



EY Tax Controversy Covid-19 Response Tracker

18 May 2020



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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](#)
 - ▶ [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

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

Tax audits

Tax collection

Tax litigation

- ▶ Monthly tax returns, submissions and payments due in February are postponed until 20 April 2020 for taxes, such as the Tax on Professional Activity (TAP), Corporate Income Tax installments, Personal Income Tax (PIT) and Value-Added Tax (VAT); the postponement applies only to taxpayers registered with the regional tax inspections centers
- ▶ Taxpayers registered at Direction des Grandes Enterprises (DGE) are not eligible for this postponement as they submit their tax returns on an electronic platform (Jibayatic)

Tax audits

- ▶ The National Tax Authorities (AFIP) established through General Resolution 4682, a recess period from 18 March to 10 May 2020
- ▶ 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

Tax collection

- ▶ No general due date postponement for the payment of taxes have been declared, but instead the authorities are deciding extensions on a case by case basis
- ▶ Due date for Individual Income Tax reporting forms for employees to employers was extended from 31 March to 30 April 2020
- ▶ Personal Asset Tax special advance payment and procedure to repatriate assets (to be able to enjoy from a lower rate) have been postponed from 31 March -1 April 2020 to May 6 2020
- ▶ General amnesty plan originally due to be in force until 30 April 2020, will still be available until 30 June 2020
- ▶ The tax authorities have also established that different type of filings and requests normally carried out physically at the tax authorities' offices will now have to be filed mandatorily through the electronic system "Digital Filings" until 30 June 2020

Tax litigation

- ▶ Extraordinary recesses were decreed from 18 March to 31 March 2020 in different areas of government
- ▶ Restrictions are currently extended until 10 May 2020
- ▶ The National Supreme Court decreed an extraordinary recess of all federal and national courts and other units that make up the Judiciary from 20 March to 10 May 2020 (as currently extended)
- ▶ The recess is only interrupted for criminal, family and health related matters
- ▶ The National Supreme Court is considering the possibility of starting its activity remotely by digital system, as is the National Congress

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

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
- ▶ Payment deferrals to help manage cash (e.g., a potential deferral of up to 6 months for BAS payment obligations including PAYG and GST)
- ▶ In relation to GST, businesses on a quarterly reporting cycle may elect to change their GST (not PAYG) reporting to monthly cycles starting 1 April 2020 to get quicker access to GST refunds
- ▶ 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
- ▶ 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)

Supporting Employees/Contractors

- ▶ Employers are to ensure that employees are able to access all available relief to minimise the consequences of industry being shut down, they should consider:
 - ▶ Whether termination is preferable to unpaid leave to enable access to government benefits
 - ▶ Whether any payments can be structured as termination payments for beneficial tax treatment

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
- ▶ Acceleration of depreciation: A 15 month time limited investment incentive is being introduced that will provide for accelerated depreciation for new assets ready for use by 30 June 2021

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

Tax audits

- ▶ Per guidance from the Federal Ministry of Finance:
- ▶ All tax audit activities, inspections and inquiries 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

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

Tax audits

- ▶ No new federal tax audits will be launched
- ▶ For ongoing federal tax audits no procedural documents will be sent (tax reassessment notices, tax collection notices), except in the case of prescription or mandatory period laid down by law
- ▶ Face-to-face meetings at The Brazilian Federal Revenue Office (RFB) are restricted until 29 May 2020
- ▶ Suspension of: electronic billing subpoenas, individuals tax audit notifications, procedure of exclusion of the taxpayer from the installment payment due to default, registration of pending CPF regularization due to failure to submit tax return forms, registration of Legal Entities inability due to absence of tax return, declaration of electronic decision with analysis of merits of PER/DCOMP until 29 May 2020
- ▶ Within the scope of the PGFN (Office of Attorney-General of the National Treasury), taxpayers and lawyers should preferably be served by telepresence (telephone, email address or videoconference channels available on the internet)

Tax collection

- ▶ Deadline for individual income tax returns extended to 30 June and ancillary obligations of federal taxes (EFD-Contribuições, DCTF and DIRF) maturing in April, May and June are extended to July 2020
- ▶ For the “Simples” system, postponement for six months of the deadlines for the payment of debts with maturity dates of April, May and June 2020
- ▶ Suspension of the due date for tax collection of Time Guarantee Fund (FGTS) related to March, April and May 2020, including housekeepers, these payments can be made in installments, without triggering interest and penalties, in up to six installments, with due date on the 7th of each month, as from July 2020
- ▶ 50% reduction in the rates of social insurance contributions to autonomous social services (called “Sistema S”) until 30 June 2020
- ▶ Extension of the maturities of federal taxes (PIS, COFINS, Employer's Contribution, CPRB and FUNRURAL) from April and May to August and October 2020, respectively
- ▶ Simplification of customs clearance and reduction to zero of IPI (tax on manufactured products) and II (import duty) rates of products related to the fight against Covid-19 until 30 September 2020
- ▶ Tax holiday of tax on financial transactions (IOF) on credit transactions contracted in the period between 3 April and 3 July 2020

Tax litigation

- ▶ Suspension of procedural deadlines and on-call regime in all courts in the country until 4 May (electronic proceedings) and 31 May (non-electronic proceedings), with the exception of the Supreme Court and Electoral Justice
- ▶ Suspension of deadlines for practice of procedural acts within the scope of the Brazilian Federal Revenue Office (RFB) and the Administrative Council of Tax Appeals (CARF) until 29 May 2020
- ▶ Suspension of the deadlines for administrative proceedings within the scope the Office of the General Counsel for the Federal Treasury for 90 days, of the deadlines in effect from 16 March 2020
- ▶ Extension for 90 days of CND (debt clearance certificate) and CPD-EN (certificate of suspended debt/tax liability) valid as of 24 March 2020
- ▶ CARF will hold sessions through videoconference for proceedings valued up to R \$ 1 million or proceedings with precedents of CARF or Superior Courts (“General Repercussion” or “Special Appeal”)
- ▶ New kind of federal debt tax transaction by accession before the Office of Attorney-General of the National Treasury until 30 June 2020: first installment in the amount of 1% of the debt divided into up to 3 months, installments of the remainder in up to 81 months (corporate entity) and 142 (individual), to be paid only 90 days after accession

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

- ▶ The deadlines for filing of FY19 Corporate Income Tax Returns (CITR) and payment of tax, as well as the deadline for payment of the tax on expenses, are extended from 31 March 2020 to 30 June 2020
- ▶ All other deadlines for declaring and paying taxes under the Corporate income tax Act (CITA) are extended to 30 June 2020 (instead of 31 March 2020)
- ▶ The deadline for the filing of annual statistical reports is also extended to 30 June 2020
- ▶ The 5% discount for early payment of real estate and vehicle taxes is extended until 30 June 2020
- ▶ The advance monthly CIT installments for FY20 should be declared, as follows:
 - ▶ If an annual CIT return for FY19 was filed prior to 15 April 2020 (even if filed after the implementation of these measures on 23 March 2020), the advance payments shall be determined based on the declared taxable income therein; if necessary, the taxable person could file a corrective tax return later
 - ▶ If an annual corporate income tax return has not been filed by 15 April 2020, the advance payments should still be declared by filing a partial annual corporate income tax return by 15 April, with only the advance payments section completed. (*continued 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
- ▶ 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 where tax liabilities should be paid to the state and where amounts are requested for refund from the state

Tax collection (cont.)

- ▶ If an annual corporate income tax return or partial return has not yet been filed, this should be submitted as soon as possible. It is unlikely that penalties and interest will be charged in these circumstances, however this should be confirmed on a case-by-case basis.
- ▶ There is no extension of the deadlines for reporting and payment of VAT and withholding tax

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 and registered farmers, is extended from 30 April 2020 to 30 June 2020
- ▶ The deadline for being able to take advantage of a 5% discount to personal income tax payable for early filing and payment for these individuals is extended from 31 March 2020 to 31 May 2020

Salary compensation

- ▶ Bulgarian companies that have been most severely hit by the Covid-19 measures, as well as companies declaring a decrease in their income by a minimum of 20% as compared to March 2019, are entitled to a salary compensation of up to 60% of the insurable income of their employees for January 2020 and 60% of the social and health insurance contributions paid by the employer.
- ▶ This measure is effective 13 March and employers will be entitled to compensation for a maximum period of three months within the state of emergency

Tax audits

- ▶ Suspension of audit interaction – For most businesses, the Canada Revenue Agency (CRA) will temporarily suspend audit interaction with taxpayers and their representatives
- ▶ Audits will be finalized and reassessments issued only in exceptional circumstances, such as where there is an impending statute-barred date, or where requested by a taxpayer.
- ▶ Reassessments may be forestalled by taxpayers providing a waiver - except where the proposed reassessment is due to a treaty-specified time limit.
- ▶ Hold on initiation of audits for Goods and Services Tax (GST) or Harmonized Sales Tax (HST): The CRA will not start new audits or ask taxpayers currently under audit for information until further notice.
- ▶ Hold on initiation of audits for Income Tax: The CRA will not start new audits or ask taxpayers currently under audit for information until further notice.
- ▶ Requests for transfer pricing documentation having a deadline of 18 March 2020 or later will be considered cancelled, and will be reissued at a later date

Tax collection

- ▶ The CRA has announced that collections activities on new debts will be suspended until further notice and flexible payment arrangements will be available
- ▶ Banks and employers do not need to comply or remit on existing Requirement-to-pay orders until further notice

Tax litigation

- ▶ Any objections related to Canadian taxpayers' entitlement to benefits and credits have been identified by the CRA as a critical service which will continue to be delivered during this time. With respect to objections related to other tax matters filed by individuals and businesses, the CRA is currently holding these accounts in abeyance
- ▶ On 16 March 2020, the Tax Court of Canada ordered the extension of all timelines prescribed by the rules of that Court while it is closed for business until 1 May 2020

Tax audits

Tax collection

Tax litigation

- ▶ 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

- ▶ 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

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)

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*)

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

Tax audits

- ▶ The legal deadlines on the administrative channel in tax and customs matters are suspended from 19 March 2020 until the Sanitary Emergency declared by the Ministry of Health and Social Protection ends 31 May 2020
- ▶ Legal deadlines will restart the day after the Health Emergency ends, taking into account the days at the time of the suspension, including those established in months or years
- ▶ Face-to-face meetings have been suspended; the majority of those cases can be done virtually

Tax collection

- ▶ The income tax payment deadline has been extended by one week
- ▶ Some municipalities have extended the deadline for payment of local taxes
- ▶ There is a VAT exemption for 211 medical devices and supplies needed for Covid-19 control; some compliance requirements apply
- ▶ VAT exclusions apply to donations carried out amid the sanitary emergency
- ▶ There is a debit tax exemption on financial operations for high-risk populations
- ▶ For low risk taxpayers, an abbreviated 15 day procedure for tax refunds (VAT and income tax) applies, for higher risk to highest risk (i.e. fraud) taxpayers, the Administration will develop a special review before the refunding
- ▶ The due dates for filing income tax returns and VAT returns (only for taxpayers who carried out certain economic activities) are postponed until 30 June 2020
- ▶ Many procedures regarding the collection process are not suspended, such as payment agreements, and precautionary measures among others

Tax litigation

- ▶ All litigation proceedings are suspended until 11 May 2020
- ▶ The terms of prescription and expiration pending on 16 March 2020 will continue to run from the day after the date when the suspension of judicial terms ceases
- ▶ 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 timely any judicial action in a timely manner
- ▶ As an exception, some actions are not suspended, such as those related to criminal matters (habeas corpus) and constitutional actions for the protection of fundamental rights (protection)
- ▶ If the emergency continues, similar acts may be issued in order to extend the suspension of deadlines
- ▶ All hearings have been postponed

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

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

Tax audits

Tax collection

Tax litigation

- ▶ 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 audits

Tax collection

- ▶ The Czech Republic will lift fines for coronavirus-related late filing of corporate income tax returns and value-added tax reporting
- ▶ The filing deadline for personal income tax has been extended by three months
- ▶ Waiver of the penalty for the late payment of personal and corporate income tax, and default interest until 1 July 2020 at the latest, without having to prove coronavirus-related reasons
 - ▶ Technically, the deadline will be missed, but without any consequences in the form of a penalty
 - ▶ It should be noted that filing returns in due time may be more beneficial to the taxpayer in some situations (e.g., the existence of a refundable overpayment or a change in the amount of the tax advance)
- ▶ Automatic removal of the June advance CIT payment on corporate income tax without the need to apply (for calendar year tax periods only)
- ▶ Introduction of Tax Loss Carry-Back for 2020 tax losses to be potentially applied in 2019 and 2018 tax returns

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
- ▶ A waiver of late tax claim fines (and fines for failure to report) 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 should affect all taxes administered by bodies subordinate to the Ministry of Finance and all taxpayers
- ▶ A general waiver of the second fine for failure to submit a control report without having to prove coronavirus-related reasons
- ▶ 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 coronavirus cause is established
- ▶ Flat-rate waiver of the administrative fee of CZK 400 for filing an individual application for tax deduction or tax repayment for reasons related to coronavirus until 31 July
- ▶ Maximum tolerance allowed in controls when launching the 3rd and 4th waves of ERS

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

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**

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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

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

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

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.

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

Tax audits

- ▶ No new tax audits will be launched. However, companies can still exchange emails with the French Tax Administration

For ongoing tax audits:

- ▶ No procedural documents will be sent (tax reassessment notices, tax collection notices), except in the case of prescription or mandatory period laid down by law
- ▶ The auditor, if he is able to work, may request documents or propose a telephone interview, but the company may 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 the auditor by calling him on his 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 extends the state of health emergency until 10 July 2020 inclusive
- ▶ 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
- ▶ Following a law authorizing the Government to issue ordinances on the functioning of administrative authorities, time limits and the courts, the Government issued two ordinances on 25 March 2020, one adapting the rules applicable before the administrative courts and the other relating to the extension of time limits during the period of health emergency and the adaptation of procedures; for tax matters the ordinance:
 - ▶ Suspends 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 one month after the end of the state of health emergency, both for the tax administration and for taxpayers
 - ▶ Extends the deadline for resumption of tax administration, the deadlines are suspended as of 12 March 2020 and only start to run again after one month from the date of cessation of the state of health emergency (only deadlines expiring on 31 December 2020 are extended)
 - ▶ Suspends 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, will be suspended between 12 March and three months following the date of the end of the state of emergency

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 the 15 March 2020 can be postponed upon request, in whole or in part, for up to three months
- ▶ 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 installments, or from one quarter to the next if quarterly installments. 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
- ▶ 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)
- ▶ Postponement upon request and without penalty of the payment of the upcoming direct taxes installment (for CIT down payment and/or payroll tax). If the March payment has already been made, companies still have the option of opposing the SEPA direct debit from their bank or of requesting reimbursement to the tax authorities. A specific form to benefit from these measures is available on the tax authority’s website
- ▶ The monthly payment of the corporate property tax (CFE) or the property tax (taxe foncière), can be suspended without penalty
- ▶ The government affirmed the goal of rapid refund of Research tax credit and tax credit 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 taxes 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 will depend on the particular situation of each company
- ▶ The 20 May 2020 deadline for filing income statements for the financial year ending 31 December 2019 is extended to 30 June 2020 for companies that are unable to file by the original date
- ▶ 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 for them not to distribute dividends or carry out share buybacks during the year 2020 and not to have its tax headquarters or a subsidiary without economic substance in a State or non-cooperative territory in tax matters

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., [Northrhine-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

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 March 2020 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

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

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

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

Tax audits

- ▶ Suspension of the Tax Authorities activities – IRD counters are closed and no face to face meeting can be arranged from 29 January to 1 March 2020 and from 23 March and 3 April 2020 and from 6 April to 2 May 2020

Tax collection

- ▶ Deadlines for tax payments, lodgement of objections and holdover applications and submission of tax returns and information that fall between 20 January and 1 March 2020 will be automatically extended to 2 March 2020
- ▶ Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 28 March and 3 April 2020 will be automatically extended to 6 April 2020
- ▶ For installment plans approved by the IRD allowing taxpayers in financial difficulties for settlement of Salaries Tax, Profits Tax and Personal Assessment demand notes issued between December 2019 and December 2020 for the Year of Assessment 2018/19, 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
- ▶ Automatic extension of deadlines by three months for payment of Salaries Tax, tax under Personal Assessment and Profits Tax for the year of assessment 2018/19 that will be falling due in April to June this year

Tax litigation

- ▶ For board and court hearings originally scheduled for 29 January to 3 April 2020, they will generally be adjourned and will not be held unless they are urgent and essential as directed by the board and the court
- ▶ Under section 58H of the Inland Revenue Ordinance (Cap. 112), 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 latest situation of Covid-19, the Inland Revenue Department would accept 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 is received via the CbC Reporting Portal on or before 1 June 2020
- ▶ Bulk issue of the 2019/20 Tax Returns will be issued on 4 May 2020 (instead of early April)
- ▶ Deadline for submission of 2019/20 Profits Tax Return for taxpayers with accounting dates falling between 1 April 2019 – 30 November 2019 (Accounting date code "N") will be extended to 30 June 2020 (Tuesday)

Tax audits

Tax collection

Tax litigation

- ▶ 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 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

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

Tax audits	Tax collection	Tax litigation
<ul style="list-style-type: none">▶ Indonesian Tax Authority (ITA) suspended its face-to-face activities, such as submission of tax letters/documents▶ All communication in a tax audit processes is expected to be conducted through letters, emails, audio / videoconferences and other on-line channels▶ The period covered is from 16 March to 29 May 2020	<ul style="list-style-type: none">▶ Tax payment and filing of the 2019 Individual Tax Return that is due by 31 March 2020 is now extended to 30 April 2020▶ There is no change to the deadline for tax payment and filing of Corporate Tax Returns which is the end of the fourth month from the end of a fiscal year	<ul style="list-style-type: none">▶ Tax Court activities will be suspended between 17 March to 1 June 2020 (77 days)▶ 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:<ul style="list-style-type: none">▶ 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 77 days and the deadline will be 2 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 1 June 2020, the submission deadline is deferred for 14 days and the deadline will be on 15 June 2020▶ Certain time limits and deadlines that fall from 28 January up to 29 May 2020 are extended for six months, including the:<ul style="list-style-type: none">▶ Time limit to complete a tax refund request (from 12 to 18 months)▶ Time limit to complete tax objection (from 12 to 18 months)▶ Time limit to complete request for tax penalty waiver/relief, cancellation of tax assessment and cancellation of tax audit result (from 6 to 12 months)▶ 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 between 28 January and 29 May 2020 is extended from a maximum of one month upon the receipt of documents to two months

Tax audits	Tax collection	Tax litigation
<ul style="list-style-type: none">▶ 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 is suspended	<ul style="list-style-type: none">▶ For SMEs the application of interest on late payments is 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 who 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, who are experiencing temporary cash flow or trading difficulties are advised to contact the Collector-General's office or their Revenue contact▶ Covid-19 related VAT and Payroll tax debts, due from 1 March 2020 to the date when sectoral restrictions are lifted, will be parked for a period of 12 months and no interest will accrue during that period▶ All debt enforcement activity is suspended until further notice▶ The application of the surcharge for late filing of corporation tax returns for accounting periods ending June 2019 onwards (due for filing by 23 March 2020 onwards) is suspended until further notice▶ The collection of stamp duty on credit cards which is normally levied in April has been deferred until July▶ 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▶ 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▶ The local property tax (LPT) payment date extended to 21 May 2020	<ul style="list-style-type: none">▶ The Tax Appeals Commission has postponed upcoming hearings and will not be conducting hearings for the period: 25 March 2020 to 16 May 2020 inclusive. The majority of the other services provided by the Tax Appeals Commission will be unaffected▶ The Courts Service of Ireland reports that no new cases (other than urgent cases) will commence and appeals will be adjourned

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

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
 - ▶ Issuance of tax assessments
- ▶ Postponement of two years of all the deadlines set out in favor of the tax office and ordinarily expiring by 31 December 2020 (e.g., the deadline to issue a tax assessment challenging 2015FY unfaithful income tax return and ordinarily expiring on 31 December 2020 is postponed to 31 December 2022). This provision has been revoked
- ▶ 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 collection

- ▶ General suspension from 8 March to 31 May 2020 of the deadlines set out for the collection activities
- ▶ Suspension of the payments due from 8 March to 31 May 2020 arising from payment injunctions. The payments need to be made by 30 June 2020
- ▶ Postponement of payment deadlines for installments due under certain Tax Amnesty Programs entered into force in past years. The payments need to be done by 31 May 2020
- ▶ 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 suspension does not apply to the payments due by reason of the completion of a tax settlement procedure

Tax litigation

- ▶ General postponement (except in cases of "urgency") of public hearings scheduled between 9 March and 11 May. Such hearings may be rescheduled as from 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:
 - ▶ Deadline to lodge a tax appeal, even if a previous tax settlement procedure was started
 - ▶ 90 day deadline for tax mediation instances
 - ▶ Deadline for filing the entry of appearance
 - ▶ Deadline for filing defensive deeds and for filing new documents in Court
 - ▶ Deadline for appealing judgments (to the Regional Tax Court or to the Supreme Court)

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

Tax audits

- ▶ The National Tax Agency (NTA) has not made a public announcement about audit activities, but it is understood that they are refraining from initiating new tax audits

Tax collection

Extension of tax return filing for individuals

- ▶ The deadline for filing a personal income tax return as well as that of gift tax and reporting on assets and liabilities was extended for one month from 16 March to 16 April 2020. The deadline for filing a personal income tax return was extended to 16 April 2020
- ▶ On 6 April 2020, the NTA announced they would accept individual tax returns after 17 April 2020, adopting a flexible approach

Extension of filing and payment for physical difficulties

- ▶ If any tax procedures, including filing and payment, are physically difficult due to COVID-19, the deadline can be extended

Deferral of payment for financial difficulties

- ▶ Businesses with a 20% monthly gross income decline can be granted a one year extension to pay without delinquent tax; this applies to national taxes, local taxes and social security contributions

Tax litigation

- ▶ The court schedule can be changed flexibly in response to COVID-19

Tax audits

- ▶ For the period of the state of emergency the tax authorities implemented the following initiatives (applicable exclusively to taxpayers classified as micro, small- and medium-sized enterprises) in accordance with the Resolution of the Government of the Republic of Kazakhstan dated 27 March 2020 No. 141 (Resolution 141):
 - ▶ Extension until 1 June 2020 of the deadlines for notifications based on the results of in-house control that occur during the state of emergency (from 15 March 2020 to 15 April 2020), except for high-risk taxpayers
 - ▶ Suspension of the duration of inspections carried out by state revenue bodies for the period of a state of emergency, while the suspension period is not included in the inspection period

Tax collection

- ▶ A deferral of tax payments and a suspension of interest accrual of all taxes and other obligatory payments to the budget, as well as social payments until 1 June 2020 was adopted by the tax authorities (is applicable exclusively to taxpayers classified as micro, small- and medium-sized enterprises) in accordance with the Resolution 141
- ▶ 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
- ▶ Exemption 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 the Resolution 141
- ▶ The moratorium on tax audits of micro and small businesses that make payments to the budget 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

- ▶ Administrative liability issues will be considered after the state of emergency

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 be 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

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

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

Tax audits

Tax collection

Tax litigation

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 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
- ▶ Both the Commission on Tax Disputes (pre-court institution) and the Supreme Administrative Court of Lithuania were active throughout the period of the lockdown and continue their work by holding court hearings remotely
- ▶ Based on the information available to date, oral hearings are suspended unless absolutely necessary, in which case they can be held either remotely or in Court

Tax audits	Tax collection	Tax litigation
	<p>Personal tax</p> <ul style="list-style-type: none"> ▶ 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 <p>Business Tax</p> <ul style="list-style-type: none"> ▶ 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 (<i>continued overleaf</i>) 	<ul style="list-style-type: none"> ▶ 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

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

Tax audits

- ▶ Movement Control Order (MCO) period: 18 March 2020 to 12 May 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 on a limited capacity from 23 April 2020 until the MCO is lifted
- ▶ All official communications are generally through email exchanges
- ▶ Indirect Tax roundtable discussion(s) with tax officers will be postponed to a later date unless it is mutually agreed that such discussions can be conducted virtually

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 will be given an extension of time until 31 May 2020 (where the third month of installments falls in April 2020).
- ▶ The due date for submission of revised estimates of tax payable which falls in April 2020 will be given an extension of time until 31 May 2020
- ▶ The due date for submission of any indirect tax returns that are due on 31 March 2020 has been extended to 30 April 2020
- ▶ Full remission of penalties will be 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) which are received before 13 May 2020 (*continued overleaf*)

Tax litigation

- ▶ All litigation proceedings are suspended during the MCO period
- ▶ All court hearings are postponed
- ▶ Case managements are conducted online by way of e-review (without physical presence in court)

Tax collection (cont.)

- ▶ This remission of penalty applies exclusively for the taxable periods ending on 29 February 2020 and 31 March 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) will be imposed on payments due during the MCO period so long as the tax payment is made within the extended period until 31 May 2020. This is also applicable to withholding tax payments during MCO period and monthly tax deductions for employees that are due on 15 April 2020 and 15 May 2020.
- ▶ There is a two month extended grace period for companies (financial period ending 31 July to 31 December) and individuals to electronically file their 2019 income tax returns
- ▶ Tax refunds will be processed as usual, however, taxpayers who are currently undergoing tax audit are required to furnish information/ documents within the MCO period for purposes of the tax refund

Tax audits

- ▶ As of 27 April 2020, the Tax Administration Service has not suspended activities nor issued any statements that it will suspend the performance of any audits or the deadlines of active audits
- ▶ Several state governments have suspended audits and the deadlines to perform said audits at a local level

Tax collection

- ▶ As of 27 April 2020, the federal government has not issued any relief on tax collection or extensions to file annual tax returns or pay taxes
- ▶ The federal government extended the deadline for individuals to file their tax return until June 30, 2020
- ▶ Several states have suspended the deadlines to file and pay taxes during the Covid-19 emergency

Tax litigation

- ▶ The Federal Judicial Branch (District Judges and Circuit Courts), as well as the Federal Administrative Court (Tax Court) have suspended activities from 18 March until 5 May 2020, in which time there will be no activity in the courts and legal deadlines have been suspended
- ▶ The Supreme Court has suspended activities from 18 March until 31 May 2020, in which time all legal deadlines have been suspended

Tax audits

Tax collection

Tax litigation

- ▶ 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 30 September 2020
 - ▶ 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 30 September 2020
- ▶ Deadlines for monthly commercial tax payments to be made by the CMP businesses, hotels and tourism companies and SMEs for the months of March 2020 to 31 August 2020, which are due within 10 days after the end of relevant month are extended to 30 September 2020
- ▶ The payment deadline for the Social Security Contribution of employees from "within 15 days after the end of relevant month" is extended to "within three months after the end of relevant month"

Tax audits

Tax collection

- ▶ A three-month payment extension will be automatically granted upon request. A longer (unlimited term) extension may be granted with additional information provided
 - ▶ Only one request is required for extension of the wage tax, personal income tax, Health Insurance Act, corporate income tax and VAT
 - ▶ Separate extension requests need to be filed for gambling tax, insurance tax, landlord tax, environmental taxes (i.e., energy tax, coal tax, waste tax) and excise tax
 - ▶ All the future tax assessments will also be covered under and during this special Covid-19 extension of three months
- ▶ Reduction of tax interest to 0.01%
- ▶ Reduction of collection interest to 0.01% for three months as of 1 June and 1 July 2020 for Personal Income Tax (PIT)
- ▶ If a special Covid-19 payment extension is requested, administrative fees for late payment of wage taxes/VAT will not be imposed or waived if imposed
- ▶ For customs duty and other import taxes, an executive regulation is being drafted which will possibly also cover extension of payment.
 - ▶ 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 tax assessment 2020 and lower profits are expected in 2020, companies can amend the preliminary tax assessment and get a refund of the taxes paid

Tax litigation

- ▶ Courts are closed, only urgent cases will take place on paper, but not in the court building
- ▶ Hearings “hoorgesprekken” from the Dutch tax authorities will take place by telephone
- ▶ Custom specific: Pro forma objections and refund request allowed, circumstantially excusably late

Tax audits

- ▶ IRD have not released any official statement about ongoing or new tax audits in relation to Covid-19
- ▶ Anecdotally:
 - ▶ While IRD offices are closed, meetings are still able to go ahead via videoconference
 - ▶ IRD has offered taxpayers the opportunity to delay meetings due to Covid-19 circumstances
 - ▶ Where responses are due from taxpayers, IRD is happy to extend deadlines, so long as the statutory time bar does not come into play
 - ▶ IRD have noted that their responses may take more time as well due to not having access to the same materials as they would have if they were in the office
 - ▶ IRD are likely to delay beginning new audits given the Covid-19 circumstances and due to staff being reprioritised to other areas within IRD to assist with the response to Covid-19

Tax collection

- ▶ Taxpayers are still required to file tax returns by their due date. The due date for responses to the Basic Compliance Package has been extended to 30 June 2020 and IRD can extend the deadline for responses to the International Questionnaire past the 30 April 2020 due date where a request has been made
- ▶ The Government has passed legislation which permits Inland Revenue to remit use of money interest on tax which has not been paid due to the effects of Covid-19. This remission of interest is at the Commissioner's discretion and requires:
 - ▶ The taxpayer's ability to make a payment of tax on or before the due date for the payment to have been significantly adversely affected by Covid-19
 - ▶ The due date for the payment of tax being on or after 14 February 2020
 - ▶ The taxpayer to have asked for the relief as soon as practicable
 - ▶ The taxpayer to have made the payment of tax as soon as practicable
 - ▶ No more than 24 months have passed since 25 March 2020

Tax litigation

- ▶ While New Zealand is in a lockdown, the courts are considered an essential service and will still be operating. However, only certain cases will be heard during this time, namely, proceedings affecting the liberty of the individual or their personal safety and wellbeing, or proceedings that are time-critical. It is likely that tax cases for the most part do not fall within these categories; however some time-critical tax cases may be heard

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

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

Tax audits

- ▶ All tax audits are suspended for the duration of the Enhanced Community Quarantine (ECQ) which is set to last until 14 April 2020 unless extended
- ▶ The deadline for protest letters to notice of deficiency tax assessment notices is extended for 30 days from the date of lifting of the enhanced community quarantine (ECQ)
- ▶ The statute of limitations is suspended from 16 March 2020 until 60 days after the lifting of the quarantine

Tax collection

- ▶ The deadline for filing of Annual Income Tax Returns and payment is extended to 14 June 2020 from 15 April 2020 for taxpayers on a calendar basis of accounting, given that the ECQ was extended to 15 May 2020. There may be an additional 15-day extension as the MECQ will be in effect from 16 May 2020 to 30 May 2020
- ▶ The deadline for filing monthly 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 is extended to 24 May, 9 June, and 24 June 2020, respectively

Source: Revenue Regulations No. 11-2020.

Tax litigation

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 (including 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

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

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

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

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

Tax audits

Tax collection

Tax litigation

- ▶ 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 audits

Tax collection

Tax litigation

- ▶ On 13 March 2020, the Ministry of Finance announced that in response to the Covid-19 pandemic, the first payment deadline of 2020 for the taxes on buildings, lands and transportation means is postponed from 31 March 2020 to 30 June 2020

Tax audits

- ▶ New onsite tax audits may not be initiated before 31 May
- ▶ Ongoing tax audits shall be paused before 31 May; 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 requests of the tax authorities are extended for 20 business days (VAT requests - 10 business days)
- ▶ 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 case of threats to life/health of citizens or in case of emergencies

Tax collection

- In 2020, the Government is able to 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 to tax payments
 - ▶ Provide additional clauses to relieve tax liabilities
 - ▶ Postpone payment of insurance contributions for certain categories of microenterprises for six months related to March-May, for four months 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 small and medium-sized enterprises
 - ▶ Halt the suspension of operations on bank accounts by the tax authorities for small and medium-sized enterprises
 - ▶ Halt tax debt collection procedures for small and medium-sized enterprises
 - ▶ New grounds to postpone tax payments are provided as applicable to taxes of 2020

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 an 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 31 May 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

Tax audits

- ▶ The Inland Revenue Authority of Singapore (IRAS) has closed its counter services till 1 June 2020
- ▶ All communications with IRAS will be done digitally or through phone calls

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 GIRO, the deduction date remains at 15 May 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)
- ▶ So far, no extension was announced on the deadline for filing of corporate income tax returns

Tax litigation

- ▶ No deferment or suspension of litigation activities announced

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

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

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

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

Tax audits

- ▶ Royal-Decree Law 8/2020 establishes an extension of the deadlines for the formalities of tax and penalty procedures as well as ex officio review (information requirements or seizures, allegations) until 30 May
- ▶ The Statute of Limitations (SoL) and Expiry periods of any actions and rights will be suspended during the period of validity of the State of Alarm and, if necessary, of any extensions adopted. Therefore, among others, the four-year SoL period is suspended

Tax litigation

- ▶ The term of administrative and court procedures are suspended and deadlines are “interrupted” (including tax and penalty procedures)
- ▶ From 14 March to 30 May 2020, the period for lodging reposition appeals or economic-administrative appeals will begin on 30 May 2020 and will apply both to cases where the one-month period for lodging appeals has begun but has not ended on 13 March 2020, and to cases where the act which is the subject of the appeal or complaint has not yet been notified

Tax collection

- ▶ Royal-Decree Law 7/2020 provides small- and medium-sized companies may defer the payment of certain tax debts (amounts due not exceeding €30,000 for up to six months – the first three months without incurring delay interest)
 - ▶ This includes the deferral of Corporate Income Tax interim payments, payments of amounts withheld and VAT
- ▶ For these purposes small- and medium-sized companies are those whose turnover in the previous year does not exceed €6,010,121 in 2019
- ▶ Royal-Decree Law 8/2020 establishes an extension of the debt payment terms tax on voluntary or executive period, as well as in the pressing (apremio) procedure until 30 May. Such an extension of time does not affect the payment of periodic self-assessment returns/liquidations, but only liquidations drawn by the Administration and debts in the executive period
- ▶ Under Royal Decree-Law 14/2020, the deadlines for the presentation and payment of tax returns and self-assessments due from 15 April to 20 May 2020 are extended for taxpayers with a turnover not exceeding 600,000 euros in 2019
- ▶ Royal Decree-Law 15/2020 of 31 March establishes that the declarations-settlements and the self-assessments presented within the deadline without payment will not enter the executive period as long as the following requirements are met:
 - a) Application, before the end of the period for presentation and payment of the corresponding self-assessment, of the financing provided for in article 29 of Royal Decree Law 8/2020 (line of guarantees on behalf of the State of up to 100 billion euros)
 - b) Provision to the tax authorities within 5 days of a certificate issued by the financial institution accrediting that the financing application has been made, including the amount and the tax debts involved
 - c) Granting of the financing
 - d) Effective, complete and immediate payment in the month following the end of the presentation period
- ▶ This applies to self-assessments for which the filing period ends between 20 April 2020 and 30 May 2020

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

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

Tax audits

Tax collection

Tax litigation

▶ **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 extension are also available for VAT, WHT, Commodity tax, etc.

▶ **Extension of Tax Payments**

- ▶ 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

▶ **Additional Tax Deduction on Salary Payments to Employees:**

- ▶ Employers providing fully paid epidemic-prevention leave to employees can enjoy a 200% tax deduction of the salary paid to those employees on epidemic-prevention leave

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

Tax audits

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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 to 1% for domestic flights, the new hospitality tax is deferred to November

Tax litigation

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Tax audits

- ▶ Moratorium on documental and factual tax audits from 18 March until 31 May 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 18 March until 31 May 2020 and suspension of ongoing audits until 31 May 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
- ▶ **UST:** Relief from UST 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 May 2020
- ▶ **Tax fines:** Relief from most fines for tax violations committed between 1 March and 31 May 2020 (does not apply to fines related to VAT, excise tax, royalties, etc.)
- ▶ **Penalty:** Relief from penalties from 1 March until 31 May 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 is 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 May 2020
- ▶ Suspension until 31 May 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 May 2020 and / or which are not considered as of 18 March 2020

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

Tax audits

- ▶ The Internal Revenue Service (IRS) has closed all Taxpayer Assistance Centers and discontinued face-to-face service throughout the country
- ▶ All IRS employees who are able to telework are now being required to do so
- ▶ Live phone assistance has largely been suspended until further notice (including the Practitioner Priority Service)
- ▶ Effective 1 April-15 July:
 - ▶ The IRS will generally not start new audits, but will continue to work refund claims. New audits may be opened if necessary to preserve the statute of limitations
 - ▶ For existing audits, though IRS examiners will not hold in-person meetings, they will continue their examinations remotely, where possible. Appeals employees will also continue to work their cases by phone and videoconference
 - ▶ Information Document Request (IDR) enforcement procedures will generally be suspended

Tax collection

- ▶ By invoking Revenue Procedure 2018-58, most payments, filings and actions required of taxpayers that otherwise would have been due 1 April to 14 July have now been postponed until 15 July 2020
- ▶ New automatic, systemic liens and levies will be suspended until 15 July 2020
- ▶ Liens and levies initiated by field revenue officers will also be suspended until 15 July 2020
- ▶ A number of tax incentives are available to employers whose businesses have been affected by Covid-19
- ▶ Reversing a provision of the TCJA, NOLs generated in tax years 2018, 2019 and 2020 may now be carried back, without limitation, for five years

Tax litigation

- ▶ The U.S. Tax Court is closed until further notice; all previously scheduled hearings and trials through the end of June have been postponed
- ▶ Deadlines for filing petitions with or appealing decisions of the Tax Court have been postponed until 15 July 2020
- ▶ Deadlines for filing refund claims or suits for refund have also been postponed until 15 July 2020
- ▶ 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 regarding filing new matters

Tax audits

- ▶ 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 understood as 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 when it is not expressly indicated in the Decree

Tax collection

- ▶ 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 understood as non-business days for the computation of tax obligations as banking branches are closed
- ▶ Due to the quarantine measure adopted by the Government, banking branches are closed and for those taxpayers that do not have accounts in public banking institutions (in which case payments are allowed to be made through wire transfer), it is not possible to execute the payment of tax obligations as It is required to make payments in bank check

Tax litigation

- ▶ On 20 March 2020 the Supreme Court published a court decision which established the discontinuance of judicial cases and procedural terms from 16 March to 13 April 2020
- ▶ On April 13, 2020 the Supreme Court published the Resolution N° 002-2020, which extends for 30 days the period of discontinuance of judicial cases and procedural terms from 13 April to 13 May 2020 .

Tax audits

Tax collection

Tax litigation

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

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