EY Tax Controversy COVID-19 Response Tracker

31 March 2021

Building a better working world

Important notes

- Governments around the world are actively taking steps to protect their economies from the economic damage being caused by the COVID-19 virus. Whether through tax cuts, investment incentives or changes to filing deadlines, tax will play a significant part in helping alleviate the financial and economic turmoil that is now occurring
- Tax Administration measures and changes across the globe are being proposed and implemented daily, making it more important than ever for businesses to stay abreast of developments
- This document provides a snapshot of the Tax Administration changes that have been announced in jurisdictions around the world in response to the COVID-19 crisis. It is designed to support conversations about measures that have been proposed or implemented in key jurisdictions
- This document is updated on an ongoing basis, but not all entries will be up-to-date as the process moves forward. In addition, not all jurisdictions are reflected in this document
- Please consult with your EY engagement team to check for new developments
- EY teams have developed additional trackers to help you follow changes:
  - Tax Policy
  - Force Majeure
  - Global Mobility
  - Global Trade Considerations
  - Immigration Policy
  - Labor and Employment Law
  - Transfer Pricing
  - US State and Local Taxes

Jurisdictions covered

Albania	China Mainland	Finland	Ireland	Luxembourg	Portugal	Sri Lanka
Algeria	Colombia	France	Israel	Malaysia	Puerto Rico	Sweden
Argentina	Costa Rica	Germany	Italy	Mexico	Qatar	Taiwan
Australia	Curacao	Greece	Ivory Coast	Myanmar	Romania	Thailand
Austria	Cyprus	Guatemala	Japan	The Netherlands	Russia	Turkey
Belgium	Czech Republic	Honduras	Kazakhstan	New Zealand	Singapore	Ukraine
Brazil	Denmark	Hong Kong	Republic of Kosovo	Panama	Slovakia	United Kingdom
Bulgaria	Dominican Republic	Hungary	Laos	Peru	South Africa	United States
Canada	Ecuador	India	Latvia	Philippines	South Korea	Venezuela
Chile	El Salvador	Indonesia	Lithuania	Poland	Spain	Vietnam

Albania

- Contact: Milen R Raikov
- Last updated: 04 May 2020

Category: Tax Controversy

Back to top

Tax audits

- There has been no public announcement from the Central Tax Administration on their audit activities yet, but it could be assumed that their audit schedule will be affected by the circumstances of tax offices or taxpayers
- Planned field audits for customs supervision, excise duties and customs regimes are suspended
- Customs inspections and inspections performed by the anti-smuggling and anti-trafficking units will continue

Tax collection

- The deadline to submit financial statements for 2019 and accompanying information, as required by the administrative guidelines, is extended to 31 July 2020 from 31 March 2020
- For taxpayers with turnover up to ALL14m, or €110,000, installments of the 2020 tax-profit prepayments will not be required
- For taxpayers with turnover over ALL14m or €110,000, profit tax installments for the second and third tax quarters, April-June and July-September 2020, will not be prepaid and are postponed to April-September 2021
  - This exception does not apply to taxpayers who carry out activities in the fields of banking, telecommunications, pharmaceutical products, food, fruit and vegetables products
  - This exception also applies to tax installments on profits for tax periods April-December 2020, for taxpayers conducting activities in the fields of tourism, toll-manufacturing and call center; payments of these installments are postponed to April-December 2021
- The deadline of 30 April 2020 for filing the individual income tax return for 2019 and payment of any tax liability due, is extended to 31 July 2020

Tax litigation

- Hearings in administrative, civil and criminal cases will be postponed until the state of the epidemic caused by the spread of COVID-19 ends
- Deadlines for filing lawsuits, appeals and any procedural action in administrative, civil and criminal court will be suspended
- When deadlines begin during the suspension period, they will be postponed until the end of the epidemic

Algeria

- Contact: Bruno Messerschmitt & Imene Henni
- Last updated: 22 September 2020

Category: Tax Controversy

Back to top

Tax audits

- In response to the pandemic, the government is requiring public-sector employers to put 50% of their workforce on paid leave
- Consequently, the tax authorities have been operating on a reduced schedule, and tax audits have been maintained and mostly conducted remotely (at a distance)

Tax collection

- Monthly tax return submission and monthly tax related to February, March, April and May were postponed to 20th June 2020. The postponement applies only to taxpayers registered with the regional tax inspections centers (i.e., not Direction des Grandes Enterprises (DGE)). Taxpayers registered at DGE are not eligible for this postponement as they submit their monthly tax returns on an electronic platform (Jibayatic)
- Deferral of the deadline for payment of the first Corporate Income Tax (CIT) installments was renewed. Initially due before 20 March 2020, payment was extended to 20 June
- Annual tax return submission and payment of the CIT to June 30th 2020 (for taxpayers registered at regional tax inspections centers), and to 31 May 2020 for those registered at the "DGE"
- Under the Finance Act for 2020 the taxation of non affected (unallocated) profits related to FY2016 were suspended

Tax litigation

- Payment schedules: Taxpayers in a difficult financial situation can request a payment schedule for their tax debts

Argentina

- Contact: Felipe Carlos Stepanenko
- Contact: Ariel Becher

- Last updated: 11 November 2020

Category: Tax Controversy

Back to top

Tax audits

- The National Tax Authorities (AFIP) established through General Resolution 4682 - and its amendments - a recess period from 18 March to 29 November 2020, lifting it only for inspections and official tax assessments in Transfer Pricing procedures
- During such period, procedural terms will not be considered, resulting in the postponement of all procedural matters related to the activity of the tax authorities, including tax audits
- This does not affect the due dates for the payment of the different taxes
- Similar decisions have generally been taken by provincial tax authorities. However, some jurisdictions have begun to lift the recess periods

Tax litigation

- Extraordinary recesses were decreed from 18 to 31 March 2020 in different areas of government
- Restrictions are currently extended until 29 November 2020
- The AFIP have suspended the initiation of tax executions until 30 November 2020
- The National Supreme Court is allowing the filing of electronic documents using digital signatures

Argentina (cont.)

- Contact: Felipe Carlos Stepanenko
- Contact: Ariel Becher

- Last updated: 11 November 2020

Category: Tax Controversy

Back to top

Tax collection

- The authorities have not declared any general due date postponement for the payment of taxes instead they are deciding extensions on a case-by case basis
- The AFIP) have extended the deadline for the filing of Transfer Pricing Studies and returns for the fiscal periods that closed between 31 December 2018 and 30 April 2020 inclusive until August and October 2020, depending on the date of closure of fiscal year end
- Up to 95% of Social Security contributions accrued in April, May, June, July, August and September 2020 have been reduced for companies engaged in certain activities. For companies not eligible for this benefit, the due date for paying Social Security contributions is postponed
- Established a regularization regime for Social Security contributions accrued in July 2020 and September 2020. For the period July 2020, employers must adhere to the regime as of 1 October 2020 and until 30 November 2020 inclusive, for the period August 2020, employers must adhere to the regime as of 1 November 2020 and until 31 December 2020 inclusive, for the period September 2020 employers must adhere to the as of 1 December 2020 and until 31 January 2021 inclusive, and for the period October 2020 adherence to the regime shall be made as of 1 January 2021 and until 28 February 2021 inclusive
- AFIP established reduced tax rates on debits and credits in bank accounts for employers involved in health activities for 90 days. AFIP has since extended this term for 150 more days
- The general amnesty plan for Small and Medium-Sized Enterprises (SME) that was extended to all taxpayers, and all those responsible for taxes, customs and social security obligations, expired as of 31 July 2020. Taxpayers must adhere to the regime as of 26 August 2020 and until 30 November 2020 inclusive
- AFIP established a regime for the Income Tax and Tax on Personal Assets, in relation to purchases of foreign currency and credit and debit card payments made with foreign currency
- The tax authorities have also established that different types of filings and requests normally carried out physically at the tax authorities' offices will now have to be filed mandatorily through the "Digital Filings" electronic system until 30 November 2020. Filings and requests that may be presented through this electronic system are periodically updated
- The AFIP established a Tax Planning Information Regime, which will be in charge of the taxpayers and their tax advisors. The regime applies to both domestic and international tax planning arrangements

Australia

- Contact: Martin Caplice
- Last updated: 22 July 2020

Category: Tax Controversy

Back to top

Tax audits

- Audit activity is ongoing, but subject to extensions of time upon taxpayer request
- The Second Commissioner directed the Australian Tax Office (ATO) staff to be flexible in relation to any extension of time requests
- ATO is focusing efforts on fraud and this includes JobKeeper, early release of superannuation, and boosting cash flow for employers

Tax collection

Decreasing tax payment obligations and deferring tax debts

- The ATO has announced a process for reducing tax payment obligations by varying PAYG installments for March 2020 to reflect the estimated taxable income for the year. The GDP adjustment for 2020-21 is nil
- ATO will consider adjusting payment rates for taxpayers with current payment arrangements of business debt
- Cash Flow Boosts for eligible employers will be delivered as credits in the activity statement system and applied to amounts owing (e.g., PAYG or GST) for periods from March to September 2020. Additional cash flow boosts are available to eligible NFPs from 1 July
- The ATO is in the process of reviewing all tax deferrals granted to large withholding agents previously in respect of PAYGW, GST and excise. Large taxpayers are not eligible for GST and PAYGW deferrals
- Remission of interest and penalties for late payment will be available on a case by case basis
- Companies are still required to meet their superannuation obligations as there is no power to change the contribution due date or waive the super guarantee charge
- The Super guarantee amnesty will allow eligible employers to disclose and pay unpaid super guarantee without penalty and to claim a tax deduction for payments made by 7 September 2020
- Fringe Benefit Tax exemptions are available for benefits provided as a result of COVID-19 (e.g., because of illness or returning an employee home)
- Division 7A - Borrowers unable to make the minimum yearly repayments on their Division 7A loans by the end of the lender's 2019-20 income year can apply for administrative relief.
- Jobkeeper Payments: ATO has released guidance on the treatment of JobKeeper payments in transfer pricing arrangements, with particular focus on whether the payments changed the transfer price paid or received by the Australian entity and shows shifting the benefit of the government assistance to offshore related parties (continue overleaf)

Tax litigation

- For the Federal Court of Australia it is business as usual
- Court hearings are to be conducted by video link through the use of the "Microsoft Teams" software with judges and attorneys appearing remotely
- For the Administrative Appeals Tribunal (AAT), all interlocutory proceedings are to be conducted by telephone
- The AAT procedure for final hearings is undergoing review

Australia (cont.)

- Contact: Martin Caplice
- Last updated: 22 July 2020

Category: Tax Controversy

Back to top

Tax collection

Supporting Employees/Contractors

- JobKeeper payments: eligible employers are entitled to fortnightly A$1,500 payments per employee from 1 March to 30 September 2020. Enrolment was extended to 30 June 2020.

Ancillary matters

- Instant asset write off: Companies with an aggregated annual turnover of under $500 million will be eligible for an instance asset write off of $150,000, per eligible asset (12 March 2020 until 31 December 2020)
- Instant asset write off: Businesses with an aggregated turnover of less than $500 million are able to accelerate their depreciation deductions on the purchase of certain new depreciable assets. This applies to eligible assets held and first used or installed ready for use from 12 March 2020 until 30 June 2021.
- Taxable payments annual report: Businesses that have changed in response to COVID-19, they may need to lodge a TPAR by 28 August each year.

Austria

- Contact: Markus Schragl
- Last updated: 7 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Per guidance from the Federal Ministry of Finance:
- All tax audit activities, inspections and inquires shall be suspended until further notice if they require any resources from the taxpayers concerned, no specific proof will be required from taxpayers
- If the tax audit requires immediate action (inspection or other action), the director of the respective tax office will decide on a case-by-case basis

Tax collection

- Deferral of tax payments or payment of taxes in installments (without interest) may be applied for if liquidity shortages are directly related to the COVID-19 crisis.
- The application for deferral (or installments) shall be granted by the tax office until 30 September 2020
- Regardless of payment delay, taxes still have to be calculated and filings made, if applicable (e.g., VAT returns need to be filed).
- In general, late payment surcharges shall not be imposed
- Application of reduction of quarterly prepayments for (corporate) income tax in case of liquidity shortages due to COVID-19
- The deadline for filing the tax returns for the year 2019 (CIT, VAT, Income Tax) is extended to 31 August 2020 (not relevant for tax advisor filing as in these cases the filing deadline for the tax returns for the year 2019 is generally 31 March 2021

Tax litigation

- For litigation before tax authorities, tax criminal law authorities, tax courts and before the Austrian Supreme Administrative Court (VwGH):
  - Deadlines will be interrupted until 30 April 2020 and will start again from 1 May 2020 onwards, unless a different deadline is set
  - Oral negotiations and hearings are generally not to be conducted, unless absolutely necessary
- Litigation before the Constitutional Court (VfGH) remains unaffected

Belgium

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- Contact: Jean-Charles van Heurck – Tax Desk

- Last updated: 22 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Postponement of non-essential physical tax audits, tax audits that can be performed remotely are still taking place
- Physical tax audits are suspended in the Walloon region

Tax collection

- The tax filing due date for CIT, Legal entity taxation and non-resident income taxes (companies) is extended - Tax returns with filing due dates between 16 March and 30 April 2020 can be filed up to 30 April 2020
- Extension of deadlines to submit VAT returns, intra-Community sales listings and annual sales listings
- Increased benefit of tax prepayments relating to financial year per 31 December 2020 (tax year 2021) - third quarter and fourth quarter for self-employed persons and for companies, if certain conditions are met
- Payment plans, waivers of late payment interest and waivers of administrative penalties due to late payments may be granted upon formal request and if certain conditions are met (CIT, PIT, Taxes on legal entities, Payroll WHT, VAT)
- Automatic payment deferrals (CIT, PIT, Non-residents taxation, taxes on legal entities, Payroll WHT, VAT) may be granted if certain conditions are met
- Accelerated VAT refunds
- Deferral of payment of several regional taxes
- Walloon region: Pending tax collection procedures will be eased (suspension of deadline for payment of taxes, payment plans, more flexibility for recoveries already in progress or to be launched)

Tax litigation

- Introduction of a written procedure for all hearings in court, scheduled until 3 June 2020 and postponement of the procedure if all parties object to a written procedure
- If only one of the parties opposes a written procedure, it's up to the judge to decide (decision, hearing via video conference or postponement)
- Walloon region
  - Tax litigation objection periods and negative administrative decisions will be frozen during the crisis, but positive decisions will be applied
  - Temporary suspension of mandatory and appeal periods

Brazil

- Contact: Erica Perin
- Contact: Patricia Canhadas

- Last updated: 06 October 2020

Category: Tax Controversy

Back to top

Tax audits

- No new federal tax audits will be launched
- Within the scope of the Office of Attorney-General of the National Treasury (PGFN), taxpayers and lawyers should preferably be served by telepresence (telephone, email address or videoconference channels available on the internet)
- Deadlines have been suspended from 01 July to 31 December 2020 for providing information related to transactions between residents or those domiciled in Brazil and residents or those domiciled abroad that comprise services, intangibles and other operations that produce variations in the assets of the individuals, legal entities or depersonalized entities (Siscoserv). When the suspension is lifted, the Siscoserv will be closed down definitively, and the importers and exporters should no longer report these operations in this system
- The Federal Government declared a state of public disaster until 31 December 2020

Tax litigation

- The Brazilian Federal Administrative Tax Court (CARF) will hold sessions through videoconference for proceedings involving less than R$ 8 million, and oral statements may be made by videoconference as long as the state of emergency is in effect
- Taxpayers may ask for an Extraordinary tax transaction (no discount allowed) until 29 December 2020. This facilitates conditions for payment of federal debts but does not provide discounts, and negotiations are not allowed regarding criminal penalties, the Employee Severance Indemnity Fund and Simples Nacional
- The Exceptional Tax Transaction aims to alleviate the transitory situation of the economic and financial crisis of debtors that have overdue federal tax liabilities related to Covid-19, in the amount of up to R$ 150 million and with a discount of up to 50%, within a maximum period of 84 months
- Exceptional Transactions are specific to "Simples" taxpayers, with more beneficial conditions and discounts defined based on the size of payment and the period for the payment
- Two different acts have been introduced in the National Congress regarding tax transactions. These acts provide special conditions to taxpayers for regularizing federal tax debts under the Federal Revenue and Office of Attorney-General of the National Treasury, aiming to reduce the adverse effects and impacts of the pandemic (PL LC 152/2020 and PL 2735/2020)
- The Tax Recovery Program aims to stimulate fiscal compliance, allowing the resumption of productive activity, with an adhesion term until 29 December 2020. Examples of some measures: (ii) granting of tax compliance, with the issuance of a debt clearance certificate (CND); (ii) suspension of tax foreclosures and the respective requests for judicial blocking of bank accounts; (iii) suspension of provisional enforcement of guarantees, including auctions already designated in tax foreclosures; and (iv) possibility of entering into a transaction and NJP (legal process transaction) with the PGFN

Brazil (cont.)

- Contact: Erica Perin
- Contact: Patricia Canhadas

- Last updated: 06 October 2020

Category: Tax Controversy

Back to top

Tax collection

- The maturities of federal taxes (PIS, COFINS, Employer's Contribution, CPRB and FUNRURAL) have been extended from (a) April and May to August and October 2020, respectively, and (b) June to November 2020
- Customs clearance has been simplified and II (import duty) and IPI (tax on manufactured products) rates have been reduced to zero for products related to the fight against Covid-19 until 30 October 2020 and 31 December 2020, respectively
- A tax holiday has been established for the tax on financial transactions (IOF) on credit transactions contracted in the period between 3 April and 31 December 2020
- Maturity terms of monthly installments related to RFB and PGFN's installment programs, and "Simples" system have been extended from May, June and July to August, October and December 2020, respectively
- Due to COVID-19, until 31 December 2020, the minimum values of installments are R$ 100.00 for individuals and R$ 500.00 for legal entities, in the case of an installment order
- The suspension period for taxes granted by the special export regime of the "drawback" has been extended in cases when there has been a previous extension and if the final term of the regime is scheduled for 2020
- The deadline has been extended for submitting information related to financial operations (e-Financeira) for the first half of 2020 until 30 October 2020
- The deadline has been extended to 30 November 2020 for companies benefiting from the tax incentives of the "Lei do Bem" to file the required form

Bulgaria

- Contact: Milen Raikov
- Last updated: 16 March 2021

Category: Tax Controversy

Back to top

Tax audits

The deadlines for tax checks and tax audits are not suspended, and individuals and businesses should respond to requests for information and documents within the given deadlines

Tax collection

On 13 March 2020 the Bulgarian government announced a state of emergency until 14 May 2020. On 14 May the government announced it would extend the emergency epidemic designation to 31 January 2021

- Deadlines for compliance with reporting obligations and payment of corporate taxes have been extended until 30 June (from of 31 March)
- Beginning in 2021, the forecast advance CIT instalments will have to be reported in a new declaration, between 1 March and 15 April of the year to which they refer. (This information is currently reported in the annual CIT return for the previous year)
- Monthly advance CIT instalments are paid as follow:
  - For January, February and March due by April 15 of the current calendar year
  - For April to November – due by the 15th day of the month to which they refer
  - For December - by 1 December of the current calendar year (instead of 15 December)

Personal tax

- The deadline for filing annual tax returns and paying tax under the Personal Income Tax Act (PITA) for persons who are traders within the meaning of the Commercial Act, including sole traders, is extended to 30 June 2021 (from of 31 April). For other individuals, the deadlines under the PITA remain unchanged - the annual tax returns are to be submitted by 30 April

Tax Measures

- VAT has been reduced on services provided by restaurants or catering companies, including food delivery, books, baby food, baby diapers and similar hygiene products for babies from the standard 20% to 9%. The measure will apply from 1 July 2020 to 31 December 2021
- VAT has been reduced on tour operators' services, beer and wine provided as a part of restaurant/catering services and the use of certain sports facilities to 9% for the period from 1 August 2020 to 31 December 2021
- Business that have ceased their economic activities following the declared state of emergency (Decree of the National Assembly from 13 March 2020) are entitled to an exemption from the Municipal Council regarding the obligation to pay charges for the collection and removal of domestic waste (continue overleaf)

Tax litigation

- The procedural deadlines related to court, arbitration and enforcement proceedings, as well as limitation and other periods provided in legal acts, with the expiration of which rights or obligations of citizens are terminated or created, are suspended until the end of the state of emergency
- During the state of emergency, the 5-year statute of limitation period for tax liabilities ceases and the absolute 10-year statute of limitation period does not apply
- The suspension of the statute of limitation period has different implications in cases when tax liabilities should be paid to the state and when refunds are requested from the state

Bulgaria (cont.)

- Contact: Milen Raikov
- Last updated: 16 March 2021

Category: Tax Controversy

Back to top

Tax collection (cont.)

- The exemption will apply for a certain period in 2020 in cases when the economic activities are carried out from immovable property on the territory of the municipality concerned. Taxpayers can prove the cessation of economic activities for the relevant period with financial documents and other documents in a manner set by the Municipal Council
- A higher exemption threshold for food vouchers has been established: a tax exemption is allowed for all social expenses incurred by eligible persons for food vouchers of up to BGN 80 (instead of BGN 60) per hired person per month
- Gambling business that have ceased their economic activities based on an administrative act issued in accordance with the Health Act, are entitled to a tax exemption during this period
- A refund is available for excise duties imposed on ethyl alcohol used for cleaning/disinfection of equipment used for manufacturing medicinal products
- The deadline for tax relief application for businesses performing in municipalities with a high unemployment rate has been extended until the end of 2023 (from 2020)
- A VAT exemption is available for supplies of COVID-19 vaccines, medical products and related services for in-vitro diagnostics of COVID-19 until 31 December 2022

Liquidity aid

- Bulgarian companies that have been most severely hit by the COVID-19 measures, as well as companies declaring minimum 20% decrease in income compared to the same period in 2020, are entitled to a salary compensation of up to 60% of the insurable income of their employees for October 2020 plus 60% of the social and health insurance contributions paid by the employer. Employers will be entitled to compensation for up to three months until 31 March 2021
- Preferential loans are available for Bulgarian companies operating in all economic sectors affected the COVID-19 outbreak. The measure will provide guarantees of up to 80% of the loans, with a maximum loan amount of up to BGN 1 million for SMEs and 2 million for large enterprises. The deadline for applying under the measure is 30 June 2021
- Under the government's "Innovation and competitiveness" program, a measure intended to help SMEs that are adapting their economic activities in the context of COVID-19 provides 70% co-financing grants of up to BGN 75,000 for certain projects. Eligible costs include expenses for tangible fixed assets, intangible fixed assets and construction and installation works related to: collective protection equipment in the context of COVID-19; hygiene and disinfection equipment; reorganization and/or adaptation of work processes. Details are yet to be announced
- The Bulgarian Parliament adopted the Industrial Parks Act, which regulates the establishment, development and functioning of industrial parks. Based on the ownership model, the industrial parks can be state-owned, municipal, jointly owned or purely private. The owners of the industrial park and/or investors are entitled to incentives under the Investment Promotion Act and EU/national funding mechanism. The Bulgarian government may adopt additional incentive measures concerning establishment, operation and development of industrial parks. Moreover, the owners and investors will be entitled to local tax relief if approved by the relevant Municipal Council. During the construction and development of an industrial park, a simplified regime of administrative services will be applied

Canada

- Contact: Paul Mulvihill
- Last updated: 29 October 2020

Category: Tax Controversy

Back to top

Tax audits

- November 2020 – Canada Revenue Agency (CRA) resuming audit activities for small businesses regarding income tax and Goods and Services Tax (GST) / Harmonized Sales Tax (HST)
- October 2020 - medium business audits resume, except for audits in the GST/HST Special Audits Program, which include non-profit organizations and charities, and Municipalities, Universities, Schools and Hospitals (MUSH) sectors
- September 2020 - CRA resumed a full range of audit work, prioritizing actions that benefit the taxpayer, including situations where a taxpayer indicates it is urgent to advance their audit. Also focusing on:
  - Higher dollar audits first
  - Audits close to completion
  - Audits with a strategic importance to the Government of Canada, provinces and territories, or our tax treaty partners
  - Complex tax planning arrangements using partnerships and trusts by sophisticated and high income earners

Tax collection

- September 2020 – CRA Collections begin contacting individuals and businesses with amounts owing to evaluate the debtor's financial situation. CRA may request payment, or agree to payment arrangements where appropriate

Tax litigation

- September 2020 - dispute resolution and taxpayer relief programs are resuming operations, contacting taxpayers who filed objections or CPP/EI appeals to the Minister, or who applied for relief of penalties and interest
- August 2020 - The Tax Court of Canada ordered the extension of all timelines further to the suspension of time limits established by the Time Limits and Other Periods Act (COVID-19). It is currently working on updating the Tax Court of Canada E-Filing application in order for the system to account for additional time for the filing of notices of appeal without having to make an application for an Extension of Time

Chile

- Contact: Carlos Martínez
- Last updated: 18 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- The Chilean tax authority has launched new online tools on its website to obtain tax IDs and to improve management of monthly taxes
- On 18 March 2020, the Treasury Ministry announced an economic incentive package mainly focused on funds to support small- and medium-sized business in the amount of USD $11,750 million, or equivalent to 4.7% of the Chilean GDP. Key components are sanitary systems, family revenues and employment protections
- The following tax measures are included:
  - Corporate tax Monthly Provisional Payments (MPP) are suspended for the next three months
  - Deferral of VAT payments for the next three months for Chilean entities with revenues lower than USD $11.7 million with the possibility to pay the owed VAT in 12 monthly installments without additional interest
  - Deferral of Real Estate Tax returns (to be paid in April) due during 2020 without additional interest for the delay. This benefit is applicable to Chilean entities with revenues lower than USD $11.7 million and individuals that own real estate properties assessed for tax purposes in an amount lower than USD $156,000
  - Small- and medium-sized business may defer income tax returns until July 2020
  - A transitory exemption of the Stamp tax (applicable to credit cash operations) for the next six months
  - Deductibility of all expenses incurred by Chilean company for sanitary purposes

Tax litigation

- Relief measures for tax debts that are intended to provide incentives to small- and medium-sized businesses and individual taxpayers with low incomes to enter into tax debt payment agreements

China Mainland

- Contact: Carrie Tang
- Last updated: 23 March 2020

Category: Tax Controversy

Back to top

Tax audits

Better law enforcement:

Tax authority could delay:

- Tax inspections against taxpayers unless significant risks are identified
- On-site inspections unless approval is granted (no clarification yet on tax authority level for approval)
- Cancelling invoices to taxpayers unless illegal acts found

Tax collection

Monthly tax filing deadlines extended

- Monthly tax filing deadline for February and March 2020 is extended to 23 March; for taxpayers in a Level 1 severity location, the provincial tax bureau may stipulate the scope of application and further extended period
- Taxpayers may apply for a further extension, subject to in-charge tax authorities' pre-approval; the further extension may be determined case by case depending on the facts and circumstances
- Penalties may be waived for delayed tax filings or document submissions if the taxpayers business operations have been impacted by the epidemic; tax credit rating won't be affected under this context; local tax authorities may require supporting documents

Tax payment deferral

- Taxpayers encountering one of the following circumstances can apply for a tax payment deferral for a maximum of three months, upon a pre-approval by tax authority:
  - Incurring substantial losses due to COVID-19 and operations greatly affected
  - Short of cash to pay taxes after settling payroll and social security contribution

Contactless services to taxpayers by tax authorities and simplified tax collection and administration measures

- Various modules available containing 185 tax tasks in E-tax bureau
- Temporarily waiver of on-site inspection for designated taxpayers' applications for VAT invoices
- Beijing Tax authority launched the blockchain-based general VAT invoice on a pilot basis (*continued overleaf*)

Tax litigation

- No new cases will be accepted for tax administrative review hearing (note – administrative review is another remedy option for taxpayers in China in addition to filing the case to a court; tax administrative review is within tax administration and it is not a court procedure)
- Stringent investigations on illegal acts of tax frauds (e.g., claiming COVID-19 related supporting tax policies with false information under the epidemic context)

China Mainland (cont.)

- Contact: Carrie Tang
- Last updated: 23 March 2020

Category: Tax Controversy

Back to top

Tax collection – tax policy at national and local level

National Level:

Individual Income Tax (IIT)

- IIT exemption on additional allowances and bonuses received by medical staff and qualifying personnel who have been involved in COVID-19 prevention, treatment or handling related emergencies
- IIT exemption on medicines, medical supplies and protective equipment provided from enterprises to employees
- Qualifying donations are allowed to be deducted in full for IIT purposes

Corporate Income Tax (CIT)

- Equipment purchased by the manufacturers of key medical and daily living supplies (KSMEs) for expanding production capacity is allowed to be one-off deducted in the same period for CIT purposes
- The carry-forward period for losses incurred in 2020 is extended from five to eight years for qualifying enterprises
- Qualifying donations are allowed to be deducted in full for CIT purposes

Value-Added Tax (VAT), Consumption Tax (CT), other local taxes/surcharges and import duties/taxes

- KSMEs may apply to the competent tax authorities for a full refund of the incremental input VAT credits incurred after the end of December 2019 on a monthly basis
- The income derived by taxpayers from providing the prescribed services (transportation of key supplies under the epidemic, public transportation services, lifestyle services) can be exempted from VAT and local tax/surcharges
- Exempt VAT for small-scale VAT taxpayers in Hubei and reduced VAT collection rate from 3% to 1% for those in other regions (effective from 1 March 2020 to 31 May 2020) (*continued overleaf*)

China Mainland (cont.)

- Contact: Carrie Tang
- Last updated: 23 March 2020

Category: Tax Controversy

Back to top

Tax collection – tax policy at national and local level

National Level: (cont.)

Value-Added Tax (VAT), Consumption Tax (CT), other local taxes/surcharges and import duties/taxes (cont.)

- Entities and self-employed industrial and commercial households (SICHs) that donate self-produced, contract-processed or purchased are exempt from VAT, CT and local tax/surcharges
- Cross-border donations for supporting the epidemic prevention and control are exempt from import duties and import-level VAT and CT
- For prescribed imports from USA, the tariff reduction obligations suspended will be resumed and the additional tariffs that have already been levied will be refunded

Social securities and housing funds (local practices vary)

- Social securities that are contributed by enterprises may be reduced and exempted temporarily
- Housing fund payments from employers may be deferred to 30 June 2020

Local Level:

- Real Estate Tax and Urban Land Use Tax relief policies such as exemption from RET and ULUT for months
- Short term reduced deemed tax basis for self-employed industrial and commercial households taxed on deemed basis that are severely affected by the epidemic
- Lower threshold for credit rating of companies that are eligible for unsecured loans with tax credit in certain locations

Colombia

- Contact: Margarita Salas
- Last updated: 10 July 2020

Category: Tax Controversy

Back to top

Tax audits

- The legal deadlines in tax and customs matters were suspended between 19 March 2020 and 2 June 2020. The legal deadlines were resumed on 2 June 2020 except for the Sanitary Emergency declared by the Ministry of Health and Social Protection ends on 31 August 2020
- Face-to-face meetings have been suspended; the majority of those cases can be done virtually
- Tax inspections can now be carried out virtually, as long as the Sanitary Emergency lasts

Tax litigation

- All litigation proceedings were suspended between 16 March 2020 and 1 July 2020. The terms of prescription and expiration pending on 16 March 2020 resumed on 1 July 2020. The remaining days to complete the term before the suspension will be added after the suspension ends
- If, as of 16 March 2020, the deadline pending compliance was less than 30 business days, once the suspension of judicial terms has been lifted, there will be one month to exercise any judicial action in a timely manner
- As an exception, some actions were not suspended, such as those related to criminal matters (habeas corpus) and constitutional actions for the protection of fundamental rights
- The filing of the documents in the courts will be carried out virtually via a new mailbox set up by the courts.-The physical review of the files in the courts-will be made by appointment
- Hearings generally will be carried out virtually unless circumstances require a face-to-face meeting. Nevertheless, courthouses can never exceed 20% of their capacity
- The Constitutional Court has issued decisions declaring the constitutionality of many of the Decrees that established COVID-19 measures. However, the Court nullified the Decree that enabled the Congress to meet-virtually, noting-that this should be Congress' decision and not the Government's

Colombia (cont.)

- Contact: Margarita Salas
- Last updated: 10 July 2020

Category: Tax Controversy

Back to top

Tax collection

- The income tax payment deadline was extended; initially payment was due between 14 April and 27 April 2020; the deadline was extended one week to between 21 April and 5 May 2020
- The National Government approved a Decree allowing taxpayers to pay 80% of the tax without paying penalties and interest on local tax benefits related to local taxes regarding previous debts (partial amnesty applies for the tax and total amnesty applies for the late interest and penalties)
- There is a VAT exemption for 211 medical devices and supplies needed for COVID-19 control; some compliance requirements apply. The exemption lasts for the duration of the Sanitary Emergency, which ends 31 August 2020. Likewise, the chemical raw materials for the production of medicines have been excluded from VAT until the end of the emergency
- VAT exclusions apply to donations related to COVID-19 made during the Sanitary Emergency
- There is a financial transaction tax exemption on financial operations for high-risk populations
- For low-risk and higher-risk taxpayers, an abbreviated 15-day procedure for tax refunds (VAT and income tax) applies. For taxpayers at highest risk and risk of fraud, the Administration will conduct a special review prior to the refund; the review will start after the end of the Sanitary Emergency-on 31 August 2020. The abbreviated procedure lasted until 15 June 2020
- The due dates for filing income tax returns and VAT returns (only for taxpayers who carried out certain economic activities) were postponed until 30 June 2020
- The deadline to apply for conciliations and mutual agreement terminations ("amnesties") with the Tax Authority was postponed until 30 November, 2020
- An abbreviated procedure for some specific tax obligations was established for tax payment agreement requests. It will be available until 6 August 2020
- The government established three days with no VAT collections for certain products (clothes, electronic devices and sport articles, among others), in order to boost the economy
- The government created a new tax called the "Solidary Tax," which consists of a charge of 15% on the salaries of government employees who earn more than $3,000
- Taxpayers with pending tax obligations will be able to pay their debts until 30 November 2020 by applying a current interest rate that is more favorable than the default interest rate that normally applies for such cases
- All the measures mentioned above are under review by the Constitutional Court due to the automatic control the Court exercises

Costa Rica

- Contact: Rafael Sayagués,
- Contact: Juan Carlos Chavarría

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- New tax audits can not be notified (started) during April and May 2020

Tax collection

- Payment of the VAT, advance payments of income tax, consumption tax and imports tax for April, May and June are deferred
- The minimum tax base for the social security health insurance and pension insurance is reduced to 25% on a temporary basis (three months)
- Commercial rents exempt from VAT for three months (April, May and June)
- Elimination of the advance payments of income tax for April, May and June

Tax litigation

- Most of the judicial hearings and trials are suspended

Curacao

- Contact: Raisza Terburg-Ersilia
- Contact Rose Boeve

- Last updated: 24 March 2020

Category: Tax Controversy

Back to top

Tax audits

- Moratorium on documental and factual tax audits from 18 March until 31 March 2020 (except for VAT refund tax audits) and suspension of ongoing tax audits until 31 May 2020
- Moratorium on tax audits related to Unified Social Tax (UST) from 1 March until 30 April 2020

Tax collection

- Payment arrangements for outstanding personal income tax liabilities extended upon request
- Companies and self-employed individuals can file a request for temporary suspension of payment with the Tax Collector and temporarily no fines will be imposed for no or late payment of outstanding tax liabilities
- The interest rate for late payment of outstanding tax liabilities for companies and self-employed individuals will be temporarily reduced from 6% to 0%
- The collection costs for outstanding tax liabilities will not be charged to companies and self-employed individuals
- Affected companies and self-employed individuals with liquidity problems can conclude new payment arrangements for all taxes and non-taxes

Tax litigation

Cyprus

- Contact: Philippos Raptopoulos
- Last updated: 19 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- A temporary two-month deferral of VAT payments, without the imposition of any penalties, is applicable to companies with turnover of less than €1 million or where turnover reduced has fallen by more than 25% with reference to the tax returns submitted during 2019
- Arrangements can be made so that VAT payable amounts will be settled gradually by 11 November 2020

Tax litigation

Czech Republic

- Contact: Lucie Rihova – Tax Controversy
- Contact: Jakub Majer – Tax Desk

- Last updated: 05 October 2020

Category: Tax Controversy

Back to top

Tax audits

- No special tax audit measures adopted. Generally, a rather formalistic approach can be expected in audits focused on utilization of COVID-19 relief measures

Tax collection

- Tax loss carry-back has been introduced for 2020 tax losses, to be potentially applied for 2019 and 2018 tax returns
- The VAT tax rate has been reduced from 15% to 10% for selected accommodation, cultural and sports services
- The real estate transfer tax (RETT) was canceled as of 26 September 2020. Reflecting the transitory provisions, no RETT applies on real estate transfers recorded in the cadastral registry in December 2019 and later. RETT that was already paid despite the cancellation will be returned only upon the taxpayer's request
- The road tax on trucks was reduced to 3.5 tones effective for the 2020 tax period
- The Parliament is considering other tax relief measures e.g., lowering the employment tax burden, accelerating-selected asset depreciation, and lowering the diesel consumption tax

Tax litigation

- The Minister of Finance may decide to waive the penalties for late submissions and related late payments of taxes and forgive certain administrative fees
- Late tax claim fines (and fines for failure to report) may be waived in all cases where the taxpayer individually requests the waiver of interest for late payment and proves reasons in any way related to coronavirus (e.g., disease or quarantine) – this measure applies to all taxes administered by bodies subordinate to the Ministry of Finance and all taxpayers
- Late payment interest and interest on deferred tax arising from 12 March 2020 to 31 December 2020 may be automatically waived in cases where the tax administrator has individually authorized deferral or payment in installments for reasons related to COVID-19
- Mandatory Disclosure Regime (MDR) deadlines postponed to 31 January 2021, resp. 28 February 2021
- The General Financial Directorate will adjust the order to allow for individual remission of fines for failure to submit a control report without a time limit if a COVID-19 cause is established
- Electronic Registration of Sales (ERS) interrupted until 31 December 2020
- The penalty has been decreased for late payment of social security contributions paid by employers for periods May – July 2020 until 20 October 2020

Denmark

- Contact: Jens Wittendorff
- Last updated: 19 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- Payment deadlines for payroll tax and labor market contributions are postponed by four months for the months of April, May and June
- This means that the payroll tax and labor market contribution payments for companies with payroll tax of more than DKK 1m or a total labor market contribution of more than DKK 250,000, both of which must continue over a 12 month period, are as follows:
  I. The payment due on 30 April is postponed until 31 August
  II. 29 May payment is postponed until 30 September
  III. 30 June payment is postponed until 30 October
- For the companies below the thresholds the payments are as follows:
  I. The payment due on 11 May is postponed until 10 September
  II. June 10 payment is postponed until 12 October
  III. 10 July payment is postponed until 10 November
- Only the payment has been postponed, the reporting deadline is maintained
- For businesses with VAT liable deliveries exceeding DKK 50m on an annual basis, the deadline for such VAT payments are postponed by a month for the months; March, April and May
- This only applies for the payment of positive VAT, negative VAT can still be refunded within three weeks of receipt of the VAT statement
- For companies with VAT liable deliveries between DKK 5m to DKK 50m on an annual basis, the payment of VAT is postponed for the first quarter of 2020 and is now combined with the payment deadline of the second quarter of 2020 on 1 September 2020
- For companies with VAT liable deliveries below DKK 5m on an annual basis, the VAT payment of the first half of 2020 has been postponed and is now combined with the payment deadline of the second half of 2020 on 1 March 2021

Tax litigation

Dominican Republic

- Contact: Rafael Sayagués
- Contact: Ludovino Colón

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- There is a suspension of administrative deadlines

Tax collection

- Payment of the Income Tax Declaration for legal persons (IR-2) extended until 29 May for fiscal period closing 31 December, with the opportunity to make the payment in four installments
- Extension until 29 May 2020 of deadlines for compliance with the filing of the Income Tax return for individuals and payment of the tax for fiscal year 2019 and the Income Tax for taxpayers covered by the Simplified Tax Regime, for fiscal year 2019
- VAT taxpayers may request payment agreements for payment in up to four installments of VAT due for fiscal period February 2020 and the deadline for filing and payment of VAT for this period was extended to 30 March 2020
- Online platforms are available to receive requests for exemption of VAT and Excise Tax for taxpayers covered by special regimes
- The Customs Administration announced measures to:
  - Eliminate the surcharge for late declaration
  - Extended the term of permanence of applicable goods in the Deposit Regime, until three business days after the lifting of the national emergency
  - Discount the days of quarantine to the terms to be computed so that a merchandise is considered abandoned
- The Customs Administration grants a temporary exemption of custom duties and VAT applicable on the importation of certain goods such as latex gloves, fabric face masks and garments for doctors and hospitals (*continued overleaf*)

Tax litigation

- There is a suspension of administrative and judicial deadlines

Dominican Republic (cont.)

- Contact: Rafael Sayagués
- Contact: Ludovino Colón

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- For the hotel sector, the Tax Administration (General Directorate of Internal Taxes) will stop applying rate restrictions to Advance Pricing Agreements (APAs)
- Exemption from the payment of Income Tax prepayment quota corresponding to March 2020, with due date on 15 April 2020; this provision does not apply to large national taxpayers, except those with impediments to operate during the state of emergency
- Suspension of quotas due for payment agreements with the Tax Authority due for the months of April, May and June 2020 and extension of the agreements for three additional months
- Extension of the deadline for the filing and payment of the taxes related to lottery, sports' betting agencies, casino games and slot machines
- Extension of the deadline for the filing of the Informative Declaration of Operations with Related Parties for entities with fiscal year end on 30 September, from 30 March 2020 to 30 April 2020
- Extension of the deadline for the filing and payment of the withholding and fringe benefits, as well as the second installment of the asset tax; the new deadline will be 24 April and 29 May 2020 respectively
- The validity of the VAT exemption cards for Free Trade Zone entities that expire after 19 March 2020 will be maintained until 30 June 2020

Ecuador

- Contact: Fernanda Checa
- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- The Ecuadorian Internal Revenue Service (IRS) suspended the terms of all tax administrative processes from 16 March to 30 April 2020, which include tax audits

Tax collection

- The IRS suspended the terms of all tax administrative processes from 16 March to 30 April 2020
- The President and IRS' General Director stated that the payment of certain taxes, including individual and corporate income taxes, which normally must be paid in April, May and June will be deferred for six months
- The President must issue a decree to make this announcement official

Tax litigation

- The work of Judicial employees such as administrative, jurisdictional, autonomous and auxiliary bodies are suspended during the state of emergency

El Salvador

- Contact: Rafael Sayagués
- Contact: Hector Mancía

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Administrative terms have been suspended. In this regard, Tax Authorities have suspended the notification of tax audit appointments and requests of information to taxpayers

Tax collection

Legislative Decree 598 grants an extension for the payment of the fiscal year 2019 Income Tax and an exemption from the applicable late payment interest, charges or penalties, to the following taxpayers:

- Taxpayers that have to pay Income Tax equal or less than USD $10,000 can make the corresponding payment in up to eight monthly installments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and make the first payment equal to 10% of the Income Tax self-assessed in May 2020
- Taxpayers in the tourism industry that have to pay Income Tax, equal or less than USD $25,000, can make the payment up to 31 May 2020. The extension is not applicable to taxpayers that have valid tax incentives granted according to the Tourism Law. Payment of the Special Tax on tourism have also been suspended for three months
- Taxpayers that generate, transmit, distribute and sell electric power can pay the Income Tax in up to eight monthly installments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and make the first payment equal to 10% of the Income Tax self-assessed in May 2020
- Taxpayers that render at least two of the following services: cable TV, internet and fixed or mobile telephony, can pay Income Tax in up to eight monthly installments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and make the first payment equal to 10% of the Income Tax self-assessed in May 2020
- In all the previously mentioned cases, the Income Tax return must be filed no later than 30 April 2020

(continue to overleaf)

Tax litigation

- Administrative and judicial deadlines are suspended

El Salvador (cont.)

- Contact: Rafael Sayagués
- Contact: Hector Mancía

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- Legislative Decree 598 also grants an extension for the payment of the advance Income Tax corresponding to March, April and May 2020, with an exemption from applicable late payment interest, charges or penalties, to the following taxpayers:
  - Taxpayers that render at least two of the following services: cable TV, internet and fixed or mobile telephony, can make the payment of the advance Income Tax corresponding to March, April and May 2020 in up to six monthly installments. The first installment corresponds to the 10% of the amount determined to be owed and will be paid in July 2020
  - The returns will have to be filed within the 10 working days following the closing of the corresponding tax period
- Legislative Decree 603 grants exemption from VAT, custom duties and any other local or municipal tax that could be applicable to the importation of any goods, made by beneficiaries of the Free Trade Zones Law, that will be donated to the Government, Municipalities, Public or Private Institutions, non-profit, humanitarian, educational, communitarian, compassionate and relief entities, to help or to be distributed to the people affected by the COVID-19 pandemic. The donations must be supported with the corresponding Certificate that will be issued by the Ministry of Economy in favor of the beneficiary entity
- Legislative Decree 604 modifies the Central American tariff of Importation (Arancel Centroamericano de Importación) in order to guarantee the supply of the basic food basket, medicines, hygiene and cleaning products required under the national emergency declared. The import tax rate applicable, among others, to the following products has been reduced to zero percent (0%): red beans, wheat and rice flour, cornmeal, vegetables, soap, liquid soap and detergents
- The Salvadoran Congress is analyzing a draft law to extend up to 30 June 2020, the term to file the Income Tax return corresponding to fiscal year 2019. The draft law also includes the possibility that taxpayers may enter into an installment payment plan with the General Treasury Directorate to pay the income tax due in up to four or seven monthly installments, considering the tax category of the taxpayer.

Finland

- Contact: Jukka Lyijynen
- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- The Finnish Tax Administration will ease the terms of payment arrangements for the time being. In addition, the Ministry of Finance is preparing a legislative amendment that will temporarily lower late-payment interest rates for taxes in a payment arrangement
- The Finnish tax authorities cannot grant more time for filing VAT returns or other tax returns for self-assessed taxes. However, taxpayers can request that the late-filing penalty be removed. If taxpayers have a justified reason for filing late, such as illness, they may not have to pay a late-filing penalty
- The deadlines for paying taxes are postponed (further details of this are not yet known)
- No VAT and import duties will be imposed for certain medical supplies imported from outside the EU until 31 July 2020
- The Tax Administration is granting a month of extra time for filing corporate income tax returns due to the coronavirus situation

Tax litigation

- The interest rate for late payments is reduced to 4% (currently 7%) for taxes due from 1 March 2020

France

- Contact: Jean-Pierre Lieb – EY EMEIA Tax Policy & Controversy Leader
- Contact: Charles Menard – Tax Policy & Controversy
- Contact: Frederic Vallat – France Tax Desk

- Last updated: 21 October 2020

Category: Tax Controversy

Back to top

Tax audits

- Tax audits are gradually restarting
- No new tax audits were launched during the state of health emergency. However, companies could still exchange emails with the French Tax Administration

For ongoing tax audits:

- No procedural documents are being sent (tax reassessment notices, tax collection notices), except in the case of prescription or mandatory period laid down by law
- Auditors, if able to work, can request documents or propose a telephone interview, but the company can reply that it cannot act. If the company decides to respond, it can do so by email instead of sending a letter of acknowledgement. However, if the mail contains appendices, it is preferable to ask auditors, by calling them on their mobile phone, to send an access ticket to the secure document exchange platform "Escale" to avoid non-delivery of the shipment
- Legislation to "freeze" the consequences of non-compliance with deadlines in the different procedures has been adopted

Tax litigation

- The law of 11 May 2020 extended the state of health emergency through 10 July 2020
- Administrative guidelines on the 25 March ordinances on tax audits and tax litigation were updated on 24 June 2020 (BOI-DJC-COVID-19)
- Hearings are gradually restarting
- For the introduction of new cases or the production of pleadings in current cases, the "télérecours" application should be used as before
- Any act, appeal, legal action, formality, registration, declaration, notification or publication that should have been completed between 12 March 2020 and 23 June 2020 shall be deemed to have been done in time if it is done within a period which may not exceed, beginning 23 June 2020, the time limit prescribed by law for taking action, up to a limit of two months
- The Order of 13 May 2020 setting the time limits applicable to various procedures during the health emergency has the effect of modifying the calculation of the new time limits provided for in the Order of 25 March 2020 relating to the extension of time limits and the adaptation of procedures, some of which apply in tax matters:
  - Suspended all the time limits provided for in Book II of the Tax Procedure Books (concerning control and rectification procedures) during the period from 12 March 2020 to 23 August 2020
  - Extended the deadline for resumption of tax administration: the deadlines were suspended as of 12 March 2020 through 23 August 2020 and did not take effect again until 24 August 2020 (only deadlines expiring on 31 December 2020 were extended)
  - Suspended the time limits for the recovery of taxes for public accountants: the extension of the time limits for public accountants to take action to recover debts, i.e., the time limit imposed on the public accountant, in particular the limitation period for taking action to recover debts, in force on 12 March 2020 or starting between 12 March 2020 and 23 June 2020 was suspended until 23 August 2020

France (cont.)

- Contact: Jean-Pierre Lieb – EY EMEIA Tax Policy & Controversy Leader
- Contact: Charles Menard – Tax Policy & Controversy
- Contact: Frederic Vallat – France Tax Desk

- Last updated: 21 October 2020

Category: Tax Controversy

Back to top

Tax collection

- For the smallest French companies and for as long as the current situation lasts, the payment of taxes, social security contributions or various invoices (e.g., water, gas or electricity and rents) may be suspended
- The employee and employer social contribution payments (URSSAF) due on 5 or 15 October 2020 may be postponed upon request or with specific conditions without prior request in some situations
- For the self-employed, the rate and the down payments at source of income tax can be adjusted at any time. It is also possible to defer the payment of the personal income tax down payments from one month to another up to three times if monthly instalments, or from one quarter to the next if quarterly instalments. These adjustments can be made via the website impots.gouv.fr, under the heading "Manage my direct debit" (before the 22nd of a given month, in order to be taken into account for the following month)
- For employees, no deferrals or discounts are contemplated for the employees' payments at source of personal income tax. Households that have to draw up their business tax return to complete their income tax return also were given an extension until 30 June 2020 to file their income tax return in a dematerialized manner, without penalties. The June income tax return filing period was postponed for households.
- The postponement only impacts direct taxes and not VAT and similar taxes (VAT or excise duties are indirect taxes collected by businesses on behalf of the state; no payment deferrals are expected currently)
- The government affirmed the goal of a rapid refund of excess input VAT to the companies (i.e., within one month in 80% of cases)
- The 20 May 2020 deadline for filing income statements for the financial year ending 31 December 2019 was extended to 30 June 2020 for companies that were unable to file by the original date
- The payment of the recent direct taxes instalment (for CIT down payment and/or payroll tax) could be postponed upon request and without penalty up to 30 June for companies facing financial difficulties. A specific form to benefit from these measures was available on the tax authority's website
- Companies can request postponement of their provisional account for July and August for payroll tax. If they do so, the payroll tax due with respect to the July and August 2020 deadlines (remuneration paid in June and July) will be paid respectively on the provisional payment statements (No. 2501) for September and October 2020 (to be paid in October and in November 2020)
- For companies whose fiscal year ended between 31 December 2019 and 29 February 2020, the deadline for filing the tax return and paying the balance of corporate income tax was extended to 30 June 2020
- For companies whose fiscal year ended on 31 March 2020, the tax authorities extended from 30 June 2020 to 31 July 2020 the deadline for filing the tax return and paying the balance of corporate income tax

France (cont.)

- Contact: Jean-Pierre Lieb – EY EMEIA Tax Policy & Controversy Leader
- Contact: Charles Menard – Tax Policy & Controversy
- Contact: Frederic Vallat – France Tax Desk

- Last updated: 21 October 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- For companies that had material difficulties in calculating their CIT or Company Value-Added Contribution (CVAE) balance and, consequently, in filing their corporation tax balance statement or CVAE balance declaration:
  - Companies whose last known turnover was less than €10 million (last tax package filed) were also authorized to defer the declaration and payment of their tax and CVAE balance until 30 June 2020
  - Companies whose last known turnover was greater than or equal to €10 million could declare and pay an estimate of their balance within the legal deadlines up until 31 May, and then, if necessary, submit a declaration of correction by 30 June 2020
- The monthly payment of the corporate property tax (CFE) could be suspended without penalty until 15 December 2020. Local authorities can grant a reduction of two-thirds of the CFE for 2020 to companies from certain sectors particularly affected by the crisis. Payment of the property tax (taxe foncière) due on 15 October 2020 may be suspended upon request for 3 months
- The government affirmed the goal of rapid refunds of Research tax credits and tax credits for competitiveness and employment (CICE) (i.e., within three months in 75% of cases)
- When the deferral of payment is not sufficient in view of the company's difficulties, the company may claim direct tax rebates (corporation tax, business property tax, business value-added tax) and penalties or interest on outstanding tax debts, provided that there is evidence of the company's difficult financial situation. Rebates depend on each company's particular situation
- The benefit of cash support measures (i.e., tax and social security deferrals and the benefit of a state-guaranteed loan) is conditional on a commitment by large companies not to distribute dividends or carry out share buybacks during 2020 and not to have tax headquarters or a subsidiary without economic substance in a State or non-cooperative territory in tax matters
- The deadline for filing the annual transfer pricing return (Form No. 2257-SD) has been extended from 31 October 2020 to 31 December 2020 for companies whose fiscal year ends on 31 December 2019. Companies whose fiscal year ended on a different date and that benefitted from an extended filing period for the corporate income tax return may also benefit from an extended filing
- The deadline for filing the annual trust declaration (Form no. 2181-TRUST2) has been extended from 15 June 2020 to 30 September 2020
- The French government introduced an amendment proposing to postpone the entry into force of DAC6 reporting obligations by six months
- Small and medium-sized companies can benefit under conditions from a plan to spread taxes due during the health crisis that can up to 3 years

Germany

- Contact: Alexander Groß – Tax Controversy
- Contact: Tobias Appl – Tax Desk

- Last updated: 19 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- In order to improve companies' liquidity situation, the options for deferring tax payments and reducing prepayments will be enhanced, and enforcement rules will be adapted. Overall, businesses will be able to defer billions of euros in tax payments
- The Federal Ministry of Finance has already initiated the necessary coordination process with the states. It is expected that a decree will be released by the Federal Ministry of Finance in the next couple of days which will provide further details on the measures and administrative procedure. The measures which have been agreed on a political level are as follows:
  - It will be easier to grant tax deferrals. Revenue authorities will be able to defer taxes, if their collection would lead to significant hardship. The revenue authorities will be instructed to not impose strict conditions in this respect. This will support taxpayers' liquidity, because the timing of tax payments will be delayed
  - It will be easier to adapt tax prepayments. As soon as it becomes clear that a taxpayer's income in the current year is expected to be lower than in the previous year, tax prepayments will be reduced in a swift and straightforward manner. This will improve the liquidity situation
  - Enforcement measures (e.g., attachment of 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
  - Some states have already issued on their homepage a template for a simplified reduction of tax prepayments (e.g., Bavaria) or have provided further guidance on the tax measures (e.g., Northrine-Westfalia and Schleswig-Holstein). Further guidance by states and revenue authorities is expected

Tax litigation

- With regard to taxes that are administered by the customs administration (e.g., energy duty and aviation tax), the Central Customs Authority has been instructed to make appropriate concessions to taxpayers. The Central Customs Authority has already provided further guidance
- The same applies to the Federal Central Tax Office, which will proceed accordingly with regard to insurance tax and value-added tax, which fall within its remit

Greece

- Contact: Tassos Anastassiadis
- Last updated: 18 May 2020

Category: Tax Controversy

Back to top

Tax audits

- Income taxes and VAT up to €30,000 per tax category and taxpayer pending for refund shall be refunded immediately, whereas a tax audit may still be conducted on a sample basis
- Notifications of provisional and final tax or penalties assessment notes are suspended until 30 April 2020; in the case of tax audits conducted for tax refunds, the suspension applies up to 10 April 2020
- The imposition of safeguarding measures in favor of the State (article 46 paras. 5 and 6 L. 4174/2013) is suspended for as long as the Courts' suspension of operation measure is in force
- The deadline for the submission of a memorandum by taxpayers in relation to the provisional tax or penalties assessment note is suspended up until 31 May 2020. Said suspension also covers the deadlines which had not expired on 11 March 2020
- The deadlines for the provision by taxpayers of information, copies of books and records or other documentation requested by the Tax Administration in the course of a tax audit are suspended up until 31 May 2020, this suspension also covers the deadlines which had not expired on 11 March 2020
- The statute of limitation period of the right of the Tax Administration to issue tax or penalties assessment notes that expire from 30 March2020 to 31 May 2020 is extended up until 31 July 2020

Tax litigation

- Court statutory deadlines (e.g., for the submission of a tax judicial appeal) are suspended as of 16 March 2020 until 31 May 2020
- Court operations and hearings are suspended as of 16 March 2020 until 31 May 2020 (exceptions may apply)
- The deadlines for filing a tax administrative appeal and a request for suspension (article 63 of Law 4174/2013) that have expired or expire from 11 March 2020 to 31 May 2020 are suspended for 60 days
- The deadlines for the examination of administrative appeals requests for suspension by the Dispute Resolution Directorate which have not been completed between 20 March 2020 to 31 May 2020 are extended by 60 days

Greece (cont.)

- Contact: Tassos Anastassiadis
- Last updated: 18 May 2020

Category: Tax Controversy

Back to top

Tax collection

- The payment of debts assessed and due to the Tax Administration as well as the payment of debt installments or partial repayments due between 11 March 2020 to 30 April 2020 are suspended until 31 August 2020 for affected enterprises. This measure also applies for enterprises included in the list of affected enterprises in April for their tax debts due within April, and for the enterprises included in the list of affected enterprises in May for their tax debts due within May
- The collection of debts assessed and due on 11 March 2020 are suspended until 31 August 2020 for affected enterprises. This measure also applies for enterprises included in the list of affected enterprises in April for their tax debts due within April, and for the enterprises included in the list of affected enterprises in May for their tax debts due within May
- No late payment interest or surcharges are calculated during the suspension period
- As a prerequisite for the suspension, the enterprise must maintain all job positions
- The payment of debts assessed and due to the Tax Administration as well as the payment of debt installments or partial repayments are suspended for the employees of affected enterprises, and for individual landlords leasing the business premises of affected enterprises. No late payment interest or surcharges are calculated during the suspension period

Guatemala

- Contact: Rafael Sayagués
- Contact: Manuel Ramírez

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- On 24 March 2020, the Guatemalan Tax Authorities declared the dates of 24 March to 14 April 2020 as "non-working days, for purposes of deferring the calculation of the administrative deadlines
- Therefore, existing or new audit processes with the Tax Authorities were suspended during the aforementioned period of time and were resumed on 15 April 2020

Tax collection

- The deadline for filing the February VAT return is extended to 15 April 2020
- The deadline for filing the March VAT withholding tax return is 6 May 2020
- The deadline for filing the annual income tax return is 15 April 2020
- The deadline for filing the income tax return withholding is 28 April 2020
- The deadline for the presentation of reports required by law is extended to 15 April 2020
- Existing or new audit processes are suspended during the established period and are to be resumed on 15 April 2020
- The deadline for attending information requests or presenting administrative appeals to the Tax Authorities is suspended and to be resumed on 15 April 2020

Tax litigation

- Judicial deadlines are currently suspended until 4 May 2020 and the suspension may be extended
- However, individuals and legal entities are still able to file lawsuits in the offices determined by the courts
- For the purposes of the Tax Authorities, administrative deadlines for tax litigation were suspended from 24 March to 14 April 2020 since the aforementioned days were considered as "non-working days" for such authorities
- For constitutional matters, litigation deadlines before the Constitutional Court have not been suspended

Honduras

- Contact: Rafael Sayagués
- Contact: Juan Carlos Chavarría

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- A deadline extension for filing tax returns and the expiration of tax documents (i.e., printed invoices)
- A GST exemption for protective masks and alcohol gel, as well as raw materials and products to produce medicines and sanitizer products
- A deferral on the payment of the income tax for persons and independent professionals; tax return and payment must be submitted before 30 June 2020, but only for small and medium companies
- Small and medium companies who file and pay the return before or on 30 April 2020 may apply a discount of 8.5% of the tax to pay
- Taxpayers who, during March to December 2020, preserve their payroll and the payment of wages, will be able to apply for the months within the state of emergency, an additional 10% (over the salaries paid) as a deductible expense for fiscal year 2020.
- Income tax advance payments for fiscal year 2020 will be calculated on 75% of the tax declared for fiscal year 2019 and payment dates are postponed for 30 August, 30 October and 31 December 2020
- Extension to file the Transfer Pricing informative return for 31 July 2020
- An extension to pay the Private Contributions Scheme (RAP) of February 2020; contributions to the RAP can be paid within the following 15 days after the state of emergency ends

Tax litigation

- There is a suspension of administrative deadlines before the Tax Authorities

Hong Kong

- Contact: Wilson Cheng

- Last updated: 4 February 2021

Category: Tax Controversy

Back to top

Tax audits

- Suspension of the Tax Authorities' activities – Inland Revenue Department (IRD) counters were closed and no face-to-face meetings could be arranged from:

  (1) 29 January to 1 March 2020;

  (2) 23 March to 3 May 2020;

  (3) 20 July to 14 September 2020; and

  (4) 2 December 2020 until further notice (counter services resumed on 28 January 2021 while other activities continue to be suspended)

Tax collection

- Deadlines for tax payments, lodgment of objections and holdover applications and submission of tax returns and information that fall between (1) 20 January and 1 March 2020 were automatically extended to 2 March 2020; (2) 23 March and 3 May 2020 were automatically extended to 4 May 2020; and (3) 20 July and 13 September 2020 were automatically extended to 14 September 2020
- For instalment plans approved by the IRD allowing taxpayers in financial difficulties to settle Salaries Tax, Profits Tax and Personal Assessment demand notes issued between December 2019 and December 2020 for the 2018/2019 year of assessment, provided that the installment plans are duly adhered to, no surcharge will be imposed for a maximum period of one year counting from the respective due dates of the demand notes
- For installment plans approved by the IRD allowing taxpayers in financial difficulties to settle Salaries Tax, Profits Tax and Personal Assessment demand notes issued between August 2020 and August 2021 for the 2019/2020 year of assessment, provided that the installment plans are duly adhered to, no surcharge will be imposed for a maximum period of one year counting from the respective due dates of the demand notes
- Deadlines for payment of Salaries Tax, tax under Personal Assessment and Profits Tax for the 2018/2019 year of assessment that were due between April and June 2020 were automatically extended for three months

Hong Kong (cont.)

- Contact: Wilson Cheng
- Last updated: 4 February 2021

Category: Tax Controversy

Back to top

Tax litigation

- Board and court hearings originally scheduled for 29 January to 3 April 2020 generally adjourned and will not be held unless they are urgent and essential as directed by the board and the court. Starting 4 May 2020, all hearings of the court resumed unless they were adjourned pursuant to specific directions by the court, but with reduced capacity. Court business has fully resumed, in an incremental and orderly manner, beginning 15 September 2020
- A Hong Kong entity of a reportable group is required to file a notification in relation to country-by-country (CbC) reporting for an accounting period. The notification must be filed within three months after the end of the relevant accounting period (notification deadline). In view of the COVID-19 situation, the IRD accepted the Hong Kong entity and its service provider as having complied with the notification deadline for the relevant accounting period ended between 31 December 2019 and 29 February 2020, provided that the notification was received via the CbC Reporting Portal on or before 1 June 2020
- Deadline for submission of 2019/20 Profits Tax return for taxpayers with accounting dates falling between 1 April 2019 and 30 November 2019 (Accounting date code "N") was extended to 30 June 2020
- Deadline for submission of 2019/20 Profits Tax return for taxpayers with accounting dates falling between 1 December 2019 and 31 December 2019 (Accounting date code "D") was extended to 30 September 2020
- Deadline for submission of 2019/20 Profits Tax return for taxpayers with accounting dates falling between 1 January 2020 and 31 March 2020 (Accounting date code "M") was extended to 30 November 2020

Hungary

- Contact: Robert Heinczinger – Tax Controversy
- Contact: Gabor Kiss – Tax Desk

- Last updated: 19 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- In severely hit industries, e.g., tourism, hospitality, entertainment, sport and cultural services (e.g., theaters, cinemas), the Hungarian Government waived the employment related contribution payment obligation of employers until 30 June 2020
- The tourism fund contribution payable until 30 June 2020 is waived, i.e., 4% of revenues
- The lump sum small business tax (KATA) payable until 30 June 2020 by taxi drivers will be waived

Tax litigation

India

- Contact: Rajan Vora – Tax Controversy
- Ganesh Raj – Business Tax Services and Tax Policy

- Last updated: 2 April 2020

Category: Tax Controversy

Back to top

Tax audits

- The deadline for completion of tax audits expires in September and November and therefore no measures have been taken to extend

Tax litigation

- The Supreme Court of India is taking-up only urgent matters for hearing through videoconferencing; further, no new petitions or hearing applications can be filed until the end of lockdown announced by the Government (i.e., up-to 14 April 2020)
- All the High Courts within India are functioning with a limited number of judges and only extremely urgent matters are taken for hearing through videoconferencing
- The Income Tax Appellate Tribunal (ITAT) is closed until the end of lockdown with directions that no appeals will be required to be filed and such delay will not be considered as late filing
- Further, before ITAT only extremely urgent hearings are to be communicated through email and hearings are taking place through videoconferencing, if required
- The completion of any proceedings or passing of any order or issuance of any notice/intimation/notification/sanction/approval or such other action by any authority or commission or Tribunal which has a due date between 20 March 2020 and 29 June 2020 has been extended to 30 June 2020
- Also, the time for filing of any appeal, reply, or application or furnishing of any report, reply etc. having a due date between 20 March 2020 and 29 June 2020 has been extended to 30 June 2020

India (cont.)

- Contact: Rajan Vora – Tax Controversy
- Ganesh Raj – Business Tax Services and Tax Policy

- Last updated: 2 April 2020

Category: Tax Controversy

Back to top

Tax collection

Direct-tax

- The due date to file a belated return or revised return of income for Tax Year 2019-20 has been extended by three months from 31 March 2020 to 30 June 2020
- Any action under the Indian Income Tax Act like making an investment, deposit, payment, acquisition, purchase or construction or such other action for the purposes of claiming any deduction, exemption or allowance in relation to capital gains or tax deductions for which the due date is between 20 March 2020 to 29 June 2020 has been extended to 30 June 2020
- The time limit to pay any tax or levy for which the due dates falls within the above specified dates, has been extended to 30 June 2020; further interest payable on such late payments has been reduced from 18% p.a. to 9% p.a.
- Further, it has been clarified that no penalty or prosecution would be sanctioned on such late payment of taxes or levy
- The deadline of the Direct Tax Amnesty Scheme (Vivad se Vishwas) introduced in Central Finance Budget, 2020 has been extended from 31 March 2020 to 30 June 2020 without the additional 10% amount, which otherwise was required to be paid if disputed tax was paid after 31 March 2020
- Any donation made to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND) shall be eligible for 100% deduction under section 80G of the Income tax Act; the limit on deductions of 10% of gross income shall also not be applicable for donations made to this fund
- The date for commencement of operation for the Special Economic Zone (SEZ) units for claiming deduction under section 10AA of the IT Act is extended to 30 June 2020 for the units which received necessary approval by 31 March 2020

Indirect-tax

- In GST, those having turnover up to 5 crores, can file a GST-3B return due for March, April and May 2020 by the last week of June 2020 without payment of late fee, penalty or interest
- For other taxpayers, the GST 3B for three months can be filed by the last week of June 2020 with interest at 9% instead of 18% and no late fee or penalty
- The deadline for opting for the composition scheme, making payments for the quarter ending 31 March 2020 and returns for FY 2019-20 are extended until last week of June 2020
- The 31 March 2020 due date for filing GST returns for FY 2018-19 has been extended to 30 June 2020
- Payments under the Indirect tax dispute resolution scheme "Sabka Vishwas Scheme" has been extended to 30 June 2020 without additional interest payable
- 24X7 Custom clearance extended until 30 June 2020

Indonesia

- Contact: Yudie Paimanta and Markus Hidajat
- Last updated: 28 January 2021

Category: Tax Controversy

Back to top

Tax audits

- The Indonesian Tax Authority (ITA) has introduced guidelines to implement the "new normal" of its operations by applying certain health protocols, including optimization of electronic channels as governed by ITA's Circular No. 32/PJ/2020, No. 33/PJ/2020 and as lastly amended with Circular No. 34/PJ/2020
- These circulars are effective as of 15 June 2020

Tax collection

- Tax payment and filing of the 2019 Individual Tax Return that was due by 31 March 2020 was extended to 30 April 2020
- There has been no regulation issued by the ITA to extend the filing deadline for the FY 2020 Individual Tax Return as had been done for FY 2019

Tax litigation

- Initially, Tax Court activities were suspended between 17 March and 7 June 2020 (83 days) and between 14 September and 25 September 2020. The Tax Court is applying a strict health protocol that includes restricting the number of people who can be present in a courtroom
- It was previously governed that for tax appeals and tax lawsuits submitted to the Tax Court via post office, the deadlines remain unchanged, i.e., three months after the Objection Decree is received for tax appeals and 14 days/30 days for tax lawsuits, depending on the nature of the case
- For tax appeals and tax lawsuits that are directly submitted (by hand) to the Tax Court, if the deadline falls within the suspension period:
  - For tax appeals, the deadline is deferred for the entire suspension period; e.g., if the original deadline is 17 March 2020, the submission deadline is deferred for 83 days and the deadline will be 8 June 2020
  - For tax lawsuits, the deadline is deferred to 14 days after the end of the suspension period; e.g., if the original deadline falls between 17 March 2020 and 7 June 2020, the submission deadline is deferred for 14 days and the deadline will be on 21 June 2020
  - The period of 14 – 20 September (7 days) is not taken into account for application of Articles 48, 81 and 82 of the Tax Court Law
- Certain time limits and deadlines that fall within the force majeure period (previously from 28 January to 29 May 2020 but since extended until the President ends the force majeure period – please consult your tax advisor consultant for more detailed applications) are extended for six months, including:
  - The time limit to complete a tax refund request (from 12 to 18 months)
  - The time limit to complete a tax objection (from 12 to 18 months)
  - The time limit to complete a request for tax penalty waiver/relief, cancellation of tax assessment and cancellation of tax audit result (from 6 to 12 months)
  - The deadline to submit a tax objection (from 3 to 9 months)
- The time limit to process payments of tax refunds due to tax overpayments that fall within the above force majeure period is extended from a maximum of one month upon the receipt of documents to two months

Ireland

- Contact: Kevin McLoughlin
- Last updated: 10 September 2020

Category: Tax Controversy

Back to top

Tax audits

- Audit and other compliance intervention activity on taxpayers' premises are suspended until further notice. Where possible, work will continue to finalize open interventions
- The Relevant Contract Tax (RCT) rate review scheduled to take place in March was suspended

Tax collection

- For SMEs, the application of interest on late payments was suspended for January/February and March/April VAT and February, March and April PAYE (employers) liabilities. (Note: for tax purposes, an SME is a business with turnover of less than €3 million that is not dealt with by either Revenue's Large Cases Division or Medium Enterprises Division. SME's are managed from both a service and compliance standpoint by Revenue's Business Division)
- Businesses, other than SMEs, that are experiencing temporary cash flow or trading difficulties are advised to contact the Collector-General's office or their Revenue contact
- A COVID-19 "debt-warehousing" program effectively parks (interest-free) unpaid VAT and PAYE (employer) tax debts that arose from the COVID-19 crisis for 12 months after a business resumes operations
- Thereafter a reduced 3% annual rate of interest can apply to such debts. Debt warehousing applies to taxpayers that are managed by Revenue's Personal or Business Divisions and to taxpayers that have contacted Revenue confirming that they believe they are unable to pay all or part of their COVID-19 tax liabilities
- A reduced 3% annual rate of interest on overdue tax may also be accessible more generally to taxpayers that contact the Collector General seeking to reschedule declared tax debts. It can also apply to pre-COVID-19 tax liabilities. In order to access this rate, a taxpayer must have requested an agreement with the Collector General by 30 September 2020
- Taxpayers should continue to file their tax returns even if payment of the resulting liabilities, in whole or in part, is not possible (continue to overleaf)

Tax litigation

- The Tax Appeals Commission has now resumed scheduling hearings

Ireland (cont.)

- Contact: Kevin McLoughlin
- Last updated: 10 September 2020

Category: Tax Controversy

Back to top

Tax collection

- For accounting periods ending June 2019 onwards (i.e., due by 23 March 2020 onwards), the application of a surcharge for late filing is suspended until further notice. Similarly, the application of a surcharge for late iXBRL financial statements for accounting periods ending March 2019 onwards (i.e., due by 23 March 2020 onwards) is suspended until further notice
- For accounting periods ending from 30 September 2018 onwards, for which distributions to avoid the close company surcharge would be due by 31 March 2020 onwards, Revenue will, on application, extend the 18-month period for distributions by a further 9 months in cases where a distribution is not made by the due date in response to COVID-19 circumstances affecting the company
- If a PAYE exclusion order is in place, the position will not be adversely impacted where the employee works more than 30 days in the State due to COVID-19
- All debt enforcement activity is suspended until further notice
- Revenue will not seek to enforce Irish payroll obligations for foreign employers in genuine cases where an employee was working abroad for a foreign entity prior to COVID-19 but relocates temporarily to the State during the COVID-19 period and performs duties for his or her foreign employer while in the State

Israel

- Contact: Gilad Shoval – Tax Policy
- Contact: Lital Haber – Tax Desk

- Last updated: 07 May2020

Category: Tax Controversy

Back to top

Tax audits

Extension of certain tax procedures:

- The Israeli Government approved emergency regulations to extend certain tax procedures if their deadline falls between 22 March and 31 May 2020 or two months afterwards
- Such procedures include income tax, WHT, VAT and others, and cover statute of limitation, appeal filings, deadlines for responses from the Israeli Tax Authority (ITA), etc
- Most of the tax procedures extended by the emergency regulations are relevant for decisions or announcements that should be made by the ITA rather than by the taxpayer

Tax collection

Tax returns submission date:

The 2019 tax return filing deadlines are extended as follows:

- E-filing tax returns for individuals are extended until 30 July 2020
- Tax returns for companies and non-profit organizations are extended until 20 July 2020
- Tax returns for individuals that are not required to e-file their returns are extended until 30 June 2020

VAT filings and payments

- For VAT dealers that report on a monthly basis, the deadline for February was extended until 26 March 2020. For VAT dealers that report on a bi-monthly basis the deadline for February is extended until 18 May 2020
- March (monthly) VAT filings and payments were deferred to until April 2020. April (monthly) VAT filings and payments are currently deferred until 18 May 2020

Social security

- Social Security and Health Insurance payments for April 2020 will be deferred

Tax refunds

- The Israeli Tax Authority announced that the refund process for taxpayers and VAT dealers will be expedited

Tax litigation

Social security

- The National Insurance Institute announced the suspension of any enforcement actions including the avoidance of new foreclosures imposition and the deferral treatment of existing foreclosures

Italy

- Contact: Maria Antonietta Biscozzi
- Last updated: 22 May 2020

Category: Tax Controversy

Back to top

Tax audits

- General suspension from 8 March to 31 May of the deadline set out for activities performed by the Italian Tax Authorities and related to:
  - Tax audit
  - Tax computation
- The terms for notifying taxpayers of qualified tax deeds (including tax assessment notices) ordinarily expiring during the period between 8 March 2020 and 31 December 2020 are postponed to 2021 (unless for exceptional and urgent cases), but the same deeds need to be finalized and signed by the tax authority by 31 December 2020. No interest applies between 1 January 2021 and the date of notification
- Suspension of the deadlines set out for the Italian Tax Authorities to reply to tax ruling requests or to admission requests to the cooperative compliance regime. The suspension also applies to taxpayers, to reply to all the requests filed along the suspension by the Tax Authorities

Tax litigation

- General postponement (except in cases of "urgency") of public hearings scheduled between 9 March and 11 May. Such hearings may be rescheduled beginning 12 May 2020
- General suspension from 9 March to 11 May 2020 of the deadlines for the fulfilment of acts related to legal proceedings, such as:
  - The deadline to lodge a tax appeal, even if a previous tax settlement procedure had been started
  - The 90-day deadline for tax mediation instances
  - The deadline for filing an entry of appearance
  - The deadline for filing defensive deeds and for filing new documents in court
  - The deadline for appealing judgments (to the Regional Tax Court or to the Supreme Court)
- The Relaunch Decree definitively clarifies that the postponement of the above outlines tax litigation terms and applies along with the ordinary 90-day postponement provided further to a settlement procedure request (accertamento con adesione)
- Payments due from 9 March 2020 to 31 May 2020 related to several payment requests (e.g., deeds of settlement, conciliation agreements, mediation agreements, payment requests for the omitted registration of contracts, payment requests issued by municipalities, installments due under certain Tax Amnesty Programs) are postponed – without penalties and interest – to 16 September (to be paid in full or in four monthly installments)
- The terms for filing appeals before tax courts of first instance related to all the above procedures - as well as agreed-upon assessment notices - are postponed to 16 September 2020, provided the payments of the said tax deeds are due between 9 March 2020 and 31 May 2020

Italy (cont.)

- Contact: Maria Antonietta Biscozzi
- Last updated: 22 May 2020

Category: Tax Controversy

Back to top

Tax collection

- General suspension from 8 March to 31 May 2020 of the deadlines set out for collection activities
- Suspension of the payments due from 8 March to 31 August 2020 arising from payment injunctions. The payments need to be made by 30 September 2020
- Failure to timely pay installments due under certain Tax Amnesty Programs entered into force in past years (i.e., "rottamazione-ter", "saldo e stralcio"), does not lead to the forfeiture of the benefits if the payment is made before 10 December 2020. If taxpayers as of 31 December 2019 forfeited the right to benefit from these Tax Amnesty Programs, they may ask to pay in installments (with interest and penalties)
- Suspension of the payments due from 9 March to 11 May, arising from tax assessments, custom duties assessments and local tax assessments (e.g., payments for acquiescence to the assessments or for the provisional collection due pending legal proceedings)
- The terms for the notification of tax bills are extended by one year in connection with several cases (e.g., automatic controls on tax returns submitted during 2018 and qualified withholding tax returns on employees and professionals submitted during 2017)
- If the tax payment is due under an installment plan existing as of 8 March 2020 or authorized by 31 August 2020, the installment plan is forfeited only if 10 installment payments are missed (instead of 5 installments)
- Tax payments due under the Tax Authority's automated controls and formal controls falling between 8 March 2020 and 31 May 2020 are postponed, without penalties and interest, until 16 September 2020 (to be paid in full or in four monthly installments)
- Tax refunds paid in 2020 are not subject to the offsetting mechanism set out by Article 28 of Presidential Decree No. 602 of 1973, according to which the refund is allowed only if the taxpayer agrees to offset the amounts to be refunded with the tax debts as proposed by the Tax Collection Agent

Ivory Coast

- Contact: Louis Marc Allali
- Last updated: 2 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Suspension of personal income tax, VAT, GST and Trade audits for a period of three months

Tax collection

- Three month deferral on the payment of personal income taxes, levies and similar payments due to the State as well as social charges
- Three month deferral on the payment of VAT, GST and trade taxes, levies and similar payments due to the State
- Exemption from import duties and taxes for health equipment, materials and other health inputs used in the fight against COVID-19
- VAT credits reimbursement within two weeks, due to a reduction in prior checks and the increase of post checks.

Tax litigation

Japan

- Contact: Koichi Sekiya
- Satoru Araki

- Last updated: 15 September 2020

Category: Tax measures

Back to top

Tax audits

- While there has been no public announcement from the National Tax Agency on their audit activities, it is understood that the tax authorities are refraining from initiating new tax audits, taking into account the current COVID-19 situation
- An annual personnel reorganization took place at the National Tax Agency on 10 July 2020. It is expected that tax audit activities will remain restrained
- It is anticipated that the National Tax Agency will resume tax audit activities in October 2020

Tax collection

- Extension of tax return filing for individuals
  - The deadline for filing tax returns for individual taxpayers was extended to 16 April 2020
  - On 6 April 2020, the National Tax Agency further announced a flexible approach for individuals, and said they would accept tax returns after 17 April 2020
- Extension of filing and payment for those with physical difficulties
  - If any tax procedures, including filing, are physically difficult due to COVID-19, the deadline can be extended
- Deferral of payment for those with financial difficulties
  - On 7 April 2020, the Government announced that businesses whose monthly gross income has decreased by 20% or more can be granted an extension of payment for one year without delinquent tax. These measures apply to national taxes, local taxes and social security contributions
  - On 30 April 2020, an extraordinary tax measures act covering the payment deferral above was enacted

Tax litigation

- The courts have announced that court schedules can be changed to remain flexible in response to COVID-19

Kazakhstan

- Contact: Dinara S Tanasheva
- Last updated: 09 July 2020

Category: Tax Controversy

Back to top

Tax audits

- The state of emergency declared in Kazakhstan due to the coronavirus pandemic officially ended on 11 May 2020. On 1 June 2020, the State Revenue Committee (SRC) announced that tax administration measures have been resumed – i.e., in-house control, tax audit, tax collection measures, etc.
- With the end of the state of emergency, the SRC announced in a 4 June 2020 press release that all inspections are being resumed. However, if a taxpayer has not resumed its activities, the tax audit may be suspended due to the requisition provided by the tax authorities. Furthermore, if a taxpayer cannot fulfill the requisition due to the current state of its operations, the taxpayer should provide a corresponding explanation letter to the tax authorities allowing for suspension of the tax audit until further notice
- On 23 June 2020, during a Government session, Ruslan Dalenov, Kazakhstan's Minister of the National Economy, announced that there will be no "new" scheduled tax audits for all business categories until the end of the year – i.e., 31 December 2020

Tax collection

- Tax collection measures resumed as of 1 June 2020. However, taxpayers are entitled to receive a deferral or pay taxes in installments secured by property or a Bank guarantee for a period of up to three years
- From 1 January 2020, a tax exemption for three years on the income of micro and small businesses that make payments to the budget based on special tax regimes has been introduced in accordance with the Law of the Republic of Kazakhstan dated 27 December 2019 # 290-VI
- There are exemptions from property tax for legal entities and individual entrepreneurs for a period of one year for large retail facilities, cinemas, theaters, exhibitions and sports facilities, suspension of interest accrual for one quarter and postponement of the tax reporting period for the third quarter in accordance with Resolution 141
- A moratorium on tax audits of micro and small businesses that make payments based on special tax regimes has been introduced in accordance with the Decree of the President of the Republic of Kazakhstan dated 26 December 2019 #229, "On implementation of moratorium on tax audits and preventive control and monitoring with visit in the Republic of Kazakhstan"

Tax litigation

- With the end of the state of emergency, the Appellate Committee under the Ministry of Finance of Kazakhstan has resumed its activity and has started considering submitted appeals

Republic of Kosovo

- Contact: Milen R Raikov
- Last updated: 04 May 2020

Category: Tax Controversy

Back to top

Tax audits

- There has been no public announcement from the Central Tax Administration on their audit activities, but it could be assumed that their audit schedule will affected by the circumstances of tax offices or taxpayers

Tax litigation

- All Kosovo courts are closed to the public until further notice, with the exception of emergency services such as detention, domestic violence or other emergencies

Republic of Kosovo (cont.)

- Contact: Milen R Raikov
- Last updated: 04 May 2020

Category: Tax Controversy

Back to top

Tax collection

- The deadlines to pay the third quarterly tax statement and contributions for small and for large individual businesses and the third quarterly statement of advance payment for small and large Corporations are extended until 30 June 2020
- The deadline for declaration, reporting and payment of obligations is extended until May 15, 2020 for these types of taxes and contributions:
  - Statement of withholding and payment of tax
  - Overview of pension contributions and payment form
  - Statement of source and interest payment, property right, lease, lottery victories and non-resident person
  - VAT declaration and payment form
  - Annual income tax return
  - Annual corporate income tax returns
  - Annual partnership statements
  - Refund/refund request
  - Reporting the purchase and sale book
  - Transaction reporting over €500
- Taxpayers who are in financial difficulties due to the pandemic can apply for installment payment agreements, and based on the evidence presented, the Tax Administration of Kosovo may grant the request, reserving the right to verify each case after the completion of the measures in force
- Regarding property tax bills, payment of first installment for 2020 and the deadline for filing of complaints on property tax bills and certificates of assessed values are postponed
- All production business entities or their contractors, who deal with the importation of raw materials, wheat and flour for the production of bread and bread products are exempt from customs duties and VAT

Laos

- Contact: Huong Vu
- Last updated: 09 April 2020

Category: Tax Controversy

Back to top

Tax audits

- There is currently no measures adopted by the Lao Ministry of Finance or the Lao Tax Department relating to tax audits during COVID-19
- However, the Lao Government has instructed officials to avoid meetings and to perform duties at office only if necessary, while non-necessary work can be performed from home
- Hence, it is not expected to see progress in tax audits during the COVID-19 period

Tax collection

- The Tax Department issued Notification No.0957/TD dated 27 March 2020 relating to the online payment of taxes during the period of COVID-19 in Laosvietin bank
- Under the Notification and for the period of COVID-19 in Laos, it will not be possible to pay taxes at the counter of the Tax Department, Capital and Provincial Tax Divisions and Districts
- Companies who are willing to submit their tax returns and get a tax barcode should either register online in TaxRIS (if not already done) or contact their usual tax offices by telephone (in such case, documents will be provided to tax officials by WhatsApp, Messenger or email)
- Tax payments can be done through BCEL, LDB, Agricultural Promotion Bank and VietinBank through mobile banking, internet banking, ATM, SMS or at the counter of the banks

Tax litigation

- There is currently no measures adopted by the Lao Ministry of Finance or the Lao Tax Department relating to tax litigations during COVID-19
- However, the Lao Government has instructed officials to avoid meetings and to perform duties at office only if necessary, while non-necessary work can be performed from home
- Hence, it is not expected to see progress in tax litigations during the COVID-19 period

Latvia

- Contact: Ilona Butane

- Last updated: 19 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

Overdue taxes

- Taxpayers in certain sectors will be able to pay overdue taxes in installments or to defer the payments for up to three years if the delay is due to the effects of COVID-19. This measure must still be coordinated with the European Commission

PIT advance payments

- Individuals deriving business income will not be required to make advance individual income tax payments in 2020

VAT refunds

- Tax authorities will refund confirmed excess input VAT to taxpayers within 30 days following filing of a VAT return, starting from 1 April 2020

Tax litigation

Lithuania

- Contact: Irmantas Misiunas
- Last updated: 19 May 2020

Category: Tax Controversy

Back to top

Tax audits

- Tax authorities continue providing information and assisting taxpayers remotely
- Regular tax audits continue being performed remotely in the same manner as prior to the lockdown
- Audits on taxpayers' premises are suspended until further notice

Tax collection

- Business directly affected by the lockdown are relieved from payment of personal taxes, social security contributions, business taxes, VAT and excise until two months after the end of the lockdown
- Taxpayers may also apply to the tax authorities for an interest-free tax loan for longer period
- The list of the taxpayers which are directly affected by the lockdown is updated on an ongoing basis and the most recent update by the tax authorities was provided on 4 May 2020
- Business directly affected by the lockdown are also relieved from late payment interest calculated for tax underpayments from 16 March 2020 until the end of lockdown; nor will they be subject to forced recovery of taxes until the end of the lockdown
- Other, indirectly affected businesses may submit a special form to the tax and customs authorities in order to request application of the abovementioned reliefs
- Companies may enter into interest-free tax loan agreements with the tax authorities in order to postpone payment of their tax liabilities
- The deadline for submitting annual individual tax returns and remitting tax payments has been extended until 1 July 2020
- Municipalities are encouraged to relieve taxpayers of payment of real estate and land taxes during the period of lockdown; certain municipalities, e.g., Vilnius city municipality, have already introduced their respective measures

Tax litigation

- In the light of the Government's decision to ease the conditions of lockdown, Vilnius Regional Administrative Court should resume work starting from 11 May 2020; court hearings will be held remotely except for oral hearings, which will be resumed gradually
- The Commission on Tax Disputes (pre-court institution) was active throughout the period of the lockdown and continues its work by holding court hearings remotely
- The Supreme Court of Lithuania resumes customer services on its premises while maintaining the necessary health precautions and is also expected to start holding oral hearings

Luxembourg

- Contact: Marc Schmitz – Tax Controversy
- Contact: Alexandre J. Pouchard

- Last updated: 9 April 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

Personal tax

- Individuals exercising an activity qualifying as commercial, agricultural and forestry or self-employed activity can request a cancellation of their advance of personal income tax (PIT) using a specific form for the first two quarters of 2020
- Alternatively, taxpayers may also request a reduction of the amount of the advances to be paid rather than a cancellation via simple letter to the competent taxation office, explaining the reasons for the request and indicating the reduced amount of advances proposed to be paid
- A request for postponement by four months of the PIT payments becoming due on or after 1 March 2020 is possible. This extension of the payment date will be granted without computation of interest for late payment.
- The deadline for filing the 2019 tax return is postponed to 30 June 2020 for individuals. The deadline to submit, revoke or amend a request for individual taxation is also extended to 30 June 2020
- Draft legislation extends the deadline from 31 March 2020 to 30 June 2020 for resident taxpayers to opt for the final 20% tax on eligible interest paid by a paying agent established in the EEA for tax year 2019

Business Tax

- Starting from the week of 20 March 2020, the indirect tax administration will reimburse VAT credit balances below EUR 10,000
- Companies can request a cancellation of their advance of corporate income tax (CIT) and municipal business tax (MBT) payments (not for net worth tax (NWT) using a specific form for the first two quarters of 2020
- Tax returns: The filing of corporate income tax returns will be postponed from 31 May until 30 June 2020
- Advance payments: No advance CIT or MBT has to be paid during the 1st and 2nd quarters of 2020
- Alternatively, taxpayers may also request a reduction of the amount of the advances to be paid rather than a cancellation via simple letter to the competent taxation office, explaining the reasons for the request and indicating the reduced amount of advances proposed to be paid (*continued overleaf*)

Tax litigation

- Draft legislation suspends until 30 June 2020 the deadlines for filing a claim (S 228 AO) or a complaint (S 237 AO) in front of the Tax Directorate

Luxembourg (cont.)

- Contact: Marc Schmitz – Tax Controversy
- Contact: Alexandre J. Pouchard

- Last updated: 9 April 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- A request for postponement by four months of the CIT, MBT and NWT payments which due date is set after 29 February 2020 is possible. This extension of the payment date will be granted without computation of interest for late payment
- The deadline for filing 2019 corporate tax returns is postponed to 30 June 2020 for companies. The deadline to submit, revoke or amend a request for individual taxation is also extended to 30 June 2020

VAT

- Taxable persons liable for VAT (legal persons and individuals) and non-taxable legal persons identified for VAT purposes that are facing financial difficulties due to the COVID-19 crisis may, upon request, be granted a delay for the payment of VAT

Statute of limitation for tax claims

- Draft legislation would extend until 31 December 2021 the statute of limitation for claims of the Treasury and for any claims which collection is delegated to the Collector (Receveur) of the Direct Tax Administration that would otherwise expire on or before 31 December 2020
- The same applies to claims delegated to Luxembourg as requested by other state on the basis of the EU Directive on Mutual Assistance in Tax Matters or based on a bilateral or multilateral agreements

Privileges and guarantees

- Draft legislation would extend to 31 December 2021 the privileges and guarantees foreseen by the amended law of 27 November 1933 on the collection of direct taxes whose effects cease before 31 December 2020

Malaysia

- Contact: Amarjeet Singh
- Last updated: 18 September 2020

Category: Tax Controversy

Back to top

Tax audits

- Movement Control Order (MCO) period: 18 March 2020 to 12 May 2020 (both dates inclusive)
- Conditional MCO period: 4 May 2020 to 9 June 2020
- Recovery MCO ("RMCO") period: 10 June 2020 to 31 December 2020 (both dates inclusive)
- A blanket extension of time until 31 May 2020 for all submission of information and documents for ongoing tax audit or investigation cases (for cases that are due for submission during the period 18 March 2020 to 15 May 2020 (both dates inclusive)
- Certain tax offices started operating in a limited capacity from 23 April 2020 until the MCO was lifted. As of 12 June 2020, all offices have been operating in a limited capacity, with officers reporting to the office on a rotation basis
- All official communications are generally through email exchanges. Physical meetings are allowed during the RMCO with standard operating procedures in place
- Indirect Tax roundtable discussion(s) with tax officers have resumed during the RMCO with standard operating procedures in place

Tax litigation

- All litigation proceedings were suspended during the MCO period
- All court hearings were postponed
- Case management is conducted online by e-review (without physical presence in court)
- All courts resumed full operations beginning 1 July 2020

Malaysia (cont.)

- Contact: Amarjeet Singh
- Last updated: 18 September 2020

Category: Tax Controversy

Back to top

Tax collection

- The submission of revised estimates of tax payable in the third month of installments is allowed (where the third month of installments falls in the period from May to December 2020)
- The submission of revised estimate of tax payable in the third month of installments and the installment payments were extended until 31 May 2020 (where the third month of installments fell in April 2020)
- The due date for submission of revised estimates of tax payable that fell in April 2020 was extended until 31 May 2020
- The due date for submission of any indirect tax returns that were due on 31 March 2020 was extended to 30 April 2020
- Full remission of penalties was granted for payments of relevant indirect taxes and levies (i.e., specifically, sales tax or service tax via Form SST-02, imported taxable service tax via Form SST-02A, tourism tax via Form TTX-03 and departure levy via Form DL-02) received before 31 May 2020. This remission of penalty applied exclusively for the taxable periods ending on 29 February 2020 and 31 March 2020
- No legal actions will be taken by the Royal Malaysian Customs Department (RMCD) for any late submission of the specific above-mentioned indirect tax returns (i.e., sales tax or service tax via Form SST-02, imported taxable service tax via Form SST-02A, tourism tax via Form TTX-03 and departure levy via Form DL-02) with respect to the taxable periods ending 29 February 2020 and 31 March 2020
- For all businesses, a 50% remission of penalty will be provided for any late payment of sales tax and service tax due and payable from 1 July 2020 to 30 September 2020
- Companies in the tourism sector (companies classified under certain Malaysian Standard Industrial Classification codes) have the option of deferring the payment of tax estimates from 1 April 2020 to 30 September 2020
- Eligible Small and Medium-sized Enterprises (SMEs) will have the option of deferring the payment of tax estimates from 1 April 2020 to 30 June 2020
- No tax increase (late payment penalty) was to be imposed on payments due during the MCO period so long as the tax payment was made within the extended period until 31 May 2020. This also applied to withholding tax payments during the MCO period and monthly tax deductions for employees that were due on 15 April 2020 and 15 May 2020
- There is a two-month extended grace period for individuals to electronically file their 2019 income tax returns
- Extended grace periods for companies to electronically file their 2019 income tax returns are as follows: (1) Two-month extended grace period for companies whose financial period ended between 31 July and 31 August 2019; and (2) Three-month extended grace period for companies whose financial period ended between 1 September and 31 December 2019
- There is a two-month extended grace period for companies whose financial period ended between 1 January and 31 March 2020 to file their 2020 income tax returns
- Tax refunds are being processed as usual; however, taxpayers who are currently undergoing tax audit were required to furnish information/documents within the MCO period for purposes of the tax refund

Mexico

- Contact: Jorge Libreros Calderon
- Contact: Nadja Ruiz Euler

- Last updated: 14 September 2020

Category: Tax Controversy

Back to top

Tax audits

- The Tax Administration Service restarted suspended activities on 1 June 2020
- Several state governments have suspended audits and the deadlines to perform said audits at a local level

Tax collection

- During recent months, there has been an increase in both formal tax audits and informal invitation letters to taxpayers asking them to analyze their tax position and self-correct any alleged errors or omissions the tax authority identifies as part of its audit planning procedures
- The tax authority is taking robust steps positions during tax audits and is more frequently seeking to begin criminal procedures for cases in which they believe a crime might have been committed

Tax litigation

- The Federal Judicial Branch (District Judges and Circuit Courts), as well as the Federal Administrative Court (Tax Court), suspended activities from 18 March until 31 July 2020 (with the exception of online procedures), during which time there were no activities in the courts and legal deadlines were suspended
- Tax Court online procedures restarted on 15 June 2020
- The Supreme Court restarted its regular procedures on 3 August 2020
- Litigation procedures before the Federal Judicial Branch and the Federal Administrative Court restarted on 3 August 2020

Myanmar

- Contact: Naing Naing San
- Last updated: 29 January 2021

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- Deadlines are extended for quarterly advance corporate income tax payments to be made by the Cutting-Making-Packaging (CMP) businesses, hotels and tourism companies, and small- and medium-sized enterprises (SMEs), as follows:
  - For the second quarter (i.e., 1 January 2020 to 31 March 2020) of fiscal year 2019 - 2020 which is due on 10 April 2020, the deadline is extended to 31 January 2021
  - For the third quarter (i.e., 1 April 2020 to 30 June 2020) of fiscal year 2019 - 2020 which is due on 10 July 2020, the deadline is extended to 31 January 2021
  - For the fourth quarter (i.e., 1 July 2020 to 30 September 2020) of fiscal year 2019 – 2020, which is due on 10 October 2020, the deadline is extended to 31 January 2021
  - For the first quarter (i.e., 1 October 2020 to 31 December 2020) of fiscal year 2020 – 2021, which is due on 10 January 2021, the deadline is extended to 31 January 2021

Tax litigation

The Netherlands

- Contact: Roxana Bos – Tax Controversy
- Last updated: 26 January 2021

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- Until 1 July 2021, requests can be filed to obtain COVID-19 deferral of tax payments for three months. For companies already receiving this three-month deferral, additional deferral can be requested until 1 July 2021. The government will grant a repayment period for the amounts of deferred tax until 1 October 2024 on the condition that companies do not file late or pay their upcoming tax obligations after the tax deferral period ends
- Tax interest is reduced to 0.01% until 1 October 2020. As of 1 October 2020, the interest rate will be raised to 4% (also for CIT)
- Collection interest is reduced to 0.01% until 31 December 2021
- For customs duties and other import taxes, no special payment extension program is available. Payment extension remains available based on the standard regulations. The collection interest will not be reduced, but non-compliance penalties may be waived based on individual circumstances
- When companies received and paid the preliminary 2020 tax assessment and lower profits are expected in 2020, companies can amend the preliminary tax assessment and get a refund of the paid taxes
- Under certain conditions, a Coronavirus (COVID-19) reserve might be created. In determining the taxable profit for 2019, companies will be able to take into account a loss they expect to incur in fiscal year 2020

Tax litigation

New Zealand

- Contact: Tori Sullivan
- Last updated: 26 January 2021

Category: Tax Controversy

Back to top

Tax audits

- Inland Revenue Department (IRD) audit and risk review activity has returned to normal
- The IRD is expected to continue to be understanding with taxpayers who are still struggling due to COVID-19 despite the lifting of restrictions (unless the statutory time bar comes into play)

Tax collection

- The Government has passed legislation permitting the IRD to remit use of money interest (UOMI) on tax that has not been paid due to the effects of COVID-19. This remission of interest is at the Commissioner's discretion and requires that:
  - The taxpayer's ability to make a payment of tax on or before the due date for the payment was significantly adversely affected by COVID-19;
  - The due date for the payment of tax was on or after 14 February 2020;
  - The taxpayer asked for the relief as soon as practicable;
  - The taxpayer made the payment of tax as soon as practicable; and
  - No more than 24 months have passed since 25 March 2020
- The Government has also passed legislation if the taxpayer has used the standard method or the estimation method. This requires that:
  - The taxpayer's residual income tax (RIT) is less than $1m
  - The taxpayer's ability to make a reasonable accurate forecast of their 2021 RIT was significantly adversely affected by COVID-19 and, as a consequence the taxpayer failed to pay the relevant portions of their provisional tax by the relevant installment dates.

Tax litigation

- Hearings and litigation proceedings relating to tax matters are beginning to recommence, however there may be delays due to the COVID-19 lockdown

Panama

- Contact: Rafael Sayagués
- Contact: Luis E Ocando

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Deferral of administrative terms before the Panamanian Tax Authorities (General Directorate of Revenue or Dirección General de Ingresos in Spanish)

Tax collection

- During the State of National Emergency, an extension of 120 calendar days from 20 March 2020 (i.e., until 17 July) is granted for the payment of direct and indirect national taxes, without any surcharges, interest or fine applicable; except for the obligation that arises from being a withholding agent, thus including dividend tax
- A final deadline is granted for the filing of the income tax return corresponding to the fiscal period 2019 of individuals and entities, until 30 May 2020
- The period to file the VAT tax returns for March, April and May is extended until 15 July 2020
- The tax amnesty period is extended from 29 February 2020 to 30 June 2020
- Suspension on the imposition of penalties, interest and surcharges for the late payment and filing of the monthly payroll for February, March, April and May
- The deadline to file certain reports is extended until 31 May 2020, including report of payments made to third parties and report of donation received corresponding to tax period 2019
- Forms and reports that taxpayers had to file during February 2020 may now be filed on or before 30 June 2020, including report of donations received, non-reporting taxpayers (NGO) report, payroll report, reports of retirement funds – pensions and other benefits, reports submitted by insurers – certification of medical expenses per insured, certification of interest on residential mortgage loans with preferential interest, report on purchases and imports of goods and services, credit card sales reports, transfer price reports, income tax returns – individuals, income tax return – entities, income tax return – free zones

Tax litigation

- Deferral of administrative terms before state institutions, including the Tax Authorities (i.e., General Directorate of Revenue) and the Administrative Tax Court

Peru

- Contact: David De la Torre Delgado
- Last updated: 18 March 2020

Category: Tax Controversy

Back to top

Tax audits

- The Tax Authority's inspections/audits have been suspended during the state of quarantine in Peru

Tax collection

- Tax Authority will not apply fines
- There will be flexibility on payment of tax debts during the period of quarantine
- An early and extraordinary release of funds from VAT accounts of taxpayers will be authorized to give more liquidity to companies
- Deferral facilities granted for advance income tax payments
- **Tax debtors.** For individuals and small- and medium-sized enterprises with income of up to US$2.3M, there is a three month extension of term to comply with books and records requests related to tax matters and deadlines for filing tax affidavits
- Refunds of the Selective Consumption Tax levied on fuel for carriers providing transportation services to people nationwide

Tax litigation

- Suspension of the Tax Authorities activities

Philippines

- Contact: Jules Riego
- Last updated: 15 September 2020

Category: Tax Controversy

Back to top

Tax audits

- The deadline for protest letters to notice of deficiency tax assessment notices is extended for 30 days from the date of lifting of the quarantine
- The statute of limitations is suspended from 16 March 2020 until 60 days after the lifting of the quarantine. Moreover, the suspension of the running of the statute of limitations shall likewise apply with respect to the issuance and service of assessment notices, warrants and enforcement and/or collection of deficiency taxes
- The deadline for filing applications for Tax Amnesty on Delinquent Accounts is extended to 31 December 2020
- The Tax Amnesty on Delinquent Accounts covers tax assessments that have become final, demandable and executory for tax audits involving tax year 2017 and prior years
- For tax year 2018 only, qualified persons with unpaid internal revenue tax liabilities due to inadvertence, erroneous payment, or failure to file returns/pay taxes may apply for the Voluntary Assessment and Payment Program until 31 December 2020. Under certain conditions, approved applications will not be audited for 2018 for the tax types covered by the availment. The benefit will apply to all internal revenue taxes for the tax year ending 31 December 2018 and fiscal years ending 31 July 2018 up to 30 June 2019

Tax litigation

- Deadlines for filing of claims for VAT refund for the following taxable tax quarters shall be as follows:

Taxable Quarter	Deadline
Calendar quarter ending 31 March 2018	15 July 2020
Fiscal quarter ending 30 April 2018	31 July 2020
Fiscal quarter ending 31 May 2018	15 August 2020
Calendar quarter ending 30 June 2018	31 August 2020

- The 90-day period of processing VAT refund claims shall be suspended in areas where enhanced community quarantine (ECQ) or modified enhanced community quarantine (MECQ) is still in force
- All Courts and Offices of the Courts nationwide were back in full operation as of 1 June 2020

Philippines (cont.)

- Contact: Jules Riego
- Last updated: 15 September 2020

Category: Tax Controversy

Back to top

Tax collection

- The deadline for filing Annual Income Tax Returns (ITRs) and payment was extended to 14 June 2020 from 15 April 2020 for taxpayers on a calendar basis of accounting
- The deadline for filing of quarterly (ITRs) for the fiscal quarter ending 31 January, 29 February, and the calendar quarter ending 31 March, was extended to 30 May, 13 June, and 29 June 2020, respectively
- The deadline for filing monthly value-added tax (VAT) returns for February, March and April was further extended to 19 May, 4 June, and 19 June 2020, respectively
- The deadline for filing quarterly VAT returns for the fiscal quarter ending 29 February, the calendar quarter ending 31 March, and the fiscal quarter ending 30 April was extended to 24 May, 9 June, and 24 June 2020, respectively
- The deadline for filing monthly withholding tax on wages (WTW) returns for March and April was further extended to 9 June 2020
- The deadline for filing monthly expanded withholding tax (EWT) and final withholding tax (FWT) returns for March and April was further extended to 9 June 2020
- The deadline for filing quarterly EWT, FWT and fringe benefits tax (FBT) returns for the quarter ending 31 March was extended to 14 June 2020
- The deadline for filing the Certificate of Residency for Tax Treaty Relief (CORTT) Form is extended for thirty (30) days from the date of the lifting of the quarantine

The term **"Quarantine"** shall mean any announcement by the National Government resulting in limited operations and mobility, including, but not limited to, community quarantine ECQ, and MECQ.

Sources:

Revenue Regulations Nos. 11-2020, 12-2020, 15-2020, 16-2020 and 21-2020;

Revenue Memorandum Circular Nos. 34-2020 and 61-2020;

Supreme Court Administrative Circular No. 41-2020;

Philippines (cont.)

- Contact: Jules Riego
- Last updated: 01 July 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- The deadline for filing Annual Income Tax Returns (ITRs) and payment was extended to 14 June 2020 from 15 April 2020 for taxpayers on a calendar basis of accounting
- The deadline for filing of quarterly (ITRs) for the fiscal quarter ending 31 January, 29 February, and the calendar quarter ending 31 March, was extended to 30 May, 13 June, and 29 June 2020, respectively
- The deadline for filing monthly value-added tax (VAT) returns for February, March and April was further extended to 19 May, 4 June, and 19 June 2020, respectively
- The deadline for filing quarterly VAT returns for the fiscal quarter ending 29 February, the calendar quarter ending 31 March, and the fiscal quarter ending 30 April was extended to 24 May, 9 June, and 24 June 2020, respectively
- The deadline for filing monthly withholding tax on wages (WTW) returns for March and April was further extended to 9 June 2020
- The deadline for filing monthly expanded withholding tax (EWT) and final withholding tax (FWT) returns for March and April was further extended to 9 June 2020
- The deadline for filing quarterly EWT, FWT and fringe benefits tax (FBT) returns for the quarter ending 31 March was extended to 14 June 2020
- The deadline for filing the Certificate of Residency for Tax Treaty Relief (CORTT) Form is extended for thirty (30) days from the date of the lifting of the quarantine
- Extension of Deadline on Availment of Tax Amnesty on Delinquency is further extended until 31 December 2020

The term **"Quarantine"** shall mean any announcement by the National Government resulting in limited operations and mobility, including, but not limited to, community quarantine ECQ, and MECQ.

Sources:

Revenue Regulations Nos. 11-2020, 12-2020, 15-2020, and 16-2020;

Revenue Memorandum Circular Nos. 34-2020 and 61-2020;

Supreme Court Administrative Circular No. 41-2020

Poland

- Contact: Agnieszka Talasiewicz – Tax Controversy
- Contact: Sylwia Migdal – Tax Desk

- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Tax audits have not been suspended in response to COVID-19
- However, tax authorities can set a deadline for a specific action to be taken by a taxpayer that is longer than the statutory deadline for that action

Tax collection

- The CIT tax declaration filing and CIT liability payment deadlines are postponed until 31 May 2020 (former deadline: 31 March 2020)
- The PIT liability payment deadline resulting from tax declaration for the year 2020 is postponed until 1 June 2020
- PIT tax advances to be paid by employers for March and April 2020 are postponed from 20 April and 20 May 2020 until 1 June 2020
- Social security contributions may also be postponed and after deferment, repayment in installments in order to avoid accumulation of payments is also possible

Tax litigation

- Court and procedural deadlines are not suspended (inlcuding deadlines for taxpayers submitting appeals of tax authority decisions)
- Nonetheless, the tax authority is entitled to order if a specific statutory deadline in a given case shall run – or run longer

Portugal

- Contact: Carlos Lobo
- Last updated: 25 March 2020

Category: Tax Controversy

Back to top

Tax audits

- The limitation periods for all types of administrative procedures and court proceedings are suspended, with precedence over any regimes that establish mandatory maximum limitation periods, which are extended for the period in which the exceptional situation takes effect

Tax litigation

- **The judicial holiday regime** applies to procedural acts that must be taken within the scope of administrative procedures and court proceedings, which are enforced by the judicial courts, administrative and tax courts, Constitutional Court, Court of Auditors, arbitral tribunals, the Public Prosecutor's Office and other alternative dispute resolution entities and tax enforcement bodies
- **The limitation periods for all types of administrative procedures and court proceedings are suspended**, with precedence over any regimes that establish mandatory maximum limitation periods, which are extended for the period in which the exceptional situation takes effect
- **The suspension and extension of deadlines also applies, with the necessary adaptations, to administrative and tax deadlines that are in favor of taxpayers**, namely those governing the filing of judicial reviews, administrative claims, hierarchical appeals or other procedures of the same nature, as well as the filing timeframes under the mentioned tax procedures and proceedings
- **In urgent cases, the deadlines are suspended**, except when it is technically feasible and the practice of any procedural and procedural acts is permitted through appropriate means of distance communication, namely by teleconference or video call, or when fundamental rights are involved, in which case that the respective acts and diligences are carried out in person

Portugal (cont.)

- Contact: Carlos Lobo
- Last updated: 25 March 2020

Category: Tax Controversy

Back to top

Tax collection

- Foreclosure procedures: Tax debt enforcement proceedings are stayed for three consecutive months
- Special Payment on Account: Deadline postponed to 30 June 2020 (instead of 31 March)
- CIT return & payment: Deadline postponed to 31 July 2020 (instead of 31 May)
- First Payment on Account & first Additional Payment on Account: Deadlines postponed until 31 August 2020
- VAT and withholding tax may be paid in three monthly interest-free installments, or in six monthly installments (interest being applied only on the last three months), without the need to provide any guarantee

  This measure is only available for:

  - Companies with a turnover below €10M in 2018 or companies who started activity as from 1 January 2019
  - Companies with a 20% reduction (vs. prior year) of the average turnover of the three months preceding the tax obligation deadline
- Social Security contributions to be reduced to 1/3 during March, April and May, whereas the remainder due as of April, May and June may be paid as from the 3rd quarter of 2020 (i) in three monthly interest-free installments, or (ii) in six monthly installments (interest being applied only on the last three months), without the need to provide any guarantee

  This measure is only available for:

  - Companies with a headcount up to 50 employees
  - Companies with a headcount up to 250 employees provided that they suffered a 20% reduction (vs. prior year) of the average turnover of the last three months

Puerto Rico

- Contact: Rosa M. Rodríguez
- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax audits

- The Puerto Rico Treasury Department (PRTD) granted an additional 120 days to address any mathematical errors or return adjustment notices issued by PRTD
- Revision letters regarding alleged debts in process of being evaluated – an additional 120-day period was granted to any letter issued on or before 12 March 2020
- Internal revenue licenses – A notice of alert was issued about the risk of suspension of license and the imposition of penalties if businesses do not comply with lockdown rules decreed by the Puerto Rico Governor

Tax collection

PRTD

- The PRTD announced a moratorium for payment plans until 30 April
- Income tax balance due with return or extension due 15 March is extended to 15 June 2020
- Income tax balance due with return or extension due 15 April 2020, 15 May 2020 or 15 June 2020 is extended to 15 July 2020
- No penalty will be assessed with the first and second quarter estimated income tax installments for tax year 2020 if the balance is paid equally with the third and fourth installments
- Other tax returns, declarations or forms including any balance due (excluding those related to income tax, other excise taxes, special tax under Act 154-2010, taxes on alcoholic beverages or informative returns) for the months of March and April are due in June; and those due in the months of May and June are due in July 2020
- Bi-monthly Sales and Use Tax (SUT) deposits due in March, April, May and June are not extended, but no penalty will be assessed if the balance due is paid with the SUT return due on 20 May 2020 (March), 22 June 2020 (April), 20 July 2020 (May and June), respectively
- SUT monthly returns and the Tax on Imports monthly returns including any balances due for the months of March, April and May are extended to the months of May, June and July, respectively
- The purchase of articles of first necessity/aid as defined in the PRTD's pertinent guidance is SUT free from 23 March 2020 through 30 April 2020
- The sale of processed food as defined under PRTD guidance is SUT free from 20 March 2020 through 3 May 2020 (*continued overleaf*)

Tax litigation

Administrative level

- The PRTD announced that all the terms for the presentation of information or documents required by the Office of Administrative Appeals that were due from 12 March 2020 forward are automatically extended for a term of 90 days
- The PRTD announced that any administrative hearing scheduled between 16 March and 15 June 2020 is automatically suspended

Puerto Rico (cont.)

- Contact: Rosa M. Rodríguez
- Last updated: 27 April 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

PRTD (continue)

- Withholding agents are relieved from the responsibility of income tax withholding at source on payments made on professional services from 23 March 2020 to 30 June 2020, regardless if the recipient has or does not have a valid income tax withholding waiver certificate

Puerto Rico Department of State

- Annual Report & Annual fee deadlines extended until 15 July 2020

Director of Finance Municipalities

- Municipal license tax payment deadline extended until 22 July 2020

The Municipal Revenues Collection Center (CRIM)

- Personal property tax payment deadline extended until 1 August 2020

Qatar

- Contact: Asmaa Ali – EY MENA Tax Desk
- Last updated: 18 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- The General Tax Authority extended the deadline of filing tax returns for the State Income Tax Regime by two months from 30 April until 30 June 2020

Tax litigation

Romania

- Contact: Emanuel Bancila
- Last updated: 20 May 2020

Category: Tax Controversy

Back to top

Tax audits

- Tax inspections and operational and unannounced inspections carried out by anti-fraud inspectors are suspended, except for remote checks

Tax collection

- The 2020 deadline for the taxes on buildings, lands and transportation means has been postponed from 31 March 2020 to 30 June 2020
- The 2019 financial year has been extended until 31 July 2020
- There is a bonus for the advance payment by micro-enterprises of the profit tax/income tax
- Payment of VAT at customs for importers of test kits, medicines and protective equipment for COVID-19 has been postponed
- A new VAT refund mechanism has been implemented, aimed at the quick settlement of returns
- There will be no interest on late payments for tax obligations due after 21 March 2020 that are unpaid until 16 May 2020
- There are changes in the amount of partial advance payments for taxpayers who report annual income tax
- A tax amnesty program has been adopted for interest, penalties and other obligations due from those who will pay the main arrears until 15 December 2020, taking into account the collection of outstanding budget obligations as of 31 March 2020, as well as budget obligations with payment terms between 1 April 2020 and 15 December 2020

Tax litigation

- Deadlines for filing lawsuits, appeals and any procedural action in administrative, civil and criminal court will be suspended
- The judicial activity of the Romanian courts of law was suspended and reduced to only the settlement of urgent cases until 15 May 2020, when the courts resumed their normal activity
- Measures have been suspended for the enforcement, by summons and capitalization of goods at auction, of budget receivables, except for foreclosures that apply to the recovery of budget receivables established by final court decisions in criminal matters arising from the commission of crimes
- The deadlines for appeals in proceedings already pending before the courts and which do not present a special urgency have been interrupted during the state of emergency. As from 15 May 2020, new deadlines for appeals will run, regardless of the period elapsed before the state of emergency was declared

Russia

- Contact: Alexei Nesterenko
- Last updated: 14 October 2020

Category: Tax Controversy

Back to top

Tax audits

- New onsite tax audits may not be initiated before 30 June 2020
- Ongoing tax audits shall be paused before 30 June New onsite tax audits may not be initiated before 30 June 2020
- Ongoing tax audits shall be paused before 30 June 2020; performance of tax control measures requiring direct interaction with people is prohibited (hearing of witnesses, etc.)
- Performance of other types of audits (currency control, cash operations, etc.) are also limited
- The term to reply to the tax authorities' requests is extended for 20 business days (VAT requests – 10 business days). This rule applies to requests dated before 30 June 2020
- The term to submit an application for tax monitoring is extended for three months
- The terms for submission of the official demand to pay taxes are extended for six months
- No new on-site customs inspections will be initiated in 2020
- Previously initiated on-site customs inspections must be suspended, except for audits of applicants for Authorized Economic Operator (AEO) status, audits conducted on behalf of a customs authority of another Eurasian Economic Union member state, audits in cases of threats to life/health of citizens or in emergency cases

Tax collection

In 2020, the Government may do the following:

- Postpone or cancel tax control measures and their terms
- Extend the terms to pay taxes
- Extend the terms to submit tax returns and financials
- Provide additional clauses to postpone tax payments
- Provide additional clauses to relieve tax liabilities
- Postpone payment of insurance contributions for certain categories of small and medium-sized enterprises (SME) and microenterprises for six months if related to March-May, for four months if related to June and July
- Extend the terms to submit tax returns for up to three months
- Postpone the payment of all taxes (excluding VAT and PIT) related to 1Q2020 for six months, 2Q2020 for four months, for SMEs
- Halt the suspension of operations on bank accounts by the tax authorities for SMEs
- Halt tax debt collection procedures for SMEs before 1 July 2020
- New grounds to postpone tax payments are provided as applicable to 2020 taxes
- Exempt individual entrepreneurs, SMEs, nonprofit organizations, religious organizations from the payment of taxes, levies and insurance contributions related to 2Q2020

Tax litigation

- The Russian Ministry of Finance announced that violation by foreign counterparties of the terms of foreign trade contracts, if caused by force majeure (epidemiological situation), can be considered as evidence that residents are not responsible for violation of currency control regulations
- However, each case of violation will be considered separately, taking into account all circumstances
- Tax liability for non-provision of documents and information to the tax authorities is limited from 1 March 2020 to 30 June 2020
- Russian residents were already required to repatriate amounts exceeding 100 million Rubles per year; as of 12 April 2020, residents may face administrative punishment (a warning) if they do not do so, even if the respective actions/inaction of the resident does not constitute a criminal offense

Singapore

- Contact: Siew Moon Sim
- Last updated: 28 January 2021

Category: Tax Controversy

Back to top

Tax audits

- With the end of the Circuit Breaker on 1 June 2020, and with measures to be progressively lifted in three phases, the Inland Revenue Authority of Singapore (IRAS) has resumed counter services from 2 June 2020 but by appointments only

Tax collection

- An additional two months of interest-free installments is granted to settle the estimated tax liabilities when companies file their estimated chargeable income within three months from their financial year-end
- An automatic deferment of income tax payments for three months applies to companies (for payments due in April to June 2020) and self-employed persons (for payments due in May to July 2020)
- A similar deferment of income tax payments for employees (for payments due in May to July 2020) is available at their option
- If taxpayers are facing financial difficulties and need help with their tax payment as a result of the COVID-19 outbreak, they can request for a longer installment payment arrangement
- The 30 April 2020 payment due date for GST returns is extended to 11 May 2020; for those on General Interbank Recurring Order (GIRO), the deduction date remained at 15 May 2020
- The payment due date for GST returns due in May 2020 is extended to 11 June 2020. For those on GIRO, the deduction date remains as 15 June 2020
- An automatic extension for filing of individual income tax returns (including sole proprietorships and partnerships) is granted to 31 May 2020 (originally due on 18 April 2020 for e-filing and 15 April 2020 for paper filing)
- A 1-month extension till 15 January 2021will be granted on a case-by-case basis for companies with financial years ending in October 2019 to December 2019 to e-file the YA 2020 Corporate Income Tax returns

Tax litigation

- No deferment or suspension of litigation activities announced

Slovakia

- Contact: Richard Panek
- Contact: Peter Feiler

- Last updated: 04 May 2020

Category: Tax Controversy

Back to top

Tax audits

- All tax audits and other tax proceedings may be postponed upon request of the taxpayer
- The statute of limitations for tax purposes has been put on hold
- Filings countering the negative effects of the pandemic are exempted from administrative fees
- Failure to meet deadlines for administrative actions is forgiven without request; this does not apply to filing of tax returns and payment of taxes

Tax collection

- 2019 corporate and personal income tax returns may be filed and related taxes paid by the end of the month in which the pandemic ends (as defined by the Government); this measure does not have impact on payment of tax prepayments
- VAT returns must still be submitted within the existing deadlines and VAT must be paid accordingly
- Unused tax losses from 2015-2018 periods can be used on the 2019 tax return with the limit of EUR1 mil
- If revenues decrease by more than 40%, the taxpayer is not obliged to pay the tax prepayments from May 2020
- Until the end of the pandemic, tax prepayments are paid based on the submitted tax return for 2018 or 2019 tax period, whichever is more beneficial to taxpayer
- Tax overpayments will be released by tax authorities within 40 days following the month in which the tax return was submitted
- Payment of the employer's part of social and health security contributions for March 2020 is postponed until 31 July in cases where company revenues decreased by more than 40%
- In case of mandatory closures for at least 15 days in April, payment of social and health security is pardoned for April 2020
- It is expected that postponement and pardon of payment of these contributions will be extended to further periods

Tax litigation

- No deferment or suspension of litigation activities have been announced in tax proceedings

South Africa

- Contact: Mmangaliso Nzimande
- Last updated: 24 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Additional time is permitted to comply with deadlines affected by or falling within the lockdown period for selected tax obligations, including:
  - Taxpayer interviews
  - Field audits or criminal investigations
  - Notice for a taxpayer to appear at an inquiry
  - Warrants for search and seizure
  - Period of limitations for the issuance of assessments
  - The finality of an assessment or decision
  - Dispute resolution measures

Tax collection

- No general extensions apply to return filings or payments
- Three-month deferral for filling and first payment of carbon tax liabilities
- A deferral for the payment of excise taxes on alcoholic beverages and tobacco products
- Fast-tracking of VAT refunds
- Four-month Skills Development levy holiday
- From 1 April 2020 to 31 July 2020, qualifying small, medium and micro-sized enterprises employers may defer the payment of 35% of the employees' tax due without incurring any penalties or interest
- Larger Businesses (with gross income of more than R100m) that can show they are incapable of making payment due to the COVID-19 disaster may apply directly to SARS to defer tax payments without incurring penalties
- The deferred liability must be paid in equal installments over the six-month period commencing on 1 August 2020
- For provisional payments of annual tax liability, from 1 April 2020 to 31 March 2021, a qualifying taxpayer can defer a portion of the first and second provisional tax payments without incurring any penalties or interest as follows:
  - The first provisional tax payment (due from 1 April 2020 to 30 September 2020) will be based on 15% of the estimated total tax liability
  - The second provisional tax payment (due from 1 April 2020 to 31 March 2021) will be based on 65% of the estimated total tax liability (*continued overleaf*)

Tax litigation

- Additional time will be permitted to comply with procedures relating to appeals in the Tax Court
- Tax appeals that are in the High Court and Supreme Court of Appeal will not be impacted

South Africa (cont.)

- Contact: Mmangaliso Nzimande
- Last updated: 24 April 2020

Category: Tax Controversy

Back to top

Tax collection (cont.)

- For the elective turnover tax system available for qualifying micro businesses, from 1 April 2020 to 28 February 2021, a qualifying taxpayer can defer a portion of its interim payments without incurring any penalties or interest as follows:
  - The first interim payment (due from 1 April 2020 to 30 September 2020) will be based on 15% of the estimated total tax liability
  - The second interim payment (due from 1 April 2020 to 28 February 2021) will be based on 65% of the estimated total tax liability

South Korea

- Contact: Seung Yeop Woo
- Last updated: 09 April 2020

Category: Tax Controversy

Back to top

Tax audits

- Tax audits on SMEs and sole proprietors affected by COVID-19 have been suspended

Tax collection

- One-month filing extension for corporate income tax returns for taxpayers located in a specific area, (such as Daegu) due to COVID-19, the normal filing due date is three months after the end of fiscal year
- Corporate tax reduction for SMEs in the COVID-19 designated disaster zone
- Temporary VAT reduction for small size sole proprietors
- Temporary increase of VAT exemption threshold for simplified VAT registrants (KRW 30M to KRW 48M)
- The VAT return due date may be extended by one month for those in the special disaster zone and three months for those directly affected by COVID-19, taxpayers may apply for an additional three month extension
- The first quarter VAT payment due on 24 April 2020 will be deferred to 27 July 2020 for SMEs, sole proprietors and those in the special disaster zone

Tax litigation

Spain

- Contact: Maximino Ignacio Linares Gil – Tax Controversy
- Contact: Jano Bustos – Tax Desk

- Last updated: 21 September 2020

Category: Tax Controversy

Back to top

Tax audits

- The Statute of Limitations (SoL) and Expiry periods of any actions and rights was suspended between 14 March and 30 May 2020. Therefore, the four-year SoL period, among others, was suspended during that time
- The period from March 14 to May 30 2020 will not be counted as part of the tax proceedings, which will be extended by that period

Tax collection

- Royal Decree Law 19/2020 established (i) that the period of 3 months for the formulation of the financial statements began on 1 June and (ii) that the period for their approval will be 2 months from the date of the end of the period for the formulation of financial statements
- However, the general presentation date of the CIT tax return is maintained: 25 calendar days following the 6 months after the end of the financial year, with the financial statements available at that time
- If the approved financial statements differ from those used to prepare the CIT tax return, a new tax return will have to be filed before 30 November 2020, using the approved financial statements

Tax litigation

Sri Lanka

- Contact: Duminda Hulangamuwa
- Last updated: 18 April 2020

Category: Tax Controversy

Back to top

Tax audits

- No legal measures have been implemented to suspend or defer tax audits and assessments during the island wide lockdown
- However, due to practical difficulties, tax audits and assessments carried out by authorities are on hold
- Measures are being considered to mitigate the effects of the pause in tax audits and assessments

Tax collection

- Deadlines for filing tax returns and making payments of specified taxes (VAT, Withholding Tax etc.) which fall from 20 March to 30 April 2020 are deferred until 30 April 2020

Tax litigation

- No measures have been taken in relation to tax litigation
- Amending relevant legal provisions or issuing administrative rules and regulations to negate the impact to tax litigation procedures due to the country lockdown imposed from 20 March 2020 are being considered

Sweden

- Contact: Per Holstad

- Last updated: 18 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- Several proposals are under way, one of which is the possibility to postpone payment
- Cashflow support for all businesses through the possibility of postponing payment of VAT, social security contributions and tax withheld from employee salaries. These new regulations are proposed to enter into force on 7 April 2020, but to have retroactive effect from 1 January 2020, meaning that taxes already paid can be reclaimed
- VAT, social contributions and preliminary taxes in Sweden are normally paid monthly (or quarterly). A tax payer can under a new initiative apply for respite with these kind of payments, and this will be granted for up to 12 months. The measure has a maximum, which is set to the sum of a three month payment term (i.e., taxes due under a three month period may be postponed). The initiative is intended to mitigate cash flow issues due to the crisis

Tax litigation

Taiwan

- Contact: Chien-Hua Yang
- Last updated: 20 July 2020

Category: Tax Controversy

Back to top

Tax audits

- Audit activity is ongoing; as of now, there is no specific rule for the extension of tax audit deadlines due to COVID-19
- The Ministry of Finance maintains a flexible attitude towards tax audit extensions

Tax collection

- **Extension of Filing of Tax Returns**
  - CIT return filing deadline, originally on 1 June 2020, can be extended to 30 June 2020 if the responsible person, chief accountant, or the tax agent is under treatment or quarantined because of COVID-19
  - Individual tax return filing deadline, originally on 1 June 2020, can be extended to 30 June 2020 if the taxpayer or the tax agent is under treatment or quarantined because of COVID-19
  - Similar extensions are also available for VAT, WHT, Commodity tax, etc.
  - Taxpayers who have difficulty in paying tax bills due to the impact of COVID-19 may file an application for an extension not exceeding one year or installment payments not exceeding three years
- **Expedited Tax Refund**
  - Individuals who use e-filing or file paper returns before 11 May 2020 can receive their tax refunds by 30 June 2020, instead of the usual 31 July 2020

Tax litigation

- The Ministry of Finance is conducting business as usual and is not using video conference or telephone

Thailand

- Contact: Kamolrat Nuchitprasitchai
- Last updated: 25 March 2020

Category: Tax Controversy

Back to top

Tax audits

- Certain Tax Office is closed due to building shutdown
- Work from home arrangement has been adopted by certain tax offices
- Tax officers avoid meeting in persons and encourage communications/ and meetings through email exchanges and/or videoconferences as much as possible

Note: *Emergency Decree is expected to be effective as from 26 March 2020*

Tax collection

- Extension of the deadline for annual personal income tax return filing and payment for the tax year 2019, from 30 June 2020 (previously postponed from 31 March 2020) to 31 August 2020
- Extension of the deadline for corporate income tax return filing and payment for companies or juristic partnerships that are not listed on the Stock Exchange of Thailand:
  - For the fiscal year 2019, annual corporate income tax return (PND50), from May 2020 to 31 August 2020
  - For the fiscal year 2020, half-year corporate income tax return (PND51), from August 2020 to 30 September 2020
- For prescribed entrepreneurs who are affected by the COVID-19 situation, extension of the deadline for payment of tax under the Revenue Code such as value- added tax (VAT), specific business tax (SBT) and etc. for another one month
- The deadline for excise tax payment for petroleum and petroleum product entrepreneurs is extended by postponing the submission of tax payment to the Excise Department from within 10 days to the 15th day of the following month the goods are taken from an industrial facility or a bonded warehouse, for three months (April–June 2020)
- Extension of the deadline for excise tax filing and payment for service business operations prescribed under the Excise Tariff Rate Schedule by postponing the submission of tax return filing and payment to Excise Department to be within 15 July 2020
  - This measure shall apply to nightclub, discotheques, pubs, bars, lounges. Including places that sell food and alcohol drinks by providing music or other performances for entertainment purposes that are closed after midnight

Further details of this measure and associated regulations have yet to be announced

Tax litigation

Turkey

- Contact: Erdal Calikoglu
- Last updated: 18 March 2020

Category: Tax Controversy

Back to top

Tax audits

Tax collection

- The President has announced a stimulus package including support for financial institutions and deferral of certain tax payments
- The annual income tax filing period is extended until the end of April (March is the normal period)
- VAT payments are deferred for six months for certain industries (tourism, steel, retail), VAT rate is reduced to1% for domestic flights, the new hospitality tax is deferred to November

Tax litigation

Ukraine

- Contact: Vladimir Kotenko
- Last updated: 14 September 2020

Category: Tax Controversy

Back to top

Tax audits

- Moratorium on documental and factual tax audits and suspension of ongoing tax audits from 18 March until 31 December 2020. Moratorium does not cover unscheduled tax audits requested by taxpayer, pre-liquidation tax audits, VAT refund tax audits and excise tax audits related to the violation of requirements for handling fuel and ethanol
- Moratorium on tax audits related to Unified Social Tax (UST) and suspension of ongoing audits from 18 March until 31 December 2020

Tax collection

- **Personal income tax:** Extension of the deadline for 2019 annual tax return filing until 1 July 2020 and the deadline for tax payment on such tax returns until 1 October 2020.
- Relief from personal income tax and military levy on compensation for partial unemployment caused by the COVID-19 pandemic, paid by employers, from 2 April until 31 December 2020
- **UST:** Relief from UST of self-payments for private entrepreneurs and self-employed individuals for the period from 1 March until 31 May 2020. Relief from the fines for violation of the UST rules committed between 1 March and 31 December 2020
- **Tax fines:** Relief from most fines for tax violations committed between 1 March and 31 December 2020 (does not apply to fines related to VAT, excise tax, royalties, etc.)
- **Penalty:** Relief from penalties from 1 March until 31 December 2020
- **Payment deadline:** The special term for payments of land fees (land used in business activities of individuals and legal entities) and real estate tax (on non-residential property) for April 2020 was extended to 30 June 2020, without fines and penalties
- **Cash registers:** A three-month postponement for the new cash register rules introduced by Laws No.128-IX and No.129-IX of 20 September 2019

Tax litigation

- Statute of limitations suspension for the period from 18 March till 31 December 2020
- Suspension until 31 December 2020 (inclusive) of the terms for administrative appeal procedure on taxpayers' complaints (except for complaints on the legality of VAT refund and/or negative VAT balance), which are received until 31 December 2020 and/or which are not considered as of 18 March 2020

United Kingdom

- Contact: James C Wilson – Tax Controversy
- Contact: Matthew Williams – Tax Desk

- Last updated: 22 April 2020

Category: Tax Controversy

Back to top

Tax audits

- HMRC is offering a temporary hold on existing tax audit work
- The UK Government and the Companies House are offering a three month deferral on filing company accounts, but this does not currently extend to HMRC filing deadlines
- Statutory filing obligations with HMRC remain in place, and are not affected by any "Time to Pay" or tax payment deferral agreements entered into with HMRC

Tax collection

- For VAT payments due between 20 March 2020 and 30 June 2020, an automatic deferral is available until the end of the 2020-21 tax year, with no interest being charged; the deferral can be claimed by cancelling the associated VAT payment direct debit
- No VAT and import duties will be imposed for certain medical supplies imported from outside the EU until 31 July 2020
- "Time To Pay" can be applied for on all taxes managed by HMRC
- A temporary tax payment deferral can also be sought for CT, PAYE and NICs
- Payment arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities
- For business rates (property tax) in England, 100% relief is available for prescribed periods for firms in the retail, leisure and hospitality sectors – specific exemptions apply
- The next self-assessment income tax payment, due at end July 2020, will be deferred until the end of January 2021, no interest will be charged on the tax deferred

Tax litigation

- On 21 April 2020, the First-tier Tribunal (FTT) issued Directions for a further stay for certain proceedings up to and including 30 June 2020
- The hearing window dates and compliance time limits for affected proceedings are extended by 70 days; this is in addition to the Directions issued on 24 March 2020 for the general stay of all proceedings by 28 days
- All FTT applications and substantive appeals will be dealt with in writing – or by telephone/video if necessary; where a remote hearing is not suitable, it will be listed for a date in the future
- As the FTT Administrative Centre has reduced service, impacting correspondence and proceedings, Appellants are instructed to, where possible, lodge appeals online within the relevant time limit
- The Tribunal Procedure (Coronavirus) (Amendment) Rules 2020 have introduced temporary procedures and extended the circumstances in which the Tribunals may direct that a decision be made without a hearing or that a hearing be held in private

United States

- Contact: Bryon Christensen
- Contact: Kirsten Wielobob

- Last updated: 2 October 2020

Category: Tax Controversy

Back to top

Tax audits

- The Internal Revenue Service (IRS) has resumed opening new audits. Revenue agents may request in-person meetings in connection with audits, but taxpayers may request a virtual alternative
- IRS Appeals employees continue to work their cases by phone and videoconference. All taxpayer requests for in-person conferences will be converted to phone or videoconference until further notice

Tax collection

- Most tax collection functions have resumed normal operations
- The IRS has provided limited relief through the end of the year allowing taxpayers to sign certain, specified forms via e-signature. "Wet" signature requirements for all other forms remain in tact

Tax litigation

- The U.S. Tax Court remains closed, but is receiving and processing mail. Until further notice, all Tax Court hearings and trials will be held remotely via videoconference
- Individual Federal district courts and courts of appeal have issued their own orders regarding public access to the court, status of pending cases and instructions regrading filing new matters

Venezuela

- Contact: Saul Medina
- Last updated: 01 October 2020

Category: Tax Controversy

Back to top

Tax audits

- The Tax Administration (SENIAT) continues to operate, since as of this date, no suspension or extension of compliance with tax obligations has been published
- However, according to the Master Tax Code, these are considered non-business days for the computation of tax obligations and penalties, and based on the State of Alarm Decree issued by the Government, it could be interpreted that administrative procedures are suspended, even though it is not expressly indicated in the Decree

Tax collection

- SENIAT continues to operate, and tax collections are continuing with no suspension or extension of compliance with tax obligations has been published
- However, according to the Master Tax Code, these are considered non-business days for the computation of tax obligations since bank branches are closed
- Due to the quarantine measure adopted by the Government, bank branches are closed, and for those taxpayers that do not have accounts in public banking institutions (in which case payments may be made through wire transfer), it is not possible to execute the payment of tax obligations, as payments must be made by bank check
- Recently the Government has applied some flexibility to the quarantine measures, allowing banking activities during some weeks

Tax litigation

- On 20 March 2020, the Supreme Court published a court decision that established the discontinuance of judicial cases and procedural terms from 16 March to 13 April 2020
- On 13 April 2020, the Supreme Court published Resolution N° 002-2020, which extended for 30 days the period of discontinuance of judicial cases and procedural terms from 13 April to 13 May 2020
- On 12 May 2020, the Supreme Court published Resolution N° 003-2020, which extended for 30 days the period of discontinuance of judicial cases and procedural terms from 13 May to 12 June 2020
- On 12 June 2020, the Supreme Court published Resolution N° 004-2020, which extended for 30 days the period of discontinuance of judicial cases and procedural terms from 12 June to 12 July 2020
- On 12 July 2020, the Supreme Court published Resolution N° 005-2020, which extended for 30 days the period of discontinuance of judicial cases and procedural terms from 12 July to 12 August 2020
- On 12 August 2020, the Supreme Court published Resolution N° 006-2020, which extended for 30 days the period of discontinuance of judicial cases and procedural terms from 12 August to 12 September 2020
- On 01 October 2020, the Supreme Court published Resolution N° 007-2020, extending the period of discontinuance of judicial cases and procedural terms from 13 September to 30 September 2020
- On 01 October 2020, the Supreme Court published Resolution N° 008-2020, which establishes the reactivation of the judicial cases and procedural terms during the "flexible" weeks of the quarantine decreed by the National Executive. However, during the weeks of quarantine restriction, the judicial cases will remain suspended and there will be no procedural terms, except for those that can be decided through telephone, computer or other remote communication

Vietnam

- Contact: Huong Vu
- Last updated: 24 January 2021

Category: Tax Controversy

Back to top

Tax audits

Tax collection

Draft Decree on the extension of VAT and PIT payment deadline

To support companies which are affected by COVID-19, on 10 March 2020, the Vietnamese Government stated that is considering deferring the deadline for payments of value-added tax (VAT), personal income tax (PIT) and land rental fee as below:

1. Extend the deadline to pay VAT

The deadline for VAT payments for March, April, May and June 2020 (for companies declaring VAT on a monthly basis) or Quarter 1 and Quarter 2 2020 (for companies declaring VAT on a quarterly basis) will be extended for five months from the statutory deadline

2. **Extend the deadline to pay VAT and PIT for individuals and business households**

The deadline for payments of VAT and PIT will be extended to 15 December 2020, applicable to individuals and business households which engage in the business activities that fall into the scope of application of this draft Decree

3. Extend the deadline to pay annual land rental fee

An extension of five months for the first payment of 2020 will be granted to those who directly lease land from the State, pay land rental fee on an annual basis and use such land for the abovementioned business activities

Tax litigation

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