and reporting of the income tax on "giveaways" and similar compensation received by participation in platforms and digital media – Compliance with reporting and withholding requirements of tax applicable to the construction industry (including foreign entities) Any taxpayer with a tax exposure under any of the areas listed above can file a voluntary disclosure with PRTD if filed before being notified by the tax agency that the taxpayer will be subject to an audit or investigation. The taxpayer must contact the Office of Voluntary Disclosure of the Bureau of Fiscal Audit, pursuant to the guidance provided by Administrative Determinations 09-03 and 10-08. Also, Informative Bulletin No. 21-03 sets out the PRTD strategy as well as measures that the tax agency will perform to determine compliance with the Puerto Rico Internal Revenue Code: – The PRTD will be collaborating with the U.S. Internal Revenue Service (IRS) and sharing information with the IRS regarding those individuals with tax-exemption decrees issued pursuant to Act 22-2012. – The IRS will be collaborating with the PRTD by sharing tax information reported at the federal leel by taxpayers that are residents of Puerto Rico. – The PRTD Secretary may prepare an "officio return" using this tax or any other information that may be obtained through testimony or other means.	
Puerto Rico	Implemented	VAT and other indirect taxes	**Sales and use tax - B2B -** The invoicing for B2B services and professional designated services will not be subject to the 4% use tax during the months of April, May, and June 2020. The	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Secretary may extend the exemption, for three months at a time, up to December 31, 2021. **Municipal license tax** - The amount of debt associated with respect to loans from the PPP and Disaster Fund under CARES Act or any other federal law that is forgiven by these programs and any other stimulus or federal or state subsidy will be excluded from gross income for municipal license tax purposes.	

Jurisdictions	Status	Type	Brief description	Source
Qatar  **Contact:** Barbara Henzen bhenzen@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The General Authority of Customs has issued a directive **exempting food and medical equipment from customs duties** for a period of six months, effective from 23 March 2020. The exemption from customs duty applies for 905 different items listed in the customs clearance system. These included basic food items and a number of medical devices.	KPMG TNF
Qatar	Implemented	Filing/Payment Deadline Extension	The General Tax Authority of Qatar issued guidance providing **a two-month extension of the due date for filing tax returns for the year ending 31 December 2019**. The deadline for reporting the financial account information under the common reporting standard (**CRS**) has been extended to 31 August 2020. The deadline for financial institutions to report information on U.S. reportable accounts for the calendar year 2019 has been extended to 30 November 2020. Generally taxes are due within 6 months of the year-end; accordingly, tax payments for entities with accounting periods ending 31 December 2019 are due by 30 June 2020. The Qatar Financial Centre released a Public Notice setting the rate of late payments. Any late payment would be subject to an interest assessment. • For the period from 1 March 2020 to 31 August 2020, the rate of interest is set at 0%. • For the period beginning 1 September 2020, the rate of interest is set at 5%. In effect, companies with a 31 December year-end are allowed two additional months to pay their taxes without incurring a late-payment interest charge. The tax authority issued Circular No. 7 to provide an **additional extension of two months for filing income**	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			tax returns for FY 2019. The new tax return submission (and income tax payment) deadline for taxpayers with financial year ended 31 December 2019 is therefore extended to 30 August 2020. On March 24, 2021, the tax authority issued Circular n.1 providing a two-month extension of the filing deadline for income tax returns and income tax payments for the 2020 tax year. The new tax return filing deadline for taxpayers with a financial year ended 31 December 2020 is extended to 30 June 2021. Any income tax liability is also extended and is due on or before 30 June 2021. Taxpayers with a financial year-end for 2020 that is not based on the calendar year can also file their tax returns and pay their tax liability two months after the original deadline, as long as the different year-end has been approved by the tax authority. The extension does not apply to companies in certain sectors—those with petroleum operations and in the petrochemical industries. On March 24, 2021, the tax authority issued Circular n.2 providing that for the year ended 31 December 2021, Qatar and Gulf Cooperation Council (GCC-owned) entities that are not subject to tax will have to file tax returns, regardless of whether their income or capital meets previous threshold amounts. The deadline for submission of tax returns and audited financial statements for the year ended 31 December 2020 for Qatari and GCC-owned entities that are not subject to income tax has been extended by four months to 31 August 2021. Taxpayers with a different financial year from 31 December 2020 can also submit tax returns four months after original deadlines, as long as the different year-end has	

Jurisdictions	Status	Type	Brief description	Source
			been approved by the tax authority. This provision is applicable for financial year 2020 only.	

Jurisdictions	Status	Type	Brief description	Source
Romania **Contact:** René Schöb rschob@kpmg.com	Implemented	Business Income Tax	**Taxpayer liable to "specific tax"** Taxpayers liable to specific tax will be exempt for the period during which they interrupt their activity totally or partially during the state of emergency period. Additionally, an exemption from payment of the specific tax for an additional period of 90 days was granted. The recalculation of the specific tax will be carried out by dividing the annual specific tax by 365 calendar days and multiplying the result by the number of days in which they were active. In order to benefit from the exemption, taxpayers must cumulatively fulfill the following conditions: – They must interrupt all or part of their activity and obtain the emergency certificate issued by the Ministry of Economy, Energy and the Business Environment; – They must not be in insolvency. **Micro-enterprises** Micro-enterprises can also deduct sponsorship granted to public institutions and authorities from the tax due, including sponsorship of specialized bodies of public administration. Previously, the facility only applied to supporting non-profit entities and religious organizations included in the Register of cult entities/units. Employers are granted one-off financial support of **2,500 RON for each teleworker, to support the purchase of technological goods and services needed to carry out their activity.** These amounts are granted to employers for each employee who teleworked during the state of emergency for at least 15 working days. Applications by employers for this funding should be made no later than 31 December 2020, and the amounts will be paid from the unemployment insurance budget, through ANOFM, within the limits of the funds allocated for this purpose. Following the granting of these payments, the employer is required to send the supporting documents demonstrating the purchase	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			of goods necessary for the telework activity within 30 days of the grant. Otherwise the employer must return the amounts received in full, within 30 days of the expiration of the term in which the supporting documents had to be submitted.	
Romania	Implemented	Filing/Payment Deadline Extension	All tax obligations that have their due date after 21 March 2020 and that are unpaid will not be subject to late-payment interest and penalties until 25 October 2020. For the year 2020, the deadline for payment of the first of the two equal installments for the **tax on buildings, land and on vehicles**, which would normally have been due on 31 March 2020, has been deferred to 30 June 2020. Effective from March 30, 2020, the Government has granted a 10% discount for payments on due dates to taxpayers who pay their profit tax / quarterly advance payment for the first, second and third quarter of 2020 on time. The discount is applied depending on the category in which the taxpayer falls, as follows: – **Large taxpayers** will benefit from a 5% discount; – **Small and medium-sized taxpayers**, as well as taxpayers which do not fall into any of these categories (for example, foundations, NGOs, private schools, etc.), will receive a 10% discount. The above corporate tax reductions also apply to: – Taxpayers which pay specific tax and carry out other activities for which tax is due on profit (these reductions apply only to the profit tax due by these taxpayers) – Taxpayers which have opted for a different financial year from the calendar year, provided they pay the amounts due by deadlines set between 25 April and 25 June 2020 for the first quarter, between 26 June and 25 September for the second quarter and between 26 September and 25 December for the third quarter.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			The same benefit is available for taxpayers **of income tax for microenterprises**. The bonus is calculated on the quarterly due tax / quarterly advance payment. For all quarters of 2020, taxpayers who make, either by law or by option, advanced quarterly payments of corporate income tax by reference to the corporate income tax level of the previous year (2019) are allowed, by exception, to calculate, declare and pay quarterly corporate income tax at the level of the actual profit of 2020. This measure is also applicable to taxpayers with a fiscal year different from the calendar year, in 2020. Tax restructuring and relief measures for overdue tax obligation as at 31 December 2018 which were enacted by GO 6/2019 remain applicable if the taxpayers who want to access the measures submit notifications of intent by 30 September 2020 (the deadline before deferral was 31 July 2020) and then submit the application for restructuring measures by 15 December 2020 (the deadline before deferral was 30 October 2020).	
Romania	Implemented	Payroll Tax	During the state of emergency, benefits in kind are exempt from income tax and social contributions for employees who are considered essential for the business and who are in preventive isolation at the workplace or in dedicated areas where no outside access is granted, for a period determined by the employer. The measure is also applicable to persons deriving income assimilated to salaries.	KPMG TNF
Romania	Implemented	Suspension of Tax Audits	All **tax-related foreclosure procedures** involving garnishments are **suspended** until 25 October 2020. The statutes of limitations are also suspended over this period. Foreclosure procedures by notice for state receivables and subsequent recovery through tenders are suspended or will	KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			not start (unless established through court decisions in criminal matters). The suspension ends on 25 October 2020.	KPMG TNF
Romania	Implemented	VAT and other indirect taxes	During the period of the state of emergency and for another 30 days after its termination, the **requirement to pay VAT** at the time of **import for medicines, protective equipment, other medical devices or medical equipment and sanitary equipment** needed to combat the COVID-19 pandemic **has been deferred**. Importers should account for the related VAT under the reverse charge mechanism. Deduction of VAT is subject to general rules provided in legislation. During the state of emergency period and for 30 days after its termination, **VAT requested for reimbursement** for which no decision has been issued by the date of entry into force of the Ordinance will be reimbursed to taxpayers without prior auditing. An exemption exists, however, for cases where the tax inspection has already started. The reimbursement may be subject to a subsequent tax inspection, decided on the basis of a risk analysis. This measure shall not apply if: – The taxpayer's record (Romanian "cazier fiscal") shows administrative offenses. – The tax authorities determine that the taxpayer is not entitled to receive the reimbursement. – A voluntary liquidation or insolvency procedure has started (except for those with a confirmed restructuring plan). In addition, for **small taxpayers**, the new refund procedure will not apply if: – The taxpayer submits the first refund application after its VAT registration. – The balance of the amount requested for reimbursement relates to more than 12 reporting months (or 4 quarters).	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Russia **Contact:** Raluca Enache enache.raluca@kpmg.com	Proposed	Business Income Tax	**A 13% rate** of income tax on **interest accrued** on deposits exceeding 1 million rubles (approx. US$12,700) has been announced.	**KPMG TNF**
Russia	Proposed	Customs/Import and Other Miscellaneous Taxes	Tax holidays to support aviation and tourism industries	**KPMG TNF**
Russia	Proposed	Filing/Payment Deadline Extension	Support to the industries at risk: — All the companies operating in spheres most affected by crisis have right to apply tax deferral (from 3 months to 1 year)/ installment (from 3 to 5 years) regarding taxes, advance payments and insurance contribution that fell due in 2020 (excluding VAT, MET, tax on additional income from hydrocarbon production and excise duty). It also covers companies that are strategic, of system importance, city-forming not operating in affected spheres (subject to targeted decisions by the Government) — Some companies also have right to apply tax deferral or installment regarding VAT and tax on additional income from hydrocarbon production — Companies are entitled to tax deferral/installment when at least one of the certain conditions is fulfilled (e.g. reduced earnings of 10%, losses).	**KPMG TNF** and **KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
			Support for small and mid-sized businesses operating in these identified industries (aviation, tourism, sport, culture and other industries): — Six-month tax deferral for all taxes (excluding VAT) for the first quarter of 2020 (for 6 months), for the second quarter and first half (for 4 months) — Delay for social insurance contributions for the March-May period 2020 (for 6 months), for June-July period 2020 (for 4 months) — Delay for the advance payment of transportation tax, property tax, land tax for the first quarter of 2020 (no later than 30 October 2020) and second quarter of 2020 (no later than 30 December 2020) — Subsidies received by SME will not be included in the tax base (profit tax) — The prohibition on deducting VAT on goods (work, services) and fixed assets acquired using subsidies does not apply to subsidies received by SME Support to business (measures impacting all taxpayers): — A three-month delay for submitting of tax returns (excluding VAT returns) for which the filing deadline is March-May 2020; delay for submitting of VAT returns and calculation of insurance contributions for the first quarter -until 15 May 2020) — Initiating of compliance audits (to be led by tax authorities) to check that currency laws of the Russian Federation have been observed is suspended until 31 May 2020 (inclusively)	

Jurisdictions	Status	Type	Brief description	Source
			— The deadline for organizations to file tax monitoring applications for 2021 is postponed for 3 months Taxpayers, that pay monthly advance payments during the 2020 reporting (tax) period, can now switch to monthly advance payments based on actual profits	
Russia	Proposed	Suspension of Tax Audits	A moratorium on tax audits until 1 June 2020. A moratorium to impose tax sanctions for tax offences committed from 1 March until 31 May 2020 (inclusively) Six months ban for bankruptcy claims against the debtors from creditors or financial lenders.	**KPMG TNF** and **KPMG Global**
Russia	Proposed	WHT	The **repeal of the tax benefits on withholding tax under applicable income tax treaty** has been announced on payments of dividends from Russian entities to companies located in foreign jurisdictions (in effect, the withholding tax rate for dividends in Russia will be 15%). In March 2020, the president of the Russian Federation, announced measures to address the economic impact of the COVID-19 pandemic, and these measures included negotiations with foreign jurisdictions to amend Russia's current income tax treaties to set the minimum WHT rate on dividends and interest paid from Russia at 15% (from the standard treaty-provided withholding tax rates of 15% for dividends and 20% for interest). Cyprus was the first treaty partner to receive an official letter from the Russian Ministry of Finance regarding changes to the existing income tax treaty. A similar letter was sent to Luxembourg.	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			Regarding the tax treaty with Luxembourg, the intent is that effective 1 January 2021, the minimum withholding tax rate under the Russia-Luxembourg income tax treaty would be increased: – For dividends—to 15% (up from 5%) – For interest—to 15% (up from 0%)	

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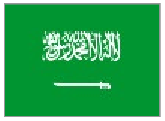
Jurisdictions	Status	Type	Brief description	Source
Rwanda  **Contact:** Andrew Nekuse anekuse@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Rwanda Revenue Authority released a public notice which announced an extension of the deadlines for submitting tax returns and remitting payment of corporate income tax for financial year 2019 – The filing deadline for "larger taxpayers" is extended by 15 days. These taxpayers will be expected to file the tax returns and pay the amount of corporate income tax due by 15 April 2020. – The filing deadline for "small and medium-sized taxpayers" is extended by one month. These taxpayers will be expected to file the tax returns and pay the amount of corporate income tax by 30 April 2020.	KPMG TNF
Rwanda	Implemented	Suspension of Tax Audits	– **Suspension of tax audits**—effective 18 March 2020, tax audits (other than "desk audits") generally have been put on hold for a period of 30 days. **Extension of financial statement certifications—** taxpayers are allowed more time to submit certified financial statements by 31 May 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Saint Lucia  **Contact:** Marianne Greenidge mariannegreenidge@kpmg.bb	Implemented	Filing/Payment Deadline Extension	The Inland Revenue Department of Saint Lucia issued an updated version (v6.0) of **FATCA** guidelines and an updated version (v4.0) of the common reporting standard (**CRS**) guidelines. The updated FATCA guidance reflects an extended deadline of 15 September 2020 for submission of FATCA reports for the 2019 reportable year—a relief measure provided in response to the COVID-19 pandemic. The updated CRS guidance reflects an extended deadline of 15 October 2020 for submission of CRS reports for the 2019 reportable year, also in response to COVID-19.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Saint Vincent and the Grenadines  **Contact:** Louisa Ward louisaward@kpmg.bb	Implemented	Filing/Payment Deadline Extension	On 22 April 2020, the Saint Vincent & the Grenadines Inland Revenue Department (IRD) issued a memorandum in order to provide a status update on the unavailability of the IRD's Automatic Exchange of Information Online Reporting Portal. The portal will be unable to facilitate reporting, user registrations or amendments to user details due to technical issues. IRD also informed users that the communicated deadlines for this year's reporting cycle are suspended.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Saudi Arabia  **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Accelerated Refunds	The General Authority for Zakat and Tax (GAZT) has clarified that **refunds due to taxpayers are to be expedited**.	KPMG TNF
Saudi Arabia	Implemented	Customs/Import and Other Miscellaneous Taxes	Entities in the integrated logistics bonded zones (ILBZ) may benefit of the following incentives: – A 50-year "tax holiday" that reflects a VAT suspension while under customs suspension – A zero-rated corporate, income and withholding tax on certain payments – A 100% suspension of customs and import restrictions	KPMG TNF
Saudi Arabia	Implemented	Filing/Payment Deadline Extension	The General Authority for Zakat and Tax (GAZT) introduced a **general extension of three months for filing tax returns and payment** of the related tax for registered taxpayers. The extensions apply for Zakat, income tax, withholding tax, VAT, and excise tax due for the period from March 18, 2020, to June 30, 2020 as follows: – **Tax/Zakat**: Return filing dates have been extended 3 months; certificates will be issued without restrictions for the year 2019 – **VAT**: Return filing dates for VAT will be postponed until 30 June, 31 July, 31 August, 30 September for the February, March, April, and May periods. – **Excise tax**: Payments due on goods imported during the postponement period can be delayed,	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			but the importer must submit monthly temporary returns to GAZT. – **Withholding tax**: time for filing withholding tax returns and making remittances of withholding tax for March, April and May has also been extended 3 months. The due dates for June 2020 and later remain unchanged – **Delay penalties**: Taxpayers are exempted from late (delay) penalties for the submission of returns and the associated payments for all taxes (listed above) that fall due within the period starting from 18 March to 30 June 2020. – **Payments suspended**: Penalties will not apply for payments of tax that are suspended. The Minister of Finance extended the **waiver of penalties for all tax filings and payments until 31 December 2020** in an effort to mitigate the impact of the COVID-19 pandemic on the economic activities of businesses. The amnesty for tax filing and payment applies for the waiver of penalties for Zakat, income tax, withholding tax, VAT, and excise tax. The tax amnesty originally ran from 18 March 2020 until 30 June 2020, and then was extended until 30 September 2020. The tax amnesty does not include a waiver of penalties incurred due to tax evasion. Penalties will be waived for taxpayers who raised objections against tax assessments, on the condition that no final decision was made by the relevant authority (the General Secretariat of Tax Committees (GSTC) or the Board of Grievances). Penalties will be waived for the objecting taxpayers if they commit to paying the amount of tax due or if they request an installment plan within the new deadline which ends 31 December 2020.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			The **customs self-correction program, which allows importer** voluntarily to declare and pay customs duties on non-compliance with the Saudi customs rules, is scheduled to end on 30 September 2020 (it was originally scheduled to run from 1 January 2020 until 30 June 2020). Under the voluntary program, applying for self-correction within the specified conditions and timing allows the importer to pay only the outstanding customs duties and taxes without any additional penalties. Eligible businesses need to consider the use of the self-correction program and take advantage of this extension to mitigate the imposition of penalties due for past errors. On January 21, 2021, the Minister of Finance issued Ministerial Resolution no. 2303 to extend the waiver of penalties for all late tax return filings and late tax payments until June 2021. The resolution outlines new tax penalty-waiver rates. In general, penalties will be waived at different percentage rates based on the timing of payment of the tax liability owed to the GAZT. The relief is applicable to penalties arising from late filing of tax returns and late payment of taxes that were due before 21 January 2021. Penalties arising from assessments or reassessments of returns and payments may also be part of this initiative. The relief is limited to tax penalties for the late payment, late filing, and VAT declaration amendments. To benefit from this penalty relief, taxpayers must pay the tax liability in full. The resolution also clarifies that the tax penalty waiver does not include a waiver of penalties incurred due to tax evasion. The penalty relief also does not apply to penalties other than those mentioned in the resolution. Tax penalties that have been paid to GAZT before the	

Jurisdictions	Status	Type	Brief description	Source
			release of this resolution are not subject to this relief initiative.	
Saudi Arabia	Implemented	VAT and other indirect taxes	The Ministry of Finance announced on May 10, 2020, an **increase to 15% of the VAT rate** (from the standard rate of 5%) **effective July 1, 2020**. Please read the ***Q&As*** that KPMG tax professionals have prepared about transitional provisions, administration, and other issues related to the increased VAT rate. The Saudi tax authority on 20 May 2020 announced guidelines concerning transitional provisions that will apply to contracts signed and tax invoices issued before the effective date of the new VAT rate. The transitional guidance is summarized, as follows: **Contracts signed between VAT-registered persons** – Before 11 May 2020—the 5% rate will apply until the date of expiration or renewal of the contract, or until 30 June 2021, whichever is earlier (the customer must be entitled to deduct input VAT in relation to that supply in full). – Between 11 May 2020 and 30 June 2020 (inclusive)—the 5% rate will apply on supplies made before 1 July 2020; the 15% will apply on supplies made on or after 1 July 2020. **Tax invoices issued before 11 May 2020** – If tax invoices are issued before 11 May 2020 in relation to supplies to be made on or after 1 July 2020, the 5% rate will apply provided that the supply is made before 1 July 2021. – Supplies made on or after 1 July 2021 will be subject to the 15% rate. In this situation, the	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			supplier must issue an additional tax invoice for the additional amount of VAT. **Tax invoices issued between 11 May 2020 and 30 June 2020 (inclusive)** – If tax invoices are issued between 11 May 2020 and 30 June 2020—the 5% rate will apply on supplies made before 1 July 2020. – The 15% rate will apply on supplies made on or after 1 July 2020; in this situation, the supplier must issue (at the time of supply) an additional tax invoice for the additional due VAT.	

Jurisdictions	Status	Type	Brief description	Source
Serbia  **Contact:** Igor Loncarevic iloncarevic@kpmg.com Biljana Bujic bbujic@Kpmg.Com	Implemented	Filing/Payment Deadline Extension	**On 6 May 2020 the Serbian Parliament adopted the Decision on Termination of the State of Emergency introduced on March 15, 2020.** Effective March 20, 2020 and until May 6, 2020: – For taxpayers granted a deferral for paying taxes during the state of emergency, effective for the installment due in March 2020, the tax authorities will not cancel a "decision" for a delay of a tax payment or will not initiate a forced collection procedure. During this period, no default interest will be charged on the tax debt. – Default interest rate has been reduced from 11.75% to 1.75% per annum effective 20 March 2020. **Starting as of 6 May 2020 interest on tax liabilities due but unpaid is accrued at the rate of 11.50%** Effective April 16, 2020 additional relief measures have been implemented: – **Corporate income tax returns deadline for 2019 calendar-year taxpayers**, originally due by 29 June 2020, has been postponed to August 3, 2020 (i.e. 90 days from the date of the termination of the state of emergency). – Corporate income tax returns for fiscal year-end taxpayers, originally due 180 days from the end of the tax year, has been postponed to August 3, 2020 (i.e. 90 days from the date of the termination of the state of emergency, if deadline was during the state of emergency).	KPMG TNF and KPMG TNF and KPMG TNF
Serbia	Implemented	Filing/Payment Deadline Extension	Tax policy measures adopted in Serbia as part of plans to boost the economy in response to the coronavirus (COVID-19) pandemic. These include measures for:	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– **Deferral of payments of salary tax and social security contributions on salaries for March, April and May 2020 (or April, May and June if March salary was paid, in whole or in part, by 10 April) until January 4, 2021**. Deferred tax obligations can be paid over a period of not more than 24 months, in monthly installments without any late-payment interest. – **Deferral of payments of advance corporate income tax for March, April and May 2020** until the filing of the final tax return for the period covered by the deferral. Deferred tax obligations can be paid over a period of not more than 24 months without interest for deferred advance payments not exceeding final liability for the tax period. These measures apply for all companies, regardless of size or economic strength. The Government has granted additional tax relief measures to certain eligible businesses: – Liability of business entities and advance payments liabilities for entrepreneurs for taxes and contributions which are due in August 2020 are deferred until 5 January 2021, when the liability must be paid in full, without possibility of payment in installments. – Advance payments of tax and contributions for the income derived from personal business activities which are due in August 2020 are deferred until the day of submission of final tax return for taxes and contributions for 2020, when the liability has to be paid in full, without possibility of payment in installments. A decree providing guidance concerning the method for paying amounts of taxes deferred due to COVID-19 was	and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			published in the official gazette on 25 December 2020 and is effective 2 January 2021. The decree relates to business entities that elected to defer payment of taxes and contributions, as well as advanced payments of corporate income tax, and allows for payments of these deferred amounts to be made in up to 24 equal instalments. The first installment is due 10 February 2021, with the remaining installments due by the 10th day of the subsequent months. Taxpayers that do not submit final corporate income tax returns for 2020 are not allowed to defer their payments of the tax. The decree also provides guidance for individuals to remit individual (personal) income tax.	
Serbia	Implemented	Payroll Taxes	A new direct aid for businesses has been established on 13 February 2021. The program provides direct aid to eligible business entities equal to an amount that is 50% of the minimum net salary for January 2021 (RSD 15,450.12) for each "qualified employee" during a three-month period. – In April 2021, direct aid will be distributed for qualified employees for which form PPP-PD is submitted by 31 March 2021 (for the salary period February 2021). – In May 2021, direct aid will be distributed for qualified employees for which form PPP-PD is submitted by 30 April 2021 (for the salary period March 2021). – In June 2021, direct aid will be distributed for qualified employees for which form PPP-PD is submitted by 31 May 2021 (for the salary period April 2021). The received aid must be paid in full to the employees. Thus, these funds cover part of the employee's net earnings. There is no exemption from paying taxes and contributions (either the contribution of the employee and the employer) on the basis of this payment. The support	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			payments will be made through dedicated COVID-19 accounts which will be opened automatically. Entities have until 25 March 2021 to select the bank where they want their COVID-19 account to be opened. Funds paid to the COVID-19 accounts have to be distributed to employees by 30 July 2021.	
Serbia	Implemented	Suspension of Tax Audits	Due to the state of emergency, effective March 24, 2020, the **deadline in tax administrative procedures have been extended**. The extension does not apply to deadlines for filing tax returns, or to the requirements to pay taxes. On March 27, 2020, supplemental guidance was released by the Serbian government concerning the application deadlines for administrative proceedings during the COVID-19 pandemic. The supplemental decree relates to the deadlines for submitting **appeals against "first instance" assessments and decisions** by t**ax and customs authorities** issued in proceedings of assessment, payment, collection, and audit. In general, the deadlines have been extended. On May 6, 2020 the state of emergency was terminated and the special measures introduced are no longer effective. The deadlines for filing complaints to the Administrative Court against a final tax act issued during the state of emergency, will be effective as of June 4, 2020 (i.e. 30 days from date of termination of state of emergency). The new deadline for invoking legal remedies against first instance authority assessments and decisions by tax and customs authorities, issued in proceedings of assessment, payment, collection and auditing of public revenues during the state of emergency are as follows:	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Regular submission of documents (assessments, decisions) – 20 May 2020 (i.e., 15th day from the date of the termination of the state of emergency) – Filing of appeals against first instance authority assessments and decisions by tax and customs authorities – June 4, 2020 ((i.e., 15 days from the date of receipt of first instance authority's assessment/decision)	
Serbia	Implemented	VAT and other indirect taxes	Serbia introduced a VAT exemption on the supply of goods and services to the Ministry of Healthcare and publicly owned health institution. The exemption has been effective to all supplies from March 15, 2020 until May 6, 2020, the day of termination of the state of emergency in Serbia.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Seychelles  **Contact:** Wasoudeo Balloo wballoo@kpmg.mu	Implemented	Filing/Payment Deadline Extension	Due to the economic crisis caused by COVID-19, the Ministry of Finance along with Seychelles Revenue Commission ("SRC") have introduced a Tax Amnesty Program, which will run from 01 July 2021 to 31 December 2021 and will apply to: — Outstanding debts; — Under-declared assessable income; and — Unfurnished Tax Returns.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Singapore **Contact:** Ajay Sanganeria asanganeria@kpmg.com.sg	Implemented	Business Income Tax	To ease the labor cost for employers who hire foreign workers, the Foreign Worker Levy (FWL) due in April and May 2020 will be waived. These employers will also receive an FWL rebate of S$750 per month in April 2020 and May 2020 from FWL paid in 2020, for each work permit or S pass holder. **Options to accelerate capital allowance claims and deductions:** – Taxpayers who incur capital expenditures on plant and machinery in the basis period for the 2021 year of assessment (YA) will have an option to claim accelerated capital allowance over two years. Taxpayers can claim capital allowances of 75% of the costs in YA 2021 and the remaining 25% in YA 2022. No deferment of claims is allowed under this option. – Taxpayers who incur qualifying expenditure on renovation and refurbishment for the basis period of YA 2021 will have the option to claim renovation and refurbishment deductions in one YA (instead of over three YAs). The cap of S$300,000 for every relevant three-year period continues to apply. **Enhanced carry-back relief scheme**: The carry-back relief scheme will be enhanced to allow all persons carrying on a business, including sole proprietorships as well as partnerships, to carry back qualifying deductions (capped at S$100,000) for YA 2020 for deduction against assessable income up to three immediate preceding YAs (previously only up to the immediate preceding YA), subject to certain conditions. The enhanced carry-back relief scheme (capped at $100,000*), an option to accelerate capital allowances	KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			claims, and an option to accelerate renovation and refurbishment (R&R) deductions have been extended to 2021. The 2021 Budget introduces certain measures to support businesses: – 100% investment allowance on approved automation projects until 31 March 2021 – Investment allowance (energy efficiency) scheme (extended through 31 December 2026) – Double tax deduction for internationalization scheme – Tax deduction for costs attributable to retail bonds (extended through 31 December 2026) – Withholding tax exemptions for the financial sector – Withholding tax exemption on payments made for structured products (extended for five years) – Withholding tax exemption on payments for over-the-counter financial derivatives (extended for five years, through 31 December 2026) – Incentives under the insurance business development umbrella scheme for insurers and reinsurers engaged in "specialised insurance" – Repeal of the accelerated depreciation allowances for highly efficient pollution control equipment scheme Read also a *summary* of the tax changes in the 2021 budget (prepared by the KPMG member firm in Singapore)	
Singapore	Implemented	Filing/Payment Deadline Extension	Tax **relief measures for businesses**: – 100% property tax rebate for 2020 for qualifying commercial properties. The rebate would be provided by 30 June 2020. However, if the taxpayer has any outstanding taxes, the rebate will be used	**KPMG TNF** and **KPMG TNF** and

Jurisdictions	Status	Type	Brief description	Source
			to offset the outstanding taxes before any refund is made. – 60% property tax rebate for 2020 for integrated resorts and no property tax payment will be required to be made from May to November 2020. – 30% property tax rebate for all non-residential properties and no property tax payment will be required to be made from May to August 2020 – Automatic three-months deferment of income tax payment due from April through June 2020 for companies (i.e., the collection of corporate income tax due in April, May, June 2020 will only be collected in July, August, September 2020 respectively); no application required. Companies will enjoy an enhanced corporate income tax rebate of 25% of tax payable, capped at S$15,000 for YA 2020. This is an increase from the 20% rebate (capped at S$10,000) granted for YA 2019. An automatic **extension of deadlines for tax filing for individuals and businesses** have been provided as follows: – Income tax returns for trusts, clubs and association/ ECI for companies with FY ending January and February 2020: extended to 30 June 2020 – Individual income tax return: extended to 31 May 2020 – Agents filing client's individual income tax returns for YA 2020, including Not Ordinary Resident (NOR) scheme application: extended to 15 August 2020 – Filing of tax clearance for non-citizen employees due in April and May 2020: extended to 30 June 2020 – GST returns for accounting period ending March 2020: extended to 11 May 2020	KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Withholding tax forms due in April 2020: extended to 15 May 2020 – Objection against Notice of Assessment: additional 1 month (on case by case approval basis) Tax **relief measures for self-employed persons**: – Automatic three-month deferment of income tax payment; no application required. Tax **relief measures** are provided for **individual tax return** due by any non-Singapore employee who ceases employment and leaves Singapore for more than 3 months. The Inland Revenue Authority of Singapore (IRAS) announced that individuals are granted an automatic extension of time until 31 May 2020 to file their annual individual tax return. Companies seeking tax clearance in April 2020 will be given a one-month extension of time to file the Form IR21– Notice of Cessation of Employment for non-Singapore citizens. However, the withholding requirement of monies due the employee pending tax clearance remains unchanged. **Deferment of tax payment by individuals -** Individuals under the GIRO (General Interbank Recurring Order) installment scheme can apply to defer for three months their GIRO deductions due in May, June and July 2020. Also employees who are paying their taxes via lump-sum payment can apply to defer payment by three months. On a case-by-case basis, the IRAS may also be prepared to review and accommodate a longer instalment payment arrangement for taxpayers in need of help. **Interest-free installments for Estimated Chargeable Income (ECI) payments:** An additional two months of interest-free installments will be granted to companies paying their corporate income tax by GIRO when they	

Jurisdictions	Status	Type	Brief description	Source
			file their ECI within three months from their financial yearend. This automatic extension of installment plan will apply to companies that file their ECI from 19 February 2020 to 31 December 2020; or companies that file their ECI before 19 February 2020 and have ongoing installment payments to be made in March 2020. On 15 May 2020, IRAS extended the deadline for **filing FATCA and CRS returns for the 2019** reportable year to 31 August 2020.	
Singapore	Implemented	Individual Income Tax	Non-citizen employees who previously worked in Singapore may qualify for a tax refund if the actual gain they realize upon the exercise or vesting of shares is less than the gain previously subjected to tax under the Singapore deemed-exercise rule.	KPMG TNF
Singapore	Implemented	PE and Place of Management	Many overseas-based Singaporeans and Singapore Permanent residents (SPR), generally regarded as non-tax residents when working overseas, have returned to Singapore temporarily and are working remotely. IRAS announced that they would not treat Singaporeans/SPRs as exercising Singapore employment from the date of return to Singapore until 30 September 2020 (subject to review depending on the COVID-19 situation), provided the following conditions are met: – There is no change in the contractual terms governing their employment overseas before and after their return to Singapore; and – This is a temporary work arrangement due to COVID19. In addition, the IRAS will not treat non-resident foreigners who are on business trips to Singapore and cannot leave Singapore due to COVID-19 as exercising Singapore employment provided:	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The period of their extended stay in Singapore is not more than 60 days; and – The work performed during the extended stay is not connected to their business assignment in Singapore, and the work would have been performed overseas if not due to COVID-19. With respect to the **tax residence status of companies**, the IRAS will consider the company as a tax resident for financial year ended/ ending 2020 if it meets the following conditions: – The company is a Singapore tax resident for YA 2020; – There are no other changes to the economic circumstances (e.g. principal activities and business model, nature of business operations, usual business operations location etc.) of the company; and – The directors of the company have to attend the Board meeting outside Singapore, or if the meeting is held via electronic means (e.g. via video-conferencing, tele-conferencing, etc.) due to the directors being temporarily restricted in their travel as a consequence of COVID-19. On the other hand, if the company is a non-tax resident for 2020, the IRAS will continue to treat it as a non-tax resident for 2021, provided it meets the following conditions: – The company has to hold its Board meeting in Singapore due to the travel restrictions relating to COVID-19; and – There are no other changes to the economic circumstances of the company.	

Jurisdictions	Status	Type	Brief description	Source
			With respect to **PE issues that may arise from employees of foreign companies working in Singapore**, IRAS announced that it would not consider such unplanned presence as having created a PE in Singapore for the foreign company, provided it meets all of the following conditions: – the foreign company does not have a PE in Singapore for 2020; – there are no other changes to the economic circumstances of the company; – the unplanned presence of the employees in Singapore is due to travel restrictions relating to COVID-19 and their physical presence in Singapore is temporary (as a guide, generally not more than 183 days in year 2020 from the date of first arrival in Singapore); and – the activities performed by the employees during the unplanned presence would not have been performed in Singapore if not for the travel restrictions. As of August 2021, the Inland Revenue Authority of Singapore (IRAS) has become increasingly stringent in granting a tax exemption for employment income relating to work performed remotely in Singapore on behalf of overseas employers—given that the coronavirus (COVID-19) pandemic has made remote-working a new norm for the global workforce. As COVID-19-related tax relief comes to an end, the IRAS will from 1 July 2021 allow tax concessions based on a case-by-case review of an individual's circumstances.	

Jurisdictions	Status	Type	Brief description	Source
Singapore	Implemented	Transfer Pricing	The IRAS published a set of FAQs to address transfer pricing considerations of those taxpayers whose businesses have been affected by the COVID-19 pandemic. The first part of the IRAS guidance addresses options that may be available to taxpayers in relation to the preparation of transfer pricing documentation if their business operations have been severely affected by the COVID-19 pandemic. Other parts of the guidance relate to the impact of the COVID-19 pandemic situation on advance pricing arrangement (APA) applications, whether new or currently under review, as well as on existing APAs arising as a result of COVID-19. Given that businesses may have been affected differently by the COVID-19 pandemic situation, IRAS acknowledged that there could be significant and varying implications for the transfer pricing positions of different taxpayers. Most notably, IRAS indicated that taxpayers may apply multi-year testing (generally over three years, that is, by using a three-year weighted average margin over FY 2018 to 2020) rather than annual testing, for the Year of Assessment (YA) 2021. This is a one-off concession that may help smooth out certain volatile results from the COVID-19 pandemic. In general, multi-year testing is only allowed under exceptional circumstances and after consultation with IRAS.	KPMG TNF
Singapore	Implemented	VAT and other indirect taxes	As announced during the Singapore Budget 2018, the GST would be raised from 7% to 9%, sometime between 2021 to 2025. In view of the current economic environment, the Government decided that the **GST rate increase will not take effect in 2021**.	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
Slovakia **Contact:** Tomas Ciran tciran@kpmg.sk	Announced	Accelerated Refund	The deadline for filing income tax returns for 2019 was extended to the end of the calendar month following the end of the pandemic period. Based on the current legal status any tax overpayment would be refunded within approximately 2 months from the end of the pandemic period (1 calendar month up to the deadline for filing the tax return and further 40 days for the tax overpayment refund). The Slovak Ministry of Finance however announced the preparation of a legislative measure based on which the Tax Authorities would refund the tax overpayments to taxpayers who filed their tax returns for 2019 by 31 March 2020 at the latest by 10 May 2020.	**KPMG TNF**
Slovakia	Implemented	Filing/Payment Deadline Extension	Among other measures, the Government has proposed: – **Extension of filing deadline for tax returns** for all taxpayers from March 31, 2020 to June 30, 2020 – **Extension of deadline for VAT returns and payments on the basis of tax subject's notice.** – **Exemption from penalties for late payments of taxes** until the end of the calendar month following the end of the pandemic. – Any taxpayer whose revenues have decreased by at least 40% during the pandemic period (in comparison to the same month in the previous year) is not obliged to pay the **income tax prepayments** for the month following the month of revenues decrease. This procedure may be applied starting from May 2020. – **Postponement of obligatory social and health payments** in the period from March 2020 until June 2020 for legal entities and self-employed persons.	**KPMG TNF** and **KPMG TNF** and **KPMG Global**
Slovakia	Proposed	Filing/Payment Deadline Extension	The Slovak Government approved on 16 September 2020 an amendment to the Lex Corona providing that income tax returns will be due at the end of the calendar month following the end of the pandemic period (now determined	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			as ending 30 September 2020). Thus, the deadline for filing income tax returns for the applicable tax periods having an original deadline during the pandemic period will be 2 November 2020 (given that 31 October 2020 is a Saturday). The Amendment should be discussed by the Slovak Parliament in the shortened legislative procedure during the current meeting. The proposed effective date is 29 September 2020.	
Slovakia	Implemented	Loss Relief	Taxpayers will be entitled to utilize tax losses reported in 2015 - 2018 tax periods which have not yet been utilized, up to a maximum amount of EUR 1 000 000 in the tax return due in 2020.	KPMG Global
Slovakia	Implemented	Suspension of Tax Audits	**Interruption of ongoing tax audits** depends on whether the audit started before the pandemic period, i.e. before 12 March 2020, or during the pandemic period. The tax audits that started before the pandemic period can in line with Article 6 of the Act on extraordinary measures in the financial area be interrupted based on an application of the taxpayer. Tax audits that started during the pandemic period are automatically interrupted. An exception from the above rules is a **tax audit focused the excess VAT deduction**, when the Tax Authorities can issue a partial tax audit protocol. The tax audit is interrupted by the issuance if the partial tax audit protocol. If the tax audit started prior to the pandemic period and the subject of the tax audit is not the determination of excess VAT refund, it is possible to apply for the interruption of the tax audit. If the tax audit started during the pandemic period (and is not focused on the audit of the excess VAT refund title) it is interrupted automatically.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Slovenia  **Contact:** Marko Mehle Marko.mehle@kpmg.si	Implemented	Business Income Tax	Effective May 1, 2020, additional relief for donations have been introduced. Taxpayers can deduct the entire amount of donations made to eliminate the consequences of the COVID-19 epidemic, and to a specially designed bank account of the Republic of Slovenia or another Member State of the EU, but only up to a maximum of the taxable amount of the taxable period. The amount is considered to be the amount of all donations from 13 March 2020 until the notification of the closure of the said specially created bank account of the Republic of Slovenia.	**KPMG TNF**
Slovenia	Implemented	Customs/Import and Other Miscellaneous Taxes	From 3 April 2020, an exemption applies to import duties of goods needed to deal with the pandemic into the EU.	**KPMG TNF**
Slovenia	Implemented	Filing/Payment Deadline Extension	The tax authority published guidance in respect of COVID-19 emergency measures: – Extended deadlines for filing tax returns and annual reports—the deadline for submitting tax returns for "independent business activities" (self-employed entrepreneurs), corporate income tax returns, and annual reports has been postponed from 31 March to 31 May 2020 – Postponed deadline for issuing tax calculations for individual taxpayers for 2019 until 30 June 2020—the deadline for individuals who will not receive their tax calculation for individual (personal) income tax for 2019 by 15 July 2020 will have a postponed deadline for filing their annual tax returns until 31 August 2020	**KPMG TNF** and **KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
			– An option for taxpayers to recalculate their tax prepayments based on estimates of their expected business results for the current fiscal year – Postponed payment of tax liabilities for up to 24 months or an option to pay the liability in 24 monthly installments in instances when there are reductions in revenue due to the COVID-19 epidemic—this measure is applicable also for income tax prepayments and withholding tax. The postponed payment or payment in installments, related to this measure, will not be subject to late payment interest. – All taxpayers (with no special conditions applicable) are not required to make tax prepayments for the months of April and May 2020 (which normally would be due on 10 May and 10 June 2020, respectively)	
Slovenia	Implemented	Individual Income Tax	Effective May 1, 2020, additional relief for donations have been introduced. Taxpayers can deduct the entire amount of donations made to eliminate the consequences of the COVID-19 epidemic, and to a specially designed bank account of the Republic of Slovenia or another Member State of the EU, but only up to a maximum of the taxable amount of the taxable period. The amount is considered to be the amount of all donations from 13 March 2020 until the notification of the closure of the said specially created bank account of the Republic of Slovenia. In addition, an individual income tax exemption has been provided for income earned outside the country.	**KPMG TNF**
Slovenia	Implemented	Suspension of Tax Audits	During the COVID-19 emergency, the statute of limitations for execution of tax will not run for those taxpayers that apply the relief measures. If the COVID-19 emergency is not declared ended as of 15 May 2020, some deadlines will be extended for 30 days.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Slovenia	Implemented	VAT and other indirect taxes	Effective May 1, 2020, a temporary VAT exemption on supplies and acquisition of protective and medical equipment within the EU. From 13 March 2020 to 31 July 2020 inclusive, a VAT exemption is prescribed with the right to deduct VAT, which will apply to certain supplies and to the acquisition of goods from other Member States for the goods determined by the Government of the Republic of Slovenia. The list of goods is based on Slovenia's needs of these goods to deal with the consequences of the COVID-19 epidemic. From April 3, 2020, an exemption applies to VAT on import of these goods into the EU. Exemption from VAT may be granted only in case the taxpayer supplies the goods to a governmental authority or organization, a local authority, another body governed by public law or charitable organizations.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
South Africa  **Contact:** Melissa Duffy melissa.duffy@kpmg.co.za	Proposed	Accelerated Refund	The draft bill, originally announced by the President on April 21, 2020, would provide a fast tracking procedure for VAT refunds. Vendors who are registered under Category A or B (i.e. bi-monthly filing of VAT returns) may temporarily submit their VAT returns monthly. This will assist vendors who are in a net refund position to claim and receive such refunds earlier, thereby improving cash flow. The measure will be available for a limited period of 4 months: – Category A: Vendors will be allowed to file monthly returns for April, May, June and July 2020; – Category B: Vendors will be allowed to file monthly returns for May, June and July 2020. If a Category B vendor submitted a monthly return for July 2020, a monthly return for August 2020 will also be required.	**KPMG TNF** and **KPMG TNF**
South Africa	Proposed	Business Income Tax	The National Treasury in South Africa has announced the release for public comments of two legislative bills, intended to be retroactively effective. Among the measures in the bills are incentives for employers to employ young persons (between 18-29 years of age) via a cost-sharing arrangement with government, by allowing the employer to reduce the amount of PAYE it is required to pay by the amount of the tax incentive. For insight on the tax consequences of alternative arrangements between landlords and tenants, please read the reports prepared by KPMG member firm in South Africa "*Shares as consideration for rental*" and "*Tax implications of rent relief provided by landlords*". For insight on tax consequences of foreign exchange movements for REITs, please read the reports prepared	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			by KPMG member firm in South Africa "*Property sector – Foreign exchange*". The draft bill, originally announced by the President on April 21, 2020, provides that taxpayers who donate to approved public benefit organizations will be able to claim up to a **10% deduction** from their taxable income. It has been proposed that a separate and additional 10% tax deduction would be allowed for donations to the Solidarity Fund. Donations made to such organizations are exempt from donations tax and also deductible subject to the base limit. Also, taxpayers can deduct up to 20% (10% addition to the base limit) of their taxable income in respect of any amount they donate to the fund. This 20% will, however, only be valid for donations made up to 31 July 2020. Any donations over the limit may be carried forward and deemed to be a donation in the 2021/2022 year of assessment. The donations carried forward will be subject to the base 10% limitation. On April 23, 2020, the National Treasury announced the deferral to 2022 of the proposal to limit the utilization of assessed losses, originally announced at the 2020 Budget Speech.	
South Africa	Implemented	Business Income Tax	The South African Reserve Bank announced on 14 April 2020, a cut in the repo rate by 100 basis points (i.e., 1%) effective 15 April 2020, and 50 basis points on 22 May 2020, as part of the necessary measures taken to counter the negative economic impact that the COVID-19 pandemic. The reduction in the repo rate could have a significant impact on the calculation of the interest limitations provided for in sections 23M and 23N of the Income Tax Act. These sections seek to add back otherwise	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			deductible interest expenditure where the amount exceeds the limitation calculated. Recent budget proposals indicate that tax treatment of interest deductions and other financial payments are a focus area for the South African Revenue Service (SARS). In this regard, taxpayers need to consider repo rate movements when preparing various tax calculations (including but not limited to thin capitalization or section 23M and 23N calculations). KPMG in South Africa has prepared a *report* to assist taxpayers to find the right incentives for their specific activities and operations.	
South Africa	Announced	Customs/Import and Other Miscellaneous Taxes	Following the outbreak of COVID-19 in South Africa, Revenue Service officials have confirmed that they are (as of 23 March 2020) still accepting manual registrations with the South African Revenue Service to obtain a consolidated license for the combination of emissions facilities that generate emissions subject to the carbon tax. The emission facilities will be licensed as a "customs and excise manufacturing warehouse". On March 29, 2020 SARS also announced a **full rebate of customs duty** for imports of eligible goods, which are those imported for the relief of distress of persons in situations including "national disaster. The Disaster Management Tax Relief Bill includes provisions applicable to the administration of customs law. In particular, the bill includes measures to clarify that for purposes of determining what are the customs-related implications of the "lockdown" as ordered in reaction to the COVID-19 pandemic, the lockdown period 26 March 2020 to 30 April 2020 will be regarded as "dies non" i.e. a day that has no legal effect.	**KPMG TNF** and **KPMG TNF** and **KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
South Africa	Implemented	Filing/Payment Deadline Extension	The Disaster Management Tax Relief Administration Bill provides for the deferral of provisional tax by qualifying taxpayers and qualifying micro businesses. – **Qualifying taxpayer** is a company, trust, partnership or individual that: o Has gross income of R100 million or less during the year of assessment ending on or after 1 April 2020 but before 1 April 2021; and o Whose gross income for the year of assessment does not include more than 20% in passive income derived from interest, dividends, foreign dividends, rental from the letting of fixed property and remuneration received from any employer. Taxpayers whose primary trading activity is the letting of fixed property and where substantially the whole of gross income of the taxpayer is rental from fixed property, may disregard the inclusion of rental income when calculating the percentage of passive income. – For **first provisional tax payments**, due between 1 April 2020 and ending on 30 September, to be reduced to 15% (normally 50%) of estimated total tax liability without incurring any penalties and or interest as a result of the reduced payment. – For **second provisional tax payments**, due between 1 April 2020 and 31 March 2021, to be based on 65% (normally 80% or 90%) of estimated total tax liability. No interest or penalties will be levied as a result of the reduced payment; and – The **balance** (being 35%) would need to be paid in full when making the third provisional tax payment i.e. the top up payment made within 6 months after year end failing which interest will be charged.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			– **Deferral of employee tax** - The employees' tax deferral is limited to 35% per month for the period 1 April 2020 to 31 July 2020 and applies to compliant "Qualifying Taxpayers". – A qualifying taxpayer that is a **resident employer or representative employer** that is registered for employees' tax (PAYE) by 1 March 2020, under certain conditions may pay 80% of the total employees' tax due for the period April 2020 to July 2020, and defer the remaining 20% over the six-month period 7 September 2020 to 5 February 2021. The amendments would increase the PAYE deferment from 20% to 35% for "qualifying taxpayers" – Under the Disaster Management Tax Relief Bill, all employers are exempt from liability and payment of the Skills Development Levy for the period 1 May 2020 to 31 August 2020. The President also announced a **case by case deferral** for affected businesses with a turnover in excess of R100 million. Those businesses able to show the incapability of making payments due to the pandemic, may apply directly with SARS. On June 24, 2020, the Disaster Management Tax Relief Administration Bill introduced a proviso to the definition of "qualifying taxpayer" which provides that the requirement in relation to the R100 million gross income limit will be deemed to have been met if the Commissioner for SARS is satisfied that the taxpayer's estimate of the gross income for that year of assessment, when making a reduced payment, was calculated with due regard to the factors and was not deliberately or negligently understated. Lastly, the President announced a 3 months extension for the submission of annual **carbon tax accounts and**	

Jurisdictions	Status	Type	Brief description	Source
			the payment of carbon tax, which is now due by 31 October 2020 for the period ended 31 December 2019. SARS has advised that **no extensions or concessions will be allowed for the late or non-submission of tax returns and payments**. As noted in a SARS release (March 25, 2020), those with tax compliance obligations are still required to meet these obligations within the established deadlines. Various processes have been put in place by SARS for electronic platforms to be accessible in this regard.	
South Africa	Implemented	Individual Income Tax	The SARS allows certain individual taxpayers to **deduct their home office expenses** from their taxable income, provided that the requirements of the Income Tax Act No. 58 of 1962 are met. Many employees, who did not previously claim home office expenses as tax deductions, have the opportunity to do so for the 2021 tax year (1 March 2020 - 28 February 2021), in particular (and possibly going forward) if working arrangements move away from offices and more towards remote working. Please refer to the TNF for the conditions and deductibility rules. The SARS released for public comment a revised draft Interpretation Note 28 to clarify the deductibility of home office expenses incurred by employed persons or persons holding an office. The prior version of the guidance included requirements that a home office had to be specifically equipped for the purposes of trade and regularly and exclusively used for trade purposes. The draft version of the revised guidance provides detail about the interpretation of the requirements and also provides a number of specific examples of what these requirements entail. The examples clarify that SARS intends to follow a very strict approach in interpretation, thereby greatly limiting	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			the extent to which individuals will be able to claim the home office deduction. For example, a home office that is shared by two members of the same household, or that could be accessed by other members of the household (the example used is children being permitted to play in the room on a weekend because it is the only sunny room in the house) would fail the exclusivity test.	
South Africa	Proposed	Individual Income Tax	The draft bill, originally announced by the President on April 21, 2020, provides that taxpayers who donate to approved public benefit organizations will be able to claim up to a 10% deduction from their taxable income. It has been proposed that a separate and additional 10% tax deduction would be allowed for donations to the Solidarity Fund.	KPMG TNF and KPMG TNF
South Africa	Implemented	Payroll Taxes	The South African government has implemented the **temporary reduction of employer and employee contributions** to the Unemployment Insurance Fund (UIF) and employer contributions to the Skill Development Levy Fund (SDL contributions) and to the Commissioner for Compensation for Occupational Injuries and Disease Fund (COIDA contributions). All employers are exempt from the liability for and the payment of SDL for the four-month period 1 May 2020 to 31 August 2020.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF
South Africa	Announced	Payroll Taxes	South Africa's president on 25 July 2021 announced additional tax and unemployment insurance fund (UIF) relief measures would be introduced in response to the coronavirus (COVID-19) pandemic. The relief measures would include: • UIF temporary employee / employer relief	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			• Deferral of the portion of the employee tax known as "pay-as-you-earn" (PAYE) • An employment tax incentive	
South Africa	Proposed	PE and Place of Management	National Treasury and SARS proposed to relax the requirements for days spent outside of South Africa from 183 to 117, for individuals who could not travel to work outside of South Africa during the period from March 1, 2020 to February 28, 2021. Under current law, remuneration earned for services rendered by a South African tax resident is exempt if the individual was working offshore for more than 183 days during any period of 12 months starting or ending in the tax year concerned and for a continuous period of more than 60 days during that 12-month period. As of 1 March 2020, the exemption applies up to a maximum amount of R1.25 million per year. Under the proposal, the 66 days (from 27 March 2020 to 31 May 2020, when South Africa operated under COVID-19 alert levels 5 and 4) would be subtracted from the 183-day threshold used to determine the eligibility for exemption of foreign-services remuneration. Therefore, the number of days that a person spent working outside South Africa would be reduced to more than 117 days in any 12-month period, for years of assessment ending from 29 February 2020 to 28 February 2021. The current requirement that more than 60 of the days abroad must be a continuous period would remain unchanged.	**KPMG TNF**
South Africa	Proposed	Suspension of Tax Audits	On April 1, 2020, draft legislation, which provides for the deferral of provisional tax by qualifying taxpayers and qualifying micro businesses, was published for comments. Among other measures, the bill provides that with effect from 1 April 2020, the period of the National Lock	**KPMG TNF** and **KPMG Global**

Jurisdictions	Status	Type	Brief description	Source
			Down being the period from 26 March 2020 to 30 April 2020, must not be taken into account when determining the number of days that are provided for in any Tax Act or in the Tax Administration Act in relation to certain tax related actions. Importantly the provisions extend the time periods set out in the dispute resolution provisions and accompanying rules and extend the period within which assessments prescribe. The provisions do not extend the time period within which taxpayers are required to produce relevant material by way of written submission.	
South Africa	Implemented	VAT and other indirect taxes	SARS issued guidance providing some relief for exporters. In general, when the VAT zero-rate is applied to the exportation of goods, the supplying vendor is required to obtain documentary proof to substantiate the application of the zero-rate within certain prescribed time period. SARS has officially extended the prescribed periods by an additional three months. For insight on the potential VAT implications for landlords when they face a decrease in rental income and significant accrual of interest income, please read the *TNF* prepared by KPMG member firm in South Africa	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
South Korea  **Contact:** Sang-Bum Oh sangbumoh@kr.kpmg.com	Implemented	Business Income Tax	– **Tax credits for rental property owners that lowered the rental fee of a commercial building** - if a landlord renting a commercial building reduces the rental fee owed by a small business tenant for the period from January to June 2020, 50% of the rental-fee reduction will be deductible (for tax purposes) from the landlord's income and corporate taxes. – **Income and corporate tax reductions for small and medium-sized enterprises (SMEs) in "special disaster areas"** - income and corporate tax on income generated by SMEs in the special disaster areas due to damage by infectious diseases will be reduced by a certain percentage (subject to a ceiling of KRW 200 million in total tax reduction): o 60% for small-sized enterprises o 30% for medium-sized enterprises To be classified as a "SMEs", at high-level, the revenue and asset should be below certain thresholds (revenue threshold differs by type of business; total asset of KRW 500 billion or less). In addition, if an enterprise is directly or indirectly held 30% or more by a shareholder with total assets of at least KRW 500 billion, regardless of whether the aforementioned conditions are satisfied, such enterprise is not classified as a small and medium-sized business. – **Expanded scope of tax support for overseas companies that return to Korea** - income and corporate tax reductions are available with regard to an expansion of existing domestic operations, while overseas operations are shut down or downsized, to support the return of overseas companies to Korea; the rate of tax reductions are: o 100% for first five or three years	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			o 50% for an additional two years – **Temporary increase in the income tax deduction** rate for credit card purchases or other expenses - the income tax deduction rate for the amount paid by credit card or other expenses for the period from March to June 2020 will be increased (from 15% to approximately 40% to 30% to approximately 80%). – **Temporary increase to the amount of limitation relating to entertainment expenses** - the limitation amount of entertainment expenses will be increased to: o 0.35% of revenue, when revenue is not more than KRW 10 billion o 0.25% of revenue, when revenue is over KRW 10 billion but not more than KRW 50 billion o 0.06% of revenue, when revenue is over KRW 50 billion – With respect to prepayments for goods and services by individual businesses or corporations to small business through December 31, 2020, 1% of the prepaid amount will be allowed as a tax credit for individual or corporate income tax purposes. The prepayment should be made between April and July of 2020 and at least three months before the relevant goods and services are provided, and the prepaid amount should be at least KRW 1 million per transaction.	
South Korea	Implemented	Customs/Import and Other Miscellaneous Taxes	**Temporary reduction of individual consumption tax on car purchases** - 70% of the individual consumption tax will be reduced for cars removed from manufacturing sites or declared as imports, for the period from March to June 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
South Korea	Implemented	Loss Relief	If an SME generates losses during the first half of the business year including December 31, 2020, such losses can be carried back to the previous business year to claim a refund. If the SME's losses for the full tax year turn out to be less than the half year losses carried back, the difference should be later returned.	KPMG Global
South Korea	Implemented	VAT and other indirect taxes	– **VAT reduction for small self-employed business** - the VAT imputed in 2020 for small self-employed businesses with annual sales of KRW 80 million (excluding VAT) or less will be reduced to the level of "simplified taxpayers." – **VAT exemption for "simplified taxpayers"**- the base amount of the VAT exemption for simplified taxpayers will be temporarily increased to KRW 48 million, from KRW 30 million, in 2020.	KPMG TNF

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Spain  **Contact:** Julio César García Muñoz juliocesargarcia@kpmg.es	Implemented	Business Income Tax	Measures to support small and medium size entities have been implemented in terms of research and development (R&D) and the financing of projects to support "remote working".	KPMG TNF
Spain	Implemented	Customs/ import and other miscellaneous taxes	Deferral of customs debts: — The payment of customs debts and related taxes, arising from customs declarations submitted during the period 2 March 2020 to 30 May 2020 inclusive, may be deferred, provided that these requests are less than EUR 30,000 and that the amount of debt to be deferred is greater than EUR 100. — The aforementioned deferral is not applicable to VAT returns that are settled on the import of goods, as established in art. 167. second paragraph of VAT Law (37/1992). — The following conditions must be met for any payment deferral request: o The request is made on the customs declaration. o The notification of any payment deferral approval will be made as planned for customs debt, in line with art. 102 of the Union's customs regulation. o The guarantee provided in relation to obtaining the cleared products will be valid for obtaining the deferral, and still affecting	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			the payment of the customs debt and related tax until all requirements have been met by the obligor of the deferred debt, notwithstanding the provisions in section 3 of article 112.3 of the Union's customs regulation. o In order for the deferral to be granted, it will be necessary for the recipient of the imported goods to be an individual or entity with 2019 trading volume no greater than EUR 6,010,121.04. o The conditions for the deferral will be as follows: (i) the deferral will have a duration of 6 months; (ii) no interest for late payment will accrue during the first three months of the deferral.	
Spain	Implemented	Filing/Payment Deadline Extension	Possibility to opt for a **deferral of "small" past-due tax debts in respect of state-level taxes**, as follows: – The deferral is only available to individuals or entities with a volume of business not exceeding €6,010,121.04 in 2019. – Subject to a request by the taxpayer, a deferral of payment will be granted in respect of tax debts arising from assessments and self-assessments with filing and payment deadlines falling between March 13, 2020 and May 30, 2020, and would apply for VAT, tax withholdings, excise taxes, and corporate income tax. – A cap of €30,000 is set for tax debts that may be deferred on these special terms. – The deferral will be granted for a fixed period of six months.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			– No late-payment interest will accrue for the first three months. However, these deferrals will necessarily accrue interest for the remaining three months. The Royal Decree-Law 19/2020 extended the late payment interest free period to four months. The Royal Decree-Law 11/2020 provided for a flexible approach to the deferral of debts deriving from customs declarations for SMEs and self-employed: certain payments and tax debts (in excess of 100€ but not more than 30,000€) may be deferred under certain conditions. However, this provision does not apply to the VAT on imports of goods. The Royal Decree-Law 15/2020 has modified methods and deadlines with respect to installment payments, introducing the following new conditions (this only affects SMEs that did not previously opt for deferral): – Taxpayers whose FY commenced from January 1, 2020 and with a volume of business not exceeding € 600,000 in 2019, may elect to pay 2020 CIT in installment payments (calculated having regard to the tax base for the first 3, 9 or 11 months), by filing the installment payment calculated using this method by May 20, 2020 – Taxpayers whose FY commenced from January 1, 2020 and with net revenue ranging between € 600,000 and € 6,000,000 in 12 preceding months, may elect to pay 2020 CIT in installment to be filed in the first 20 days of October 2020 The election cannot be made in case taxpayers apply the special consolidated tax regime. The Royal Decree-Law 19/2020 of May 26, 2020:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The filing deadline for corporate income tax returns is adapted to the new deadlines for the authorization for issue of the annual accounts. – In this regard, it should first be noted that the deadline for filing CIT self-assessments remains unchanged, i.e. 25 calendar days after the end of the six-month period following the end of the tax period. – However, with a view to adapting the CIT filing deadline to the new deadlines for the authorization for issue and approval of annual accounts, Royal Decree Law 19/2020 allows taxpayers who have been unable to approve their annual accounts prior to the corporate income tax filing deadline to file their CIT return with the "annual accounts available" at that date, clarifying for such purpose what is meant by annual accounts available: o For public listed companies, the audited annual accounts referred to in article 41.1.a) of the above Royal Decree-Law 8/2020. o For all other taxpayers, the audited annual accounts or, failing that, the annual accounts authorized for issue by the relevant body, or, in the absence thereof, the available accounting records kept in line with the provisions of the Commercial Code or that set forth in the regulations by which they are governed. – Likewise, a second CIT return may be filed once the accounts have been approved in line with the law and the accounting result becomes final and provided the second return differs from that filed previously. The deadline for filing this second return is 30 November 2020 and it shall be subject to the following:	

Jurisdictions	Status	Type	Brief description	Source
			○ Where it gives rise to greater tax payable or less tax refundable than that resulting from the first return, the second self-assessment will be considered a supplementary return. Late-payment interest will accrue on the amount payable from the original due date but no late-filing surcharges will be generated. ○ In all other cases, this second self-assessment will be treated as a rectification of the first return, and will take effect upon filing, with no need for the approval of the tax authorities as it is not subject to the procedure for rectification of self-assessments. – Should the second return give rise to tax refundable to the taxpayer, the six-month period for accrual of late-payment interest in favor of the taxpayer shall begin running as of 30 November 2020. Nonetheless, where the rectification of the initial self-assessment gives rise to an amount refundable as a result of an amount effectively paid under the previous self-assessment, late-payment interest shall accrue on such amount for the period running from the day after the end of the voluntary filing period (25 calendar days as from the end of the six-month period immediately following the end of the tax period) and the date on which payment of the refund is ordered.	
Spain	Implemented	Individual Income Tax	Recognition of the right to an "economic benefit" for self-employed workers who stopped their business activities due to the crisis or who are experiencing a drastic drop-off in revenues	KPMG TNF
Spain	Implemented	Payroll Tax	Subject to the condition of maintaining jobs for a 6-month period as from the date on which activity is	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			resumed, in cases of temporary contract suspensions/reduced working hours on grounds of force majeure, an exemption has been granted throughout the relevant period on 100% of **employer social security contributions** at companies with less than 50 employees at 29 February 2020, and 75% in the case of companies with more than 50 employees.	
Spain	Implemented	Suspension of Tax Audit	Royal Decree-Law 8/2020 established that the period running from 18 March 2020 to 30 April 2020 will not be counted for the purposes of limitation periods with respect to the rights of either the tax authorities or the taxpayer, or for the purposes of time barring. The Royal Decree-Law 15/2020 further extended the terms to 30 May, 2020 The **statutory period** for filing economic-administrative claims and appeals against tax decisions and bringing administrative appeals against decisions rendered in economic-administrative proceedings will not commence during the period running from18 March to 30 April 2020 or until notification is served, where this is later. However, it shall start running from 30 April 2020. **Decisions terminating appeals for reconsideration in economic-administrative proceedings** shall be deemed served for the purposes of calculating limitation periods where one attempt at service of the decision can be evidenced between 18 March and 30 April 2020. With respect to **procedures already underway prior to March 18**, 2020: The following deadlines for tax procedures are automatically extended, with no need for prior request, until 30 May 2020, provided the relevant procedures	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			were already underway prior to 18 March 2020 and had not concluded at such date: – Deadlines for payment of the tax debt resulting from assessments issued by the authorities – Installment and payment deadlines falling between 18 March 2020 and 30 April 2020 under deferral and installment payment agreements already in place – Deadlines relating to the conduct of auctions and awarding of assets between 18 March 2020 and 30 April 2020, **guarantees will not be enforced** against real estate assets in administrative enforced collection proceedings. Royal Decree-Law 11/2020 further provides that: – The period running from 14 March 2020 through 30 April 2020 shall not be factored in for the purposes of the maximum term for enforcement of the decision of the economic-administrative bodies – The statute of limitations and time-barring of actions and rights provided for in tax legislation is suspended from 14 March 2020 through 30 April 2020 On May 23, 2020, it was declared the **end of the "state of emergency"**. Accordingly, given there are no further extensions, the period of the state of emergency begins 14 March 2020 and runs through 6 June 2020. – The **suspension of procedural deadlines is "lifted" as from 4 June 2020** (the date when a provision of Royal Decree 463/2020 is repealed). Accordingly, any periods and deadlines under procedural laws that may have been suspended during the state of	

Jurisdictions	Status	Type	Brief description	Source
			emergency will be calculated "from scratch," and the period will start running as of 4 June 2020. – Concerning **administrative deadlines**, the relevant calculations resumed as of 1 June 2020 (the date when another provision of Royal Decree 463/2020 is repealed). Similarly, regarding the periods suspended or tolled, the calculation will resume for the period outstanding, or will start from scratch. – The **suspension of limitation periods and expiration dates** for rights and actions is lifted as from 4 June 2020.	
Spain	Implemented	VAT and other indirect taxes	The Royal Decree-Law 15/2020 has introduced a 0% VAT rate for domestic supplies, imports and intracommunity purchases of medical supplies, including among others gloves, respirators, handwashing soap, COVID test kits, supplied to public law entities, clinics, hospitals, where certain requirements are met. The measure will apply from April 23, 2020 to July 31, 2020 and it does not limit the right to deduct the VAT. The VAT on electronic books, magazines and newspapers has also been reduce to 4% effective April 23, 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Sri Lanka **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Filing/Payment Deadline Extension	The Department of Inland Revenue issued a release reflecting certain tax relief measures in response to COVID-19. **Withholding tax, extension of payment deadline**: Withholding agents and taxpayers subject to withholding who are liable to make tax payments for the month of February 2020 that were due 15 March 2020 and payments for the month of March 2020 that were due 15 April 2020 are allowed until 30 April 2020 to make these payments without being subject to interest or penalties. **Stamp tax, extension of deadlines**: Certain persons are permitted to file returns of stamp tax by May 31, 2020 (instead of 15 April 2020) for the quarter ending March 31, 2020. **VAT extension of deadlines and validity periods**: Payments of VAT for the months of February and March 2020 and the quarter ending March 31, 2020, are extended to a new due date of 31 May 2020. A similar extension applies for VAT returns. Furthermore, the period of validity of the extension letters (scheduled to expire before 30 April 2020) issued with regard to credit vouchers due against the VAT deferred under deferment facility are extended by one month from the expiration date. The period for any temporary VAT registration scheduled to expire before 30 April 2020 has been extended until 30 April 2020. **Extension of time, transfer pricing disclosure form**: The period of time for submitting transfer pricing disclosure form is further extended to 31 May 2020. The following tax returns have been also extended to May 31, 2020:	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Annual declaration of employer (PAYE tax return) – year of assessment 2019/2020 – Annual statement of withholding tax – year of assessment 2019/2020 – Economic service charge return – year of assessment 2019/2020 – VAT on financial services, interim estimate for last six months of the Year of Assessment 2019/2020 (that is, for financial institutions that submit returns on year of assessment basis) The Sri Lankan cabinet approved certain tax relief measures specifically for the small and medium size (SME) sector: – Relief regarding income tax in arrears, for assessments issued up to years of assessment 2018-2019 if the Commissioner General of Inland Revenue is satisfied there has been no willful evasion of tax – Allowance of a concessionary period to settle tax liabilities in arrears when agreed upon by the Department of Inland Revenue – No additional tax assessment for the year of assessment 2019-2020 for SMEs that paid income tax and filed an income tax return – Extended period for submitting a bank guarantee or payment of non-refundable amount when filing an appeal with the Tax Appeals Commission – Extended time to pay tax and file a tax return, to 31 December 2020, for payments or filings	

Jurisdictions	Status	Type	Brief description	Source
			due during the period 1 March 2020 to 30 June 2020 – Suspension of implementation of injunction orders issued to banks, suspended to 30 April 2021.	

Jurisdictions	Status	Type	Brief description	Source
Sweden **Contact:** Jörgen Graner jorgen.graner@kpmg.se	Announced	Business Income Tax	The Ministry of Finance on May 15, 2020 issued a memorandum announcing the plans to support businesses and companies as they transition following the COVID-19 pandemic. Effective July 1, 2020, "Business transition support" could be given to companies whose total net sales for March and April 2020 were less than 70% of their total net sales compared to March and April 2019, provided the decrease in net sales is an effect of the COVID-19 situation. The transition support would be available for natural and legal persons who conduct business in Sweden, are registered for F-tax, and have net sales of at least SEK 250,000. A certificate from an auditor would need to be attached to any taxpayer application for support in amounts over SEK 100,000. Business transition support would not be available if the company or its parent company during the period March 2020 - June 2021 executes or decides upon a profit distribution or equivalent. Furthermore, the company must have taken certain reasonable steps to exhaust the possibilities of obtaining insurance compensation, damages, similar compensation or other state support for the lost sales or costs on which the support is calculated. Business transition support would not be allowed for companies (or any other company within the same group) located in a jurisdiction that is included on the EU or the OECD "blacklist"—the list of jurisdictions that are considered to be non-cooperative tax jurisdictions. Please refer to the TNF for more detail on the calculation of the support.	KPMG TNF
Sweden	Proposed	Business Income Tax	On May 10, 2021, the Government announced a proposal that would extend by three months (July, August, and September 2021) financial support for employers and their employees whose work hours are reduced. Under a temporary law (2021:54), companies that reduce their	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			employees' work hours by up to 80% may qualify for financial assistance, with the government paying 75% of the salary and wage costs during that period. The proposed extension of this financial assistance for July-September 2021 generally would be the same as the financial assistance already offered for January-June 2021. One change under the proposed extension is that for the months of July-September 2021, the month of April 2021 would be the comparative month regarding the financial support paid by the government. Also, under the proposed extension, employers that were previously approved would have to request an extension of support. The extension would not be automatic. A request for an extension would have to be made before the end of July 2021. Employers that did not previously apply for financial support would be subject to regular review and would have to submit an application for preliminary support for the three months, no later than the end of November 2021. The proposal to extend the financial support is pending consultation, and once all processes are completed, is expected to be effective 29 June 2021.	
Sweden	Implemented	Filing/Payment Deadline Extension	Strengthen companies' liquidity through deferral of tax payments. – **Deferral of tax payments** to be granted for the following taxes: o preliminary tax payment on salaries o VAT o employers' contribution Deferral to be granted for tax payments due during the period of January to September 2020. VAT reported annually from 27 December 2019 to 17 January 2021 shall also be included. Deferral may also be granted for already paid taxes. The minimum	KPMG TNF and KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			length of deferral is three months, and the maximum deferral period is 12 months. Application to the Swedish tax Agency is required. – The following costs apply to the amount of postponed tax payment: non-deductible interest costs of 1.25% annually and non-deductible postponement fee of 0.3% per month. When compared to the external funding, this equals to a deductible interest cost of approx. 6.6% (1.25+[13x0.3])/0,786. If external interest is non-deductible, the calculation should be adjusted. – Please note that the postponement fee is proposed to be decreased to 0.2% per month and be levied only after six months. This would correspond to a deductible interest rate of 3.12% per year (cf. currently 6.6%). The proposed change should apply to deferrals granted after the end of March. – Tax installment payments are based on the prior year's taxable result. Companies that are affected by Covid-19 may therefore apply for lowered tax installments in FY2020 and also apply for an advanced repayment of excess installment payments already made.	
Sweden	Implemented	Individual Income Tax	**Increased provision to tax allocation reserve for individual entrepreneurs -** 100% of the taxable profit for 2019 may be allocated to the tax allocation reserve (up to maximum of SEK 1 million), which can then be offset against possible future losses. This measure applies to individual entrepreneurs and individuals who are partners in Swedish partnership companies.	KPMG Global
Sweden	Implemented	Payroll Tax	**Reduced social security contributions** — Social security contributions to be reduced for certain entities and for certain employees (from 31.42% to	KPMG Global

Jurisdictions	Status	Type	Brief description	Source
			10.21%, i.e., only pension contribution will be payable). It applies for the period March 1-June 30, 2020 and for up to 30 employees and for salaries up to SEK 25,000 per month for each employee. The tax reduction is capped at SEK 5,300 per employee per month. For companies with more than 30 employees, only 30 employees are eligible for the reduction. — Social security contribution reduction also applies to individual entrepreneurs, so that only retirement pension contribution will be payable from the income received from January 1, 2020 until December 31, 2020. The reduction applies to the part of income not exceeding SEK 100,000. — A request for a reduced rate must be made in the company's PAYE return.	
Sweden	Implemented	PE and Place of Management	Danish and Swedish authorities provided guidance to help commuters in the Øresund region who apply the Øresund Agreement for both tax and social security: **Taxation of salary income** For commuters using the Øresund Agreement on taxation, there will be no difference in the way that workdays from home will be viewed in relation to the Øresund Agreement. Accordingly, during the COVID-19 lockdown period many of the employees who apply the Øresund agreement in 2020 will not be able to fulfil the requirement of more than 50% of their workdays in the employment country, and consequently split taxation between Denmark and Sweden will be applicable for this period. For employees living in Sweden and working in Denmark, split taxation will in many cases lead to a lower overall taxation of the employment income. For employees living in Denmark and working in Sweden, split taxation may be	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			a disadvantage if they are covered by Swedish social security. In that case, the part of the employment income that is taxed in Denmark instead of Sweden will be taxed according to the normal Danish rates up to approximately 55% instead of the lower Swedish flat tax rate of 25% ("SINK" taxation). **Social security** In the beginning of the COVID-19 lockdown, the social security authorities in both Denmark and Sweden stated that the applicable social security, in particular the Øresund Agreement on social security, would not be affected by the lockdown when an employee works from home. The likelihood of a different work pattern affecting the applicable social security is thus minimal, and as such, employers will not be required to register for payment of social security contributions in another country. **Likelihood of creating a permanent establishment – working from home or place of effective management** When an employee is working from home, it is generally relevant to examine if this work from home could create a PE and corporate taxation for their foreign employer in the country of residence of the employee. According to the OECD Analysis and the Danish guidelines (Styresignal), the situation does not in itself mean that a PE will be created due to working from home during the COVID-19 lockdown. However, it is worth noting that if the conditions regarding a PE due to a home office were present prior to the lockdown, the likelihood will remain unchanged. The same applies to the evaluation of place of effective management of the company.	

Jurisdictions	Status	Type	Brief description	Source
Switzerland **Contact:** Gernot Zitter gzitter@kpmg.com Olivier Eichenberger oeichenberger@kpmg.com	Implemented	Business Income Tax	The **Canton of Zug** and the **Canton of Valais** have decided to make concessions by recognizing additional provisions (COVID-19 provisions) for tax purposes. Zug and Valais companies that suffer directly or indirectly from the negative effects of the virus may set aside extraordinary provisions in the 2019 financial year. These provisions must be released again in the 2020 financial year. The **Canton of Aargau** also allows additional "COVID-19 provisions" in the 2019 financial year, although no further details are available at present. It can be assumed that other cantons are likely to follow the "COVID-19 provision-model". So far, only the **Canton of Schwyz** has officially confirmed its contrary position and announced that no additional provisions will be recognized. In any case, the following must be **observed**: – The creation of "COVID-19-provisions" must be **analyzed** on a **case-by-case basis**. – The amount of the **provisions** allowed for tax purposes is likely to be **limited** in percentage and/or amount (cantonal differences). – The recognition of this provision in the **2019 financial statements** is only possible as long as these have not yet been completed: if possible, the 2019 financial statements should be **kept open**. – If the annual accounts have already been prepared and approved, there is a **possibility in certain cantons** that the **additional provisions** may still be taken into account in the **tax balance sheet or tax return**.	KPMG TNF
Switzerland	Implemented	Filing/Payment Deadline Extension	Various Swiss cantons have also announced tax relief measures. Due to the current situation, many cantons have automatically extended the regular deadline for	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			submission of the 2019 tax return for individuals and in some cases also for judicial persons. In addition, some cantons provide for an extension to the application deadline for tariff adjustments for source tax. It is possible to apply for an amendment to the provision tax invoice for cantonal and municipal taxes for 2020 if a drop in personal or corporate income, or even a loss, is expected in the current year. If, due to the impact of COVID-19, companies are unable to pay tax liabilities that have been finally assessed and are due for payment, they may apply for an extension to the payment deadline or request to pay in installments. Some cantons have already indicated that they will deal with such requests quickly and fairly. Certain cantons are also temporarily waiving late payment interest. The government of the **Canton of Zug** has provided the following tax relief for individuals and legal entities: – The deadline for filing the 2019 tax return for individuals is extended to 30 June 2020, and for legal entities to 30 September 2020. Further postponements may be possible and will be processed with goodwill. – The payment deadlines for tax bills (cantonal and communal taxes as well as federal tax) that have already been sent out will be extended until 30 June 2020. No interest on arrears will be charged for the period from 1 March to 31 December 2020. Requests to extend the deadline beyond 30 June 2020 will be assessed separately. – The deadline for applications for **tariff corrections for source taxes** is extended to 30 June 2020. – A proposed reduction of the cantonal tax rate from currently 82% to 78% for the tax periods	and KPMG TNF and KPMG Global

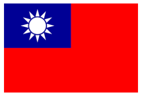
Jurisdictions	Status	Type	Brief description	Source
			2021-2023 is currently being discussed in the political process.	
Switzerland	Implemented	Filing/Payment Deadline Extension	Companies are able to postpone payment deadlines without interest on arrears. The interest rate is reduced to 0.0% for VAT, certain customs duties, special consumption taxes and incentive taxes between 20 March and 31 December 2020; i.e. no default interest will be charged during this period. An identical regulation applies for direct federal tax invoices from March 1 to December 31, 2020 that become due within this period. Withholding tax and stamp duty do not appear to benefit from these advantages. Additionally, administrative units of the cantons have been directed to check accounts payable invoices quickly and settle them as soon as possible, without taking advantage of payment deadlines. The approach of the Swiss tax authority concerning relief related to **VAT** reflects the following: – To benefit from tax payment deferrals, companies must **file a written request** in accordance with provisions of the VAT law, and this applies to all taxpayers including foreign companies with a Swiss tax representative. All applications must be submitted by email or post. No separate procedure is currently planned. – The Swiss tax authority is currently prioritizing the review of requests for early payments of VAT credits and is aiming for fast payment settlement. – There are currently no separate extensions to the deadlines for VAT refund procedures planned (i.e., the deadline concerning VAT	KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			incurred in the calendar year 2019 was 30 June 2020). – The late-payment interest rate of 0.0% applies to all VAT payment obligations regardless of when the obligation arose, for the period from 20 March to 31 December 2020. There are currently no separate extensions to the deadlines for VAT refund procedures planned (i.e., the deadline concerning VAT incurred in the calendar year 2019 is still 30 June 2020). **Income Taxes relief measures** (federal tax, cantonal and communal taxes): – Final tax bills: companies that are currently unable to pay final tax bills due to the effects of COVID-19 can apply for an extension of the payment deadline or installment payments. By special decree, late payments of the federal tax due in the period as from 1 March 2020 to 31 December 2020 will not incur any default interest. – Provisional tax bills / payments on account: for Swiss federal tax purposes, companies currently unable to pay the provisional tax bills due to COVID-19 can apply for an extension of the payment deadline or installment payments. **Social security contributions** relief measures: – Upon request, companies affected by the crisis can be granted a temporary deferral of payments for social security contributions (AHV / IV / EO / ALV). The companies also have the option of having the amount of regular payments on account adjusted if the total of their wages has decreased significantly.	

Jurisdictions	Status	Type	Brief description	Source
			– By special decree, no default interest will be due on deferred payments. **Deferral of social insurance contributions** - Companies affected by the crisis are able to defer the payment of social insurance contributions temporarily. No late interest is levied on instalment payments until September 2020. An adjustment of the usual amount of advance payments made under these insurances in the event of a significant drop in the wage bill could be requested. Moreover, no payment reminders will be sent until June 2020. These measures also apply to self-employed persons whose turnover has dropped. Moreover, employers may temporarily use their accumulated employer contribution reserves to pay employer contributions to occupational pension funds. **Individual income tax return** measures: – The general filing deadline for 2019 tax returns in the cantons would have been March 31, 2020. However, with the COVID-19 relief measures, the filing deadlines for individual income tax returns have been extended to a variety of dates—the new filing dates range from May 31, 2020, or June 30, 2020, or July 31, 2020, or even September 15, 2020 (depending on the canton). – The Swiss Federal Council also has provided relief measures regarding the deadline for payment of federal income tax. For federal income tax payments generally due between March 1, 2020 and December 31, 2020, no late-payment interest will be levied because the tax payment is delayed.	

Jurisdictions	Status	Type	Brief description	Source
			With respect to the **anti-money laundering rules**, relief is provided in respect of the application of due diligence obligations for new accounts until 1 July 2020 in response to the coronavirus (COVID-19) pandemic. The relief extends the period from 30 days to 90 days for confirming the authenticity of copies of identity documents. This provision can be applied to new business relationships so that they can be opened with a simple copy of an identity card (providing the authentication in the subsequent 90 days). However, for business relationships with increased risks, it must still be assessed and documented on a case-by-case basis whether applying the exception in that particular case is acceptable in view of the associated money-laundering risks. Regardless of the relationship's risk category, the missing confirmation of authenticity must be provided within 90 days. This facilitation may also be available for non-banks, such as external asset managers that are regulated through a self-regulatory organization (SRO) as soon as their SRO also provides for this facilitation. The "COVID-19 Ordinance on Unemployment Insurance" has been repealed as of the end of August 2020, meaning a resumption of many of the normal rules relating to the application of short-time work, i.e. those in force before 1 March 2020. However, the simplified procedure for applying for short-time work compensation that has been in effect since March 2020 will continue to apply until the end of 2020. Companies can continue to use simplified COVID-19 forms for pre-registration or settlement. Further, additional working hours will not have to be taken into account until the end of 2020. In sum:	

Jurisdictions	Status	Type	Brief description	Source
			– The special regulations in connection with short-time work and COVID-19 terminate at the end of August 2020. – The simplified procedure for pre-registration and application will remain applicable until the end of 2020. – Additional working hours do not need to be taken into account until the end of 2020. The Swiss Federal Council in March 2020 temporarily reduced to 0% the rate of interest for late payments of several taxes. As a result, between 20 March 2020 and 31 December 2020, no default interest was due for late payments relating to Swiss direct federal tax and to indirect taxes, including VAT, excise taxes, and customs duties. Since the relief measures have not been extended into 2021, the default interest rates for late payments revert to: – 4% for late payments relating to VAT – 3% for late payments relating direct federal tax	
Switzerland	Implemented	Suspension of Tax Audits	The government of the **Canton of Zug** has provided the following tax relief for individuals and legal entities: – **No tax bills and tax assessments** will be sent out until 30 April 2020. – There are **no extensions** of the deadlines for objections to tax assessments and tax invoices.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Taiwan  **Contact:** Sherry Chang schang1@kpmg.com.tw	Announced	Business Income Tax	The government of Taiwan announced a corporate income tax deduction of 200% on certain salary expenses of employees affected by COVID-19 (applicable from January 15, 2020 to June 30, 2021). Expenditures include salaries, wages, service pay and other regular compensations paid to employees during their statutory leave period falling under any one of the following reasons: — Under quarantine or isolation order from the various level of health department and authorities; — Taking care of dependent family members who are under quarantine and isolation order; or Upon receiving special instructions from the epidemic command center of the central government.	KPMG TNF and KPMG Global
Taiwan	Announced	Customs/Import and Other Miscellaneous Taxes	Taiwan government also released other relief policies covering: – Customs supportive measures on certain medical supplies (e.g. protective masks, medicinal alcohol and its raw materials); – Temporary relief on house tax and vehicle license tax during its idle period in light of the current COVID-19 situation.	KPMG TNF
Taiwan	Implemented	Filing/Payment Deadline Extension	The government of Taiwan introduced the following measures: – **Deferrals of tax payments for up to 12 months**, or permission to make tax payments in **installments over up to 36 months**, for tax **payments due during the period 15 January 2020 through 30 June 2021**, by taxpayers who have experienced difficulties in making tax payments because of the COVID-19 crisis and	KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			subject to certain conditions. Tax return must be files within the original statutory deadline. For those reliefs an application must be filed (along with supporting documents) before the deadline for filing the tax return. o For Business entities ▪ Entitled to supportive measures under the relevant COVID-19 special relief and restoration regulations as announced by the relevant central competent authorities; or ▪ Having significant decline in business revenue – for instance, monthly turnover dropping by 15% or more for two consecutive periods since January 2020, comparing to the average in past 6 months or 12 months. o For Individuals ▪ Entitled to supportive measures under the relevant COVID-19 special relief and restoration regulations as announced by the relevant central competent authorities; ▪ Under no paid or part paid leave scheme implemented by employer affected by COVID19 situation with prior notification to the local labor affair authorities in-charge; or ▪ Suffering from other situations due to COVID-19 (e.g. wage cut,	KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			lay off or having monthly working days dropped by 50% from original schedule for two or more months). ▪ This applies for individual income tax, individual house and land transactions income tax, corporate income tax, VAT, commodity tax, liquor & tobacco tax, specifically selected goods and services tax, house tax, land value tax, vehicle license tax, and relevant interest and penalty of these taxes. – **Extension of tax filing and payment deadlines** under special circumstances with regard to tax return filings or payments originally due during the period March to May 2020—the taxpayer is to attach certain evidence of the quarantine or isolation to the return that is filed under the rules for postponement. – **Corporate and individual income tax returns and payments are extended to 30 June 2020** and will not be subject to interest or penalties for late filing or late payment. The extension is applicable for all taxpayers, and no prior application is required On April 28, 2020, the International Finance Department of Taiwan issued an update to the common reporting standard (CRS) regulations stating that, based on the condition of any disaster incident or force majeure, the Ministry of Finance can issue a public announcement for further extend the CRS reporting requirement due within the period 1 June 2020 to 30 June 2020. In addition, the Ministry of	

Jurisdictions	Status	Type	Brief description	Source
			Finance has launched the "CRS Financial Institution Portal", which is open for reporting test data for the months of March and April 2020, while completion of the online reporting process will be in June. On 31 May 2021 the Ministry of Finance announced that the CRS reporting deadline for the 2020 reporting period has been extended to 2 August 2021 (from 30 June 2021). Financial institutions are also encouraged to prepare filing materials as early as possible and are reminded of the differences in the CRS reporting for 2020 as compared to previous years, including: – The addition of reportable accounts held by tax residents of the United Kingdom – Information of all pre-existing individual and entity accounts must be reported – A mandatory new XML version	
Taiwan	Implemented	Individual Income Tax	Individuals who are under isolation or quarantine due to COVID-19 are granted an income tax exemption treatment on the subsidies received.	KPMG TNF
Taiwan	Announced	VAT and other indirect taxes	Taiwan government also released other relief policies covering: – **VAT** supportive measures **on certain medical supplies** (e.g. protective masks, medicinal alcohol and its raw materials); – pro-rata exemption on VAT and amusement tax for taxpayers levied under special assessment basis during its business suspension period.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Thailand **Contact:** Benjamas Kullakattimas benjamas@kpmg.co.th	Implemented	Accelerated Refunds	VAT payers participating in the "good exporter" program will **receive VAT refunds faster than usual**. VAT refunds will be granted within 15 days (compared to a normal 30-day period) if VAT returns are filed via an e-filing system and within 45 days (compared to a normal 60-day period) for paper filings.	KPMG TNF
Thailand	Implemented	Business Income Tax	Eligible small and medium enterprises (SMEs) can claim a **150% deduction for interest expenses** incurred during the period of 1 April 2020 to 31 December 2020 on loans obtained under a funding initiative to provide THB 150 billion in soft loans to SMEs with an interest rate of 2% for the first two years. Royal Decrees No. 695 and No. 698 provide that companies and eligible partnerships can claim the additional **150% deduction for income tax purposes** for: (1) qualifying amounts paid for investment in machinery (but excluding machinery repair and maintenance); and (2) qualifying payments made for additions, alterations, extensions or improvement of property related to hotel business. Qualifying payments must be made in 2020 (that is, during the period from 1 January 2020 through 31 December 2020). **Additional deduction for investments in new machinery**. Companies and certain partnerships can claim an additional 150% deduction for qualifying payments for investment in machinery made in 2020—but this excludes machinery repair and maintenance. Purchases made for machinery held for lease are not eligible for the additional 150% deduction for taxpayers engaged in a leasing business. Eligible machinery is defined as an assembly of parts, including equipment, for use in generating energy,	KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			changing or transforming energy, using either water, steam, fuel, wind, gas, electric or any power or the combination of several power types. However, it does not cover vehicles registered under the law governing such vehicles. **Additional deduction for investments in hotel renovation**. Companies and juristic partnerships conducting an eligible hotel business can claim an additional 150% deduction for qualifying payments made in 2020. For these purposes, qualifying payments include those made for additions, alterations, extensions or improvement of property related to the hotel business. However, this tax benefit will not apply to amounts paid for property repair and maintenance. Qualifying properties must be: o A permanent building used for the hotel business operation (as defined under the Hotel Act) o Fixtures or furniture that are permanently fitted to the abovementioned building **Procedures and requirements**. In order to claim these tax benefits, taxpayers must prepare and submit an investment project and payment plan to the Revenue Department. In addition, the following requirements for machinery and qualified properties must also be met: o The machinery must have never been used. o The machinery and qualified properties must be acquired and ready to use by 31 December 2020. o The machinery and qualified properties must be subject to wear and tear and depreciation that is deductible under Section 65 Bis (2) of the Revenue Code. o The machinery and qualified properties must be located in Thailand.	

Jurisdictions	Status	Type	Brief description	Source
			o The machinery and qualified properties must not have been granted tax privileges under any other Royal Decree. o The machinery and qualified properties must not be used in a business that has been granted a corporate income tax exemption under the law governing investment promotion, the law enhancing competitiveness for targeted industries, or the law governing eastern special development zone. The tax benefits will be revoked if the taxpayer fails to comply with the specified procedures and requirements. In case that the machinery or the qualified property is sold, damaged or lost, the tax benefit will cease in the accounting period that such event occurs. Further guidelines on the application of these tax benefits are expected from the Director-General of the Revenue Department. **Additional deduction for SMEs on interest expenses incurred from soft loans – Royal Decree n. 707** Eligible SMEs can claim an additional 50% deduction of interest expenses (150% deduction in total) incurred on soft loans obtained under the Government's measure to aid business operators who have been affected from COVID-19 outbreak. The interest expenses must incur in the period from 1 April 2020 to 31 December 2020. To be eligible for the increased tax deduction, the SME must meet the following conditions in the 12-month accounting period ending on or before 30 September 2020: – The annual revenue must not exceed THB 500 million, and – The number of employees must not exceed 200 persons	

Jurisdictions	Status	Type	Brief description	Source
			Additional deduction for SMEs on salary expenses paid to insured employees The SMEs employers can claim an additional 200% deduction (300% deduction in total) of salary expenses paid to insured employees under Section 33 of the Social Security Act for the salary cycles of April 2020 to July 2020. Such expenses must be paid in the period from 1 April 2020 to 31 July 2020 for the insured employees who receive salary of not exceeding THB 15,000 per month. Qualified salary is defined as the amount agreed by the employer and the employee to be remunerated for the work performed under the employment agreement, either per day, per week, per month or otherwise agreed, including the amount paid by the employer to the employee for work performed on holidays or leaves that the employee is entitled to under the Labor Protection Act. However, it does not include overtime payments, bonuses and other benefits relating to employment. To be eligible for the additional tax deduction, the following conditions must be met: – The annual revenue must not exceed THB 500 million and the number of employees does not exceed 200 persons in the 12-month accounting period ending on or before 30 September 2020, and – The number of insured employees on the last day of April 2020, May 2020, June 2020 and July 2020 must not be lower than the number of insured employees on the last day of March 2020, unless the SME has any justifiable reasons as prescribed by the Director-General of the Revenue Department, and – The SME must not utilize other tax benefits relating to salary expenses, and – Other conditions, procedures and requirements to be announced by the Director-General of the Revenue Department must be complied.	

Jurisdictions	Status	Type	Brief description	Source
			If SMEs fail to comply with the specified procedures and requirements, the applied tax benefit will be revoked. The amount of tax benefits received must be included as taxable income for corporate income tax purposes in the accounting period that such tax benefit is used. **90% reduction of certain land and building tax** On January 26, 2021, the Thai Cabinet approved a 90% reduction of the land and building tax for assessment year 2021 for the following types of properties: – Land or buildings used for agricultural purposes – Land or buildings used for residential purposes – Land or buildings used for purposes other than agricultural or residential purposes – Undeveloped land or buildings The reduction would apply to any owners who own the property or possess the state property for their own benefit as of 1 January 2021. There are certain types of property that would not be subject to this relief. In addition, the Ministry of Interior has extended the deadline for land and building tax payments from the end of April 2021, to a date that is two months from the date of receiving the tax assessment—which could potentially be the end of June 2021 at the latest. A draft Royal Decree, approved by the Thai Cabinet on 18 May 2021, extends the period for tax relief **benefits allowed for donations of medicine and medical supplies imported to treat and to counteract the spread of the COVID-19 for public charitable purposes**. Corporate income tax exemptions are allowed for companies or juristic persons for donations of medicine and medical supplies, provided that the cost of the donated supplies is not included as a deductible expense for purposes of computing corporate income tax.	

Jurisdictions	Status	Type	Brief description	Source
			The benefit is available for donations made from 1 March 2021 through 31 March 2022. **Tax benefits for debtors of financial institutions**. On 18 May 2021, the Cabinet approved a draft Royal Decree issued under the Revenue Code to provide tax benefits to debtors of financial institutions. This decree is aimed at those who settle their debts by transferring their property used as a security against their debts. tax benefits will be provided to debtors and financial institutions for the transfer of secured property for debt repayment as follow: – Exemption of personal income tax and corporate income tax will be provided to debtors of financial institutions on income received from debt forgiven by the financial institutions as a result of the transfer of the secured property for debt repayment. – Exemption of personal income tax, corporate income tax, VAT, specific business tax and stamp duty will be provided to debtors of financial institutions and financial institutions for the transfer of properties, sale of goods, and execution of dutiable instruments arising as a result of the transfer of secured property for debt repayment. In addition, the Cabinet also approved a draft Ministerial Regulation to allow financial institutions to waive the normal procedures required for writing off bad debt from a debtor account for those debts forgiven as a result of the transfer of secured property.	
Thailand	Proposed	Business Income Tax	The Thai Cabinet in January 2021 approved changes that would revise the rules for writing off bad debts. The draft amendment approved by the Cabinet would revise the conditions for writing off bad debts relating to debtor accounts with respect to loans that are fully reserved at 100%, under the rules prescribed by the Bank of Thailand, and for which one of the following conditions applies:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The principal or interest has been outstanding for a total of 360 days or 12 months. – The debtor meets the criteria for writing off an account's assets, as prescribed by the Bank of Thailand. The changes would apply to bad debts written off in the accounting period beginning on or after 1 January 2020.	
Thailand	Proposed	Customs/Import and Other Miscellaneous Taxes	The Thai Cabinet approved a draft ministerial regulation that would allow a reduction of the customs duty surcharge that otherwise would apply, provided that the customs duty underpayment is resolved within a specific time period. Currently, underpayments of customs duties attract a 1% per month surcharge. However, if an importer or exporter knows that it has underpaid the customs duty and voluntarily pays the outstanding amount, a reduced surcharge can apply, but is granted on a case-by-case basis. The draft regulation proposes a reduction of the surcharge imposed on an importer or exporter that has underpaid an amount of customs duty, but had no intention to evade payment, and makes up the difference and pays the outstanding amount by a certain date. The surcharge reduction would be available at a rate of 0.25% per month, as calculated from the full or the additional amount of customs duty paid from the day goods were released from customs custody or the date of exportation until the date of customs duty payment. The surcharge relief is effective from the day after it is published in the official gazette until 30 September 2021.	KPMG TNF
Thailand	Implemented	Filing/Payment Deadline Extension	The filing deadline for **individual income tax returns** (form PND.90/91) is extended from March 31, 2020 (or April 8, 2020 for e-filings) to 31 August 2020.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Corporate Tax PND.50 filing is extended from 1 April 2020 – 30 August 2020 to 31 August 2020 and PND.51 from 1 April 2020 - 30 September 2020 to 30 September 2020. In addition, on April 6, 2020 the Ministry of Finance has provided for an extension of the deadlines for **monthly tax return filings** and monthly tax **payments** to **all business operators.** Please refer to the *matrix* prepared by KPMG member firm in Thailand for a summary of the extended deadlines. Effective from 16 April 2020, the **submission of compulsory social security forms and remittance of the contributions** for the months of March, April and May (originally due April 15, May 15 and June 15, 2020 respectively) have been extended three months. On May 12, 2020, the Ministry of Finance announced further extension of the monthly tax return submission and payment deadlines via e-Filing system, for WHT, self-assessed VAT, VAT and Specific business tax due for March through August. Please refer to the *matrix* prepared by KPMG member firm in Thailand for a summary of the extended deadlines. **Excise tax filing extension for entrepreneurs within Oil and Gas industry, including retail**, to complete tax filing within the 15th of the month after products are transferred out of factories. The extension covers from April to June 2020. **Excise tax filing extension for businesses in entertainment industry** (nightclub, disco tech, pub, bar, cocktail lounge, extensively to restaurants with live music and closing time after 24:00, bathing houses and massage, and other related businesses such as horse gambling and golf club) to complete tax filing within 15 Jul 2020. **Penalty relief for transfer pricing disclosure forms, if e-filed by 30 December 2020** – the Thai Government	and KPMG TNF and KPMG TNF and KPMG Global and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			announced a reduction of the penalty amount for late submissions of the transfer pricing "disclosure form", which was due 31 August 2020. The reduced penalty (from THB 200,000 to THB 5,000) is available for disclosure forms electronically filed (e-filed) by 30 December 2020. Also, to assist taxpayers in e-filing the disclosure form, the tax authorities introduced an online channel or portal that allows taxpayers to upload the disclosure form in an Excel format. On January 26, 2021, the Thai Cabinet approved extended tax return filing and tax payment deadlines for certain tax returns filed electronically. Please refer to the *matrix* prepared by KPMG member firm in Thailand for a summary of the extended deadlines. The Ministry of Interior has also extended the deadline for land and building tax payments from the end of April 2021, to a date that is two months from the date of receiving the tax assessment, which could potentially be the end of June 2021 at the latest. On April 30, 2021, the Ministry of Finance announced an extension of the due date for filing the annual tax return and for remitting tax payments. The deadline for filing the annual corporate income tax return (PND.50) and for paying the related tax has been extended to June 30, 2021 (from May 2021). The extended deadline also applies with regard to the filing of certain disclosure forms or information returns. On May 24, 2021, the Ministry of Finance released Notification No. 5 to provide an additional two-month extension of deadlines for filing the monthly tax return and remitting tax payments made via the Revenue Department's e-filing system. Please refer to the *matrix* prepared by KPMG member firm in Thailand for a summary of the extended deadlines.	

Jurisdictions	Status	Type	Brief description	Source
			On August 24, 2021, the Ministry of Finance further extended certain tax return filing and tax payment deadlines. Please consult this TNF for the details. In addition, a waiver or reduction of VAT and specific business tax filing penalties for payments that must be paid within the period from September 2021 to October 2021 was granted. Penalty waivers or reductions will apply if tax is filed within three months after the extended tax filing due date at the rates below. • No penalty if taxes and surcharges are paid in full. • Penalties reduced to 2% if tax paid is not less than 25% of the total tax payable.	
Thailand	Implemented	Individual Tax	Tax deduction for health insurance from 15,000 to 25,000 for the 2020 tax year onwards. However, the total deduction combined with life insurance premiums and life insurance savings must not exceed THB 100,000. Tax exemption for medical personnel on income received as compensation for the risk associated with COVID-19 in the 2020 tax year.	**KPMG Global**
Thailand	Implemented	Payroll Tax	SMEs employers can **deduct 300% of eligible salary costs** paid to employees in the period from April 2020 to July 2020 for corporate income tax purposes. The compulsory social security contribution rates of the employers and insured persons are reduced for the three-month salary cycles from March to May 2020. The reduced rates will apply to each employee's monthly salary but not exceeding the maximum salary of Baht 15,000 per employee per month. The Cabinet approved a three-month extension of a **reduction of the compulsory social security contributions,** for September through November 2020. The compulsory social security contribution rates of	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			employers and employees (the insured persons) are reduced to 2% from 5%. The reduced rates apply to each employee's monthly salary, but not exceeding the maximum salary of Baht 15,000 per employee per month, for the three-month salary cycles from September through November 2020. If the contributions are "over-remitted," employers or employees can request a refund from the appropriate social security office. On January 26, 2021, the Thai Cabinet approved a reduction of social security rates. The compulsory social security contribution rates of the employer and insured person under employment are reduced from 3% to .05%, for the two-month salary cycles from February 2021 to March 2021. The reduced rates will apply to the maximum salary of THB 15,000. On May 28, 2021, the Ministry of Labor provided guidelines about a further three-month reduction of the social security contribution rates in 2021, which is effective June 1, 2021. The social security contribution rates for employers and employees are to be reduced for three-monthly salary cycles from June 2021 to August 2021.	
Thailand	Implemented	PE and Place of Management	The Government has unlocked certain limitations of the previous e-meeting law which required, among others, that at least one-third of the quorum to be present at the same place and the attendees must be in Thailand. On April 18, 2020, the Thai Government issued the Emergency Decree on Electronic Meetings B.E. 2563 (2020) effective from April 19, 2020 which easies the limitations and allows entities including companies (both private and public companies) to be able to hold virtual board of directors and shareholder meetings without the physical attendance requirement from anywhere.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– This law applies to meetings that are required by law and conducted via electronic means such as board of directors and shareholder meetings of companies but excluding certain specific meetings such as meetings of the House of Representatives, Senates and National Assembly, etc. – All attendees can attend via electronic means from anywhere and no physical attendance is required. – Invitation notices and supporting documents may be sent via e-mails and the meeting organizer must maintain copies of such notices and documents as evidence. – The meeting organizer must: o arrange for the attendees to verify their identities via electronic means before joining the meeting, and o arrange for the attendees to be able to cast votes both by open voting and secret voting, and o prepare written minutes of the meeting, and o record the audio or audiovisual of every attendee for the entire meeting in the form of electronic data except for secret meeting, and o keep the electronic traffic data (e.g. IP Address, date and time of entry) of every attendee as evidence. – The meeting must be held in compliance with the standards for maintenance of security for electronic meetings prescribed by the Ministry of Digital Economy and Society (MDES).	
Thailand	Implemented	VAT and other indirect taxes	The Cabinet approved the proposal from the Ministry of Finance to **maintain the reduced VAT rate of 7% for another year**. The 7% reduced VAT rate is inclusive of	KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			local tax and would be applicable to the VAT liabilities incurring from the sale of goods, service provisions, and import transactions from 1 October 2020 to 30 September 2021. The Ministry of Finance on 24 August 2021 extended the reduced 7% VAT rate for two additional years. The reduced rate will be inclusive of local taxes and applicable for VAT liabilities incurred from sales of goods, service provisions and import transactions from 1 October 2021 to 30 September 2023.	KPMG TNF
Thailand	Proposed	VAT and other indirect taxes	A draft Royal Decree, approved by the Thai Cabinet on 18 May 2021, extends the period for tax relief **benefits allowed for donations of medicine and medical supplies imported to treat and to counteract the spread of the COVID-19 for public charitable purposes**. The tax relief is available for imports of supplies used for the treatment of, diagnosis of or protection against COVID-19. Such imports are exempt from VAT if donated to certain institutions such as medical institutions and certain public charities. The VAT exemption is allowed for companies or juristic persons for donations of medicine and medical supplies, provided that the cost of the donated supplies is not included as a deductible expense for purposes of computing corporate income tax. The benefit is available for donations made from 1 March 2021 through 31 March 2022.	KPMG TNF
Thailand	Implemented	WHT	The Thai Government has reduced the WHT imposed on payment for services, hire of work, certain commissions, and professional fees from 3% to 1.5% for the payments made from April 1, 2020 to September 30, 2020. The WHT will subsequently be reduced to 2% from October 1, 2020	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			to December 31, 2021 if the payment is made electronically. The Ministry of Finance on 27 March 2020 provided guidelines concerning **withholding tax relief**: – The rate of withholding tax on payments of certain taxable income made from 1 April 2020 to 30 September 2020 will be reduced from 3% to 1.5%. – The rate of withholding tax on payments of certain taxable income made from 1 October 2020 to 31 December 2021 will be reduced from 3% to 2% if the payment is made via the "e-Withholding Tax system." The reduced rates will not apply with regard to payments made to charitable foundations and associations.	

Jurisdictions	Status	Type	Brief description	Source
Turkey  **Contact:** Şaban Erdikler serdikler@kpmg.com	Implemented	VAT and other indirect taxes	According to a presidential decree (published in the official gazette on 31 July 2020), reduced VAT rates apply from 31 July 2020 through 31 December 2020, as follows: The VAT rate is reduced from 18% to 8% for: – Rentals of business premises – Entrance fee for meetings, conferences, concerts, and fairs – Weddings and cocktail parties – Barbers and beauty salons – Tailoring and repair services for garments – Shoe repairs – Dry cleaning and laundry services – Carpet cleaning services – Repair of bikes and motorbikes and some services related to motor vehicles – Repair of home appliances, electronic devices, furniture and musical instruments – Locksmith services – Painting and maintenance of houses – Food services and restaurants – Passenger transportation services – Flower deliveries The VAT rate is reduced from 8% to 1% for: – Cinema, opera, ballet, and museum admissions – Coffee shops, cafe, patisseries and certain other restaurants (the VAT rate for restaurants is reduced to 8%; for other small restaurants the previous rate of 8% is reduced to 1%) – Hotels, motels, and other accommodation services	**KPMG TNF**
Turkey	Implemented	WHT	The withholding tax rate for rental of business premises is also reduced from 20% to 10%, through 31 December 2020.	**KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
Ukraine **Contact:** Raluca Enache enache.raluca@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	Special medical goods for Covid-19 purposes are temporarily exempt from customs duties from 1 March 2020 through 30 June 2020.	KPMG TNF
Ukraine	Implemented	Filing/Payment Deadline Extension	The following relief measures have been enacted: – **Simplified penalties and late-payment interest** – **For the period 1 March 2020 to 31 May 2020**—in general, penalties do not apply except with regard to accrual, declaration, and payment of VAT and excise tax, among other items; and late-payment interest will not be imposed – **For the period 1 March 2020 to 30 April 2020**—penalties are not applied for late submission of the unified social tax reports and late payment of the unified social tax, and no interest is imposed for late payment – **Simplified accrual and payment of taxes and fees** – **For the period from 1 March 2020 to 31 March 2020**—land tax and rent payments made regarding state and communal property used in business activity are not charged. The land tax and rent payments for April 2020 are charged in normal way with a payment deferral until 30 June 2020. There is the ability to submit a tax return to claim an adjustment of the tax amount; also, non-residential real estate owned by individuals or legal entities is not taxed, and individual entrepreneurs, individuals operating independent professional activity and members	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			of the private farms are to be exempted from the calculation and payment of the unified social tax for themselves.	
Ukraine	Implemented	Suspension of Tax Audits	For the period from 18 March 2020 to 31 May 2020 there is a **moratorium on documentary and scheduled tax audits**, except for audits of VAT refund requests. Scheduled audits which should have been started during this period according to the 2020 schedule are postponed. The information about updated tax audit schedule has been already announced on the STS official website on 24 March. Tax audits that have already started will be suspended temporarily until 31 May 2020.	KPMG TNF
Ukraine	Implemented	VAT and other indirect taxes	Special medical goods for COVID-19 purposes are temporarily **exempt from import VAT** from 1 March 2020 through 31 May 2020).	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
United Arab Emirates **Contact:** Ashok Hariharan ahariharan@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The Federal Tax Authority (FTA) has extended the due date for filing the excise tax return and payment of **excise tax** for the month of March 2020 by one month from 15 April 2020 to 17 May 2020. To facilitate this extension within the existing legal framework, the FTA has extended the (monthly) tax period that commenced on 1 March 2020 by one month so that it will now end on 30 April 2020 instead of 31 March 2020 and will therefore be, in essence, a two month tax period. Notwithstanding that tax period extension to 30 April 2020, the FTA announcement indicates that excise registered taxpayers will be required to: – File separate excise tax returns for March 2020 and April 2020 by 17 May 2020; and – Pay excise tax for March 2020 and April 2020 by 17 May 2020. The FTA has also extended the due date for **filing the VAT return** and **payment of VAT for the tax period ended 31 March 2020** (monthly or quarterly) by one month from 28 April 2020 to 28 May 2020. The **Dubai Government** has announced the following measures: – A refund of 20% of the **customs fee** imposed on imported products sold in Dubai – A 90% reduction of fees imposed on submission of customs documents – Reduction of **municipality fees** imposed on sales at hotels from 7% to 3.5% – A **refund** of 1% of the **customs duty** imposed on imported goods sold locally in the UAE. Goods imported between 5 March 2020 and 30 June	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			2020 that are liable to customs duty at the rate of 5% are eligible for the refund. Dubai Customs on 25 November 2020 announced that a 80% discount will be offered on penalties applicable for customs cases and violations detected or committed before 31 March 2020. To avail of these fine reductions, businesses and individuals should first settle their customs cases and pay any charges due, including customs duties resulting from the case, if due, before December 31, 2021. On January 14, 2021, Dubai Customs released Notice no. 1/2021 concerning the submission of customs declarations and required documents. The guidance reinstates the process initiated by Notice 1/2018, requiring the submission of customs declarations. Notice 1/2018 was suspended, as part of the government's response to the COVID-19 pandemic by Notice 2/2020 which paused the requirements to submit customs declarations. Notice no. 1/2021 revokes the suspension allowed under Notice 2/2020, and reinstates the customs declaration requirements beginning 31 January 2021. As of that date, businesses will have to submit customs declarations and other required documents to Dubai Customs within 14 days of processing of the customs declaration on the Mirsal2 portal. Once the 14-day period lapses, a daily late charge will be applied. Special rules apply for customs declarations completed between 29 March 2020 and 31 January 2021. Dubai Custom has extended a "grace period" for submitting customs declarations and required documents until 30 September 2021. In general, customs declarations and related documents must be submitted within a 14-day period. Customs Notice 5/2021 extends a grace period from this 14-day period to exclude declarations processed during the period from 1 February to 30 June 2021. With	

Jurisdictions	Status	Type	Brief description	Source
			this relief, companies importing and exporting to and from the UAE via Dubai can take advantage of the suspension to re-organize their internal processes to comply with Dubai Customs requirements by no later than September 2021. The **Abu Dhabi Government** has also announced the suspension of **tourism and municipality fees** for the tourism and entertainment sectors until the end of this year.	
United Arab Emirates	Implemented	Filing/Payment Deadline Extension	Under economic substance regulations, there is a legal requirement for all UAE entities, including branches of local and foreign companies that carry on any of nine relevant activities, to maintain economic substance in the UAE specific to each relevant activity. The nine activities relate to banking, insurance, investment fund management, lease-finance, shipping, headquarters, holding companies, intellectual property, and distribution and service centers. The economic substance regulations have an effective date of 30 April 2019, with reporting required from financial years ending on or after 1 January 2019. Under these rules, certain annual regulatory filing requirements (that include notification and reporting) must be met in order to comply with the regulations as well as to avoid penalties for non-compliance. Certain "free zones" have already announced the deadline for the first economic substance notifications—such as, DIFC with a deadline of 12 June 2020; ADGM with a deadline of 30 June 2020; and DMCC with a deadline of 30 June 2020. In general, **economic substance notifications across the UAE must be filed by the deadline of 30 June 2020**, and the due date for the economic substance report for FY 2019 is 31 December 2020.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
United Arab Emirates	Implemented	VAT and other indirect taxes	The supply or import of certain personal protective equipment made in the period from 1 September 2020 to 28 February 2021 when used for protection from COVID-19 is considered to be medical equipment subject to VAT at a zero-rate (0%). Supplies or imports after 28 February 2021 will be subject to VAT at a rate of 5%. Eligible medical equipment includes: – Medical face masks – Half-filtered face masks – Non-medical "community" face masks (made from textile) – Single-use gloves – Chemical disinfectants and antiseptics intended for use on the human body (but excluding detergents, cosmetics and personal care products) The application of zero-rating is effective retroactively from 1 September 2020. The tax authority issued a clarification (VATP023) concerning VAT and the temporary zero-rating of VAT for certain medical equipment. The supply or import of certain personal protective equipment during the period from 1 September 2020 to 28 February 2021 and used for protection from the COVID-19 disease is considered to be medical equipment subject to VAT at a zero-rate (0%). Eligible medical equipment is limited to the ones listed above.	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
United Kingdom **Contact:** Phil Roper phil.roper@Kpmg.co.uk	Implemented	Business Income Tax	The budget announced that **business rates** would temporarily be "scrapped" for certain business premises with a rateable value of less than £51,000. The government has now gone further and introduced a 12-month business rates holiday for all retail, hospitality, and leisure businesses in England for the 2020 to 2021 tax year. In addition, a **£25,000 local authority grant** would be provided to retail, hospitality, and leisure businesses operating from "smaller premises" with a rateable value between £15,000 and £51,000. Enquiries on eligibility for, or provision of, the reliefs need to be directed to the relevant local authority. Guidance for local authorities on the business rates holiday is expected to be published by 20 March 2020. Businesses in receipt of small business rate relief (SBRR) or **rural rate relief will be entitled to a £10,000 local authority small business grant**. Businesses eligible for SBRR or rural rate relief will be contacted by the local authority—there is no need to apply. Funding for the scheme will be provided to local authorities by the government in early April 2020. Similarly, targeted relief measures are also being introduced in **Scotland, Wales and Northern Ireland**. Businesses in the retail, hospitality and leisure sectors in England have automatically been given a 100% business rate discount for the 2020 to 2021 tax year. The position for business rates post 31 March 2021 has not been confirmed so an update from the Government is likely in advance of or included in March's Budget. To support employers whose operations have been severely affected by the COVID-19 outbreak, HMRC will pay participating employers 80% of a 'furloughed	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			worker's' pay (subject to a maximum payment of £2,500 per month) plus the associated employers' employer national insurance contributions and minimum employer pension contributions. This is a temporary scheme in place originally for 4 months starting from 1 March 2020, however on May 12, 2020, has been extended until October 31, 2020. Claims may be made from 20 April, and should be paid within six working days. For more information on the **Job Retention Scheme (JRS)**, please read the TNF prepared by KPMG member firm in the UK. For more information on the changes to the JRS that will apply from July 1 through October, please read the TNF and "*Flexible furlough – what do changes to the Job Retention Scheme (JRS) mean for your business?*" prepared by KPMG member firm in the UK. From August 2020, the employer must fund the difference between the minimum furlough payments it must continue to make to employees in respect of their non-working time (and associated employer's NIC and minimum pension payments) and the reducing grants available under the JRS. The changes in grants are as follows: – From 1 August - Minimum furlough payments 80 % of reference pay up to £2,500 per month. Employer must pay Employer's National Insurance Contribution (NIC) (13.8%) and minimum Pension Contributions (3% under auto enrolment). – From 1 September - 70 % of reference pay up to £2,187.50 per month. Employer responsible for NIC and Pension Contributions. – From 1 October - 60 % of reference pay up to £1,875 per month Employer responsible for NIC and Pension Contributions.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			On June 12, 2020, the Government published further guidance on the extension of the JRS. Two articles in this edition of *Tax Matters Digest* consider what the *latest changes to the JRS* mean for your business and how to *correct overclaims*. For additional insight on the JRS, please read "*Potential hidden costs under "job retention scheme"*". According to the Chancellor's summer statement, there will be no extension to the JRS. HMRC released additional guidance on the JRS summarized in the TNF "*Guidance about job retention scheme and other relief measures*" released by KPMG member firm in the UK. HMRC published a briefing paper which confirms that HMRC are now turning their attention to investigating JRS claims in depth. HMRC intends to write to all large businesses that participated in the JRS program, asking them to review their claims. The letters are being sent beginning 14 September 2020, with recipients being given 30 days to confirm that their claims are correct or disclose any errors. Depending on the employer's response, there may be specific interventions from HMRC's Large Business specialists. HMRC updated guidance under the JRS, to reflect changes concerning the introduction of language that revises what employers must do when calculating a claim if an employee stops being furloughed, or flexibly furloughed, partway through a claim period. HMRC have confirmed **30 November 2020** as the deadline for **submitting or amending** JRS claims (regardless of the extension through March 2021). In addition to ensuring final claims are submitted on or before 30 November, employers should review previously submitted claims to identify any underclaims that must be corrected before that date. Separately, unless previously repaid, any overclaims that arose	

Jurisdictions	Status	Type	Brief description	Source
			before 23 July must be reported to HMRC by 20 October. Any overclaims that arise on or after 23 July should be repaid or notified to HMRC within 90 days of arising. Amounts still due to HMRC will then be recovered through a special income tax charge on the employer. The JRS has been extended to April 30, 2021 (previously extended to December 2020). Funding will be available for up to 80% of an employee's pay in relation to unworked hours, capped at £2,500 per month. The grant must be paid to the employee in full. Employers do not have to have used the JRS previously to be eligible to make a claim. Employees can be included on a JRS claim for November even if they have not been included on a previous JRS claim. Employees can be fully furloughed or flexibly furloughed. JRS for November will broadly mirror the scheme as it operated in August. **JRS claims for November 2020 must be filed by 14 December 2020**, with any underclaims that are subsequently identified claimed by 29 December 2020. This is the first of the strict new filing deadlines under the new regime. In addition, two scheduled changes to the CJRS come into effect in December 2020 and HMRC have updated their guidance on furloughing workers over Christmas and New Year, reiterating that employees shouldn't be placed on furlough during periods when they would, in any case, be on holiday.. As **December 2020 claims must be submitted by 14 January 2021**. On April 15, 2021, the Treasury published the latest Coronavirus Job Retention Scheme (CJRS) direction, setting out the legal basis of how the scheme will operate from 1 May 2021 until it is expected to end on 30 September 2021. It extends the scheme and confirms previously announced changes. It also makes	

Jurisdictions	Status	Type	Brief description	Source
			key changes to how 'reference salary' is calculated for certain categories of employee. From 1 May 2021: – Eligible employees must have been included in a Real Time Information (RTI) PAYE return submitted to HMRC after 19 March 2020 and before 3 March 2021 (in effect this means a new employee eligibility category which covers those employed as at 2 March 2021 who did not previously qualify for a grant); and – From 1 July 2021 grants will reduce to 70 percent of 'reference salary' (capped at £2,187.50 per month), and from 1 August 2021 reduce further to 60 percent of 'reference salary' (capped at £1,875 per month). – There is also an important change to the averaging calculation used when determining 'reference pay' for variably paid employees. This now removes periods of statutory leave, as well as periods of reduced rate paid leave immediately following a period of statutory leave where employees have been absent for part of the average pay period. The Job Support Scheme which was due to come into force on November 1, will now be postponed until the end of the JRS.The proposed **Job Support Scheme (JSS)**, which was originally scheduled to replace the JRS, has been postponed. It appears possible the CJSS will now never come into operation. The JSS was supposed to run for six months from 1 November 2020 to 30 April 2021, and aims to maintain employees in viable jobs, rather than preserve posts which are likely to become redundant when the JRS ends. Businesses that are legally required to close, or to restrict their activities to delivery or collection only services from their premises, due to local or national coronavirus	

Jurisdictions	Status	Type	Brief description	Source
			restrictions will receive grants to cover part of the wages of employees who cannot work during the relevant periods **Eligibility -** The JSS is open to all small and medium sized enterprises and larger businesses whose turnover is impacted by COVID-19. However, larger businesses are not expected to make distributions whilst using the scheme. There is no requirement for the employer to have participated in the JRS, and employers who receive JSS funding remain eligible for the Job Retention Bonus (JRB). Employers must also have a UK bank account and PAYE scheme. Participating employees must have been included in a Real Time Information (RTI) submission to HMRC on or before 23 September and must not be under notice of redundancy. **Short time working arrangements -** Participating employees are required to work at least 33% of their 'usual' hours and this requirement may increase after three months. However, employees can work flexibly; potentially rotating on and off the JSS. Employers must enter into written short time working agreements with participating employees and these agreements must cover a period of at least seven days. This necessary change to employees' contracts is effectively a temporary variation to terms and conditions (similar to a flexible furlough agreement). **The financial support -** Employees should receive full pay, funded entirely by their employer, in respect of hours worked. For each 'usual' hour the employee does not work, the employee will receive 2/3 of their usual pay with: – The employer funding 1/3 of usual pay; and – 1/3 of usual pay covered by the JSS, subject to a monthly cap of £697.92.	

Jurisdictions	Status	Type	Brief description	Source
			Eligible businesses can claim 67% of salary, up to a maximum of £2,100 per month, for each employee who is unable to work for a minimum of seven consecutive days. Employers will not be required to contribute towards affected employees' salary but will be required to fund the associated employers' NIC and pension contributions. **Administration -** Employers will be reimbursed on a monthly basis, after payment of the relevant salary has been reported to HMRC through the RTI system, and HMRC will notify employees directly of details of claims that include them. On October 30, 2020, HMRC published new guidance on the JSS, please refer to the *TNF* prepared by KPMG member firm in the UK. The **Job Retention Bonus (JRB)** - The Government has also confirmed that the JRB, which was to reward employers for keeping previously furloughed workers in employment until 31 January 2021, will be replaced by an alternative retention incentive at an appropriate time. The JRB was announced in the Summer Economic Statement to support and reward employers who retain furloughed employees after the JRS closes on 31 October 2020. Detailed guidance on how the JRB will operate was published on 2 October 2020. eligible employers who choose to claim a JRB will receive a single payment of £1,000 in respect of each employee who: – At any point in time was validly furloughed and claimed for under the JRS; – Earns on average at least £520 per month between 1 November 2020 and 31 January 2021 (the 'minimum income threshold'); and	

Jurisdictions	Status	Type	Brief description	Source
			– Remains in continuous employment from the end of the last JRS claim period in which they were furloughed until at least 31 January 2021. Payments made under the JRB should be brought into account as income when calculating taxable profits. Eligible employers who claim a JRB payment are also able to participate in the new Job Support Scheme (JSS). Following interim guidance issued in August, HMRC have published further details on the JRB, which confirm that claims may be made between 15 February and 31 March 2021 (this is a hard deadline). For additional key points from HMRC's guidance, please refer to the TNF prepared by KPMG Member Firm in the UK. With respect to **donations, for corporation tax** there are two exemptions which are usually relied upon for claiming a tax deduction for gifts or donations: – **Relief for gifts to charities** – This applies where a company carrying on a trade freely donates an article to a 'recognized' charity which is one typically manufactured or sold, by the company in the course of that trade. It is important to note that the donation must still meet the usual 'wholly and exclusively' test in order to qualify for a tax deduction. Furthermore, whilst the above applies specifically to recognized charities, NHS institutions such as Foundation Trusts, whilst not-for-profit, are not themselves charities for these purposes; and – **Relief for gifts of medical supplies** – This applies where a company makes a gift from trading stock of medical supplies or medical equipment for human use and for 'humanitarian purposes'. HMRC guidance states that cases falling within the World	

Jurisdictions	Status	Type	Brief description	Source
			Health Organisation (WHO) guidelines on medicine donations should meet this criteria. Where either of the above exemptions apply, no amount is required to be brought into account as a receipt in consequence of the donation, and in computing the profits of the trade, a deduction is allowed for cost of the stock. In the case of medical supplies, a deduction is also specifically permitted for any costs of transportation, delivery or distribution incurred by the company in making the gift. It should be noted that special rules apply where the donor, or a connected person, receives a benefit in connection with the gift of trading stock, which in effect, disallow a tax deduction from being claimed. Similarly, the legislation is currently unclear as to the availability of a tax deduction where the article being donated is not manufactured as part of the business's ongoing trade – further clarification is being sought on this matter from HMRC. As such, whether a gift or donation meets the required criteria will be dependent on the facts and circumstances in each case. HMRC have published **guidance on their expectation of how research and development (R&D) relief** claimants should treat staff costs for employees who have been furloughed. Broadly the R&D tax incentives, both the small and medium sized businesses (SME) regime and R&D credit (RDEC) regime for large businesses, are 'activity based' and HMRC expect staff costs for furloughed periods to be excluded from R&D incentive claims given staff are not engaged in R&D activity while furloughed. For additional information please read "*R&D staffing costs for furloughed employees*", prepared by KPMG member firm in the UK.	

Jurisdictions	Status	Type	Brief description	Source
United Kingdom	Implemented	Customs/Import and Other Miscellaneous Taxes	HMRC have provided guidance on temporary changes to customs authorizations. The customs authorization application can be temporarily sent by email to: leeds.citexarteam@hmrc.gov.uk. The postal application form with an original signature will need to be sent once the coronavirus (COVID-19) controls are lifted. If the customs authorization application relates to supplies of food, medical and pharmaceuticals, it will be given priority during this period and fast-tracked wherever possible. HMRC have published guidance for exporters of PPE. During the coronavirus outbreak anyone wanting to export PPE to areas outside the EU and EFTA member states and certain other territories will temporarily require a PPE license. This export authorization requirement expired on 25 May 2020 and has not been extended. Following the UK's recent announcement of a temporary domestic zero rate of VAT for Personal Protective Equipment (PPE), HMRC have updated their Health guidance and confirmed that "VAT is charged on the importation of goods at the same rate as if the goods had been supplied in the UK so the **temporary zero rate will also apply to relevant imports**". HMRC have confirmed that they will donate the VAT on donations of PPE made between 1 March 2020 and 30 April 2020, prior to the introduction of a temporary zero rate, to charity.	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF
United Kingdom	Implemented	Filing/Payment Deadline Extension	**Income tax payments** that are due 31 July 2020 may be **deferred** until 31 January 2021, without penalties or interest for the late payment of income tax. This relief	KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			is applicable for **professional services firms and fund management firms**, and the deferment is optional. **VAT payments** due between 20 March and 30 June 2020 can be deferred and paid by the end of the tax year (31 March 2021). This relief, however, does not apply to VAT payments under the "Mini One Stop Shop" (MOSS) scheme under which VAT is reported and paid on sales of digital services to consumers in the EU. Also, VAT returns must still be timely filed during this period. The guidance released by HMRC also confirms there will be no penalties or interest charged on the deferred VAT. The deferral is available for all UK VAT registered businesses. HMRC will continue to repay taxpayers any VAT during this period as usual, such as repayment VAT returns, or VAT refund claims. HMRC are not automatically suspending collection of direct debit payments of VAT during this period and businesses will need to cancel their direct debit mandate and remember to set it up again in due course. Businesses should continue to prepare VAT returns as normal and file them by the due date. Businesses facing difficulty making other tax payments (including **corporation tax and PAYE**) may request a time to pay (TTP) arrangement with HMRC to defer payments which are due (or overdue). HMRC have been responsive to time to pay requests from businesses who are able to justify why a deferral is needed and three-month deferrals have generally been agreed in such cases. Additionally, businesses within the **quarterly installment payment regime** may have already made installment payments of corporation tax to HMRC based on profit forecasts made prior to the outbreak of COVID-19. Such companies may be entitled to a repayment of overpaid quarterly installment payments plus interest at 0.5%. In order to request a repayment,	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			the company should give notice to HMRC of the amount which the company considers should be repaid, as well as the grounds referred to above. **Unpaid quarterly installment payments** for corporation tax will be subject to reduced interest rates of 1.10% from 23 March 2020. **Duty deferment account** (DDA) holders who are experiencing severe financial difficulty as a result of COVID-19 and who are unable to make payment of deferred **customs duties and import VAT** (due on the 15th of each month) can contact HMRC for approval to enter into an extended period to make full or partial payment, without having their guarantee called upon or their deferment account suspended HMRC have **extended the end of year payroll reporting deadline for employers** of Appendix 7A and B internationally mobile employees from 31 March 2020 to 31 May 2020, and the reporting deadline for Appendix 4 Short Term Business Visitors from 31 May 2020 to 31 July 2020. HMRC have announced that the reporting and payment deadline for the PAYE Special Arrangement for Short Term Business Visitors for the 2019/20 tax year will be extended from 19 April 2020 to 31 May 2020. **Stamp Duty Reserve Tax** (SDRT) must now be paid electronically. HMRC have updated their guidance to confirm that stamp duty reserve tax refunds cannot be processed by post. Until further notice taxpayers should email an electronic version of their refund request to HMRC at: mailbox.sdrt@hmrc.gov.uk. HMRC have published specific guidance confirming that COVID-19 is a **reasonable excuse for late filing** in relation to **country by country reporting**, **DAC 6** and Common Reporting Standard/Foreign Account Tax Compliance Act (**FATCA**) reports.	

Jurisdictions	Status	Type	Brief description	Source
			HMRC have confirmed that in cases where a **VAT liability** has been deferred due to COVID-19 (for the period of 20 March – 30 June), the VAT deferred will not be constituted as a 'liability owing' to HMRC and, therefore, any R&D tax credits or R&D expenditure credits owed to the business will not be offset against the deferred VAT liability. However, this is not the case in respect of other outstanding tax liabilities, including any debt in respect of VAT owed to HMRC which arose outside of the permitted deferral period, and any other tax which is paid late under a 'Time to Pay' arrangement with HMRC. HMRC have announced that they will temporarily **extend the deadline** for businesses to notify them of an **option to tax land and buildings** (for VAT purposes) from 30 to 90 days. This will apply to decisions made between 15 February and 31 May 2020. In a Written Ministerial Statement the Government confirmed that HMRC can grant an extension to the three year window for taxpayers seeking a refund of the 3% higher rate of **stamp duty land tax for additional properties**. This applies in cases where the three year window ended on or after 1 January 2020 and the taxpayer has been unable to sell a previous main residence within that window due to exceptional circumstances outside their control. HMRC have also updated their guidance on how to claim a refund in relation to this. On May 15, 2020, HMRC have published further guidance on the optional deferral of income tax payments due to be paid by 31 July 2020. The guidance makes it clear it is aimed at taxpayers finding it difficult to make the second payment on account by 31 July due to the impact of coronavirus. It also confirms the Government's previous announcement that no late payment interest or penalties will be charged where	

Jurisdictions	Status	Type	Brief description	Source
			taxpayers choose to defer payment provided it is subsequently paid on or before 31 January 2021. On 12 May 2020, HMRC issued an update to the International Exchange of Information Manual. HMRC informs Financial Institutions (FIs) that the **FATCA** and **CRS** reports are due to be filed by 31 May 2020. However, when a late filing is due to COVID related difficulties, the FI will be considered to have a reasonable excuse and will not be subject to penalties. HMRC have **updated** their **notes on inheritance tax forms** including the main IHT400 and also IHT100 to confirm that, until further notice, HMRC will accept such forms that are not physically signed from unrepresented taxpayers/trustees or from professional agents. The notes include guidance as to what is required for HMRC to be able to accept such forms. HMRC have updated their **guidance on making returns for and paying Climate Change Levy**. The postal address for returns has been updated and payments can no longer be accepted by cheque. As lockdown begins to lift, HMRC have written to a number of large businesses that have postponed payment of taxes due to COVID-19 stating that payment is now required for deferred amounts (excluding liabilities covered by the special VAT deferral arrangements). Where Companies are unable to pay they should prepare a formal Time To Pay (TTP) application which should show an evidenced case, other measures taken and a payment plan. Of particular note, it appears that HMRC are most likely to view a TTP application favorably if it contains a proposal for a substantial upfront payment - they have indicated this to mean 70 to 80 % (or more) of the outstanding liabilities, although we would hope that each case will be dealt with on its merits. Businesses are also	

Jurisdictions	Status	Type	Brief description	Source
			expected to prioritize their debt and not pay dividends while expecting to enter into a TTP. HMRC have confirmed in a briefing paper that the temporary administrative changes in policy (e.g., allowing electronic 'stamping' of documents and removing the need for 'wet signatures') will be withdrawn only when HMRC are confident they are no longer required. HMRC also indicated that if some of the administrative easements provide an opportunity for modernization, they will aim to make these permanent. HMRC have re-iterated that taxpayers should continue to file their tax returns and make tax payments on time however, they remain sympathetic to the difficulties faced by businesses and for the time-being they are prepared to accept COVID-19 related disruption as a reasonable excuse for late filing. HMRC state that "It is vital that people contact us if they can't meet the deadlines; these penalties are sometimes automated, so we will only know if a customer has a reasonable excuse if they inform us." HMRC have re-iterated that, while **they will not be extending the deadline for corporation tax** (CT) returns in light of COVID-19, they are prepared to accept disruption caused by COVID-19 as a **'reasonable excuse' for late filing on a case by case basis** and that where taxpayers contact HMRC in advance of the deadline they can arrange for late filing penalties to be deferred. In addition, HMRC have clarified the position for late filing of **Corporate Interest Restriction (CIR) returns**. Once proposed legislation has been enacted with retrospective effect, as with CT returns, HMRC will not apply late filing	

Jurisdictions	Status	Type	Brief description	Source
			penalties where the taxpayer has a 'reasonable excuse' and the return is filed within an acceptable period of time after the reasonable excuse ends. However, as CIR returns can be filed using estimated figures, HMRC have advised that reporting companies should proceed with filing the CIR return on time where possible.	
United Kingdom	Announced	Individual Income Tax	To help investors withdraw funds from their Lifetime ISA (LISA), the withdrawal charge has been temporarily reduced from 25 percent to 20 percent. Regulations giving effect to the temporary reduction in the withdrawal charge between 6 March 2020 and 5 April 2021 will be issued shortly. The Scottish Government announced it is temporarily extending the time period for selling a previous main residence in order to claim repayment of the Land and Buildings Transaction Tax Additional Dwelling Supplement from 18 months to 27 months, where the effective date of the purchase of the new main residence fell within the period beginning with 24 September 2018 and ending 24 March 2020.	**KPMG TNF**
United Kingdom	Implemented	Individual Income Tax	HMRC have published guidance for individuals on the tax implications of waiving income, such as salary and dividends, to support their business or employer and for individuals donating to charity. For more information on bonus and salary waivers please see the article in this edition of *Tax Matters Digest*. Please also see this earlier article for more information on the tax considerations of charitable giving.	**KPMG TNF**
United Kingdom	Implemented	Payroll Tax	Small and medium enterprises are allowed to reclaim statutory sick pay amounts paid for sickness absences due to COVID-19. The repayments will be available for employers with fewer than 250 employees as of February 28, 2020.	**KPMG TNF** and **KPMG TNF** and

Jurisdictions	Status	Type	Brief description	Source
			Employers will need to consider keeping records of staff absences for purposes of refund claims; there will be no need for employees to provide a doctor's note. HMRC have published guidance highlighting which expenses are taxable for employees working from home due to COVID-19. The affected employees consist of individuals who work from home due to COVID-19, either because the workplace has closed or are following Government advice to self-isolate. There are a number of exemptions for certain types of employee expenses and benefits which include: – Mobile phones and sim cards bought for business use; – Newly installed broadband internet connection (and associated fees) where required for business use; – Laptops, tablets, computers and office supplies provided by the employer and mainly used for business; – Additional household expenses incurred whilst working from home (e.g. electricity, heating and broadband) up to £6 per week (£4 per week prior to 1 April); – Employer provided loans up to a total value of £10,000 in a tax year; and – Mileage allowance payments for use of own car for business 45p per mile up to 10,000 miles (25p per mile thereafter). The UK Chancellor announced in July 2020 that a **temporary income tax and Class 1A NIC exemption** would be introduced for employer-provided COVID-19 tests in 2020-2021. Regulations set forth details of the new exemption:	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– The new exemption applies only to qualifying COVID-19 tests provided by or on behalf of employers on or after 8 December 2020. However, HMRC have confirmed that, provided the relevant conditions are met, income tax and Class 1A NIC will not be collected on qualifying COVID-19 tests provided during 2020/21 before the new regulations take effect. – Not all COVID-19 tests will qualify for the new exemption. Tests that detect relevant coronavirus antigens or viral RNA – both factors that indicate a current infection and the need to self-isolate – are within the scope of the exemption. Tests that detect antibodies which indicate an individual has previously had COVID-19 are not covered. Where the new exemption does not apply, employers could consider whether the provision of COVID-19 tests qualifies for exemption from tax as a trivial benefit. However, HMRC have said that where repeated tests are provided for an employee and the aggregate cost exceeds £50, then the trivial benefit exemption will not apply. In these circumstances it should nevertheless be possible for the employer to include taxable COVID-19 tests in a PAYE Settlement Agreement.	
United Kingdom	Proposed	Payroll Tax	A statutory instrument, which legislates for the new temporary income tax and national insurance contribution (NIC) exemption where employees acquire home office equipment as a result of the coronavirus outbreak and are subsequently reimbursed by their employer, has been laid before the House of Commons. This new exemption will apply to amounts reimbursed on or after 11 June 2020 and prior to 6 April 2021. However, when the new exemption was announced, the Financial Secretary to the Treasury	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			indicated that HMRC would exercise their collection and management discretion to apply this exemption to relevant expenses reimbursed on or after 16 March 2020 and prior to the new regulations taking effect. In order for this exemption to be available, the equipment must be obtained for the sole purpose of enabling the employee to work from home as a result of the coronavirus outbreak; and the provision of the equipment would have been exempt from income tax by virtue of ITEPA 2003, section 316 had it been provided directly to the employee by or on behalf of the employer. In summary this means that any private use by the employee, their family or household is not significant; and the employer's sole motive in making the reimbursement is to enable the employee to carry out the duties of their employment.	
United Kingdom	Implemented	PE and Place of Management	On April 9, 2020, HMRC published its views regarding the impact of COVID-19 on corporate tax residence and permanent establishments. **Corporate tax residence** - HMRC's statement explains that they consider their existing approach to residence already provides sufficient flexibility to deal with the impact of the travel restrictions, and no specific concession is needed for the COVID-19 situation. HMRC refer to their existing guidance which states that the holding of occasional board meetings in the UK does not necessarily mean that some of the company's 'central management and control' (CMC) is in the UK. Finally, HMRC emphasize that the location of CMC should be established based on the facts, and wider circumstances are taken into consideration beyond where board meetings are held. **Permanent establishment** - HMRC's approach is that their existing guidance is sufficient and that no special	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			concession is necessary for COVID-19. In particular, HMRC refer to the need for a fixed place of business to have a sufficient degree of permanence in order to constitute a PE, and for the conclusion of contracts to be 'habitual' in order for it to lead to a PE under the 'dependent agent' heading. HMRC consider this already provides sufficient flexibility to deal with the impact of the travel restrictions, adding that, even if a PE does arise, this does not necessarily mean that significant profits would be attributable to it. HMRC published Q&As clarifying how the statutory residence test applies to individuals who have been unable to leave the UK because of COVID-19. Under the test, the number of days an individual spends in the UK during the tax year is considered in a number of detailed tests that determine UK tax residence status. For some of those tests, a day spent in the UK can be considered "exceptional" and therefore disregarded in counting days an individual has spent in the UK. **Exceptional circumstances**. HMRC provided further examples of when days spent in the UK are likely to be considered "exceptional" for statutory residence test (SRT) purposes. These are when an individual: • Follows official advice not to leave the UK as a result of the virus • Is unable to leave the UK due to the closure of international borders • Is self-isolating in line with government advice • Is required to come to the UK to support a family member who has been asked to "shield" or "self isolate" (but the individual must demonstrate why it is necessary to come and remain in the UK to provide support) For exceptional circumstances to apply, the individuals must be able to demonstrate the presence in the UK is	

Jurisdictions	Status	Type	Brief description	Source
			beyond their control, they are prevented from leaving the UK, and they have made every effort to leave once the relevant restrictions have been lifted. The limit for "exceptional circumstances" remains at 60 days, and there will be no other relaxations, such as allowing individuals to treat UK work-days as non-taxable if they would ordinarily have been working overseas. **Full time work overseas**. Many individuals who leave the UK for work aim to be considered non-residents in the UK under the automatic "full-time working overseas" test. To meet this test, an individual must spend no more than 90 days in the UK during the tax year, of which no more than 30 days can be work-days. In addition, there can be no "significant break" from overseas work—that is, a period of more than 30 days without any overseas work-days. Although "exceptional circumstances" (if they apply) can be used to extend the 90-day limit, HMRC confirmed that a day when an individual spends more than three hours working in the UK will still be considered a "UK work-day" even if that same day is considered exceptional for 90-day purposes. There will be no relaxation on this point. Similarly, HMRC confirmed that it will not relax the "significant break" test.	
United Kingdom	Implemented	Suspension of Tax Audits	HMRC have issued formal notices to some small and mid-sized businesses confirming a temporary pause on enquiry work. The notices state that HMRC will temporarily pause work on cases unless they are asked to continue progressing them by taxpayers. We understand that enquiry work is still continuing for large and complex businesses and that HMRC are willing to hold virtual meetings to progress these.	KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			HMRC have confirmed that VAT error correction notices and service of new legal proceedings and pre-action letters will be temporarily accepted by email. HMRC have granted a further **60 day extension** to the deadline for taxpayers impacted by the recovery of state aid, on chapter nine exemption claims under the controlled foreign company regime, to respond to HMRC's requests for further information. This is in addition to a previously granted 30-day extension. Affected taxpayers should have received a letter from HMRC to confirm this. HMRC recently wrote to a number of taxpayers with offshore assets, income or gains which gave a 30-day deadline for a response. In a letter to the professional institutes, **HMRC have confirmed that they will not be extending this deadline**. They have said however that "*those who need more time to gather information should let us know, and we will continue to take a reasonable and proportionate approach to such requests*" The First-tier Tribunal has announced a further general stay of all proceedings received before 24 March 2020 up to and including 30 June 2020. The dates of all hearing windows and for compliance with all time limits in those proceedings are further extended by 70 days. Time limits have not been extended for any Directions made by the Tribunal on or after 24 March 2020. HMRC have updated their guidance on what constitutes a **'reasonable excuse' when appealing against a penalty**, to confirm they will accept COVID-19 as a reasonable excuse if a taxpayer misses a payment or filing deadline. In such cases the taxpayer must explain to HMRC how they were affected by	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			COVID-19 in their appeal and the return, or payment must still be made as soon as possible. HMRC have confirmed they will allow **a three-month extension for taxpayers to appeal**, or seek a review of any HMRC decision arising in February onwards, where COVID-19 is cited as the reason. HMRC in a briefing paper announced that will generally only open new enquiries into those badly affected by COVID-19 if they think these taxpayers can engage and resolve the enquiry. HMRC will only visit taxpayers in person when necessary and they will follow all social distancing guidelines. In specific situations, HMRC will open tax enquiries even if a taxpayer has been severely affected by COVID-19, including where they suspect criminal activity, fraud or significant deliberate non-compliance, and to protect employees for instance to enforce national minimum wage compliance. In light of this, with respect to minimum wage it is essential that employers ensure their employees are paid for all working time and reflect any changes made to operations as a result of COVID-19. HMRC note that **debt collection activities have resumed** and are initially targeted at the taxpayers least affected by COVID-19. They have also promised to provide "timely, targeted information about what taxpayers need to do next" if they have deferred self-assessment and/or VAT payments. HMRC have already started contacting businesses with new debts who have yet to speak to them, as well as businesses where payment deferrals were agreed, so that they can be supported into 'Time to Pay' arrangements where needed. Late tax payments will attract late payment penalties and interest, so	

Jurisdictions	Status	Type	Brief description	Source
			taxpayers are encouraged to contact HMRC if they don't think they will be able to pay.	
United Kingdom	VAT and other indirect taxes	Implemented	With respect to donations, for VAT purposes the following reliefs exists: – **Goods withdrawn from sale** - Where goods have been withdrawn from sale because they have reached the end of their economic life (for example the use-by date has been reached or the goods are damaged) and the choice is to donate or destroy them, they can be regarded as no longer an asset of the business and the disposal is not to be treated as a supply for consideration; – **De minimis** - Where the cost of goods given to a person in a 12-month period is less than £50 no VAT is due but the input tax incurred on the goods by the VAT registered donor remains deductible. The *EMI* case in the Court of Justice of the European Union has confirmed that where goods are given to individuals who all have the same employer the £50 threshold applies to the gifts to each individual and not to the employer as a whole. We understand from our discussions with HMRC that they do not intend to increase or waive the limit in response to COVID-19; – **Zero rating of certain goods** - There are also some specific zero rate provisions for any goods donated for resale, letting on hire or export by charities or their trading subsidiaries; and – **Temporary Zero rating of PPE** - A temporary zero rate applies to supplies of PPE as defined by Public Health England's COVID-19 PPE guidance on 24 April 2020. The measure has effect from 1 May to 31 July 2020. Unfortunately, the approved list of	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			PPE does not currently cover many of the more generic items such as hand sanitizers, non-fluid resistant gowns and scrubs. HMRC have announced that they will temporarily extend the deadline for businesses to notify them of an option to tax land and buildings for VAT purposes from 30 to 90 days. This will now apply to decisions made between 15 February and 30 June 2020 (previously it was decisions to 31 May). HMRC have announced that the introduction of the **domestic reverse charge for construction services** will be delayed for a period of five months from 1 October 2020 until 1 March 2021, due to the impact of the coronavirus pandemic on the construction sector. In addition, there will be an amendment to the original legislation, which was laid in April 2019, to exclude from the reverse charge end users and intermediary suppliers that are connected or linked to end users. Such businesses must inform their sub-contractors in writing that they are end users or intermediary suppliers. The government made an announcement on 8 July 2020 allowing VAT registered businesses to apply for a temporary **5% reduced rate of VAT** to certain supplies relating to: – hospitality – hotel and holiday accommodation – admissions to certain attractions The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 31 March 2021.	

Jurisdictions	Status	Type	Brief description	Source
United States **Contact:** John Gimigliano jgimigliano@kpmg.com	Implemented	Accelerated Refunds	On March 27, 2020, the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act, also known as the Phase 3 coronavirus bill), which among other things provides for **immediate refundability of corporate** alternative minimum tax (AMT) credits. On April 13, 2020, the IRS released a set of Q&As addressing how taxpayers can file claims for "quick refunds" related to the net operating loss (NOL) carryback provisions of the CARES Act. For a specific insight on the interaction between the CARES Act five-year NOL carryback provision and the retained AMT rules, please read "*KPMG Report: ATNOL Carrybacks under the CARES Act*". On April 16, 2020 the IRS has updated a set of FAQs (FAQ 8 through FAQ 14) addressing how taxpayers can file claims for eligible refund claims related to the NOL carryback provisions. On April 17, 2020, the IRS released an advance version of Rev. Rul. 2020-08, which addresses the appropriate period for refund claims resulting from a foreign tax credit (FTC) carryback that was "released" by reason of a NOL carryback from a subsequent year. For more information, please read "*KPMG Report: Initial impressions of Rev. Rul. 2020-8 and 10-year limitations period, foreign tax credit and NOL carrybacks*" On May 27, 2020, the IRS posted a series of FAQs which clarify the treatment of NOL carrybacks of C corporations to tax years in which the AMT applies (i.e., pre-2018). On June 29, 2020, the IRS updated a set of FAQs to clarify how taxpayers can file applications for eligible refund claims related to the NOL carryback provisions.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
United States	Implemented	Business Income Tax	On March 27, 2020, the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act, also known as the Phase 3 coronavirus bill) which among other things provides for: – **Rules providing for the extended use of certain losses**. On April 9, 2020, the IRS released Rev. Proc. 2020-24 to provide guidance regarding certain net operating loss (NOL) elections under the CARES Act and Notice 2020-26 to grant taxpayers a six-month extension to file certain forms with respect to the carryback of NOLs arising in any taxable year that began during calendar year 2018 and that ended on or before June 30, 2019. On April 23, 2020, the IRS released additional FAQs addressing how taxpayers with section 965 inclusions may carryback a NOL. For additional information, please read "*KPMG report: Initial impressions of IRS guidance implementing NOL provisions in CARES Act (COVID-19)*". The IRS updated certain sections of the Internal Revenue Manual (IRM) addressing the treatment of NOLs in light of the changes made by the CARES Act. The new IRM sections contain specific guidance for processing Form 1139 or Form 1045 with NOLs, section 965 inclusions, and 100% refund of minimum tax credits filed under provisions of the CARES Act. On June 8, 2020, the IRS provided a list of FAQs concerning NOL carrybacks by certain tax exempt organizations who may engage in more than one unrelated trade or business; for more information, please read "*IRS provides FAQs on NOL carrybacks by certain exempt organizations*". – **Temporary relaxation of the section 163(j) limitation.** The bill increases the interest limit from 30% of adjusted taxable income (ATI) to 50% of adjusted taxable income for tax years beginning in	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and

Jurisdictions	Status	Type	Brief description	Source
			2019 and 2020. It also allows a taxpayer to elect for tax years beginning in 2020 to use its 2019 ATI to compute the section 163(j) limitation amount. On April 10, 2020 the IRS released an advance version of Rev. Proc. 2020-22, which describes time and manner in which taxpayers can make specific elections. For additional information, please read "*KPMG report: "Excepted Business Elections and other elections regarding CARES Act changes to section 163(j).*" For insight on the CARES Act changes to business interest deduction limitations for partnerships and partners, please read "*What's News in Tax: CARES Act Changes to Business Interest Deduction Limitations for Partnerships.*" – **Technical correction for qualified improvement property.** The bill includes a technical correction to the TCJA with respect to qualified improvement property (QIP). Such property has a 15-year recovery period for purposes of the general depreciation system of section 168(a) and a 20-year recovery period for purposes of the alternative depreciation system of section 168(g). On April 17, 2020, the IRS released an advance version of Rev. Proc. 2020-25 providing guidance for taxpayers to change the depreciation of "qualified improvement property" placed in service by the taxpayer in a tax year ending in 2018, 2019 or 2020. For additional information, please read "*KPMG report: Relief for taxpayers to correct, change QIP depreciation methods.*" – **Modification of charitable contribution limit for corporations.** The new law increases the limitations on deductions for charitable contributions for corporations who make cash or certain food inventory contributions in 2020 to 25% of taxable income, subject to certain restrictions	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			For more information on the bill, please refer to "*KPMG report: Tax provisions in the CARES Act (COVID-19 "phase 3" response): Preliminary analysis and observations*". For more information on the on possible impacts to companies' income tax accounting from the effects of COVID-10, please refer to "*KPMG report: Income tax accounting (COVID-19)*". For some highlights on certain income tax provisions relevant to the operation and the acquisition/disposition of private equity portfolio companies that are classified as corporations for U.S. federal tax purposes, please read "*What's News in Tax: The CARES Act: Considerations for Private Equity Funds with Corporate Portfolio Companies*" The CARES Act includes many provisions that could significantly affect the financial reporting of companies applying U.S. GAAP. For a discussions of the primary accounting and reporting impacts of provisions in the CARES Act as currently understood, please read "*Hot Topic: Coronavirus Accounting and reporting impacts of the CARES Act Report*". For insight on some cash flow opportunity that wholesalers, retailers, and similar businesses may have by treating COVID-19-related inventory impairments as disaster losses eligible to be recovered on the 2019 federal tax return, please read "*KPMG report: COVID-19-related inventory impairments; cash flow opportunity for resellers*". On May 4, 2020, the IRS released an advance version of Rev. Proc. 2020-19 to provide temporary guidance regarding the treatment of certain stock distributions by publicly offered real estate investment trusts (**REITs**) and publicly offered regulated investment companies (**RICs**). Rev. Proc. 2020-19 modifies the safe harbor provided in	

Jurisdictions	Status	Type	Brief description	Source
			Rev. Proc. 2017-45 by temporarily reducing the minimum required aggregate amount of cash that distributee shareholders may receive to not less than 10% of the total distribution in order for Code section 301, by reason of section 305(b), to apply to the distribution. Specifically, Rev. Proc. 2020-45 provides for a temporary modification and is effective only with regard to distributions declared by a publicly offered REIT or publicly offered RIC on or after April 1, 2020, and on or before December 31, 2020. For additional insight, please read "*What's News in Tax: The Use of Elective Stock Dividends by a Publicly Offered REIT—What to Consider*" and "*What's News in Tax: A Common Question from Healthcare REITs: Should the TRS Lease Be Amended during Tough Times?*" For insight on tax implication of distressed leases and the requirements to continue to recognize rental income even when payments are not actually being made, please read "*What's News in Tax: COVID-19 and Distressed Leases*". For insight on what can affect taxation on a current of future sale of property, please read "*What's News in Tax: Real Estate in the Time of COVID-19: Documenting Changes in Intent and the Dealer Property Analysis*". On May 27, 2020, the IRS released an advance version of Notice 2020-41 that modifies prior IRS guidance concerning the "beginning of construction" requirement for both the production tax credit for renewable energy facilities under section 45 and the investment tax credit for energy property under 48. The Notice states that the "Continuity Safe Harbor" as provided and extended by prior IRS Notices is being further extended for projects that began construction in either calendar year 2016 or 2017. Notice 2020-41 also provides a "3½ Month Safe Harbor" for services or property paid for by the taxpayer on or after September 16, 2019, and received by October 15, 2020. For insight on Notice 2020-41, please read	

Jurisdictions	Status	Type	Brief description	Source
			"*Initial impressions of Notice 2020-41 and "beginning of construction" under sections 45 and 48*". On June, 2021, the IRS released an advance version of **Notice 2021-41 to clarify and modify prior guidance concerning the "beginning of construction"** requirement for the production tax credit for qualified facilities under section 45 and the investment tax credit for energy property under section 48. On June 4, 2020, the IRS released **Rev. Proc. 2020-34**, which allows eligible trusts to make certain modifications to their mortgage loans or lease agreements, or to accept certain additional cash contributions, without jeopardizing their tax status as grantor trusts. Modifications to the mortgage assets or lease agreements and cash contributions that meet the safe harbor criteria will not be deemed to create a "power to vary" that would jeopardize grantor trust treatment under Reg. section 301.7701-4(c) and Rev. Rul. 2004-86. In addition, the safe harbor provided by Rev. Proc. 2020-34 states that a cash contribution from one or more new trust interest-holders—to acquire a trust interest or a non-pro rata cash contribution from one or more current trust interest-holders—is to be treated as a purchase and sale under section 1001, of a portion of each non-contributing (or lesser contributing) trust interest-holder's proportionate interest in the trust's assets. For additional information, please refer to "*Rev. Proc. 2020-34: Relief for mortgage loans, lease arrangements of certain trusts*". For insight on key U.S. tax issues and questions that infrastructures investors should consider, please read the article "*COVID-19 and U.S. tax impacts for infrastructure*". On July 6, 2020, the IRS released a set of **FAQs** concerning the **tax treatment of payments from the Provider Relief Fund**. The CARES Act provides that	

Jurisdictions	Status	Type	Brief description	Source
			payments from the coronavirus relief fund may only be used to cover costs that: – Are necessary expenditures incurred due to the public health emergency with respect to COVID-19 – Were not accounted for in the state or local government's most recently approved budget (as of March 27, 2020, the date of enactment of the CARES Act) – Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 The FAQs clarify that: – The receipt of a government grant by a business generally is not excluded from the business's gross income under the Code and therefore is taxable. However, a grant made by the government of a federally recognized Indian tribe to a member to expand an Indian-owned business on or near reservations is excluded from the member's gross income under the general welfare exclusion. – The receipt of loan proceeds is not included in gross income. However, if the government forgives all or a portion of the loan, the amount of the loan that is forgiven is generally included in gross income of the business and is taxable unless an exclusion in section 108 of the Code or other Federal law applies. If an exclusion applies, an equivalent amount of any deductions, basis, losses or other tax attributes may have to be reduced in accordance with the Code or other Federal law. – A payment from the Provider Relief Fund to a business, even if the business is a sole proprietorship, does not qualify as a qualified disaster relief payment under section 139. The payment from the Provider Relief Fund is includible in gross income under section 61 of the Code.	

Jurisdictions	Status	Type	Brief description	Source
			– A payment received by a tax-exempt health care provider from the Provider Relief Fund may be subject to tax under section 511 if the payment reimburses the provider for expenses or lost revenue attributable to an unrelated trade or business as defined in section 513. For insight on the tax impact of COVID-19 on the banking industry, including observation on the CARES Act, please "*KPMG report: Tax issues that banks are facing due to COVID-19*", prepared by KPMG in the United States. For an analysis of various tax considerations relating to telemedicine and explores several hypothetical scenarios providing possible interpretations of tax outcomes, please read "*KPMG report: Telemedicine and tax*." On November 19, 2020, the IRS released an advance version of **Rev. Proc. 2020-51** that provides a safe harbor allowing a taxpayer to claim a deduction in the taxpayer's tax year beginning or ending in 2020 for certain otherwise deductible eligible expenses if: — The eligible expenses are paid or incurred during the taxpayer's 2020 tax year; — The taxpayer received a loan guaranteed under the Paycheck Protection Program (PPP) that, at the end of the taxpayer's 2020 tax year, the taxpayer expects to be forgiven in a tax year after the 2020 tax year; and — In a subsequent tax year, the taxpayer's request for forgiveness of the PPP loan is denied (either in whole or in part), or the taxpayer decides never to request forgiveness of the PPP loan. The Rev. Proc. 2020-51 provides that such a taxpayer may be able to deduct some or all of the eligible expenses on: (1) the taxpayer's timely filed (including extensions)	

Jurisdictions	Status	Type	Brief description	Source
			original income tax return or information return for the 2020 tax year; (2) an amended return or an administrative adjustment request (AAR) under section 6227 for the 2020 tax year; or (3) the taxpayer's timely filed (including extensions) original income tax return or information return for the subsequent tax year. The Rev. Proc. 2020-51 also defines taxpayers that are eligible for the safe harbor and sets forth the safe harbor procedures, including that the taxpayer may not apply the safe harbor procedures to deduct any amount of non-deducted eligible expenses unless the taxpayer attaches a statement to the return on which the taxpayer deducts non-deducted eligible expenses. The statement must be titled "Revenue Procedure 2020-51 Statement," and Rev. Proc. 2020-51 lists the information that must be included on the statement. On November 19, 2020, the IRS released an advance version of **Rev. Rul. 2020-27** providing that a taxpayer computing taxable income on the basis of a calendar tax year may not deduct eligible expenses in its 2020 tax year if, at the end of the 2020 tax year, the taxpayer has a reasonable expectation of reimbursement for such expenses in the form of PPP loan forgiveness. Rev. Rul. 2020-27 amplifies Notice 2020-32 which provided that no deduction is allowed for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan pursuant to provisions of the CARES Act and the income associated with the forgiveness is excluded from gross income under the CARES Act. On January 14, 2021, the IRS released an advance version of **Rev. Proc. 2021-12** to extend until September 30, 2021 certain safe harbors that were previously granted in response to the COVID-19 pandemic and related to loan forbearance programs and modifications to mortgage	

Jurisdictions	Status	Type	Brief description	Source
			loans and to lease arrangements of certain trusts. Rev. Proc. 2021-12 provides for extensions of the following safe harbors through September 30, 2021 (from December 31, 2020): – Safe harbors provided by Rev. Proc. 2020-26 (April 2020) under which modifications to certain mortgage loans in connection with a forbearance program related to the COVID-19 pandemic are not treated as replacing the unmodified obligation with a newly issued obligation, or as manifesting a power to vary for purposes of determining the federal income tax status of certain securitization vehicles—such as investment trusts and real estate mortgage investment conduits (REMICs)—that hold the loans. – Safe harbors provided by Rev. Proc. 2020-34 (June 2020) that allows eligible trusts to make certain modifications to their mortgage loans or lease agreements, or to accept certain additional cash contributions, without jeopardizing their tax status as grantor trusts. On March 10, 2021, the U.S. House of Representatives passed the Senate-amended version of H.R. 1319, the "**American Rescue Plan Act of 2021**." Business-related tax provisions in the legislation include: – **Limitation on excessive employee remuneration**— Section 162(m) limits the deduction for compensation paid to each covered employee to $1 million for public companies. ection 162(m) modified to extend from three to the eight highest-compensated employees, the denial of deduction of compensation in excess of $1 million for publicly traded companies for tax years beginning after December 31, 2026.	

Jurisdictions	Status	Type	Brief description	Source
			– **Limitation on excess business losses of noncorporate taxpayers**—section 461(l)(1) limiting excess business losses, as enacted in the "Tax Cuts and Jobs Act," extended by one year through 2026. – **Worldwide interest allocation rules**—repeal of the section 864(f) election for U.S. affiliated groups to allocate interest expense on a worldwide basis. – **Employee retention credit**—expanded and extended through December 31, 2021. It has been modified for severely financially distressed employers, employers not in existence in 2019, and recovery startup businesses (defined as certain employers that began carrying on a trade or business after February 15, 2020). Treatment of wages taken into account as payroll costs under certain Small Business Administration programs is clarified. – **Third-party network transaction reporting requirements**—section 6050W modified to reduce to $600 (from $20,000) the de minimis exception for third-party settlement organization reporting. The provision also clarifies that reporting would not be required for transactions that are not for goods or services – **Credits relating to certain paid employee leave**—Extended and expanded credits for paid sick and family medical leave with respect to amounts paid under certain collectively bargained agreements. Treatment of amounts taken into account as payroll costs in connection with certain loan and grant programs is clarified. – **Economic injury disaster loan advances and restaurant revitalization grants**—Clarification that amounts received by taxpayers as restaurant	

Jurisdictions	Status	Type	Brief description	Source
			revitalization grants or target EIDL (economic injury disaster loan) advances are generally excluded from gross income and other related tax matters. – **Customs user fees**—Certain customs user fees extended by one year through September 20, 2030. On April 21, 2021, the IRS issued "fact sheet" **FS-2021-09** with information about **tax credits available** for "small employers" that provide **paid leave for employees receiving COVID-19 vaccinations**. Eligible employers, including businesses and tax-exempt organizations with fewer than 500 employees and certain governmental employers, can claim a tax credit for providing paid time-off for each employee receiving the vaccine and for any time needed to recover from the vaccine. A related IRS release (IR-2021-90) provides as an example, if an eligible employer offers employees a paid day off in order to get vaccinated, the employer can receive a tax credit equal to the wages paid to employees for that day (up to certain limits).	
United States	Proposed	Business Income Tax	On May 15, 2020, the U.S. House of Representatives passed the ''Health and Economic Recovery Omnibus Emergency Solutions Act'' (**HEROES Act**), which contains additional tax proposal applicable to businesses: – A provision that would make the **limitation on excess business losses of non-corporate taxpayers permanent**, effective retroactive to tax years beginning after 2017. – A rule that would **limit corporations from carrying back 2019 and 2020 net operating losses (NOLs) to years beginning prior to 2018**. There would be further limitations on companies that have engaged in stock buybacks or that have paid certain amounts of executive	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			compensation. The rule would be retroactive back to the date of enactment of the CARES Act (March 27, 2020). – A number of **expansions and other modifications would be made to the employee retention credit** that was enacted as part of the CARES Act. – A **new payroll tax credit** would be made available with regard to certain expenses of employers subject to COVID-19-related closures. On July 27, 2020, the Senate Republicans released several bills intended to serve as components of a broader Senate legislative response. – The "*American Workers, Families, and Employers Assistance Act*" – introduced by Senate Finance Committee Chairman Grassley • **Enhancements to employee retention tax credit (ERTC)**. The percentage of credit would be increased to 65% of qualified wages from the current 50%. The maximum amount of qualified wages would be increased to $10,000 per quarter up to $30,000 total. The gross receipts test would be amended to provide that an employer is eligible if they have a more than 25% decrease in gross receipts. When looking at the number of full-time employees for purposes of determining qualified wages, the bill would modify the ERC to differentiate between employers with 500 or fewer employees and employers with more than 500 employees. The bill would clarify that health care expenses are qualified wages as long as the amount is excluded from income under section 106. The bill would allow employers to be eligible for both the Payroll Protection Program (PPP) and the ERC under certain conditions. These changes	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			are generally proposed to be effective for calendar quarters beginning after June 30, 2020. However, the clarification of health expenses and changes to gross receipts for tax-exempt entities would be retroactive to the original date of enactment the CARES Act. • **Temporary expansion of work opportunity tax credit (WOTC)**. The bill would expand the WOTC to provide a credit for "a qualified 2020 COVID-19 unemployment recipient," who is someone certified by the designated local agency to have received or been approved to receive unemployment compensation. The unemployment or approval must be under state or federal law for either the week immediately preceding the hiring date or the week which includes the hiring date and the employee must begin work for the employer before January 1, 2021. The credit would be for 50% of qualified first-year wages, with a $10,000 limitation on qualified first-year wages that may be taken into account with respect to each individual. The bill would remove the rehires exclusion for qualified 2020 COVID-19 unemployment recipients and would provide Treasury with regulatory authority to prevent abuse. • **Safe and healthy workplace tax credit**. Temporary refundable payroll tax credit of 50% of an employer's expenses for certain expenses of protecting employees, such as testing for COVID-19, protective personal equipment (PPE), cleaning supplies, and qualified workplace reconfiguration expenses. The credits for an employer could not exceed a cap equal to the sum of:	

Jurisdictions	Status	Type	Brief description	Source
			o $1,000 multiplied by the average of employees employed during the quarter not in excess of 500; plus o $750 multiplied by the average number of employees in excess of 500 but not in excess of 1,000; plus o $500 multiplied by the average number of employees in excess of 1,000. The credit would be limited to employment taxes reduced by any credits under the *Families First Coronavirus Response Act* (FFRCRA) for required paid sick leave and expanded Family and Medical Leave Act (FMLA) and any credits for the ERC. Any excess credit would be refundable. The credit would apply to amounts paid or incurred for qualified expenses after March 12, 2020, and before January 1, 2021. • **COVID-19 assistance provided to independent contractor**. Safe harbor for providing certain COVID-19-related assistance to service-providers (such as "gig-economy" workers) without jeopardizing independent contractor status. This provision would establish a safe harbor to allow marketplace platform companies to provide independent contractors with COVID-19-related benefits without affecting independent contractor status. The bill would provide that certain benefits would not be taken into account in determining the status of the individual as an employee. These benefits include: o Financial assistance to an individual while the individual is not performing services or performing reduced services because of COVID-19 o Health care benefits related to COVID-19, including testing	

Jurisdictions	Status	Type	Brief description	Source
			o Equipment to protect the individual, service recipients or customers from contracting COVID-19 (including masks, gloves, and disinfectants) o Cleaning products and services related to preventing the spread of COVID-19 o Training, standards, and guidelines or similar information related to COVID-19 Benefits (other than financial assistance) would be treated as section 139 qualified disaster relief payments excludable from the service provider's taxable income. This provision would be effective for benefits provided after March 12, 2020, and before January 1, 2021. • Clarifications and corrections to some CARES Act rules relating to qualified plans as well as to farmers who elected two-year net operating loss (NOL) carrybacks prior to the CARES Act. • **Temporary changes to some flexible spending account rules**. The bill provides that a plan would not fail to be treated as a cafeteria plan or flexible spending arrangement (health or dependent care) because the plan allows participants to carry over unused benefits or contributions remaining in the flexible spending arrangement (up to certain limits) from the plan year ending in 2020 to the plan year ending in 2021. • Uniform procedures through 2024 for assessing state and local income taxes on remote and mobile workers who perform employment duties in multiple states. In particular, the tax provisions would adopt general limitations on withholding and taxation of employee income through 2024. The measure effectively combines provisions of the "Mobile Workforce Simplification Act"	

Jurisdictions	Status	Type	Brief description	Source
			(introduced over the past several years) and COVID-related provisions contained in a measure sponsored by Senators Thune (R-SD) and Brown (D-OH) earlier this year. The language provides that no part of the wages earned by an employee who is a resident of a taxing jurisdiction and performs employment duties in more than one taxing jurisdiction would be subject to income in any taxing jurisdiction other than the resident state and any jurisdiction where the employee is present and performing services for more than 30 days during the calendar year in which the wages are earned. – The "*Restoring Critical Supply Chains and Intellectual Property Act*" – introduced by Senator Graham • **30% investment credit against equipment costs associated with PPE manufacturing for eligible U.S. manufacturers** (modeled after section 48C advanced manufacturing tax credit). Total credit program amount capped at $7.5 billion, with applications due within one year of program's establishment. Would permit taxpayers that receive the new credit to bring qualifying intangible property used in connection with the production of PPE back to the Unties States without taxable gain. – The "*Supporting America's Restaurant Workers Act*" – introduced by Senator Scott • **Temporary allowance of a full deduction for business meal expenses incurred after enactment and before 2021**. This Senate bill would temporarily allow a full deduction for certain business meals. Section 274(n)(2) would be amended to provide a new exception that would allow a full deduction if the expense were for food or beverages provided by a restaurant	

Jurisdictions	Status	Type	Brief description	Source
			and were paid or incurred before January 1, 2021. The provision would be effective for amounts paid or incurred after the date of enactment. On July 9, 2020, the U.S. Congress passed the "**Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020**" to provide relief for tax-exempt organizations, allowing offsets of the costs of unemployment benefits provided for the organizations' workers who received unemployment insurance payments, which will be effective once signed by the President.	
United States	Announced	Business Income Tax	On February 8, 2021, House Ways and Means Committee Chairman Richard E. Neal (D-MA) announced the committee will mark up nine proposals (subtitles) relating to COVID-19 relief beginning February 10, 2021 and running through Friday, February 12, 2021. Revenue raisers - Subtitle G (recommendations relating to promoting economic security) includes repealing the election for U.S. affiliated groups to allocate interest expense on a worldwide basis (scored as raising approximately $22 billion over 10 years). A few qualified plan provisions in subtitle H (including provisions relating to relief for multi-employer and single-employer pension plans) also are scored as raising revenue. Revenue losers - Subtitles F and G include several tax provisions that are scored as losing revenue, including: – Extension and modification of employee retention credit – Extension and modification of credits for paid sick and family leave – Additional "recovery rebates" of $1,400 per person for some individuals – Significant expansion of child tax credit for 2021, with refundability and advanceability	KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– Expansion of earned income tax credit – Expansion of child and dependent tax credit – Changes to premium tax credit	

United States	Implemented	Customs/Import and Other Miscellaneous Taxes	The U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) issued a release announcing that it was **waiving certain excise tax** provisions with regard to distilled spirits that are used in the production of hand sanitizers. Existing beverage distilled spirits plants (DSP) and alcohol fuel plants (AFP) can immediately commence production of hand sanitizer without first having to obtain authorization or formula approval. DSPs and AFPs can supply distilled spirits (ethanol) for use in the manufacture of hand sanitizer to other permittees without first having to obtain authorization. Industrial alcohol users may procure increased amounts of denatured ethanol and can use denatured ethanol to manufacture hand sanitizer without first obtaining formula approval. The hand sanitizer produced must meet certain World Health Organization standards and other standards listed in the TTB release. The TTB release notes that hand sanitizers made with denatured ethanol are not subject to federal excise tax. However, if the hand sanitizer is made with undenatured ethanol, federal excise tax applies. The provisions apply through June 30, 2020. TTB waived a requirement that brewers first submit to TTB a "Notice of Intent" regarding permission to destroy tax-paid beer at off-brewery premises—thereby alleviating the 12-day waiting period as required under TTB regulations. The waiver has been extended through September 1, 2020. On December 18, 2020, the TTB extended the tax-free withdrawal of distilled spirits and products containing distilled spirits for hand sanitizer purposes through June 30, 2021. TB release authorizes the use of additional formulas for the manufacture of hand sanitizer and denatured alcohol for use in hand sanitizer without first obtaining formula approval from TTB. Any hand sanitizer or	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			denatured alcohol for use in hand sanitizer produced in accordance with FDA guidance may be removed tax-free from a distilled spirits plant, now through June 30, 2021. On May 14, 2021, the IRS published **Rev. Rul. 2021-11** to provide information for use in determining the value of noncommercial flights on employer-provided aircraft for the first half of 2021. Please refer to the TNF for additional information. On June 23, 2021, he U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) announced the extension through September 30, 2021 of the authorizations for the tax-free withdrawal of distilled spirits and products containing distilled spirits for hand sanitizer purposes	
United States	Implemented	Customs/Import and Other Miscellaneous Taxes	On March 27, 2020 the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act, (**CARES Act**, also known as the **Phase 3** coronavirus bill). The bill provides for a suspension of certain **aviation excise taxes** through the creation of an "excise tax holiday" through December 31, 2020 and provides for a temporary exception from **excise tax** for **alcohol used to produce some hand sanitizers.** For more detailed information, please read the **"***KPMG report: Tax provisions in the CARES Act (COVID-19 "phase 3" response): Analysis and observations***".** On May 12, 2020, the IRS released a set of **FAQs** providing some clarifications on the **application of the excise tax holiday**. During the excise tax holiday, no tax is imposed on "jet fuel" kerosene used in commercial aviation (that is, the excise tax imposed pursuant to section 4041(c) or 4081). The CARES Act relief applies only to kerosene used in commercial aviation during the excise tax holiday, and not the sale or removal of	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and

Jurisdictions	Status	Type	Brief description	Source
			kerosene during the excise tax holiday. The excise tax holiday also applies to the "ticket taxes" normally imposed on amounts paid for the transportation of persons and property by air under sections 4261 and 4271. The Office of the U.S. Trade Representative (USTR) released for publication in the Federal Register a notice and request for comments on possible changes to the Section 301 investigation of China and **possible removal of medical-care products** needed to address the COVID-19 pandemic from **customs duties**. On May 6, 2020, the Office of the USTR released a notice and a "request for comments "concerning the 2020 generalized system of preferences (GSP) annual review. The GSP program provides for the duty-free treatment of designated articles when imported from beneficiary developing countries. On May 18, 2020, the U.S. TTB released guidance concerning **the tax-free withdrawal of distilled spirits and products containing distilled spirits for hand sanitizer purposes**. It clarifies that because the exemptions authorized under TTB's prior guidance are separate from the CARES Act, distilled spirits permittees can continue to operate under those TTB exemptions even if they also conduct separate operations under the CARES Act. TTB is **extending** its approval of these **exemptions through December 31, 2020**. For insight on potential custom tariff opportunities, please read "*What's News in Tax: Transfer Pricing Changes May Result in Potential Customs Tariff Opportunities in a COVID-19 Environment*" On December 23, 2020 the USTR posted on its website a notice of product exclusion extensions and additional modifications concerning the Section 301 investigation of	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. Prior notices excluded from additional duties certain medical-care products needed to address the COVID-19 pandemic. The USTR notice announces the U.S. Trade Representative's determination to extend certain product exclusions and to make further modifications to remove Section 301 duties from additional medical-care products to address COVID-19. The product exclusion extensions announced in the notice will extend the exclusions through March 31, 2021. The modifications to exclude additional products will apply as of January 1, 2021. The USTR published a notice that announces the extension of the exclusions from additional duties for certain medical-care products from China through September 30, 2021. U.S. Customs and Border Protection (CBP) released a report on trade and travel for fiscal year 2020 summarizes trade and travel statistics and reflects challenges presented by the coronavirus.	
United States	Implemented	Filing/Payment Deadline Extension	The U.S. Treasury Department and IRS have postponed the **filing date and the payment date for U.S. federal income tax returns and tax payments** for the 2019 tax year that are due on April 15, 2020, to **July 15, 2020**. As a result of the postponement announced in Notice 2020-18, the period beginning on April 15 and ending on July 15 will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file the returns or pay the taxes described in the IRS notice. On April 9, 2020, the IRS announced in **Notice 2020-23** that this relief and the extensions generally now apply to all taxpayers that have a filing or payment deadline	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			(including quarterly estimated tax payments) falling on or after April 1, 2020, and before July 15, 2020. Individuals, trusts, estates, corporations and other non-corporate tax filers qualify for the extra time. This means that anyone, including Americans who live and work abroad, can now wait until July 15 to file their 2019 federal income tax return and pay any tax due. There will be no accrual of interest, penalties or addition to tax for a failure to pay for the period beginning on April 15, 2020 and ending on July 15, 2020. Interest, penalties, and additions to tax with respect to amounts of postponed federal income tax payments will begin to accrue on July 16, 2020. In addition, the extension applies to the filing of all petitions with the Tax Court, seeking review of a decision rendered by the Tax Court, filing a claim for credit or refund of any tax, and bringing suit upon a claim for credit or refund of any tax. The IRS also clarified that taxpayers have until July 15, 2020 to make the investment at the election of the taxpayer due to be made during the 180-day period described in section 1400Z-2(a)(1)(A) of the Code (**Opportunity Zones**). On April 23, 2020, the **IRS updated the list of FAQs** concerning the postponed deadlines for filing federal income tax returns and paying federal taxes that was originally released on March 24, 2020. The FAQs make clear that Notice **2020-23** postpones to July 15, 2020 certain excise tax payments and return filings only (i.e., excise tax payments on investment income and return filings on Form 990-PF, and excise tax payments and return filings on Form 4720, due on or after April 1, 2020, and before July 15, 2020). On March 25, the IRS announced the extension for reporting Model 2 financial institutions and participating	KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			foreign financial institutions to file Form 8966, "**FATCA Report**." The filing deadline for eligible financial institutions is extended to 15 July 2020 (from 31 March 2020). On April 14, 2020, the IRS updated FAQ 5 under the Reporting section of the FATCA General FAQs to extend the deadline for Model 1 IGA jurisdictions to December 31, 2020, to submit FATCA data for the 2019 reportable year. On April 29, 2020, the IRS updated the FAQs and granted an automatic extension to December 15, 2020, to submit the FACTA certification to the IRS, for an entity with a certification due date of July 1, 2020. On March 31, the U.S. Treasury Department announced that the date for **paying excises taxes** for wine, beer, distilled spirits, tobacco products, firearms, and ammunition has been **delayed for 90 days**. On April 8, 2020 the IRS released: – A note recommending that taxpayers wait further instructions before utilizing the traditional processes to file corporate and/or individual refund claims that may be available under the CARES Act. – **Rev. Proc. 2020-23**, which allows "eligible partnerships" to file amended returns to take into account relief provisions from the CARES Act, as well as any other tax attributes to which the partnership is entitled by law. Eligible partnerships must file such amended Forms 1065, and furnish Schedules K-1, before September 30, 2020. For additional information, please read "*Rev. Proc. 2020-23: Relief for partnerships, allowing amended returns (COVID-19)*" On April 20, 2020, U.S. Customs and Border Protection (CBP) and the U.S. Treasury Department jointly released a temporary final rule which **extends for 90 days the deadline for importers of record with a significant**	and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			financial hardship to deposit certain estimated duties, taxes, and fees that they would ordinarily be obligated to pay as of the date of entry (or the date of "withdrawal from warehouse") for merchandise entered in March or April 2020. On July 10, 2020, U.S. CBP issued a release as a reminder of approaching end of the extended 90-day postponement for estimated customs duties, taxes, and fees: – No interest will accrue for the postponed deposit of such estimated duties, taxes, and fees during this 90-day postponement period. – Deposits made after the new due date may be subject to interest. – No penalty, liquidated damages or other sanctions will be imposed for the postponed deposit of estimated duties, taxes, and fees in accordance with this temporary postponement, if paid by the new due dates. On May 4, 2020, the IRS released **Rev. Proc. 2020-21** and **Notice 2020-25**, concerning the rules regarding tax-exempt bonds and providing certain relief in response to the pandemic. Rev. Proc. 2020-21 provides temporary guidance regarding the public approval requirement under section 147(f) for tax-exempt qualified private activity bonds. Notice 2020-25 temporarily expands the circumstances and time periods in which a tax-exempt bond that is purchased by its state or local governmental issuer is treated as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond solely for purposes of section 103 and sections 141 through 150. On May 27, 2020, the IRS released **Notice 2020-35** which specifies that the deadlines for an "affected taxpayer" to perform a "time-sensitive action" regarding certain employment taxes, employee benefit plans, exempt	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

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			organizations, individual retirement arrangements (IRAs), Coverdell education savings accounts, health savings accounts (HSAs), and Archer and Medicare Advantage medical saving accounts (MSAs) is July 15, 2020, unless a different revised deadline is specified. On June 4, 2020, the IRS published **Notice 2020-39**, which provides relief for "qualified opportunity funds" (QOF) and their investors: – Addresses the application of certain relief provisions in the section 1400Z-2 regulations – Provides relief for certain failures by a QOF to meet the 90% investment standard – Postpones the time periods for satisfying certain other requirements – Confirms that the 24-month extension for the working capital safe harbor and the 12-month extension for QOFs to reinvest certain proceeds—both as provided under the section 1400Z-2 regulations—are available to otherwise qualifying QOFs and qualified opportunity zone businesses On June 12, 2020, the IRS released **Notice 2020-49** regarding the New Markets Tax Credit (NMTC) and specifically to extend the time for taxpayers to make certain time-sensitive actions. The Notice provides relief to a community development entity (CDE) or a qualified active low-income community business (QALICB) for certain specified time-sensitive acts that are due to be performed between April 1, 2020, and December 31, 2020, under the section 45D NMTC requirements and regulations. Accordingly, certain specified time-sensitive actions by a CDE or QALICB, which are due to be performed on or after April 1, 2020, and before December 31, 2020, will be treated as timely satisfied if performed by December 31, 2020.	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and

Jurisdictions	Status	Type	Brief description	Source
			On June 23, 2020, the IRS released **Notice 2020-48** which postpones the due date for **Form 720** and payment of the related **federal excise tax** under section 4161(a) on sales of sport fishing equipment and under section 4161(b) on sales of archery equipment (bows and arrows) for the second calendar quarter of 2020 (April, May, and June) from July 31, 2020 to October 31, 2020. On August 7, 2020, the IRS released **Notice 2020-55** which provides until October 31, 2020, for filing a Form 720 and paying the related federal excise tax under section 4161(a) on sales of sport fishing equipment and under section 4161(b) on sales of archery equipment (bows and arrows) for the first calendar quarter (January, February, and March) of 2020. On June 26, 2020, the IRS updated a list of FAQs concerning the deferral of employment tax deposits and payments through December 31, 2020, addressing specific issues related to the deferral of deposit and payment of these employment taxes and in particular regarding implications of the Paycheck Protection Program (PPP). On July 14, 2020, the IRS released **Notice 2020-56** which provides a further postponement until December 31, 2020 of the deadline for performing any community health needs assessment (CHNA) requirement under section 501(r)(3) of the Code, due to be completed on or after April 1, 2020, and before December 31, 2020. **The U.S. Securities and Exchange Commission (SEC)** also has provided regulatory relief from certain filing obligations of companies that have operations in or that are located in regions affected by the COVID-19. The period of **relief** covers **filing deadlines falling between March 1 and April 30**. However, the SEC will continue to consider whether additional relief is necessary as developments unfold.	KPMG TNF

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			On July 29, 2020, the IRS posted a set of FAQs providing a temporary procedure applicable until further notice for taxpayers to fax the duplicate copy of **Form 3115**, "Application for Change in Accounting Method". Beginning July 31, 2020, the IRS will accept the duplicate copy of Form 3115 by fax at this number: +1 844 249 8134. Taxpayers are reminded that they still need to submit two copies of Form 3115 to the IRS. The IRS emphasized that this change applies only to taxpayers requesting consent to make a change in accounting method under the automatic change procedure. On July 20, 2020, the IRS released **Notice 2020-58** to provide additional time until March 31, 2021 to satisfy the 'substantial rehabilitation test' under the rehabilitation credit. In general, projects eligible for a rehabilitation credit for qualified rehabilitation expenditures (QREs) incurred in connection with the rehabilitation of a qualified rehabilitated building (QRB) must satisfy the "substantial rehabilitation test" within a 24-month or 60-month period. The TCJA included a transition rule for QREs incurred with respect to either a certified historic structure or a pre-1936 building, with respect to any building owned or leased at all times on and after January 1, 2018, if the 24-month period selected by the taxpayer or the 60-month period selected by the taxpayer for phased rehabilitation, begins no later than the end of the 180-day period beginning on the date of the enactment of the TCJA. In such case, the modifications made to the rehabilitation credit provisions apply to such expenditures paid or incurred after the end of the tax year in which such 24-month or 60-month period ends. Notice 2020-58 allows taxpayers that have a measuring period under the substantial rehabilitation test ending on or after April 1, 2020, and before March 31, 2021, now have until March 31, 2021, to satisfy the test. The deadline relief also applies to the substantial	

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			rehabilitation test for qualifying under the TCJA transition rule. On August 8, 2020, President Trump signed a memorandum directing the Treasury Secretary to **defer the collection of certain payroll taxes for the period of September 1, 2020, through December 31, 2020**. The deferral shall be made available with respect to any employee the amount of whose wages or compensation, as applicable, payable during any bi-weekly pay period generally is less than $4,000, calculated on a pre-tax basis, or the equivalent amount with respect to other pay periods. The memorandum further provides that amounts deferred are not subject to interest or penalty. Please also read "*KPMG report: Initial impressions about presidential memorandum on deferring payroll tax obligations*." On August 28, 2020, the IRS released **Notice 2020-65** which allows employers to defer the withholding and payment of the employee share of social security tax ordinarily due during the period from September 1, 2020, through December 31, 2020, for employees with earnings below a threshold amount. The IRS notice indicates employers that defer the withholding and payment of taxes in 2020 must withhold and pay the deferred taxes ratably over the period from January 1, 2021, through April 30, 2021. Notice 2020-65 provides that: – The Treasury Secretary has determined that employers that are required to withhold and pay the employee share of social security tax under section 3102(a) or the railroad retirement tax equivalent under section 3202(a) are affected by the COVID-19 emergency for purposes of the relief described in the presidential memorandum and this notice (this are "Affected Taxpayers"). – For Affected Taxpayers, the due date for the withholding and payment of the tax imposed by section 3101(a), and so much of the tax imposed by	

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			section 3201 as is attributable to the rate in effect under section 3101(a), on "Applicable Wages" (that is, "Applicable Taxes") is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021. – Applicable Wages means wages as defined in section 3121(a) or compensation as defined in section 3231(e) paid to an employee on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020, but only if the amount of such wages or compensation paid for a bi-weekly pay period is less than the threshold amount of $4,000, or the equivalent threshold amount with respect to other pay periods. – The determination of Applicable Wages is made on a pay period-by-pay period basis. If the amount of wages or compensation payable to an employee for a pay period is less than the corresponding pay period threshold amount, then that amount is considered Applicable Wages for the pay period, and the relief provided in this notice applies to those wages or that compensation paid to that employee for that pay period, irrespective of the amount of wages or compensation paid to the employee for other pay periods. – An Affected Taxpayer must withhold and pay the total Applicable Taxes that the Affected Taxpayer deferred under this notice ratably from wages and compensation paid between January 1, 2021 and April 30, 2021 or interest, penalties, and additions to tax will begin to accrue on May 1, 2021, with respect to any unpaid Applicable Taxes. If necessary, the Affected Taxpayer may make arrangements to otherwise collect the total Applicable Taxes from the employee.	

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			For insight on Notice 2020-65, please read "*KPMG report: Initial analysis of Notice 2020-65, guidance on employee payroll tax deferral.*" On August 28, 2020, the IRS announced that the **use of digital signatures** will be allowed temporarily on certain forms and returns that cannot be filed electronically in an effort to reduce in-person contact and lessen the risk to taxpayers and tax professionals during the COVID-19 pandemic. The IRS release **IR-2020-194** states that certain forms and returns (which cannot be e-filed and generally must be printed and mailed) can be submitted with digital signatures if filed on or before December 31, 2020. The list of forms, as further expanded by **IR-2020-206** of September 10, 2020, is the following: – Form 3115, *Application for Change in Accounting Method* – Form 8832, *Entity Classification Election* – Form 8802, *Application for U.S. Residency Certification* – Form 1066, *U.S. Income Tax Return for Real Estate Mortgage Investment Conduit* – Form 1120-RIC, *U.S. Income Tax Return For Regulated Investment Companies* – Form 1120-C, *U.S. Income Tax Return for Cooperative Associations* – Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts* – Form 1120-L, *U.S. Life Insurance Company Income Tax Return* – Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return* – Form 8453 series, Form 8878 series, and Form 8879 series regarding IRS e-file signature authorization forms	

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			– Form 706, U.S. Estate (and Generation-Skipping Transfer) Tax Return – Form 706-NA, U.S. Estate (and Generation-Skipping Transfer) Tax Return – Form 709, U.S. Gift (and Generation-Skipping Transfer) Tax Return – Form 1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons – Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts – Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner On September 10, 2020, the IRS released **Announcement 2020-17** which provides that the **due dates for reporting and paying excise taxes under sections 4971(a)(1) and 4971(f)(1)** regarding delayed minimum required contributions to a single employer defined benefit plan **are postponed to January 15, 2021**. Announcement 2020-17 clarifies that it is intended to coordinate the due date for reporting and paying the sections 4971(a)(1) and 4971(f)(1) excise taxes with the extended due date for paying the minimum required contributions to which those excise taxes apply (January 1, 2021). The IRS announcement states that it overrides the due date provided on Form 5330 and under the Form 5330 instructions for reporting and paying the excise taxes under sections 4971(a)(1) and 4971(f)(1) with respect to a minimum required contribution to which the CARES Act applies. Announcement 2020-17 cautions that it does not apply to the due dates for other excise taxes required to be reported on Form 5330.	

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			On September 14, 2020, the **TTB issued a reminder to semi-monthly excise tax return** filers that there are three excise tax return periods and five due dates in September 2020. There are always 3 return periods in September, but this year, because due dates were postponed 90 days as a result of COVID-19, there are also two additional due dates that fall in September. However, this only affects alcohol and tobacco taxpayers who file and pay on a semi-monthly basis, and not those who file and pay quarterly or annually. On November 16, 2020, the IRS today released an advance version of **Notice 2020-82** announcing that: – The IRS will treat a contribution with an extended due date of January 1, 2021, pursuant to the CARES Act as timely if it is made no later than January 4, 2021 (which is the first business day after January 1, 2021). – For a contribution that is made by January 4, 2021, and treated as timely, the amount of the minimum required contribution that is satisfied by the contribution (and the amount that may be added to the plan's prefunding balance on account of any excess contribution) is determined by computing the applicable interest adjustment using the actual contribution date. The **U.S. Treasury Department's Community Development Financial Institutions** (CDFI) Fund today announced that it will **consider requests for extensions of compliance and certification reports** when the recipients have been affected by the COVID-19 pandemic. The Treasury CDFI release reminds representatives of an organization that has received a CDFI Fund award and/or allocation, including a **New Markets Tax Credit (NMTC)** allocation, of the requirement to maintain compliance by completing and submitting the annual compliance reports. A failure to file the annual compliance and certification	

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			reports or to advise the CDFI Fund of certain "material events" can result in a finding of noncompliance. Some recipients may have a reporting date of September 30, 2020. Recipients of NMTC allocations are required to submit a "material events" form within 20 days of the occurrence of material event. The CDFI Fund will evaluate requests on a case-by-case basis. Recipients that have been affected by the COVID-19 crisis may have their deadlines for the submission of annual compliance and/or certification reports extended by up to 90 days. In addition, the CDFI Fund will consider extensions of up to 180 days for certain participants. On September 16, 2020, in release **IR 2020-212** the IRS explained that under Rev. Proc. 2020-1, the IRS ordinarily processes requests for **letter rulings** in the order that they are received, but that a taxpayer with a compelling need to have a request processed more quickly may **request expedited handling**. – A request for expedited handling must be made in writing, preferably in a separate letter submitted with the letter ruling request. – Requests for expedited handling are granted at the discretion of the IRS and typically involve a factor outside of the taxpayer's control that creates a real business need to obtain a letter ruling before a certain date in order to avoid serious business consequences. – Requests for expedited handling need to be submitted as promptly as possible after the taxpayer has become aware of the deadline or compelling business need. On September 22, 2020, the IRS released Announcement 2020-12 which explains that lenders that make PPP loans that are later forgiven under the CARES Act should not file information returns or furnish payee statements under	

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			section 6050P to report the amount of qualifying PPP loan forgiveness. On October 8, 2020, the IRS announced the implementation of a temporary procedure to allow for fax transmission of the separate Office of Tax Shelter Analysis (OTSA) copy of the initial year filing of **Form 8886, *Reportable Transaction Disclosure Statement***. The IRS will accept the separate OTSA copy of the initial year filing of Form 8886 via fax to +1 844 253 2553. This temporary procedure is effective from October 1, 2020, until further notice. The FAQs caution that taxpayers will still need to submit two copies of the Form 8886 to the IRS: — Taxpayers must continue to file Form 8886 with their tax return; and — Taxpayers can either mail the paper OTSA copy of the initial year filing of Form 8886 to the IRS OTSA Unit in Ogden, Utah, or they can now submit the OTSA copy to the IRS by fax. On October 22, 2020, the IRS posted a set of FAQs providing a temporary procedure (effective until further notice) for the fax transmission of **Form 8918**, "Material Advisor Disclosure Statement." On November 4, 2020, the IRS released an advance version of **Rev. Proc. 2020-49** which extends until September 30, 2021 the period during which telephonic hearings are permitted. Originally, Rev. Proc. 2020-21 allowed hearings to be held by teleconference for the purpose of satisfying the public approval requirement for the period beginning May 4, 2020, and ending December 31, 2020. On November 13, 2020, the U.S. Treasury Department and IRS released for publication in the Federal Register a	

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			"request for comments" concerning regulations and other requirements that can be rescinded, modified or waived to assist business and individual taxpayers with their economic recovery from the COVID-19 pandemic. Comments are due 45 days after this item is published in the Federal Register (which is scheduled for November 17, 2020). This request for comments includes several examples of how the IRS has tried to provide relief (such as postponed deadlines for filing tax returns and making tax payments and extended deadlines for other time sensitive acts) in response to the COVID-19 pandemic. The release indicates that the IRS will continue to review all temporary actions taken in response to COVID-19 to determine whether certain actions would become permanent in order to promote economic recovery. This release also requests comments about additional measures that might assist those affected by the COVID-19 pandemic and that would further aid in the ongoing economic recovery from the pandemic. On December 15, 2020, the IRS released guidance (the memorandum TE/GE-04-1220-0031) for employees of the Tax Exempt and Government Entities (TE/GE) Division regarding the extended "information document request" (IDR) timelines due to the COVID-19 pandemic. The memorandum: – Extends the approval period to deviate from standard follow-up IDR and IDR enforcement timelines until June 30, 2021 – Provides guidance regarding resumption of TE/GE exam activities post July 15, 2020, which will also be effective until June 30, 2021 The current memo supersedes a July 2020 memo that had in turn previously superseded an April 2020 memorandum that had provided IDR enforcement timelines in response to the COVID-19 situation.	

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			The memorandum also provides that "all operations" will continue normal procedures, except that: – In-person contact will be allowed when necessary, but when possible, the default is to correspondence and/or virtual interactions. – In general, face-to-face taxpayer interactions are to be limited to only those instances when such interactions are needed, and front-line managers have been engaged. – Field and office examinations when it is determined that in-person interaction with a taxpayer/representative is necessary only to exchange books and records, TE/GE employees can consider conducting the meeting in a Taxpayer Assistance Center that is equipped with plexiglass barriers, if possible. – Virtual appointments can be conducted by teleconference. WebEx will also be an option following appropriate guidelines and subject to system availability. On January 19, 2021, the IRS released an advance version of **Notice 2021-11** to further extend the time period employers must withhold and pay "Applicable Taxes" to December 31, 2021 (from April 30, 2021) related to a payroll tax deferral for certain employers as a response to the COVID-19 pandemic. Notice 2021-11 also further postpones to January 1, 2022 (rather than May 1, 2021) the period when interest, penalties, and additions to tax for late payment with respect to any unpaid deferred taxes will begin to accrue. It also modifies Notice 2020 65 by extending the time during which employers must withhold and pay certain taxes that were deferred under Notice 2020-65. On January 19, 2021, the IRS released **Notice 2021-8** to provide a waiver of the addition to tax for an underpayment of estimated income tax by individual	

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			taxpayers when the underpayment is attributable to an amendment to section 461(l)(1)(B) made by the CARES Act. The relief provided is not automatic and: – Is limited to waiving an amount of the addition to tax under section 6654 that is attributable solely to the CARES Act amendment to section 461(l)(1)(B) – Applies only for the purpose of calculating installments of estimated income tax of an individual taxpayer that were due on or before July 15, 2020, with respect to the tax year that began during 2019 – Is available to any qualifying estate or trust that is treated as an individual taxpayer for purposes of section 6654 and that is subject to the section 6654 estimated tax payment requirements with respect to its income The IRS also released an advance version of **Notice 2021-6** to waive the requirement to file certain information returns or furnish certain payee statements pursuant to provisions of the "Consolidated Appropriations Act, 2021". The Notice waives the requirement to file information returns or furnish payee statements concerning: – Original PPP covered loan forgiveness—Form 1099-C, Cancellation of Debt – "PPP II" covered loan forgiveness—Form 1099-C, Cancellation of Debt – Student emergency financial aid grants—Form 1099-MISC, Miscellaneous Income – Treasury Program loan forgiveness—Form 1099-C, Cancellation of Debt – Economic injury disaster loan (EIDL) grants—Form 1099-MISC, Miscellaneous Income – Loan subsidies under section 1112(c) of the CARES Act—Form 1099-MISC, Miscellaneous Income	

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			– Shuttered venue operator grants—Form 1099-MISC, Miscellaneous Income On February 1, 2021, the IRS released an advance version of **Announcement 2021-2** to notify lenders that have filed with the IRS (or furnished to a borrower) a Form 1099-MISC, "Miscellaneous Information," reporting certain payments relating to loans subsidized by the U.S. Small Business Administration as income of the borrower and further providing that these lenders must file and furnish corrected Forms 1099-MISC that exclude these subsidized loan payments. Announcement 2021-2 provides: – If a lender has already furnished to borrowers Forms 1099-MISC that report these loan payments, whether before, on, or after December 27, 2020, the lender must furnish to the borrowers corrected Forms 1099-MISC that exclude these loan payments. – If a lender has already filed with the IRS Forms 1099-MISC that report these loan payments, whether before, on, or after December 27, 2020, the lender must file with the IRS corrected Forms 1099-MISC that exclude these loan payments. – If a subject lender furnishes corrected payee statements within 30 days of the furnishing deadline, it will have reasonable cause for any failure-to-furnish penalty imposed under section 6722. An eligible lender must file corrected information returns by the filing deadline in order to avoid section 6721 failure-to-file penalties. On February 8, 2021, the IRS announced that a new **Form 7202 *"Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals´*** is available for eligible self-employed individuals, who due to COVID-19 are unable to work or telework for reasons relating to their own health or to care for a family member, to claim a	

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			refundable tax credits to offset their federal income tax under "Families First Coronavirus Response Act". The credits are equal to either their qualified sick leave or family leave equivalent amount, depending on circumstances. In order to file Form 7202, eligible self-employed individuals must: – Conduct a trade or business that qualifies as self-employment income – Be eligible to receive qualified sick or family leave wages under the "Emergency Paid Sick Leave Act" as if the taxpayer was an employee Taxpayers must maintain appropriate documentation establishing their eligibility for the credits as an eligible self-employed individual. On March 30, 2021, the IRS posted FAQs addressing the tax treatment and how students and higher education institutions should report emergency financial aid grants made in response to the COVID-19 pandemic. On April 6, 2021, the U.S. Treasury Department posted an updated version of a set of FAQs concerning the Paycheck Protection Program (PPP). On April 15, 2021, the IRS Deputy Commissioner for Services and Enforcement released **memorandum NHQ-10-0421-0002** to all Services and Enforcement employees, announcing temporary relief from the requirement for a handwritten signature for more tax returns and forms by allowing the identified returns and forms to be signed electronically. On April 22, 2021, the IRS released an advance version of **Rev. Proc. 2021-20** that provides a safe harbor for certain taxpayers that received first-round PPP loans but did not deduct any of the original eligible expenses because they relied on prior IRS guidance that disallowed such deductions and that was issued before legislative changes	

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			enacted in December 2020. The safe harbor does not require the filing of an amended return, but can be invoked by making an election and attaching a statement to the federal income tax return for the tax year after the taxpayer's 2020 tax year. On June 11, 2021, the IRS posted two new sets of FAQs with information for individual taxpayers and small and medium-size employers (SMEs) that claim credits under the "American Rescue Plan Act of 2021", which enhanced both the child and dependent care credit as well as the paid sick and family leave credit in March 2021. The FAQs provide information on eligibility, on computing the credit amounts, and how to claim the tax benefits.	
United States	Implemented	Filing/Payment Deadline Extension	Certain **states or local governments** have offered **tax relief on extensions** of time to file and to pay upcoming state and local taxes, as well as additional information on matters such as agency shutdowns. KPMG's **State and Local Tax** practice has prepared a **report** (updated as of May 27, 2020) that provides a summary of the jurisdictions that have issued guidance on extensions of time for filing and payment of income, sales and/or other state taxes, or penalty relief in light of COVID-19. For **tax relief guidance released by certain state and local governments** to address the consequences of the travel restrictions due to the COVID-19 pandemic, please read "*Tax relief, updated state and local tax guidance*" from October 26, 2020. The Delaware Secretary of State in February 2020 mailed letters to over 100 companies perceived as non-compliant with Delaware's unclaimed property law to "invite" them to enroll in the state's VDA program. Under Delaware law, companies that do not enroll in the VDA program within	**KPMG State and Local Tax Report** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			60 days of the mailing date of the letter will be "eligible" for an audit examination by the state. Recognizing the challenges many companies are facing in light of COVID-19, including difficulties with receipt and distribution of hardcopy mail, **Delaware has extended the deadline to respond to the invitation for the voluntary disclosure agreement (VDA) program to July 18, 2020**. KPMG's This Week in State Tax focuses on recent state and local tax developments: – Alabama, Massachusetts, Virginia and Multistate, please read *KPMG Report March 15, 2021* – Arkansas, New York, Oregon, Virginia, , please read *KPMG Report March 22, 2021* On May 10, 2021, the U.S. Treasury Department announced the launch of a program for $350 billion in emergency funding for state, local, territorial, and tribal governments—funding established by the "American Rescue Plan Act of 2021" to provide relief to eligible state and local governments from the economic effects of the COVID-19 pandemic. Treasury also released details as to how the Coronavirus State and Local Fiscal Recovery Funds can be used by state and local governments to respond to COVID-19 local needs, to address revenue shortfalls, and to support communities and populations affected by the COVID-19 crisis. In particular, eligible state, territorial, metropolitan city, county, and tribal governments will be able to access funding directly from the Treasury Department to assist communities as they recover from the pandemic. On May 17, 2021, U.S. Treasury Department Regulations were published that implement funding provisions to support state and local governments as they manage the public health and economic consequences of the COVID-	

Jurisdictions	Status	Type	Brief description	Source
			19 pandemic. It provides that eligible state and local government recipients may use the funds to: – Support public health expenditures – Address negative economic impacts caused by the public health emergency – Replace lost public sector revenue – Provide premium pay for essential workers – Invest in water, sewer, and broadband infrastructure	
United States	Implemented	Filing/Payment Deadline Extension	On March 27, 2020 the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**, also known as the **Phase 3** coronavirus bill). The bill provides for a **delay of payment of certain employer and self-employment payroll taxes**. The provision would allow employers and self-employed individuals to defer payment of the employer share (6.2%) of the social security tax they otherwise are responsible for paying in 2020, effective for payments due after the date of enactment. 50% of the deferred payroll taxes are due on December 31, 2021, and the remaining amounts are due on December 31, 2022. On April 10, 2020, the IRS posted a list of FAQs addressing specific issues related to the deferral of employment tax deposits and payments through December 31, 2020. The FAQs have been further updated on April 28, 2020 and on July 30, 2020. For more detailed information, please read the "*KPMG report: Tax provisions in the CARES Act (COVID-19 "phase 3" response): Analysis and observations*" For a specific focus on **tax-exempt organizations** please read this TNF.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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United States	Implemented	Individual Income Tax	On March 18, 2020, the U.S. President signed the Families First Coronavirus Response Act (also known as the **Phase 2** coronavirus bill), which introduced: – **Credit for sick leave for certain self-employed individuals** - the bill allows an eligible self-employed individual a credit against the tax imposed by subtitle A of the Code (relating to income taxes) with respect to qualified sick leave equivalent amounts. To qualify, an individual generally must regularly carry on a trade or business within the meaning of Code section 1402 and must have met the criteria to receive paid leave pursuant to the Emergency Paid Sick Leave Act as if the individual were an employee of an employer. Notice 2020-54 provides guidance for employers on the requirements to report amounts of qualified sick leave wages. Employers are required to report the amounts of qualified sick leave wages and qualified family leave wages either on Form W-2, Box 14, or on a separate statement. The notice provides sample language that can be used to report the paid leave. The Box 14 reporting or separate statement requirements are in addition the requirements to report the wages in Box 1, 3, and 5. – **Credit for family leave for certain self-employed individuals** - The bill allows an eligible self-employed individual a credit against the tax imposed by subtitle A of the Code (relating to income taxes) with respect to qualified family leave equivalent amounts. To qualify, an individual must regularly carry on a trade or business within the meaning of Code section 1402 and must have met the criteria to be entitled to receive paid leave pursuant to the Emergency Family and Medical Leave Expansion Act as if the individual were an employee of an employer.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			– **Wages under section 3111** - The bill provides that any wages required to be paid by reason of the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act would not be considered wages for purposes of Code section 3111(a). On January 28, 2021, the IRS updated the FAQs regarding the extended and expanded tax credits for qualified paid sick and qualified family leave wages provided employees by small and midsize employers. Provisions included in the "COVID-related Tax Relief Act of 2020" (enacted December 27, 2020) amended and extended tax credits and the availability of advance payments of tax credits for paid sick and family leave originally provided under the "Families First Coronavirus Response Act" (FFRCA). These measures provide small and midsize employers refundable tax credits that reimburse them, dollar-for-dollar, for the cost of providing paid sick and family leave wages to their employees for leave related to COVID-19. This relief is available for businesses ("Eligible Employers") with fewer than 500 employees and that provide employees with paid sick and family and medical leave for reasons related to COVID-19, either for the employee's own health needs or to care for family members. Workers may receive up to 80 hours of paid sick leave for their own health needs or to care for others and up to an additional 10 weeks of paid family leave to care for a child whose school or place of care is closed or child care provider is closed or unavailable due to COVID-19 precautions. The relief covers the costs of this paid leave by providing small businesses with refundable tax credits.	

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			Certain self-employed individuals in similar circumstances are entitled to similar credits. The IRS today also updated a set of FAQs concerning basic tax credits.	
United States	Implemented	Individual Income Tax	On March 27, 2020 the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**, also known as the "**Phase 3**" coronavirus bill which among other things provides for: – **Rebates (refundable tax credit) of up to $1,200 for single filers and $2,400 for joint filers (with amounts increased by $500 per child)**. These payments are subject to phase-outs beginning at $75,000/$150,000 adjusted gross income (AGI) for single filers/joint filers. – Temporary **waiver of the early withdrawal penalty** for certain coronavirus-related withdrawals from qualified retirement plans. – **Temporary waiver of requirement minimum distribution rules** for certain defined contribution plans and individual retirement accounts. – **Allowance of up to $300 of charitable deductions for non-itemizing taxpayers** for tax years beginning in 2020 and relaxation of the limitations for those taxpayers who itemize. – **Increase in charitable contributions limits** of up to 100% of adjusted gross income. For corporations, the 10% AGI limitation would be increased to 25% for certain 2020 cash contributions. For more detailed information, please read the "*KPMG report: Tax provisions in the CARES Act (COVID-19 "phase 3" response): Analysis and observations*" On May 12, 2020, the IRS released the advance versions of two notices, **Notice 2020-29** and **Notice 2020-33**, as guidance allowing temporary changes to section 125 cafeteria plans. The guidance issued are intended to	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			address unanticipated changes in expenses because of the COVID-19 pandemic and provides that previously provided temporary relief for high-deductible health plans may be applied retroactively to January 1, 2020; it also reflects an increase of the $500 permitted carryover amount for health FSAs to $550 (adjusted for inflation annually). On June 19, 2020, the IRS released **Notice 2020-50** to provide guidance intended to help retirement plan participants affected by COVID-19 to take advantage of the CARES Act provisions. These measures provide enhanced access to plan distributions and plan loans, include expanded categories of individuals eligible for these types of distributions and loans ("qualified individuals"), and include examples on how qualified individuals will reflect the tax treatment of these distributions and loans on their federal income tax filings. On June 23, 2020, the IRS released **Notice 2020-51** as guidance relating to the waiver of 2020 required minimum distributions from certain retirement plans pursuant to relief provisions provided by the CARES Act. Specifically, the required minimum distribution rules for calendar year 2020 are waived for certain defined contribution plans and IRAs. Individual are usually required to take mandatory distributions starting at age 72, but such distributions are not required during 2020. The provision is effective for calendar years beginning after December 31, 2019. On June 29, 2020, the IRS released **Notice 2020-52**, which clarifies the requirements applicable to a mid-year amendment to a safe harbor section 401(k) or section 401(m) plan that reduces only contributions made on behalf of "highly compensated employees." It also provides temporary relief from certain requirements that would otherwise apply to a mid-year amendment to a safe harbor section 401(k) or section 401(m) plan adopted	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

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			between March 13, 2020, and August 31, 2020, that reduces or suspends safe harbor contributions. On July 1, 2020, the IRS released **Notice 2020-53** to provide temporary relief from certain requirements regarding low-income credit available under section 42 of the Internal Revenue Code for qualified low-income housing projects. Please refer to the Tax News Flash for details on the reliefs provided. On July 30, 2020, the IRS updated a set of FAQs to provide guidance on the special distribution options and rollover rules for retirement plans and IRAs, and for expanded permissible loans from certain retirement plans, introduced by the CARES Act. On August 6, 2020, the IRS released **Notice 2020-62** which reflects modifications to two safe harbor explanations that plan administrators may use to satisfy the requirement under section 402(f) that certain information be provided to recipients of an eligible rollover distribution. The safe harbor explanations reflect legislative changes, including changes related to the *Setting Every Community Up for Retirement Enhancement Act of 2019* (SECURE Act) and the CARES Act. On August 24, 2020, the IRS issued a release **IR-2020-187** as a reminder to individual taxpayers that the deadline to rollover or repay retirement plan "required minimum distributions" (RMD) is August 31, 2020. The IRS explained that, because the RMD rule is suspended, RMDs taken in 2020 are considered eligible for rollover. Therefore, RMDs can be rolled over to another IRA, another qualified retirement plan or returned to the original plan by August 31, 2020, to avoid paying taxes on that distribution. On September 9, 2020, the IRS released **Notice 2020-66** as interim guidance providing that certain Medicaid coverage of COVID-19 testing and diagnostic services is	and KPMG TNF

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			not "minimum essential coverage" for purposes of section 36B. Therefore, an individual's eligibility for Medicaid coverage solely for COVID-19 testing and diagnostic services will not prevent that person from being able to claim a premium tax credit under section 36B. The Notice also announces that the U.S. Treasury Department and IRS intend to amend Reg. section 1.5000A-2 to add Medicaid coverage of COVID-19 testing and diagnostic services to the list of health care coverage that is not minimum essential coverage under a government-sponsored program. On November 2, 2020, the U.S. Treasury Department and IRS, jointly with the Labor Department and Department of Health and Human Services, released for publication in the Federal Register an interim final rule (T.D. 9931) with respect to Medicare coverage concerning a vaccine for the disease caused by COVID-19. For additional information, please refer to the TNF. On December 22, 2020, the IRS released an advance version of **Notice 2021-3** which extends through June 30, 2021 the temporary relief from a requirement that retirement plan elections that require the signature of an individual participant, including spousal consents under section 417, must be witnessed in the physical presence of a plan representative or notary public. On January 15, 2021, the IRS released an advance version of **Notice 2021-12** which extends the temporary relief from certain requirements under section 42 for qualified low-income housing projects and under sections 142(d) and 147(d) for qualified residential rental projects that was provided in Notice 2020-53. It also provides relief for additional section 42 requirements not previously addressed in Notice 2020-53. The temporary relief is generally extended to the earlier of one year from the	

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			original due date or September 30, 2021. A placed in service measure is extended to December 31, 2021. The "**Taxpayer Certainty and Disaster Tax Relief Act of 2020**", enacted on December 27, 2020, includes the following provisions: **Minimum age for distributions during working retirement** - The legislation allows certain construction and building-trades workers age 55 years or older who are receiving retirement benefits to continue to work and receive such benefits. Generally, distributions cannot be taken out until age 59½ years. This provision is effective for distributions before, on or after December 27, 2020. **Partial plan termination changes for 2020** - A partial termination generally occurs when a plan has turnover in excess of 20%. A partial termination can cause significant cost and administrative expense to the plan sponsor. In recognition of the high turnover since March 2020, the legislation provides a temporary rule for any plan year that includes March 13, 2020, because of the high workforce turnover since March 2020. The legislation provides that a determination of the partial termination can be delayed until March 31, 2021, to give companies time to restore their workforce above 80% and avoid the partial termination. On February 4, 2021, the IRS released an advance version of **Rev. Proc. 2021-15** that provides a safe harbor for "eligible educators" to treat unreimbursed expenses paid or incurred after March 12, 2020, for personal protective equipment, disinfectant, and other supplies used to prevent the spread of COVID-19 in the classroom, as expenses that are allowable as a deduction under section 62(a)(2)(D) (subject to the aggregate dollar limitation). On February 18, 2021, the IRS released an advance version of **Notice 2021-15** to clarify application of	

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			provisions of the "Taxpayer Certainty and Disaster Tax Relief Act of 2020", which provides temporary special rules for health flexible spending arrangements (health FSAs) and dependent care assistance programs under section 125 cafeteria plans. The legislation: – Provides flexibility with respect to carryovers of unused amounts from the 2020 and 2021 plan years – Extends the permissible period for incurring claims for plan years ending in 2020 and 2021 – Provides a special rule regarding post-termination reimbursements from health FSAs during plan years 2020 and 2021 – Provides a special claims period and carryover rule for dependent care assistance programs when a dependent "ages out" during the COVID-19 public health emergency – Allows certain mid-year election changes for health FSAs and dependent care assistance programs for plan years ending in 2021 The notice provides additional relief with respect to mid-year elections for plan years ending in 2021. Specifically, with respect to employer-sponsored health coverage, a section 125 cafeteria plan may permit employees who are eligible to make salary reduction contributions under the plan to take any of the following actions for plan years ending in 2021: – Make a new election on a prospective basis, if the employee initially declined to elect employer-sponsored health coverage – Revoke an existing election and make a new election to enroll in different health coverage sponsored by the same employer on a prospective basis – Revoke an existing election on a prospective basis, provided that the employee attests in writing that the	

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			employee is enrolled, or immediately will enroll, in other health coverage not sponsored by the employer Notice 2021-15 also provides relief with respect to the effective date of amendments to section 125 cafeteria plans and health reimbursement arrangements (HRAs) to implement the expansion of allowed expenses for health FSAs and HRAs by the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) (Pub. L. No. 116-136) to include over-the-counter drugs without prescriptions and menstrual care products. The notice includes examples and sample language for use regarding the elections. On March 10, 2021, the U.S. House of Representatives passed the Senate-amended version of H.R. 1319, the "American Rescue Plan Act of 2021." Tax provisions related to individuals in the legislation include: – **2021 recovery rebates**—Provide rebates and modify the adjusted gross income (AGI) phase-out levels for receipt of recovery rebates in the amount of $1,400 for single taxpayers / $2,800 for married filing jointly and $1,400 per dependent are modified to $75,000-80,000 for single, $112,500-120,000 for head of household, and $150,000-160,000 for married filing jointly. – **Taxation of unemployment compensation**—Create a tax exclusion for unemployment compensation (not to exceed $10,200) received in 2020 for households with AGI of less than $150,000. – **Child tax credit (CTC)**—For 2021, increase the CTC to $3,000 ($3,600 for certain children under the age of six years), expand refundability, and expand application to U.S. territories. – **Earning income tax credit (EITC)**—Expand the EITC for certain childless individuals for 2021; expand application in U.S. possessions; modify credit for	

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			certain separated spouses; and make other modifications. – **Child and dependent care tax credit**—For 2021, expand the credit for workers with $185,000 or less in income and reduce the credit for those with over $400,000 of income (fully phasing out for those with income over $440,000), and increase refundability – **Employer-provided dependent care assistance**—For 2021, increase the maximum amount of qualifying child-care expenses that eligible taxpayers may exclude from income from $5,000 to $10,500 – **Student loan forgiveness**—Exclude from gross income amounts related to discharge of certain student loan debt in 2021 through 2025. – **Premium tax credit**—Provide expanded premium assistance for consumers through 2022; clarify premium tax credit application for individuals receiving unemployment compensation in 2021; and make other modifications. – **COBRA**—Clarify that gross income does not include premium assistance received by certain taxpayers and other COBRA-related modifications. Pension-related measures - The legislation contains a number of provisions providing relief for both multi-employer and single-employer pension plans including: – Removal of a requirement that withdrawal liability for multi-employer plans be determined for 15 years without regard to financial assistance and removal of a notice to employers on withdrawal liability – Extension of amortization for single-employer plans – Extension of pension funding stabilization percentages – Modification of special rules for minimum funding standards for community newspaper plans The American Rescue Plan Act of 2021 (**Rescue Act**) enacted March 11, 2021, provides for a 100% COBRA	

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			subsidy for up to six months from April 1 through September 30, 2021, for any individual who lost health coverage because of an involuntary termination or involuntary reduction in hours. In addition, the Rescue Act provides these individuals a "second chance" to make their COBRA elections in light of the subsidy, even if they let their coverage lapse. Employers play a major role in this process because the "subsidy" is technically a tax credit. – Employers will need to determine which individuals/dependents lost health plan coverage on or after November 1, 2019, due to an involuntary termination of employment or a reduction in hours. – Employers will need to send a notice (the Department of Labor is supposed to issue model notices within 30 days) to each of the affected individuals (and their covered family members) by May 31, 2021. – These individuals and family members who lost coverage because of an involuntary termination or reduction in hours after November 1, 2019, but who either did not elect COBRA or let their COBRA lapse, will have until 60 days after receipt of the notice to elect COBRA. Any election for these participants would be prospective only, and not retroactive to the date coverage was lost. – The subsidy is realized through employers. Employers, plan sponsors, etc., then offset the COBRA costs by claiming a credit against Medicare taxes. – Employers may permit individuals to enroll in other health plan options offered by the employer within 90 days of the notice (rather than the health plan in which the employee was enrolled prior to the loss of coverage) if that other health plan option is less expensive.	

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			– The subsidy is not subject to an income cap and not taxable to the participants. – Any participant who is or becomes eligible for other group health coverage or Medicare is not eligible for the subsidy. The individual has the obligation to notify the employer if he or she is not eligible or loses eligibility. On March 26, 2021, the IRS released an advance version of **Announcement 2021-7** notifying taxpayers that amounts paid for personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19 are treated as amounts paid for medical care under section 213(d): – The purchase of personal protective equipment—such as masks, hand sanitizer, and sanitizing wipes—for the primary purpose of preventing the spread of COVID-19 is a deductible medical expenses under section 213(a) if purchased for use by the taxpayer, the taxpayer's spouse or the taxpayer's dependent(s) and is not compensated for by insurance or otherwise, provided that the taxpayer's total medical expenses exceed 7.5% of adjusted gross income. – Amounts paid for personal protective equipment are also eligible to be paid or reimbursed under health flexible spending arrangements (health FSAs), Archer medical savings accounts (Archer MSAs), health reimbursement arrangements (HRAs) or health savings accounts (HSAs). However, any amounts paid or reimbursed under a health FSA, Archer MSA, HRA, HSA or any other health plan are not deductible under section 213(a). On May 6, 2021, the IRS announced that a set of FAQs concerning coronavirus-related relief for retirement plans and IRAs has been updated. The new FAQs address	

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			partial terminations under provisions of the "Taxpayer Certainty and Disaster Tax Relief Act of 2020." An IRS transmittal message explains that five new FAQs are intended to help clarify how partial terminations are determined during any plan year which includes the period beginning on March 13, 2020 and ending on March 31, 2021. On May 10, 2021, the IRS released an advance version of **Notice 2021-26** as guidance on the tax treatment of dependent care benefits available in tax years ending in 2021 and 2022. The Notice clarifies that if eligible dependent care benefits would have been excluded from income if used during the preceding tax year (that is, during the tax year ending in 2020 or 2021), these benefits remain excludable from gross income and are not wages to the employee for the tax years ending in 2021 and 2022. Notice 2021-26 also clarifies that these benefits will not be taken into account for purposes of the application of the limits under section 129 to other dependent care benefits available for the tax years ending in 2021 and 2022. On May 18, 2021, the IRS released an advance version of **Notice 2021-31** as guidance regarding tax relief provided by the "American Rescue Plan Act of 2021" for COBRA-related continuation of health coverage. The Notice provides guidance in a Q&A format for employers, plan administrators, and health insurers regarding the new credit available to them for providing continuation health coverage to certain individuals under COBRA. Notice 2021-31 provides information regarding the calculation of the credit, the eligibility of individuals, the premium assistance period, and other information vital to	

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			employers, plan administrators, and insurers to understand the credit. For additional information, please read the KPMG report: "*IRS guidance on premium assistance for COBRA benefits (Notice 2021-31)*". On June 24, 2021, the IRS released an advance version of **Notice 2021-40** which extends for an additional year through June 30, 2022 the temporary relief from the rule that retirement plan elections requiring the signature of an individual participant (including spousal consents under section 417) must be witnessed in the physical presence of a plan representative or notary public.	
United States	Implemented	Loss Relief	On March 27, 2020, the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act, (**CARES Act**, also known as the **Phase 3** coronavirus bill) which among other things provides for: – **Extended carry-back period for net operating losses.** The bill allows corporations to carry back losses incurred in tax years beginning after 12/31/2017 and before 12/31/2021. The provision also temporarily (i.e. losses arising in tax years after 12/31/2017 and before 12/31/2020) allows some net operating losses (NOLs) to fully offset income. Special rules are provided for REITs and life insurance companies. It also includes a technical correction to the effective date of changes made by the TCJA to the NOL rules. Please see the "Business Income Tax" section for additional information. – **Expanded use of losses for partnerships and sole proprietors**. The bill temporarily (and retroactively) suspends the application for non-corporate taxpayers of the limitation on excess business losses for tax years beginning in 2018, 2019 and 2020, that was enacted as part of the TCJA, for tax years beginning	**KPMG TNF** and **KPMG TNF**

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			after 2017 and before 2026. It also makes technical changes to the loss limitation rules, retroactive to the enactment of the TCJA. For more detailed information, please read the "*KPMG report: Tax provisions in the CARES Act (COVID-19 "phase 3" response): Analysis and observations*" On July 3, 2020, the U.S. Treasury Department and IRS released for publication in the Federal Register as guidance under sections 1502 and 172 regarding consolidated NOLs: – The temporary regulations (T.D. 9900) - promulgated under section 1502 permit consolidated groups that acquire new members that were members of another consolidated group to elect in a year subsequent to the year of acquisition to waive all or part of the pre-acquisition portion of an extended carryback period under section 172 for certain losses attributable to the acquired members when there is a retroactive statutory extension of the NOL carryback period under section 172. These temporary regulations reflect provisions enacted as part of the CARES Act that retroactively extend the carryback period under section 172 for tax years beginning after 2017 and before 2021; and – The proposed regulations (REG-125716-18) - include proposed amendments to the consolidated return regulations under section 1502, and provide guidance implementing recent statutory amendments to section 172 as made by the 2017 tax law TCJA and the CARES Act. These proposed regulations respond to and address the issues surrounding absorption of	

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			consolidated NOL carryovers and carrybacks, which arise as a result of the TCJA and CARES Act. For specific implications for insurance companies, please read the "*KPMG report: Insurance-related measures in consolidated NOL regulations*."	
United States	Implemented	Payroll Tax	On March 27, 2020, the U.S. President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, also known as the Phase 3 coronavirus bill) which among other things provides for: **Employee retention payroll tax credit for certain businesses.** The bill provides a refundable payroll tax credit for 50% of "qualified wages" paid by certain employers to employees. The credit is available to eligible employers carrying on a trade or business in calendar year 2020 whose: (1) Operations were fully or partially suspended, due to orders of a governmental entity that were related to the COVID-19 crisis, or (2) Gross receipts declined by more than 50% when compared to the same quarter in the prior year. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to COVID-19 circumstances. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit. The credit is capped at the first $10,000 of compensation, including health benefits, paid to the employee. The credit is refundable to the extent it exceeds the employer portion of social security taxes reduced by the paid sick leave and paid extended FMLA established the Coronavirus Phase 2 legislation. The provision is effective for wages paid or incurred from 13 March 2020 through 31 December 2020.	**KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			On March 31, 2020 the U.S. Senate Finance Committee released a set of "frequently asked questions" (FAQs) to address the employee retention credit provisions. On April 10, 2020 The IRS has re-issued Form 941, "Employer's Quarterly Federal Tax Return" for 2020 and the related instructions—each with a note providing guidance for employers claiming the newly enacted employee retention credit. On April 29, 2020, the IRS released FAQs on the employee retention credit; for more information, please read KPMG TNF "*Initial impressions of additional FAQs on the employee retention credit*". On May 4, 2020, the IRS clarified that an employer that applied for a Paycheck Protection Program (PPP) loan an repays the loan by May 18, 2020 will be treated as though the employer had not received a covered loan under the PPP for purposes of the Employee Retention Credit. The IRS clarified that will now generally treat qualified health plan expenses paid during a furloughed period as qualified wages for purposes of the employee retention credit. On June 19, 2020, the IRS updated the FAQs and clarified what constitutes "gross receipts" for a tax-exempt employer for purposes of determining eligibility for the Employee Retention Credit. Other FAQs were also updated to include helpful clarifications and expanded examples. Please refer to "*IRS updated FAQs on employee retention credit*" for more detailed information. On July 24, 2020, the U.S. Treasury Department and IRS released for publication in the Federal Register (on July 29, 2020) temporary regulations (T.D. 9904) and proposed regulations (REG-111879-20) providing rules for reconciling advance payments of refundable employment tax credits. A provision of the CARES Act provides that if the amount of the employee retention credit exceeds the taxes imposed by section 3111(a) or 3221(a) (limited to	and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			the portion attributable to the rate in effect under section 3111(a)) for any calendar quarter, that excess amount is treated as an overpayment that is to be refunded under sections 6402(a) and 6413(b). The temporary regulations and corresponding proposed regulations provide that any credits claimed that exceed the amount to which an employer is entitled and are actually credited and paid are considered to be an erroneous refund of the credits and treated as an underpayment of the taxes imposed under section 3111(a) or 3221(a). Therefore, these regulations authorize the IRS to assess any portion of the credits erroneously credited, paid or refunded. This mechanism allows the IRS to recover amounts and provides taxpayers with administrative protections but avoids litigation. These regulations apply to all credits under provisions of the Families First Act (Act sections 7001 and 7003) refunded on or after April 1, 2020, as well as credits under a provision of the CARES Act (Act section 2301) that are refunded on or after March 13, 2020. On November 16, 2020, the IRS updated a set of FAQs, which address the interaction of the ERC with other credit and relief provisions, in particular with regard to the Paycheck Protection Program (PPP). For insight on the interaction of ERC and PPP loans, please read "*IRS offers clarifications in FAQs addressing interaction of ERC and PPP loans in acquisitions*". – On March 1, 2021 the IRS released an advance version of **Notice 2021-20** to address the employee retention credit as it applies to qualified wages paid after March 12, 2020, and before January 1, 2021:The notice has 71 Q&A providing guidance and including some examples illustrating the rules under the employee retention credit. – According to a related IRS release (IR-2021-48 of March 1, 2021), the guidance in Notice 2021-20 is "similar" to the information in the prior FAQs under	and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			the employee retention credit, but includes clarifications and describes retroactive changes applicable to 2020, primarily relating to expanded eligibility for the credit. Notice 2021-20 states that it does not address the changes made by the *Taxpayer Certainty and Disaster Tax Relief Act of 2020* legislation (a division of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260) (December 27, 2020)) and that apply to the employee retention credit for qualified wages paid after December 31, 2020. The IRS and Treasury Department will address these modifications for calendar quarters in 2021 in future guidance. Although Notice 2021-20 formalizes much of the information included in previously issued FAQs available on the IRS website, the notice contains further clarifications of the FAQs by constructing a safe harbor approach while also addresses recent retroactive changes regarding interaction with employers that received a Paycheck Protection Program (PPP) loan. **Payroll tax credit for required paid sick leave -** Effective for wages paid with respect to a period that begins on a date selected by Treasury and that ends December 31, 2020, the bill generally would provide an employer payroll tax credit equal to 100% of the qualified sick leave wages paid by the employer under the Emergency Paid Sick Leave Act, subject to certain limitations. The tax credit generally would be available for wages of up to either $511 or $200 for each day an individual is paid qualified sick leave. The amount of the credit for any calendar quarter generally could not exceed the tax imposed under Code section 3111 or Code section 3221(a) for such quarter. However, the bill includes refundability provisions for credits that exceed tax liability. On July 24, 2020, the U.S. Treasury Department and IRS released for publication in the Federal Register (on July 29, 2020) temporary	

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			regulations (T.D. 9904) and proposed regulations (REG-111879-20) providing rules for reconciling advance payments of refundable employment tax credits. In general, provisions of the Families First Act provide that if the amount of the paid sick and family leave credits exceeds the taxes imposed by Code section 3111(a) or 3221(a) for any calendar quarter, that excess amount is to be treated as an overpayment that is to be refunded pursuant to the rules under sections 6402(a) and 6413(b). The temporary regulations and corresponding proposed regulations provide that any credits claimed that exceed the amount to which an employer is entitled and are actually credited and paid are considered to be an erroneous refund of the credits and treated as an underpayment of the taxes imposed under section 3111(a) or 3221(a). Therefore, these regulations authorize the IRS to assess any portion of the credits erroneously credited, paid or refunded. This mechanism allows the IRS to recover amounts and provides taxpayers with administrative protections but avoids litigation. These regulations apply to all credits under provisions of the Families First Act (Act sections 7001 and 7003) refunded on or after April 1, 2020, as well as credits under a provision of the CARES Act (Act section 2301) that are refunded on or after March 13, 2020. **Payroll tax credit for required paid family leave** - Effective for wages paid with respect to a period that begins on a date selected by Treasury within 15 days of enactment and that ends December 31, 2020, the bill would provide an employer payroll tax credit for each calendar quarter generally equal to 100% of the qualified family leave wages paid by the employer to comply with the Emergency Family and Medical Leave Expansion Act with respect to such quarter. The credit would be against	

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			the employer portion of OASDI taxes imposed by Code section 3111(a). The IRS has provided draft versions of Form 7200, Advance Payment of Employer Credits Due to COVID-19, and the draft instructions for Form 7200 for use by employers that file Form(s) 941, 943, 944, or CT-1 to request an advance of the tax credit for qualified sick and family leave wages and the employee retention credit. On July 15, 2020, the IRS announced that it is sending letters to taxpayers that have experienced a delay in the process of Form 7200, "Advance Payment of Employer Credits Due To COVID-19." The IRS release explains that taxpayers will receive letter 6312 if the IRS either rejected Form 7200 or made a change to the requested amount of advance payment due to a computation error. The letter will indicate the reason for the rejection or, if the amount is adjusted, the new payment amount will be listed on the letter. Also, a taxpayer will receive a letter if the IRS needs written verification from a taxpayer that the address listed on the Form 7200 is the current mailing address for the business. For more information on the labor-related tax provisions of the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act), please read "*KPMG Report: Employer-related liquidity—tax credits, deferrals, and efficiencies*" On June 11, 2020, the IRS released **Notice 2020-46** as guidance for employers whose employees forgo sick, vacation or personal leave because of the COVID-19 pandemic. The Notice provides that cash payments that an employer makes to section 170(c) organizations in exchange for vacation, sick or personal leave that the employees elect to forgo will not be treated as wages (or compensation) to the employees (or otherwise be included in the gross income of the employees) if the payments are:	

Jurisdictions	Status	Type	Brief description	Source
			– Made to the section 170(c) organizations for the relief of victims of the COVID-19 pandemic in the affected geographic areas, and – Paid to the section 170(c) organizations before January 1, 2021. It further provides that employees electing to forgo leave will not be treated as having constructively received gross income or wages (or compensation). Electing employees cannot claim a charitable contribution deduction under section 170 with respect to the value of forgone leave. An employer may deduct these cash payments as a business expense (under the rules of section 170 or the rules of section 162) if the employer otherwise meets the respective requirements of either section. On June 30, 2021, the IRS released an advance version of **Notice 2021-42** that **extends** the federal income and employment tax treatment previously provided in **Notice 2020-46** with regard to cash payments made to charitable organizations described in section 170(c) after December 31, 2020, and before January 1, 2022. On August 6, 2020, the IRS released **Notice 2020-61**, which provides guidance concerning the special rules relating to funding of single-employer defined benefit pension plans, and related benefit limitations, as enacted by the CARES Act. Notice 2020-61 states in Q&A-11 that the extended due date under the CARES Act does not change the date by which a contribution must be made in order to be deducted for a tax year under section 404(a)(6), which permits a deduction for the prior tax year if the payment is on account of that tax year and is made no later than the due date for filing the return for that tax year (including extensions).	

Jurisdictions	Status	Type	Brief description	Source
			Notice 2020-61 provides special instructions for actuaries completing Schedule SB of Form 5500 in light of the changes made by the CARES Act. On August 21, 2020, the IRS indicated that it was aware that a "small population of employers" that reduced their tax deposits in anticipation of claiming the sick and family leave credits or employee retention credit may have received a notice stating that there was a failure-to-deposit penalty applicable to the Form 941 on which the credits were claimed. According to the IRS statement: o Under IRS Notice 2020-22, employers claiming the new tax credits may reduce their deposits throughout the tax period up to the amount of the credit. o However, in reporting the schedule of liabilities on Form 941, the reported liabilities did not match the reduction in deposits for every pay date. o In these situations, the employers may have incurred a failure-to-deposit penalty on the difference in the reported liabilities and the reduced deposits (in situations when deposits were reduced by the amount of the anticipated credit(s) in excess of liability for the employer portion of social security for a given pay date). The statement explains that while the IRS has taken steps to implement rules that prevent the failure to deposit penalty from incurring on employers reducing their deposits in anticipation of these credits, the IRS has become aware some employers may still have inadvertently received notice of the penalty. The IRS stated that it is taking actions to identify these employer accounts and correct them as soon as possible. The IRS release concludes that employers that have recently received these notices do not need to take additional actions at this time.	

Jurisdictions	Status	Type	Brief description	Source
			On January 4, 2021, the IRS released an advance version of **Notice 2021-7** to provide temporary relief for employers using the automobile lease valuation rule to value an employee's personal use of an employer-provided automobile for purposes of income inclusion, employment tax, and reporting. Notice 2021-7 provides that if certain requirements are satisfied, employers and employees that are using the automobile lease valuation rule to determine the value of an employee's personal use of an employer-provided automobile can instead use the vehicle cents-per-mile valuation rule to determine the value of an employee's personal use of an employer-provided automobile beginning as of March 13, 2020. The notice provides that for 2021, employers and employees may revert to the automobile lease valuation rule or continue using the vehicle cents-per-mile valuation rule, provided certain requirements are met. Please refer to the TNF for more detailed information. The "**Taxpayer Certainty and Disaster Tax Relief Act of 2020**", enacted on December 27, 2020, includes a variety of compensation and benefits-related tax provisions such as an expansion of the ERC through June 30, 2021 (from January 1, 2021) as well as full deductibility of business meals provided by a restaurant for two calendar years. **ERC extension and modifications** This provision extends and expands the ERC for a six-month period from January 1, 2021, through June 30, 2021. The legislation also contains modifications and clarifications to the CARES Act aligned with existing guidance. The legislation includes several provisions that are retroactive to the original effective date of the ERC provisions under the CARES Act (that is, CARES Act section 2301) to: – Provide that employers who receive Paycheck Protection Program (PPP) loans may still qualify for	

Jurisdictions	Status	Type	Brief description	Source
			the ERC with respect to wages that are not paid for with forgiven PPP proceeds – Codify that gross receipts for certain tax-exempt organizations are determined under section 6033 – Codify that group health plan expenses can be considered qualified wages even when no other wages are paid to the employee (consistent with IRS guidance) – For calendar quarters beginning on January 1, 2021, and through June 30, 2021, the legislation makes a variety of changes that: o Increase the limit on per-employee qualified wages from $10,000 for the year to $10,000 for each quarter o Increase the credit rate from 50% to 70% of qualified wages o Expand eligibility for the credit by reducing the required year-over-year gross receipts decline from 50% to 20% and provide a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility o Increase the threshold for purposes of determining the relevant qualified wages from employers with more than 100 employees to employers with more than 500 employees o Expand ERC eligibility to public colleges and universities, as well as government entities with a principal purpose or function of providing medical or hospital care o Provide rules to allow new employers that were not in existence for all or part of 2019 to be able to claim the credit o Provide for an outreach campaign for small employers—special notice and educational materials to be provided to employers with 500 or fewer employees	

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			o Remove the 30-day wage limitation to allow credits for bonus pay **Full deduction for certain business meals** Code section 274 is amended to provide a 100% deduction for business meal food and beverage expenses provided by a restaurant and that are paid or incurred in calendar year 2021 and 2022. **Minimum age for distributions during working retirement** The legislation allows certain construction and building-trades workers age 55 years or older who are receiving retirement benefits to continue to work and receive such benefits. Generally, distributions cannot be taken out until age 59½ years. This provision is effective for distributions before, on or after December 27, 2020. **Expiring tax provisions extended through 2025** The "family leave credit" under section 45S allows a tax credit for providing paid "Family and Medical Leave Act" (FMLA) leave. This provision was originally enacted under the 2017 TCJA for a two-year period but was extended through 2020. This legislation continues to extend the effective date of the credit through 2025. The CARES Act provided an exclusion from income for certain employer-paid student loan payments made through a section 127 educational assistance program. This provision was set to expire after December 31, 2020. However, the legislation extends the use of a section 127 program for student loan payment through December 31, 2025. **Employee payroll tax deferral repayment extended** In August 2020, a presidential memorandum was issued directing the Secretary of the Treasury to utilize his authority to defer the withholding, deposit, and payment of certain payroll tax obligations. Employee payroll tax could be deferred from September 1, 2020, through December 31, 2020. Under IRS Notice 2020-65, the deferred amount would be repaid from January 1, 2021,	

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			through April 30, 2021, with penalties accruing as of May 1, 2021. The legislation extends the payroll period for employees, and provides that repayment is extended from January 1, 2021, through December 31, 2021. Penalties do not accrue until January 1, 2022. On April 2, 2021, the IRS released an advance version of **Notice 2021-23** concerning the employee retention credit claimed by employers for the first and second calendar quarters of 2021. The Notice reflects guidance for employers claiming the employee retention credit under the CARES Act as modified by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act) for the first two calendar quarters of 2021. A related IRS release—IR-2021-74 (April 2, 2021)—explains that Notice 2021-23 reflects: – An increase in the maximum credit amount – Expansion of the category of employers that may be eligible to claim the credit – Modifications to the gross receipts test – Revisions to the definition of qualified wages – New restrictions on the ability of eligible employers to request an advance payment of the credit – As a result of the changes made by the Relief Act, for the first two quarters of 2021: Eligible employers can now claim a refundable tax credit against the employer share of social security tax equal to 70% of the qualified wages they pay to employees after December 31, 2020, through June 30, 2021. Qualified wages are limited to $10,000 per employee per calendar quarter in 2021. The maximum employee retention credit available is $7,000 per employee per calendar quarter, for	

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			a total of $14,000 for the first two calendar quarters of 2021. The IRS explained that employers can access the employee retention credit for the first and second calendar quarters of 2021 prior to filing their employment tax returns by reducing employment tax deposits. Employers with an average of 500 or fewer full-time employees in 2019 ("small employers") may request advance payment of the credit after reducing deposits. In 2021, advances are not available for larger employers. Notice 2021-23 provides details about how to calculate and claim the employee retention credit for the first two calendar quarters of 2021. The IRS release concludes that the American Rescue Plan Act of 2021 (enacted March 11, 2021) made the employee retention credit available to eligible employers for wages paid during the third and fourth quarters of 2021. The IRS stated it will provide further guidance about the employee retention credit that is available for these calendar quarters under the recently enacted legislation. Please read the *report* explaining the guidance provided by Notice 2021-23. On April 13, 2021, the IRS released an advance version of **Notice 2021-24** to extend the penalty relief provided by Notice 2020-22 to apply to deposits of employment taxes reduced in anticipation of the following credits: – Paid sick and family leave credits under the Families First Coronavirus Response Act (Pub. L. No. 116-127) as amended by the COVID-related Tax Relief Act of 2020 (a division of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260)) with respect to qualified leave wages paid for the period beginning January 1, 2021, and ending March 31, 2021	

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			– Paid sick and family leave credits under sections 3131, 3132, and 3133 of the Code, added by the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) with respect to qualified leave wages paid for the period beginning April 1, 2021, and ending September 30, 2021 – The employee retention credit under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. No. 116-136) as amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (a division of the Consolidated Appropriations Act, 2021) with respect to qualified wages paid for the period beginning January 1, 2021, and ending June 30, 2021 – The employee retention credit under section 3134, added to the Code by the American Rescue Plan Act of 2021, with respect to qualified wages paid for the period beginning July 1, 2021, and ending December 31, 2021 – The credit for Continuation Coverage Premium Assistance under section 6432, added to the Code by the American Rescue Plan Act of 2021, for COBRA continuation coverage premiums not paid by assistance-eligible individuals for such coverage during the period beginning April 1, 2021, and ending September 30, 2021. On August 4, 2021, the IRS released an advance version of Notice 2021-49 providing additional guidance regarding the employee retention credit. **Notice 2021-49** includes guidance for employers that pay qualified wages after June 30, 2021, and before January 1, 2022, and provides additional guidance on miscellaneous issues that apply to the employee retention credit in both 2020 and 2021. On August 10, 2021, the IRS released an advance version of **Rev. Proc. 2021-33** providing a safe harbor allowing	

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			employers to exclude certain items from their gross receipts solely for determining eligibility for the employee retention credit.	
United States	Proposed	Payroll Taxes	The U.S. House of Representatives yesterday passed the "**Child Care for Economic Recovery Act**" on July 29, 2020. The bill contains tax provisions including measures that would: – Modify the amount, refundability, and other provisions of the child and dependent care tax credit – Increase the exclusion for employer-provided dependent care assistance – Provide a new refundable payroll credit for certain fixed-expenses of certain child care facilities – Provide a new refundable payroll credit for certain employee dependent care expenses paid by employers – Allow increased flexibility for dependent care flexible spending arrangements – Expand the employee retention credit to employment of domestic employees – Provide $5 million in supplemental appropriations to allow the IRS to make grants under the Community Volunteer Income Tax Assistance Matching Grants Program	KPMG TNF
United States	Implemented	PE and Place of Management	On April 21, 2020, the IRS released an advance versions of two revenue procedures providing relief for certain individuals who remain in the United States beyond a specified number of days because of the coronavirus (COVID-19) pandemic. **Rev. Proc. 2020-20**: – Offers relief to nonresident individuals who, but for the COVID-19-related emergency travel	KPMG TNF and KPMG TNF and KPMG TNF and

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			disruptions, would not have been in the United States long enough to be considered resident aliens under the "substantial presence test" and establishes procedures to apply the medical condition exception to exclude up to 60 consecutive days spent in the United States during a time period starting on or after February 1, 2020, and on or before April 1, 2020, with the specific start date to be chosen by each individual – Provides procedures for an individual to exclude those days of presence in order to claim benefits under an income tax treaty with respect to dependent personal services income. **Rev. Proc. 2020-27** provides relief to any individual that reasonably expected to become a "qualified individual" for purposes of claiming the foreign earned income exclusion under section 911 but left the foreign jurisdiction during the period described by this revenue procedure. The IRS also released a set of **FAQs** providing that certain U.S. business activities conducted by a nonresident alien or foreign corporation will not be counted for up to 60 consecutive calendar days in determining whether the individual or entity is engaged in a U.S. trade or business or has a U.S. permanent establishment, but only if those activities would not have been conducted in the United States but for travel disruptions arising from the COVID-19 emergency. For additional insight, please read "*KPMG report: FAQs for determining U.S. trade or business or permanent establishment*". On May 27, 2020, the IRS explained that certain **alien individuals** who were not able to leave the U.S. because they contracted COVID-19 or experienced other medical conditions, may be eligible to claim he "**medical**	**KPMG TNF**

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			condition exception" to exclude certain days of U.S. presence from the substantial presence test, described in section 7701(b)(3), provided they meet the requirements described in section 7701(b)(3)(D)(ii) and section 301.7701(b)-3(c)—the medical condition exception. Alien individuals who are eligible to claim the medical condition exception generally must file Form 8843, Statement for Exempt Individuals and Individuals With a Medical Condition, to claim the exception. Form 8843 requires a signed statement from a physician or other medical official that the alien individual was unable to leave the United States due to a medical condition or medical problem. On June 12, 2020, the IRS updated a set of FAQs as guidance nonresident alien individuals and foreign businesses with employees or agents that have been affected by the emergency travel disruptions as a result of the COVID-19 pandemic. For highlights of PE-related considerations for companies that contemplate having employees provide significant services or work for extended periods outside of their jurisdictions and provides references to helpful resources, please read "*KPMG report: Permanent establishment-related considerations, employees working remotely*".	
United States	Implemented	Suspension of Tax Audits	On March 25, the IRS announced that: – During this period, the IRS will generally not start new field office and correspondence examinations; will continue to work refund claims when possible, without in-person contact, but may start new examinations when deemed necessary to protect the government's interest in preserving the applicable statute of limitations. – IRS Appeals Office employees will continue to work their cases, and even though Appeals is not currently	**KPMG TNF** and **KPMG TNF** and **KPMG TNF**

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			holding in-person conferences with taxpayers, conferences may be held over the telephone or by video conference. – The IRS will continue to take necessary steps to protect all applicable statutes of limitations. In instances when statute expirations might be jeopardized during this period, taxpayers are encouraged to cooperate in extending such statutes. Otherwise, the IRS will issue deficiency notices and pursue other similar actions to protect the interests of the government in preserving such statutes. Where a statutory period is not set to expire during 2020, the IRS states that it is unlikely to pursue the foregoing actions until at least July 15, 2020. Practitioners need to be aware that depending on staffing levels and allocations going forward, there may be more significant wait times for the "Practitioner Priority Service". On March 27, the IRS further announced the suspension of certain administrative procedures: – **Suspension of "information document request" (IDR) enforcement procedures through July 15, 2020,** for taxpayers that are unable to respond timely to an IDR request because of the coronavirus pandemic. – **Suspension until further notice of certain "helplines"** including the "Practitioner Priority Service", the e-Services help desk line, and the e-Services, FIRE and AIR system help desks. – **Temporary suspension of acceptance of new income verification express services (IVES) requests**, and reports delays with existing IVES processing as well as Centralized Authorization File number authorizations. Practitioners with e-Services accounts and with client authorization can access the	and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF and KPMG TNF

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			Transcript Delivery System to obtain prior-year transcripts. A memorandum from the IRS Deputy Commissioner explains that IRS Services and Enforcement employees will temporarily (until July 15, 2020) accept documents by email and digital signatures on certain documents. On April 2, 2020 the Director of IRS Appeals, Case Operations and Support, issued a memorandum providing for temporary guidance (expires on July 15, 2020), which allows Appeals employees to: – Accept digital signatures (scanned or photographed) on documents related to consideration of a taxpayer's case by Appeals – Accept documents by email and to transmit documents to taxpayers using SecureZip or other established secured messaging systems On April 13, 2020, the IRS stated that: – The IRS operations to process third-party authorizations are now closed – The IVES is temporarily on hold – Extremely limited service are currently available – The IRS is unable to process paper tax returns On April 14, 2020, the Commissioner of the IRS Large Business and International (LB&I) Division issued a memorandum addressing which LB&I compliance activities would be postponed and which would be allowed through July 15, 2020. For a list of the activities, please refer to the KPMG TNF.	

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			On April 30, 2020, the IRS released an advance version of **Rev. Proc. 2020-29** which temporarily allows for the electronic submission of requests for: – Letter rulings, closing agreements, determination letters, and information letters under the jurisdiction of the IRS Office of Chief Counsel – Determination letters issued by the IRS Large Business and International Division (LB&I) However, it does not modify procedures for determination letters issued by the IRS's Small Business/Self Employed Division, Wage and Investment Division, or Tax Exempt and Government Entities Division. On June 12, 2020, the IRS Deputy Commissioner (Services and Enforcement) extended to December 31, 2020 the authorization to accept documents by email and additional information on encryption technologies. On June 26, 2020, the Commissioner of the IRS LB&I Division issued a memorandum, superseding prior memoranda, addressing which LB&I compliance activities are postponed, which will continue and which will resume beginning July 15, 2020. The new LB&I memorandum provides LB&I **activity to be postponed through July 15, 2020**, includes the following: – LB&I will not start an examination of any new return unless it falls within the list of activities continuing through July 15, 2020. – Except for certain cases, managers have discretion on prior, subsequent, and related returns associated with an existing examination. The memo also lists LB&I **activity continuing through July 15, 2020**, including: – Compliance assurance process, large corporate compliance, FATCA, qualified intermediary (QI)	

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			programs and current open examinations—these are to proceed as usual, but without in-person contact. – New examinations arising from voluntary disclosure practice cases, claims, and other pre-refund verification programs—these are to proceed as usual, but without in-person contact. – Work is to continue on the following campaigns, but without in-person contact: o Syndicated conservation easements o Micro captive insurance o Section 965 o Tax Cuts and Jobs Act (TCJA) implementation o Existing and any new campaigns to be assessed for purposes of categorizing as postponed or continuing with clear communications to follow on which ones are continuing through July 15, 2020 – Workload reviews of existing inventory will continue. – Examiners can charge time to new cases (e.g., audit planning) when taxpayer contact will not be made until after July 15—for example, "high income" Form 1040 returns and related entities. – Prior time limits on classification activities are suspended. – Other consensual work initiated by taxpayers—these are to proceed as usual, but without in-person contact and include, for example, pre-filing agreements and refund claims. Lastly, the LB&I memo provides that **beginning July 15, 2020, all LB&I operations will resume under "normal procedures" except for**: – Appointments (whether in-person or virtual) are to be scheduled for August 2020 or later, depending upon the facts and circumstances of the taxpayer. Accommodations are to be made to support virtual LB&I work.	

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			– Regarding IDR enforcement, LB&I examiners are instructed to note the temporary suspension of the IDR enforcement process. On June 7, 2020, the Commissioner of the Tax Exempt and Government Entities (TE/GE) Division of the IRS released a memorandum, which supersedes an April 2020 memorandum and: – Extends the approval period to deviate from standard IDR enforcement timelines until further notice – Provides guidance regarding resumption of TE/GE examination activities post-July 15, 2020. "All operations" activities will resume under normal procedures after July 15, 2020—except that in-person, face-to-face appointments are to be limited to specific situations. All appointments (whether in-person or virtual) are to be scheduled for August 2020 or later.	
United States	Implemented	Transfer Pricing	The IRS recently announced changes to the procedures for filing documents under Rev. Proc. 2015-40 (**MAP requests**) and under Rev. Proc. 2015-41 (**APA requests and APA annual reports**). Under temporary guidance issued by the Deputy Commissioner, Services and Enforcement (DCSE), in March 2020, any documents requiring the taxpayer's signature under either Rev. Proc. 2015-40 or Rev. Proc. 2015-41 may be submitted with either an image of the taxpayer's signature (scanned or photographed) or the taxpayer's digital signature created using encryption techniques to provide proof of original and unmodified documentation. Either form of signature is acceptable. The DCSE guidance clarifies that submissions required by either Rev. Proc. 2015-40 or Rev. Proc. 2015-41 may be filed electronically, paper copies are not required. The IRS also explained that with regard to questions about pending and executed APAs, Advance Pricing and Mutual	KPMG TNF

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			Agreement program (APMA) is actively discussing various substantive and procedural issues with treaty partners, including such technical issues as the application of transfer pricing methods in periods of economic distress and the impacts of current economic conditions on specific industries, types of taxpayer, regions, etc. Taxpayers wanting to discuss these and other general issues with APMA are directed to contact the appropriate APMA Assistant Director. For insight on what taxpayers need to consider when responding to APA challenges that flow from the COVID-19 pandemic, please read "*Advance Pricing Agreement and COVID-19*". International tax directors face the unenviable challenge of determining whether they should modify transfer pricing policies in the face of the economic downturn caused by the COVID-19 pandemic. There are various factors and approaches that tax directors might consider when determining if their current target profit margins are appropriate during the COVID-19 disruption and, if not, how they might adjust those target margins consistent with the arm's length standard. Please read "*What's News in Tax: COVID-19 and Transfer Pricing Policy: A Lookback Analysis of Routine Returns*" prepared by KPMG member firm in the United States. Various transfer pricing strategies can be deployed to meet short-term and long-term operational, financial, and capital needs by conserving available cash, enhancing access to external sources of new liquidity, and tapping into cash reserves in multiple jurisdictions. For insight on these strategies, please read "*What's News in Tax: Addressing Liquidity Issues during Covid-19 Using Intercompany Pricing Tools*."	

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Uruguay **Contact:** Gustavo Melgendler gmelgendler@kpmg.com	Implemented	Business Income Tax	On March 26, 2021, the Uruguayan Parliament passed Law No. 19,942 to provide benefits aimed at supporting micro and small businesses that have encountered financial challenges. **Tax exemptions (social security)** – subject to certain conditions, relief from 50% of the employer's social security (retirement) contributions accrued between 1 January 2021, and 30 June 2021. there is a different relief from 50% of the employer's social security (retirement) contributions accrued between 1 April 2021 and 30 June 2021 for businesses that are not eligible under the provision described, and also that are engaged in the following activities and services: school transport, school canteens, event organizers (whether having premises or not), organization and holding of national and international congresses or fairs, travel agency, ground transportation (tourist groups and excursions), concessionaires at the international airports of Carrasco and Laguna del Sauce, air and river transportation of passengers operating Uruguay, movie theaters and film distribution, and certain hotels and restaurants. **Monotax** (the tax collection regime for certain micro and small enterprises) - Those taxpayers eligible under the Monotax regime and that started their business activities beginning on or after 1 January 2021 (but not activities restarted following a COVID-related lockdown) may gradually engage in the Monotax regime using the following percentages: 25% during the first 12 months of registered activity; 50% during the second 12 months of registered activity; and 100% from the third 12 months of registered activity.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Those taxpayers already operating under another tax beneficial regime are not eligible. The taxpayer, when launching its business activities, can choose between the Monotax regime and the bonus regime for "good payers." As with the Social Mides Monotax regime, if the payment of the Monotax missed for two consecutive months, the BPS will automatically suspend the Monotax registration. **Business income tax** - Relief from monthly payments for IRAE (the income tax on economic activities) accrued in the period between 1 January 2021 through 30 June 2021. Eligible taxpayers had gross taxable income for the prior fiscal year not exceeding the equivalent of 915,000 IU. **Temporary extension of tax benefits for investment projects** - Decree No. 94/2021 (23 March 2021) concerns a temporary extension of certain tax benefits applicable to investment projects. Those engaged in eligible investment projects can claim the following IRAE tax benefits: – For investments made between 1 April 2020 and 31 March 2021—a tax benefit equal to 150% of the value of the investment – For investments made between 1 April 2021 and 30 September 2021—a tax benefit equal to 130% of the value of the investment	
Uruguay	Implemented	Filing/Payment Deadline Extension	**DGI Resolution No. 550 of 20 March 2020** provided for the following:	**KPMG TNF** and **KPMG TNF**

Jurisdictions	Status	Type	Brief description	Source
			– Extension of due dates for DGI tax obligations happening between March 23rd and March 26th, 2020, until March 27th, 2020, except for Commercial and Industrial Government Autonomous Entities and Decentralized Services. – Small business will be able to pay obligations corresponding to February and March 2020, in six equal and consecutive installments as of May 2020, including the installments corresponding to payment facilities which due date is in March and April. – Due date for vehicle license tax set for Match 20th, 2020 is extended to April 20th, 2020. **DGI Resolution No. 653/020 of 1 April 2020** established extended due date in order to comply with new requirements respecting electronic tax receipts. On March 26, 2021, the Uruguayan Parliament passed Law No. 19,942 which allows the tax administration to grant certain tax relief: – Regarding individual (personal) income tax owed by salaried workers and employees, for the period 1 May 2018 through 23 March 2021, the BPS may allow the tax to be paid in installments over a period of 36 payment periods without penalty or surcharges. – Other payments can be made in up to 72 monthly installments plus interest at an annual rate of 2%–including amounts paid to the pension savings fund (AFAP), for employer tax debts (including FONASA) accrued from 1 May 2018 through 23 March 2021, and for certain taxpayers included in the Monotax regime with accruals before 23 March 2021.	

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Jurisdictions	Status	Type	Brief description	Source
			– The tax administration (DGI) also has authority to grant payment relief for amounts owed for tax liabilities if not involving fraud. – Regarding the wealth tax, relief may include a reduction of the tax.	
Uruguay	Implemented	WHT	**DGI Resolution No. 632 of 30 March 2020** established an alternative digital procedure in order not to withhold PIT (Personal Income Tax) to non-resident natural persons related to capital gains originated in deposits, loans, and all capital collocations or credit of any nature, as long as such gains come from non-resident entities.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Venezuela  **Contact:** Alfonso Pallete apallete@kpmg.com	Implemented	Customs/Import and Other Miscellaneous Taxes	The authorities in Venezuela have provided an exemption from VAT for imports made by the public sector to treat COVID-19 disease.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Venezuela	Implemented	Filing/Payment Deadline Extension	– A few Municipalities granted extensions on filings and payments of municipal taxes that is assessed on gross income from commercial industrial activities. – Imports made by the public sector to avoid the extension of COVID-19 will be exempt from custom and value added taxes. – No benefits, extensions or incentives have been announced in relation to direct and indirect national taxes	KPMG TNF
Venezuela	Implemented	VAT and other indirect taxes	The authorities in Venezuela have provided an exemption from VAT for imports made by the public sector to treat COVID-19 disease.	KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
Vietnam **Contact:** Thuy Duong Hoang dthoang@kpmg.com.vn	Proposed	Business Income Tax	The Ministry of Finance has proposed to increase the interest deductibility cap from the current 20% to a proposed 30% of earnings before interest, tax, depreciation and amortization ("EBITDA"). The draft decree clarifies that: – interest expense subject to this proposed new 30% EBITDA cap is a net interest amount – capitalized interest is not included within the meaning of interest that is subject to this cap – un-deducted interest cannot be carried forward and used in future years	KPMG TNF
Vietnam	Proposed	Filing/Payment Deadline Extension	Certain taxpayers may be allowed to extend the payment deadlines for VAT and personal income tax. **Eligible taxpayers will be granted a 5-month extension for VAT payment** as follows: – Where taxpayers declare and pay VAT on a monthly basis: the 5 month extension of VAT payment deadline shall be applied for VAT payable of March, April, May and June of 2020. – Where taxpayers declare and pay VAT on a quarterly basis: the 5 month extension of VAT payment deadline shall be applied for VAT payable of Quarter I and Quarter II of 2020. – The above 5 month payment extension shall be applied from the day after VAT payment deadline – Taxpayers are still required to declare and submit tax returns by the statutory deadlines **Extended due date up to December 15, 2020 for VAT and personal income tax payments** for business individuals, group of business individuals and household business individuals. This proposed extensions is not automatically applied: an application for the extension must be submitted to the tax authorities before 31 May 2020 for consideration and approval on a case by case basis.	KPMG TNF and KPMG TNF and KPMG TNF

Jurisdictions	Status	Type	Brief description	Source
			Suspension of social insurance payments - the Prime Minister requested the Vietnam Social Insurance to suspend the payments of social insurance for those who are affected by the Covid-19 epidemic until the end of June or December 2020 without interest charge for late payment. **E-invoicing** - the proposed deadline for implementation of compulsory e-invoicing will be extended to 1 July 2022 (from the current deadline of 1 November 2020). **FATCA** - The deadline for Vietnamese financial institutions to file FATCA returns for the 2019 reporting year has been extended to 1 November 2020 (from 15 August 2020). Other FATCA-related guidance for financial institutions in Vietnam includes: – U.S. taxpayer identification number (TIN) reporting requirements (updated for 2020) – Credit institutions and foreign bank branches are to comply with IRS guidance and confirm that information of U.S. TINs is provided in the FATCA report submitted from 2020 and later Credit institutions and foreign bank branches that have not provided information related to U.S. TINs—or the date of birth of holders of certain accounts—in the FATCA reports for the fiscal years 2017 to 2019 are to prepare a proper explanation and report for such accounts upon request	

Jurisdictions	Status	Type	Brief description	Source
Zimbabwe  **Contact:** Virginia Mutsago vmutsago@kpmg.com	Implemented	Accelerated Refund	The Zimbabwe Revenue Authority (ZIMRA) will **expedite the processing of legitimate VAT refunds** and process such refunds within 30 days provided that the taxpayers meet specified criteria. Public Notice Number 20 of 2020, sets out the criteria and procedures to be followed by taxpayers to facilitate this process.	KPMG TNF
Zimbabwe	Implemented	Customs/Import and Other Miscellaneous Taxes	With effect from 30 March 2020, the Minister of Finance and Economic Development introduced a **rebate of duty on essential goods imported** for the fight against Covid-19. Statutory Instrument Number 88 of 2020 provides a comprehensive list of the goods that qualify for the duty rebate.	KPMG TNF
Zimbabwe	Implemented	Filing/Payment Deadline Extension	The due dates for the **submission of the Income Tax Returns** (ITF12C, ITF1 and CGT1) **has been extended to 31 August 2020**. This applies to all taxpayers with a 31 December 2019 year end. Taxpayers with approved year end dates other than 31 December 2019 are expected to submit their returns on the dates previously agreed by ZIMRA. Where taxpayers have concerns in meeting these previously agreed submission dates, they should engage ZIMRA immediately. It is important to note that the **extension also affects the due date for the Transfer Pricing Return** (ITF12C2) since it is submitted as an attachment to the Income Tax Return (ITF12C).	KPMG TNF

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