



GMS Flash Alert



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COVID-19-Related Flash Alerts

Visit the [GMS Flash Alert COVID-19 page](#) pulling together all reports dealing with coronavirus-related matters, whether they be tax, social security, immigration, or labor law. The page is organized by country and topic for your convenience.

All Other Flash Alerts

Argentina

[***Taxpayers' Wealth Subject to Mandatory and Extraordinary Contribution***](#)

Argentina's Congress approved a new one-time tax that applies to wealth above ARS 200,000,000 owned by resident and nonresident individuals as of December 18, 2020. Its proceeds will be used to fund efforts to combat the coronavirus pandemic and incentivize specific areas of the economy. The controversial tax may be subject to constitutionality challenges.

Belgium

[***Brexit: New Update on Immigration Impact***](#)

This *GMS Flash Alert* provides an update on the Belgian immigration status of U.K. frontier workers and business travellers who have been performing economic activities in Belgium prior to December 31, 2020. It appears that new draft legislation being considered by the government regarding access to Belgian territory, as well as

	<p>residence and establishment rights and conditions, and the removal of foreign nationals, stipulates a broad definition for frontier workers.</p>
	<p><u>Brexit: Further Updates on Immigration</u> This GMS <i>Flash Alert</i> provides an update on the Belgian immigration status of U.K. nationals who have been performing economic activities in Belgium prior to December 31, 2020. Their current residence permits will have to be exchanged for an “M-card” by December 31, 2021 at the latest. U.K. business travellers already having business travel into/out of Belgium prior to January 1, 2021, can also qualify as frontier workers, which has implications for the Belgian Annex 15 for frontier workers and, in the not-too-distant future, the “N-card.”</p>
Canada	<p><u>New Work Permit Being Offered to Retain International Students in Canada</u> As part of its efforts to support international students, on January 8, 2021, the government of Canada announced a temporary public policy to allow international students with an expired or expiring post-graduate work permit to apply for a new work permit, which will be valid for 18 months. Applications will be open from January 27, 2021 to July 27, 2021.</p>
Croatia	<p><u>Brexit: Rules Applying to U.K. Citizens Residing in Croatia</u> Recently approved amendments in Croatia promote the implementation of the part of the Withdrawal Agreement related to regulating the residence status of U.K. nationals and their family members in Croatia after December 31, 2020. Those U.K. nationals who are not covered under the terms of the Withdrawal Agreement may be considered as third-country nationals for purposes of EU and Croatian laws.</p>
Czech Republic	<p><u>What's New for Employers and Employees in 2021?</u> Starting January 1, 2021, a number of important changes have come into effect that have an impact on employees and employers in the Czech Republic. Such changes include abolition of super-gross salary taxation and the solidarity tax surcharge, and the</p>

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[Abroad: The 50 Most Common Concerns](#)

[Global Reward Services Newsletter](#)

[Insights on Global Mobility](#)

	<p>introduction of new progressive taxation of individuals. In addition there are changes to the minimum wage – with knock-on effects for the tax bonus for households with children and the health insurance premium – to mandatory sickness insurance premiums, and to the tax treatment of employer payments for employees’ meal allowances.</p>
European Union	<p><u>Social Security in a New Brexit Deal</u> On December 24, 2020, the European Union (EU) and the United Kingdom (U.K.) reached an agreement in principle on the EU-U.K. Trade and Cooperation Agreement. In this <i>GMS Flash Alert</i>, we examine the Agreement’s measures for coordination of social security for mobile employees aimed at protecting the entitlements of EU citizens temporarily staying in, working in, or moving to the U.K., and of U.K. citizens temporarily staying in, working in, or moving to the EU after January 1, 2021.</p> <hr/> <p><u>Changes Afoot on Substantial Activity of Temp Agencies?</u> On December 10, 2020, the Advocate General (“AG”) delivered his opinion on a pending case before the European Court of Justice (ECJ). The case deals with conditions for posting of workers employed with companies that hire out temporary staff. If the ECJ were to follow the opinion of the AG, it would change the current implementation of the posting provision in Regulation (EC) 883/2004.</p>
Greece	<p><u>Recently-Introduced Measures Aim to Attract New Tax Residents</u> Under new rules, individuals who transfer their tax residence to Greece and qualify for the special taxation regime will be eligible for an income tax and solidarity contribution exemption of 50 percent in respect of their employment income earned in Greece during any tax year. Moreover, as for individuals who transfer their tax residence to Greece in order to operate businesses in Greece as entrepreneurs, 50 percent of their business activity income derived in Greece will be exempt from income tax and special solidarity contribution.</p>

Ireland	<p><u>Share Schemes Reporting Deadline, New 2020 Electronic Reporting Requirements</u> The important March 31 mandatory due date looms for the filing of 2020 information returns for employee share participation schemes under Ireland’s Finance Act 2020, and the Irish tax authorities have indicated there will be no extension of that deadline and established new electronic employer reporting requirements for certain share schemes.</p>
Italy & Switzerland	<p><u>New Cross-Border Commuter Agreement</u> On December 23, 2020, Italy and Switzerland signed a new agreement concerning the income taxation of cross-border commuters and a protocol amending the double taxation treaty in force between the two countries. The new deal provides for a “transitional regime” from December 31, 2018, until the date of entry into force of the new agreement. There is now a clearer definition of “cross-border worker.”</p>
Malaysia	<p><u>Changes to Employment Pass for Expatriates</u> Malaysia’s immigration authorities announced that effective January 1, 2021, companies intending to employ expatriate employees are first required to advertise the job vacancy for at least 30 days in the MYFutureJobs portal, and fulfill several other requirements before a company may get approval to hire expatriates under the Employment Pass.</p>
People’s Republic of China	<p><u>Rectification Filing Deadline if Resident Status Change</u> Actual days in the People’s Republic of China during 2020 may have changed significantly from the expectation at the start of the year. With the tax year having just come to an end, the time for making year-end adjustments to the amount of tax withheld during the year is fast approaching. A rectification filing might be required and the deadline for such corrections is January 15, 2021.</p>
Portugal	<p><u>Post-Brexit Tax Registration Obligations for U.K. Nationals</u> With the end of Brexit’s transition period, the U.K. is now deemed to be a non-European Union (EU) country. Beginning January 1, 2021, U.K. tax residents are no longer considered EU tax residents and are subject to certain tax registration obligations for</p>

	<p>Portuguese Personal Income Tax (PIT) purposes, including nomination of a Portuguese tax representative.</p>
Spain	<p><u>General Budget Law for 2021 Approved, Measures Affecting Individuals</u> The Spanish General Budget Law for 2021 was approved and published in the country's official gazette. Some of the measures will increase the tax burden on individuals taxable in Spain, including inbound assignees. Measures included changes to the marginal rate of personal income tax, the special tax regime for inbound assignees, and the net wealth tax, amongst others.</p>
Switzerland	<p><u>Brexit: Social Security Coordination with U.K. Starting in 2021</u> Starting January 1, 2021, social security coordination involving Switzerland and the U.K. is covered by a new regime. In this article, we provide guidance on the international social security framework for the U.K. and Switzerland during the period between January 1, 2021 and ratification of a yet-to-be-negotiated new bilateral social security agreement between Switzerland and the United Kingdom.</p>
United Kingdom	<p><u>Brexit and Social Security for Mobile Employees</u> The U.K. and the EU have agreed on a Protocol on Social Security Coordination to take effect from January 1, 2021, to govern the social security position of individuals who move between the U.K. and the EU from that date. Individuals who had exercised their right to freedom of movement prior to the end of the Brexit transition period on December 31, 2020, in some circumstances, will remain eligible for coverage under EU Regulations, based on grandfathering provisions contained within the Withdrawal Agreement.</p>
United States	<p><u>January 2021 Visa Bulletin Published</u> The U.S. Department of State (DOS) released the January 2021 "Visa Bulletin." On the same day, U.S. Citizenship and Immigration Services (USCIS) announced that it will accept all employment-based Forms I-485 in January. USCIS' recent confirmation that it will apply the Final Action Dates chart next month will significantly impact prospective immigrants born in India and the People's Republic of China.</p>

Moreover, certain immigration programs that were set to expire this month will be extended on account of new legislation, the *Consolidated Appropriations Act, 2021*.

[February 2021 Visa Bulletin Published](#)

On January 22, 2021, the U.S. Department of State released the February 2021 "Visa Bulletin" and the U.S. Citizenship and Immigration Services announced that it will accept all employment-based Forms I-485, *Applications to Register Permanent Residence or Adjust Status*, according to the Visa Bulletin's "Final Action Dates" chart next month. The February 2021 Visa Bulletin also included a projection of potential immigrant visa availability under the Final Action Dates chart for family and employment-based categories through May 2021. The projections suggest an anticipated slow-down in forward momentum for the Final Action Date cut-offs in the employment-based second and third preference categories for Indian and Chinese nationals.

[DHS Publishes Final Rule Amending H-1B Lottery Selection Process](#)

The U.S. Department of Homeland Security (DHS) published the final rule amending the process by which the U.S. Citizenship and Immigration Services (USCIS) selects H-1B cap-subject applications or registrations, replacing the computer-based random lottery selection process. The final rule prioritizes allocation of H-1B cap visa numbers to applicants who have received salary offers meeting the top end of the U.S. Department of Labor's (DOL) four prevailing wage levels.

[Revised Rule Raises Prevailing Wages](#)

The U.S. Department of Labor published a revised prevailing wage rule that increases the minimum wage requirements for H-1B, E-3, and H-1B1 nonimmigrant cases and the PERM labor certification program. The final rule contains significant prevailing wage increases for all wage levels, though the new wage minimums are not as high as the interim final rule issued on October 8, 2020, and subsequently set aside in federal court in December 2020. This revised rule will take effect 60 days from publication, March 15, 2021, except for the increased wage

	<p>minimums which will not be imposed until July 1, 2021, followed by a phased increase of the four wage levels.</p>
	<p><u>Summary of President Biden's Immigration Actions So Far</u> This GMS <i>Flash Alert</i> summarizes key actions taken by U.S. President Joseph R. Biden on his first day in office as he sets in motion critical aspects of his immigration platform. Of note are policy changes around the so-called Muslim travel ban, DACA, and recent regulatory rule-making and rule implementation in the area of immigration.</p>
Vietnam	<p><u>New Labour Regulations on Work Permits for Foreign Workers</u> New rules issued in Vietnam concern foreign workers working in Vietnam and the recruitment and management of Vietnamese labourers working for foreign organisations or individuals in Vietnam. A couple of matters the Decree covers has to do with cases which will be exempt from requiring a work permit and the maximum term of work permits or exemption certificates, as well as renewals, amongst other matters.</p>

Publications, Videos & Webinars	
KPMG International	<p>See COVID-19 Podcast Mini-Series Episode 14: "<u>Future of Tax: Flexibility and Agility and Global Mobility post COVID-19.</u>" Louise Worbey, Global Mobility Lead, Global Mobility Central Team, KPMG International discusses the impact of COVID-19 on global mobility and what companies could be doing to stay relevant in an uncertain time.</p>
KPMG-Australia	<p>Podcast episode 16: "<u>Displaced employees in Australia</u>" (Play-back). KPMG-Australia professionals Terry Hoban and Priscilla Tang discuss the tax compliance challenges faced by displaced employees in Australia amidst the COVID-19 pandemic.</p>
KPMG-Ireland	<p>Webinar Play-back: "Managing your mobile workforce." What remote and cross-border challenges will Brexit raise? To learn more, click <u>here</u>.</p>

	<p>Webinar Play-back: “Impact of Brexit on Irish Immigration.” Newly-enacted legislation in Ireland proposes to address issues that could arise for citizens and businesses following December 31, 2020, the end of the U.K.’s Brexit-related transition. To learn more, click here.</p>
<p>KPMG- People’s Republic of China</p>	<p>Interview series. Health concerns, border closures, and quarantine requirements have seen employees working away from their usual place of work. In a recent interview, Murray Sarelius, the National Head of People Services discussed “Work from Anywhere” and shared his views on how companies should manage, approach, and embrace the opportunities brought by remote work arrangements. To hear what Murray had to say, click here.</p>
<p>KPMG LLP (U.S.) – Global Mobility Services</p>	<p>February 2, 2021 LinkedIn Live: “What does ‘work anywhere’ mean for your organization?” KPMG Global Mobility professionals will discuss the remote work market trends and explore the concept of work anywhere as compared with traditional employee flexibility. KPMG will also look into the tax and mobility implications of a remote workforce and share the leading practices on how organizations are preparing for the new reality of work.</p> <p>February 2, 2021 12:00PM (EST; UTC -5). To learn more, click here.</p>
	<p>Listen to our Podcast Series for Global Mobility Leaders! This series – with more to come – looks at significant trends and the ‘future state’ of global mobility as it faces the winds of automation, geopolitics, diversity and inclusion, and more!</p>
	<p>In this new video, “Economic Employer: The ‘Game Changer’ in Sweden’s Tax World” (app. 8 minutes) with Scott Shaughnessy (GMS-Washington National Tax) and Petter Frödeberg (GMS-Sweden), we discuss the introduction of the economic employer concept in Sweden. This is a significant change in Sweden’s tax system with important implications for global mobility.</p>

	<p>Report: "Work anywhere: What does it mean for you?" Check out this report to understand how organizations are planning for employees working from anywhere and the potential impacts.</p>
<p>KPMG LLP (U.S.) – Global Mobility Services, Employment Tax Practice</p>	<p>Payroll Insights – A publication from KPMG LLP's Employment Tax practice. It is designed to provide you with current developments in the payroll and employment tax arena and is published periodically throughout the year as developments warrant.</p> <ul style="list-style-type: none"> • In the January 2021 edition learn about the recent Fair Labor Standards Act's Independent Contractor update, the IRS's advance version of Notice 2021-7, and updates on IRS standard mileage rates, plus more state news. • In the December 20, 2020 edition – a special edition of <i>Payroll Insights</i> – learn about the latest updates on year-end funding and COVID-relief legislation.
<p>KPMG LLP (U.S.) – Washington National Tax</p>	<p>Catching Up on the Capitol Hill Podcast Series – KPMG professionals speak about current developments in Washington, D.C. and what may happen next. And they'll discuss why it's happening. All with the goal of helping companies make sense of tax policy discussions, understand what the impacts may be on their organization, and aid them as they go about their daily jobs. Listen to the most recent podcast: "Inauguration Day Episode: What Now?"</p>

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