EY Tax COVID-19 Response Tracker

13 September 2020

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Important notes

- This document provides a snapshot of the policy changes that have been announced in jurisdictions around the world in response to the global COVID-19 pandemic. It is designed to support conversations about policies that have been proposed or implemented in key jurisdictions.
- Policy changes across the globe are being proposed and implemented on a daily basis. 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.
- Find the most current version of this tracker on ey.com.
- Please consult with your EY engagement team to check for new developments.

EY teams have developed additional trackers to help you follow changes:

- Force Majeure
- Global Mobility
- Global Trade Considerations
- Immigration Policy
- Labor and Employment Law
- Tax Controversy
- Transfer Pricing
- US State and Local Taxes

EY professionals are updating the trackers regularly as the situation continues to develop.
Questions or comments: globaltaxpolicyandcontroversy@ey.com

In this edition....

Extensive updates to the upcoming filing/reporting deadlines and expiration of key support measures/programs.

This information is provided in an easy-to-use format in the subsequent pages, and will continue to be updated periodically.

138 Jurisdictions covered

Albania
Algeria
Angola
Argentina
Armenia
Aruba
Australia
Austria
Bahamas
Bahrain
Barbados
Belgium
Bermuda
Bolivia
Bonaire, Sint-Eustatius and Saba
Bosnia and Herzegovina
Botswana
Brazil
British Virgin Islands
Bulgaria
Cambodia
Cameroon
Canada
Cayman Islands
Chad
Chile
China Mainland
Colombia
Costa Rica
Croatia
Cuba
Curacao
Cyprus
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Russia
Rwanda
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Singapore
Sint Maarten
Slovakia
Slovenia
South Africa
South Korea
Spain
Sri Lanka
St. Kitts and Nevis
St. Lucia
Suriname
Sweden
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Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Venezuela
Vietnam
Zambia

Jurisdictions in **bold font** have been updated in today's edition

Jurisdictions in **red font** are new in today's edition

Upcoming deadlines		
Jurisdiction	**Activity**	**Deadline**
Argentina	Due date for legal entities to file financial statements with tax authorities related to year ends between November 2019 to January 2020	18 August 2020
Australia	R&D AusIndustry extended lodgement due date	30 September 2020
Austria	Filing deadline for tax returns 2018 filed by an Austrian tax advisor	31 August 2020
Austria	Deadline for requests for deferral or instalments of tax payments	30 September 2020
Belgium	Deferral for repayment of government loans expires	30 September 2020
Bosnia and Herzegovina	Statutory deadline for payment of first instalment of real estate tax	30 September 2020
Brazil	Ordinance MP #952: Deadline for the payment of taxes on telecommunications services (TFF), audiovisual (Condecine) and public Broadcasting (CFRP)	31 August 2020
British Virgin Islands	Deadline for extended Common Reporting Standards (CRS) and Foreign Account Tax Compliance Act (FATCA) filings	31 August 2020
Canada	Deadline for filing income tax returns for taxpayers having a T2 filing due date on 31 May, or in June, July, or August 2020	1 September 2020
Canada	Personal tax: End of period within which late-filing penalties will not be charged if payments are made and the return filed by 30 September 2020	30 September 2020
Colombia	Deadline for VAT taxpayer to submit to the tax authorities a report of the transactions covered under the special VAT exemption	31 August 2020
Colombia	Deadline for payment of the third income tax payment instalment for companies engaged in hotel services, passenger air travel services, theatrical activities, and live showbusiness activities	31 August 2020

These lists are not exhaustive. This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice

Upcoming deadlines (continued)		
Jurisdiction	**Activity**	**Deadline**
Denmark	Deadline for payment of 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 250k, which were due on April 30th	31 August 2020
Greece	Payment deadline for VAT due between 11 and 30 March 2020, and VAT already due on 11 March 2020	31 August 2020
Guyana	Extended due date for the filing of tax returns	30 September 2020
Hong Kong	Extended due date for filing Profits Tax returns for 2019/20 from for entities with accounting date between 1 and 31 December 2019	15 September 2020
India	Personal tax and Business tax: Due dates for filing of belated and revised tax returns for tax year 2018-19	30 September 2020
India	Business tax: Due date for claiming capital gains roll over benefits and tax savings investments	30 September 2020
Ireland	Deadline for filing the 2019 ESS1 – Return of Information by the Trustee of an approved profit sharing scheme	31 August 2020
Ireland	Deadline for the filing of DAC2 returns in respect of the 2019 reporting period	30 September 2020
Italy	Deadline for payments originally due during the period between 8 March and 31 August 2020 arising from a variety of collection deeds such as tax bills, tax assessment notices, bills issued by Social Security Contribution Authorities, etc.	30 September 2020
Kuwait	Extended deadline for returns due on 29 February 2020, extended for 60 days from the date of reopening of the MOF i.e. 30 June 2020	27 August 2020
Lebanon	Deadline for filing 2019 annual social security forms	30 September 2020
Malta	Deadline for payment of last instalment of provisional tax payments, employee taxes, maternity fund payments and social security contributions due to be paid in March and April 2020 by self-employed persons impacted by a significant downturn in their turnover, without the levying of interest or penalties	31 August 2020
Nigeria	Deadline for payment of tax debts without payment of interest and penalty charges	31 August 2020

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Upcoming deadlines (continued)		
Jurisdiction	**Activity**	**Deadline**
Norway	Deadline for filing 2019 corporate income tax (CIT) return	31 August 2020
	Deadline for payment of 2019 Corporate income tax liability	1 September 2020
Peru	Deadline for filing of the Common Reporting Standard of 2018 and 2019	27 August 2020
Philippines	Deadline for filing of VAT refund applications for the quarter ending 30 June 2018	31 August 2020
Portugal	Deadline for the 1st instalments of the Payment on Account and Additional Payment on Account of the CIT	31 August 2020
Portugal	Deadline to prepare and file documentation to comply with transfer pricing rules	31 August 2020
Qatar	Deadline to file 2019 Tax Return	30 August 2020
Sint Maarten	Deadline to file 2019 income tax return	31 August 2020
Thailand	Deadline for income tax filing deadline and payment for the tax year 2019	31 August 2020
Thailand	Expiration of extension of half-year corporate income tax filing and payment extension for companies or juristic partnerships that are not listed on the Stock Exchange of Thailand	30 September 2020

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Upcoming expirations		
Jurisdiction	Benefit	Expiration
Belgium	Expiration of the mutual agreement on cross-border workers between Belgium and Luxembourg	31 August 2020
Canada	Expiration of the temporary exclusion of any days of physical presence in Canada that are solely the result of travel restrictions from the 183-day presence test in the "services permanent establishment" provision of Canada's tax treaties (e.g., Article V(9)(a) of the Canada-U.S. treaty)	31 August 2020
Canada	Expiration of temporary relieving measure granting reduced withholding of source deductions by non-resident employers.	31 August 2020
China Mainland	End of exemption from contributions to National Film Development Funds for entities outside Hubei	21 August 2020
Colombia	End of VAT exemption on certain chemical supplies to produce medicines during the sanitary emergency period	31 August 2020
Czech Republic	End of waiver on the obligation to pay social security and health insurance payments for all self-employed individuals	31 August 2020
Czech Republic	End of automatic removal of the penalty for late filing of real estate acquisition tax return and related late payment sanctions	31 August 2020
Estonia	Suspension of state payments (4%) into the compulsory pension fund (II pillar).	15 August 2020
Finland	Final opportunity for taxpayers to request a payment arrangement with eased terms for business tax payments	31 August 2020
Finland	Zero-rating VAT on domestic and intra-community acquisition of certain medical supplies expires	31 August 2020
France	End of the suspension of the payment of debts assessed and due to the Tax Administration as well as the payment of debt instalments or partial repayments due between 11 March and 30 April 2020.	31 August 2020
France	End of the suspension of the collection of debts assessed and due on 11 March 2020	31 August 2020

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Upcoming expirations (continued)		
Jurisdiction	**Benefit**	**Expiration**
Greece	Suspension expires for payment of VAT due between 1 May to 29 May 2020 and payment of debt instalments to the Greek tax authority	30 September 2020
India	Expiry of the due date for the issue of notice, notification, sanction order, filing of appeal, furnishing of return, statements, applications and time limit for any compliance under GST, where it is expiring between 20 March 2020 and 30 August 2020	31 August 2020
Ireland	Expiration of the temporary emergency wage subsidy scheme	31 August 2020
Luxembourg	Expiration of the mutual agreement on cross-border workers between Belgium and Luxembourg and France and Luxembourg.	31 August 2020
Kazakhstan	End of suspension of interest accrual for late payment of taxes for certain taxpayers	31 August 2020
Kingdom of Saudi Arabia	Expiration of suspension of services and freezing of funds for Zakat and tax defaulters (VAT and business taxes)	31 August 2020
Peru	Final opportunity for taxpayers to access a number of payment options with the tax authority	31 August 2020
Qatar	Expiry of reduction of interest rate on late payment from five percent (5%) to zero percent (0%)	31 August 2020
Saudi Arabia	Expiration of economic relief initiatives that were first announced on 20 March 2020	30 September 2020
Slovenia	Expiration of reimbursements of salary compensations for employer due to the ordered quarantine	30 September 2020

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Albania

- Contact: Milen Raikov - Tax Policy
- Last updated: 4 May 2020

Overview

- The extension of the State of Natural Disaster was approved by the Parliament of Albania until 23 June 2020.
- Albania has adopted a series of financial measures in response to the COVID-19 pandemic, including:
  - $22 million additional funding for the health sector to support frontline agencies with medical supplies and financial support for medical staff.
  - $100 million of Government-backed and guaranteed loans to businesses that face difficulties to pay employees' salaries.
  - $58 million as reserve fund to provide social protection in view of the COVID-19 pandemic for:
    - vulnerable groups by doubling of the unemployment benefits and social assistance layouts
    - small businesses/self-employed that are forced to close activities due to the COVID-19 pandemic by paying them twice the amount of minimum salary
  - $18 million for defense spending for humanitarian relief and community services toward vulnerable group
  - $9 million as a reserve fund for the Council of Ministers for any unforeseen emergency
  - The Bank of Albania announced a temporary change on the provisioning requirements, effective from March 12th to May 31st, enabling clients to ask banks and other financial institutions to defer loan instalments without penalties.
  - On 25 March 2020, the Bank of Albania cut interest rates by 0.5 percentage points to 0.5 percent.
- The government declared the state of natural disaster on 24 March, almost two weeks after the spread of the virus and the first known case.
- The Government of Albania published on the Official Gazette on 17 April 2020 a second Financial Package of roughly $200 million.
- The package includes an additional $130m of Government-backed and guaranteed loans to businesses in difficulties, extending to sectors greatly affected from COVID-19 and previously left out such as tourism, toll-manufacturing and production. These funds will be made available through a risk-sharing mechanism between the Government and commercial banks.
- The second package includes financial support to employees of businesses affected by the COVID-19 crisis, which were not covered by the first financial package and consists of a one-off payment of roughly $350 per person for the entire period April – June 2020. The following categories of employees will be able to benefit from this one-off payment:
  - Employees of medium and large business that closed their activities by order of the Ministry of Health and Social Protection
  - Laid-off workers of business that were allowed to operate who were terminated from the entry into force of the preventive measures until 10 April 2020
  - Employees of small business that were allowed to operate and thus could not benefit from the first financial aid package, excluding food and groceries stores, drugstores and liberal professionals
  - Employees of accommodation businesses
- Court proceedings are suspended and deadlines for indictments and appeals are deferred

Albania (continued)

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Return to jurisdiction list

Business tax

- The deadline to submit financial statements for the year 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 14m ALL, or €110,000, instalments of the 2020 tax-profit prepayments will not be made.
- For taxpayers with turnover over 14m ALL or €110,000, profit tax instalments for periods of the second and third tax quarter, April-June and July-September 2020, will not be prepaid. Payments of these instalments are postponed to April-September 2021. This exception does not apply to taxpayers who carry out economic activities in the field of banking, telecommunications, pharmaceutical products, food, fruit and vegetables products.
- The above exception applies as well to tax instalments on profit for tax periods April-December 2020, for taxpayers conducting economic activities in the field of tourism and processing active with ordering material and call center will not to be prepaid. Payments of these instalments are postponed in the period April-December 2021.
- Submission of the annual statement individual income of 2019 to the tax authorities and payment of liability if there is any, must be completed no later than 31 July 2020.

Personal tax

VAT, GST and trade

Other measures

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

Links and resources

Government materials

- http://financa.gov.al/njoftim-per-shtyp-2/
- https://www.tatime.gov.al/c/8/45/lajme
- https://www.bankofalbania.org/Press/Press_Releases/Measures_undertaken_by_the_Bank_of_Albania_on_the_rescheduling_the_instalments_of_loans.html
- https://www.bankofalbania.org/Press/Press_Releases/Monetary_Policy_Decisions_25_3_2020.html

Algeria

- Contact: Imene Henni - Tax Policy
- Last updated: 8 April 2020

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Return to jurisdiction list

Overview

- On 2 April 2020, the Directorate General of Taxes issued a number of extra tax measures
  - Postponement of the monthly tax return submission of February and March and the payment of related monthly taxes until 20 May 2020, for taxpayers other than taxpayers registered at the Directorate of Large Companies (DGE).
  - Postponement of the first CIT instalment until 20 June 2020.
  - Postponement of FY2019 annual tax return for taxpayers registered at tax inspections and centers until 30 June 2020 and CIT payment should be done within 20 days following the annual tax return.
  - Postponement of FY2019 annual tax return for taxpayers registered at the DGE until 31 May 2020 and CIT payment should be done within 20 days following the annual tax return.
  - Taxpayers facing a difficult financial situation can negotiate with the tax authorities the payment schedule of their tax debts.
  - Suspension of the new measure of article 15 of the Finance Act for 2020 related to the taxation of the profits non-allocated related to 2016.

Personal tax

- Postponement of the monthly tax return G n° 50 submission of February and March and the remittance of their related monthly taxes (notably Personal Income Tax) until 20 May 2020 for taxpayers other than those registered at the DGE.

VAT, GST and trade

- Postponement of the monthly tax return G n° 50 submission of February and March and the remittance of their related monthly until 20 May 2020 for taxpayers other than those registered at the DGE.

Business tax

- Postponement of the monthly tax return G n° 50 submission of February and March, and the remittance of their related monthly taxes until 20 May 2020 for taxpayers other than those registered at the DGE.
- Postponement of the payment of the first CIT instalment until 20 June 2020 at the latest.
- For taxpayers registered at tax inspections and centers: postponement of the annual tax return submission of FY2019 until 30 June 2020. The payment of the CIT should be settled within 20 days following the submission of the annual tax return.
- For taxpayers registered at the DGE: postponement of the annual tax return submission of FY2019 until 31 May 2020. The payment of the CIT should be settled within 20 days following the submission of the annual tax return.

Links and resources

Government materials

- https://www.mfdgi.gov.dz/index.php/8-contenu-en-francais/actualites/1629-mesures-fiscales-de-soutien-aux-entreprises-covid-19

Angola

- Contact: António Homénio Pereira – Tax Policy
- Contact: Tiago Rosa – Tax Desk

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- The Angolan Government has announced a number of measures to improve and expand the access to credit lines, to be made available by financial institutions and guaranteed by the State:
  - **Streamlining of credit lines obtained with external financing guaranteed by the State:** Credit operations carried out with credit lines obtained with external financing guaranteed by the State, namely $1B from Deutsche Bank assigned to Banco de Desenvolvimento de Angola (BDA) and $120M from Banco Africano do Desenvolvimento (BAD) assigned to Banco de Poupança e Crédito (BPC), will benefit entrepreneurs in the Agriculture, Fishery and Industry sectors. These operations will provide simplified and rapid access to these resources. This includes those who intend to make investments that have more than 50% incorporation of national production factors and those that promote exports. Monitoring of these measures will be carried out by a Supervision Committee, coordinated by the Ministry of Economy and Planning and managed on a sector-by-sector (excluding oil production) basis.
  - **Reinforcement of the rules established in the Banco Nacional de Angola (BNA) notices on the granting of credit by Banking Financial Institutions to national producers of essential goods:** The credit balance contracted by each Banking Financial Institution under the terms of Notice no. 10/2020 and Notices no. 4/19 and 7/19 of 3 April and 7 October 2020, respectively, at the end of each financial year, must represent at least 2.5% of the total net asset value recorded in the corresponding balance sheets at 31 December of the previous year.
    - At the same time, for the 2020 financial year, Banking Financial Institutions must ensure a minimum of:
      - The granting of 50 new credits, if the total net assets recorded in the Institution's balance sheet is equal to or greater than 1.5B Kwanzas (local currency in Angola) at 31 December 2019.
      - 20 new credits, in other cases.

Credit lines

- **FADA Line:** Credit line of 26.4B Kwanzas provided by FADA (*Fundo de Apoio ao Desenvolvimento Agrário*) to finance family agribusiness.
- **BDA Line I:** Credit line of 15B Kwanzas made available by the BDA to finance the purchase of commercial operators and distribution to national producers of referenced products.
- **BDA Line II:** Credit line of 13.5B Kwanzas granted by the BDA to finance purchases by family farmers' cooperatives and small and medium-sized agribusiness entrepreneurs-from national suppliers of improved seeds of cereals, vegetables and tubers, fertilizers, pesticides, and vaccines, and providers of agricultural soil preparation and correction services, prioritizing products made in Angola.
- **BDA Line III:** Credit line of 750M Kwanzas granted by the BDA to finance projects (up to 50M Kwanzas) to modernize and expand the activities of up to 15 cooperatives for each province, in the agriculture and fishery sectors.
- **FACRA Line:** Credit line of 4B Kwanzas granted by FACRA (*Fundo Activo de Capital de Risco*) to finance microfinance companies, field schools and community credit banks, selected through public tender, to operate, at the lowest possible cost, a microcredit allocation process for women and young entrepreneurs in referenced activities.

Non-refundable incentives

- **Support for the capitalization of cooperative companies in the Primary Sector:** Support in the amount of 3B Kwanzas made available by FACRA to make investments in the equity of agricultural, livestock and fisheries cooperatives, participating in the payment of the share of equity required under the loans granted by the BDA.

Bureaucracy simplification measures:

- Companies are no longer required to perform statistical registration
- The issuance of a Commercial Permit is no longer required for most commercial activities or the provision of services - except for the activities related to the marketing of food products, vegetables, living species, poultry and fisheries, medicine, car sales, fuel, lubricants and chemicals
- The requirement for companies to license foreign technical assistance and management contracts regulated by Presidential Decree no. 273/11, of 27 October - Regulation on the Contracting of Foreign Technical Assistance or Management Services – has been revoked

Angola (continued)

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Return to jurisdiction list

Personal tax

The rules regarding the payment of social security contributions have been temporarily altered by Presidential Decree no. 98/20, of 9 April 2020:

- Authorization for deferral of payment of payroll tax contributions (8%) due from companies for the 2nd quarter of 2020, allowing ~~p~~payment in six-monthly instalments during the months of July to December 2020, without interest.
- Employers in the private sector required to directly return to their workers the portion of such payroll tax contributions (3%) made by those workers during the months of April, May and June 2020.

VAT, GST and trade

- Further to the financial and tax measures adopted, the Angolan Government has introduced measures aimed at providing Tax relief for the production and import of goods
- Following Presidential Decree No. 98/20, of 9 April, companies are granted a 12-month tax credit with reference to VAT due on the import of capital goods and raw materials used in the production of goods included in Presidential Decree No. 23/19, of 14 January 2020 (i.e., basic food items and other priority goods of national origin).
- Additionally, through Presidential Decree no. 96/20, of 9 April 2020, the Government has also authorized an exemption from VAT and customs duties on the import of goods for humanitarian aid.
- The cost of importing of those types of goods, those produced in Angola, as well as services and funds made available for the same purpose, will be considered as tax deductible costs for the purposes of Corporate Income Tax, as long as they are properly documented.

Business tax

- Extension of the deadline for complying with tax compliance obligations and the payment of taxes: Following Presidential Decree no. 98/20, of 9 April, the deadlines for the final settlement of the Corporate Income Tax were extended:
  - Until 30 June 2020 for companies included in Group A of taxation
  - Until 29 May 2020 for companies included in Group B of taxation
- In order for Angolan banks to be ready to provide credit lines to businesses and industries, the Angolan Government also set up certain measures to improve and reinforce access to credit.

Links and resources

EY materials

- https://emeia.ey-vx.com/1694/140166/landing-pages/linha-ey-pandemia--angola.-o-que-fazer-perante-a-pandemia.pdf

Argentina

- Contact: Ariel Becher – Tax Policy
- Contact: Juan I. Pernin – Tax Desk

- Last updated: 3 September 2020

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Return to jurisdiction list

Overview

- Suspension by the Federal tax authority between 18 March 2020 and 20 September 2020 of procedural time limits related to federal tax, social security and customs obligations. This measure does not include the extension on regular deadlines previously established for tax returns filings and payments.
- Federal tax authority agencies have resumed on-site attention on certain locations to taxpayers since August 10, 2020, only for taxpayers with previously assigned appointment requested through the website. Other Government agencies (e.g. Inspection Board of Legal entities) are limiting/restricting on-site attention.
- Suspension of time limits between March 20 and September 20, 2020 on all administrative procedures ruled by Law No. 19,549.
- Prohibition until 30 September 2020 of dismissals of employees without cause, for lack or reduction of workload or force majeure.
- Prohibition until 30 September 2020 of suspension of employees for lack or reduction of workload or force majeure (with certain exceptions).

Personal tax

- Extension of due date to 30 April 2020 for employees to inform their employers on general and personal deductions for income tax applicable for tax year 2019 (Form 572).
- Extension of due date to 3 July 2020 for employers to prepare annual income tax on their employees for tax year 2019.
- Extension of due date to 10/12 August 2020 (depending on the tax ID of the taxpayer) for individuals to file and pay annual income tax and personal assets tax returns for tax year 2019.
- Extension of due date to 30 September 2020 for individuals to apply for an instalment plan (25% advanced payment plus 3 installments) to cancel annual income tax and personal assets tax returns for tax years 2019.
- Income tax exemption for compensation obtained between March and September 2020 by healthcare workers, armed forces, police forces, custom and migration employees, firemen and waste collectors in concept of overtime work, on-call work and any other item originated in the COVID emergency.

VAT, GST and trade

- Exemption of import duties for medical supplies and vaccines
- Acceleration of export drawbacks

Argentina (continued)

Business tax

- Reduction for eight months since 20 March 2020 of 95% of Social Security contributions for employers on health activities.
- Reduced 0.25% and 0.5% rates (instead of general 0.6% and 1.2%) on tax on debits and credits in bank accounts for employers on health activities for eight months since 20 March 2020.
- Mandatory use of electronic filings with the Federal Tax authorities on certain proceedings and formalities until 30 September 2020.
- Reduction of up to 95% of Social Security contributions accrued in April to September 2020 for companies engaged in non-essential activities.
- Compensatory allowance equivalent to 50% of net salaries of each employee from April to September 2020 (on the basis of the actual salary paid two months before), paid by the Argentine Government directly to employees of certain companies engaged in non-essential activities. (up to ARS 25,312 per employee per month (approx. USD $330) since July 2020).
- Zero rate loan up to ARS 150,000 -approx. USD 2,000- with no financial cost for self-employed workers and simplified regime small taxpayers (Monotributo)
- Extension of due date to 26 and 27 May 2020 (depending on the tax ID of the taxpayer) for filing and payment income tax returns of legal entities for tax years ended December 2019.
- Extension of due date to 18 August 2020 for legal entities to file financial statements with tax authorities related to year ends between November 2019 to January 2020.
- Extension of due dates to 3 to 7 August 2020 (depending on the tax ID of the taxpayer) for transfer pricing fillings (TP report and form 2668) for tax years ended December 2018 to November 2019. For tax years ended December 2019 to April 2020, the due dates will be 3 to 7 October 2020. Master file report for tax years ended December 2018 to August 2019 will due between 10 and 14 August 2020.
- Suspension until 30 September 2020 for initiation of tax execution procedures by federal tax authorities.
- Loans at subsidized rate (0% to 15% annual rate) for certain employers to assist them in the payment of salaries up to ARS 20,250 (approx. USD $263 per employee.
- New tax settlement plan for individuals and companies for national taxes, social security taxes and certain customs debts outstanding as of 31 July 2020. The deadline to apply for the plan would be 31 October 2020. Taxpayers would receive exemptions from fines and penalties and total or partial exemption on compensatory and punitive interest on the debt included in the plan. Taxpayers could enter into an instalment plan of up to 120 monthly payments, with a monthly interest rate of 2% for the first 6 months and a variable interest rate for the following months.
- Extension of due date to 28/30 October 2020 (depending on the tax ID of the taxpayer) for filing the annual informative affidavit on domestic and foreign trusts (“fideicomisos”) for tax year 2019.

Argentina (continued)

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Links and resources

Government materials

- https://www.argentina.gob.ar/noticias/los-ministros-de-economia-y-de-desarrollo-productivo-anunciaron-un-paquete-de-medidas-para
- http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=335646
- http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=335423
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335742/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335745/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335797/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335801/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335977/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336031/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/335976/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336824/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336734/norma.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336003/texact.htm
- http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/339803/norma.htm

Armenia

- Contact: Kamo Karapetyan – Tax Policy
- Last updated: 24 March 2020

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Return to jurisdiction list

Overview

As a countermeasure to the outbreak of COVID-19 in Armenia, the draft Government decree introduces support to businesses in the form of co-financing, re-financing, or subsidizing interest of targeted loans when borrowing them from licensed banks or credit organizations operating in the territory of Armenia.

- By co-financing, the legislator aims to partially reduce the risk of currency volatility, partially decrease interest expenses, as well as resolve the problem of insufficient level of security means for the businesses.
- By refinancing, the legislator aims to completely neutralize the risk of currency volatility and partially decrease interest expenses.
- Finally, by subsidizing the interest, the legislator aims to substantially reduce interest expenses incurred by businesses.

Only one of the above three forms of assistances may be applied per business.

Personal tax

VAT, GST and trade

Business tax

Links and resources

Government materials

- https://www.gov.am/am/news/item/14159/

Aruba

- Contact: Anushka Lew Jen Tai/Roderick Ras – Tax Desk
- Last updated: 7 April 2020

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Return to jurisdiction list

Overview

- **Central bank of Aruba – Monetary measures**
  - The reserve requirement in effect for commercial banks has been reduced by one percentage point to 11%.
- **Central bank of Aruba –Prudential measures**
  - The minimum Capital Adequacy Ratio has been reduced from 16% to 14%.
  - The Prudential Liquidity Ratio has been reduced from 18% to 15%.
  - The maximum allowed Loan-to-Deposit Ratio has been increased from 80% to 85%.
- **Central bank of Aruba – Foreign exchange measures**
- As of 17 March 2020, no new foreign exchange licenses that relate to outgoing capital transactions, including dividend declarations, will be granted. This includes requests for outgoing capital- and dividend transactions that have been submitted to the CBA but have not yet been processed. As a result of this measure, as of 17 March 2020, citizens of Aruba can no longer conduct outgoing capital transactions (including dividend payments) regardless of the amount. All foreign exchange transaction licenses - and dividend declarations - that have been previously granted by the CBA remain in effect, including for loan and interest payments.

Personal tax

Current payment arrangements – Extension

- Taxpayers who have a payment arrangement in place with the Tax Collector will receive an extension of three months as of April 2020 for the payments thereof.

Penalties for (partially) non or late payment of certain monthly taxes – Suspension

- No omission penalties (in Dutch: '*verzuimboete*') will be imposed on taxpayers who fail to pay or are late with payment of their (monthly) taxes for the months April, May and June 2020.

Voluntary disclosure - No offence penalty

- No offence penalty (in Dutch: '*vergrijpboete*') will be imposed on a taxpayer or withholding agent who voluntarily rectifies previous inaccuracies (e.g. non or incorrect filings) with the tax authorities. This does not apply to omission penalties (in Dutch: '*verzuimboete*')
- **Flexible payment arrangements**
- Affected taxpayers will be granted easier access to flexible payment arrangements for all relevant taxes and premiums, such as income tax, social insurance payments (AOV/AWW/AZV), profit tax, ground tax and land lease tax. This facility is not subject to a maximum revenue limitation. The payment arrangements are:

Taxpayer	Max. period (in months)	Min. monthly payment
Individuals	24	AWG. 100
Entrepreneurs	24	AWG. 500
Pensioners (60+)	36	AWG. 75

Personal tax (continued)

- **Outstanding (tax) liabilities - Discount for immediate payment**
- Taxpayers can get the following discounts if they pay old (tax) liabilities at once:

Tax assessment date	Discount
≤ 31/12/2010	75 %
1/1/2011 - 31/12/2014	50 %
1 /1/2015 - 31/12/2016	30 %
1/1/2017 - 31/12/2019	10 %

VAT, GST and trade

- Items 1-7 under personal tax also apply to this section in addition to the following measures:
- Turnover taxes (BBO/BAVP/BAZV) - Extension of payment for the month(s) of April, May and June 2020 for qualifying businesses.
- The (cumulative) requirements are:
  - A request must be submitted
  - This relief is applicable to businesses that are affected by the restrictive COVID-19 measures and that conduct activities related to the tourism industry, such as hotels, lodging, casinos, transport and tour operators, bars and restaurants, cafés, security operations, landscaping operations, beauty salons, travel agencies, car rental, watersports, carwashes, perfumeries, jewelers, clothing shops, shoe shops, souvenir shops, laundries, dry cleaners, ground handlers, employment agencies and construction companies. This is a non-exhaustive list of possible qualifying businesses.
- In the case of monthly revenues of less than Afl. 1,000,000 (approx. US $559,000) for the months of April, May and June 2020:
- If the taxpayer demonstrates cash flow problems to the tax authorities through a simple numerical report and/or a copy of the existing cash position and a cashflow prognosis (prepared by the taxpayer, its bank or its accountant) for the coming months;
- And if the concerned tax returns should be filed timely;
- The relevant taxes may be paid in a maximum of six (6) terms when the activities are resumed.
- This extension does not automatically apply to the taxing period of March 2020. However, an individual substantiated request can be submitted to the Tax Collector for their consideration.

Aruba (continued)

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Return to jurisdiction list

Business tax

- Due to this general extension, the 2019 preliminary profit tax return should in principle no longer be filed. However, taxpayers may still at their discretion file and pay the preliminary return within the statutory due date.
- **Employer's contribution AOV/AWW – Payment relief**

  Qualifying businesses are not required to pay/remit the employer's contribution of the general old age insurance (AOV/AWW) premium for the month(s) of April, May and June 2020. The (cumulative) requirements are:
  - Applies to qualifying businesses for purposes of the extension with respect to turnover taxes mentioned under item 2 *VAT, GST and trade*.
  - A 'payroll summary' should be filed together with the relevant wage tax and social premiums returns. The payroll summary includes a summary of the totals from the payroll system of the relevant month, including the gross wages, the wage tax withheld, the employee and (continues)
- Items 1-7 under personal tax also apply to this section in addition to the following measures:

- **Tourist Levy, Gaming Tax, Environmental Levy (BBV) and the Car- and Motorcycle Rental Levy (BBVAM) – Extension of payment**
  - The same extension of payment applies for these taxes as the extension of payment for turnover taxes
  - This extension of payment does not apply to payroll taxes.

- **Profit tax return 2019 - Extension to filing and payment:** All profit taxpayers, except financial institutions, will receive an extension of six months for filing and payment of the 2019 profit tax return. The deadline for taxpayers with a financial year of calendar year 2019 will be extended to 30 November 2020.

Links and resources

Government materials

- https://www.cbaruba.org/cba/readBlob.do?id=6313
- https://www.impuesto.aw/fiscaal-noodplan-2020
- https://www.impuesto.aw/fiscaal-noodplan-2020-vragen-van-belastingadviseurs-beantwoord
- https://www.cbaruba.org/cba/readBlob.do?id=6355

Australia

- Contact: Alf Capito – Tax Policy
- Contact: David Burns – Australia Tax Desk

- Last updated: 13 August 2020

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Return to jurisdiction list

Overview

Federal Government

- On 23 March 2020, Parliament passed approximately A$86b in previously announced economic stimulus measures. Legislation was enacted on 24 March 2020.
- On 8 April 2020, Parliament passed the legislation for the A$70b JobKeeper wage subsidy scheme. Detailed rules with an Explanatory Statement were signed by the Treasurer on 9 April 2020.
- A legislative instrument for an alternate decline in turnover was released on 23 April 2020. Further rules were issued on 1 May 2020 providing a narrow alternative decline in turnover test for Group Employer Entities and Australian Taxation Office (ATO) guidance is now being issued at a rapid pace.
- On 21 July 2020, the Government announced that the JobKeeper Payments wage subsidy scheme will be extended until 28 March 2021.
- In an Economic Update on 23 July 2020, the Government reconciled economic support amounting up to A$289b, equivalent to around 14.6% of GDP. Budget deficits compounded by lower tax receipts are estimated at A$85.8b in 2019-20 and A$184.5b in 2020-21.

Foreign Investment Review Board

- Foreign investments into Australia (where the investor acquires a 20% ownership interest or increases a pre-existing ownership interest of 20% or more) and corporate reorganisations now require approval regardless of value effective from 29 March 2020.

State and territory governments

- Combined economic stimulus and support packages in excess of A$12.5b.
- New package in Victoria to address impact of second lockdown on heavily impacted industries.

Industry specific

- Federal assistance for severely impacted regions and industry sectors including tourism, agriculture and education on a case-by-case basis and aviation.
- Hospitality, tourism, seafood, export and other sectors get support at state and territorial level.
- Grants and funding put in place at state level.

Personal tax

- The ATO continues to issue frequently asked questions which include guidance for employees stranded in foreign countries.
- The Government is looking at pulling forward personal tax cuts legislated for future periods as part of the Federal Budget on 6 October 2020.
- Temporary early release of superannuation amounts is permitted for individuals and sole traders directly impacted by COVID-19 enabling access up to A$10k of their superannuation, on a tax-free basis in 2019-20, and up to a further A$10k in 2020-21 with no tax imposed on withdrawals.
- Temporary reduction in superannuation minimum drawdown rates by 50% for the 2019-20 and 2020-21 income years permitting retirees to retain additional capital in superannuation funds which are subject to substantial tax concessions.

VAT, GST and trade

Mainly administrative concessions relating to deferral of GST payments and acceleration of GST refunds:

- Refer to section below on ATO administrative concessions.
- Businesses must contact the ATO to obtain the concessions.

Business tax

JobKeeper Payments wage subsidy scheme

- The JobKeeper subsidy provides A$1,500 every two weeks per retained employee to employers. Eligible employers include businesses with aggregated annual turnover (global turnover) <A$1b where their Australian GST turnover has fallen by 30%, or 50% for businesses with aggregated annual turnover >A$1b. The turnover based on modified GST concepts must generally have fallen in the relevant month or quarter relative to a year earlier, but alternate tests are available for certain classes of taxpayers. The subsidy is available from 30 March 2020 and may run to 27 September 2020. The necessary requirements must be met by the relevant deadlines for an employer to qualify for the JobKeeper subsidy. These include:
  - Enrollment with the ATO (including employee notifications which must be completed before enrollment and notification of eligible employees to the ATO): Due 31 May 2020 for the JobKeeper fortnights in April and May and thereafter, the end of each month;
  - Wage condition: Eligible employees must be paid by the end of each JobKeeper fortnight (except payments for the first two fortnights which had to be made by 8 May).
- The JobKeeper subsidy will be extended until 28 March 2021, with the following modifications:
  - Payment rate of A$1,500 per fortnight will be reduced to A$1,200 per fortnight from 28 September 2020 and to A$1,000 per fortnight from 4 January 2021. Lower payment rates will apply for employees/business participants that work fewer than 20 hours per week on average in the four weeks of pay periods before either 1 March 2020 or 1 July 2020 (A$750 per fortnight from 28 September 2020 and A$650 per fortnight from 4 January 2021).
  - From 28 September 2020, employers seeking to claim the JobKeeper subsidy will be required to demonstrate ongoing significant decline in turnover using actual GST turnover (rather than projected GST turnover). The thresholds for the decline in turnover test remain the same but the eligibility criteria will change as follows:
    - From 28 September 2020 to 3 January 2021: Decline in turnover test (using actual GST turnover) must be met in the September 2020 quarter.
    - From 4 January 2021 to 28 March 2021: Decline in turnover test (using actual GST turnover) must be met in the December 2020 quarter.

Federal tax incentives enacted for businesses with aggregated annual turnover below A$500m

- **Instant asset write-off (IAWO) increased to A$150,000 for** new or second-hand assets first used or installed ready for use from 12 March until 31 December 2020 (extended from 30 June 2020). Applies on a per-asset basis.
- **Accelerated tax deprecation until 30 June 2021:** This 15-month investment incentive provides accelerated depreciation for 50% of the cost of a new depreciable asset (acquired after 12 March 2020 and first used or installed by 30 June 2021) on installation.

Other Federal tax measures enacted for small and medium-sized businesses

- **Cash flow support for employers:** Tax-free payments up to A$100,000 for employers with an aggregated annual turnover of less than A$50m.
- **Support for apprentices and trainees:** Eligible small business employers with less than 20 employees can apply for a wage subsidy of 50% of the wages for such employees (in training as at 1 March 2020) for up to nine months from 1 January to 30 September 2020, up to A$21,000 per apprentice. The wage subsidy was extended to 31 March 2021 and expanded to include medium-sized businesses with fewer than 200 employees which have apprentices in place on 1 July 2020.
- A new A$1 billion JobTrainer fund will provide for around 340,700 additional training places to help school leavers and job seekers gain the skills needed to secure employment.

ATO continues to issue guidance for COVID-19 risk areas

- Central management and control should not be in Australia where a foreign company holds board meetings in Australia due to travel restrictions. Notwithstanding this concession, Australia's corporate tax residency rules are under review, with the Board of Taxation report now being reviewed by the Government. Legislative change may be announced in the Federal Budget on 6 October 2020.
- Unplanned foreign employee presence in Australia and the associated permanent establishment implications may need to be revisited the longer travel restrictions persist. Further, to the extent foreign employees remain present in Australia post 30 June 2020, the ATO recommends that employers review their obligations, specifically with respect to Pay-As-You-Go withholding and superannuation guarantee.
- The ATO has published transfer pricing guidance on COVID-19 economic impacts on transfer pricing arrangements and altering related party arrangements.

Business tax (continued)

ATO administrative concessions for business affected by COVID-19

- Access to relief options below must be agreed with the ATO and will vary on a case-by-case basis.
- Payment deferrals of up to six months for Business Activity Statements (BAS) payments (including pay-as-you-go instalments), income tax, fringe benefits tax and excise tax. Deferral of payment obligations for large withholders will only be granted in exceptional circumstances.
- Separate guidance has been issued in relation to administration relief (such as flexible payment terms/amounts) available to taxpayers who have or wish to participate in the Superannuation Guarantee amnesty.
- Acceleration of GST refunds by changing reporting cycle to monthly.
- PAYG instalments may be varied down to zero for the March 2020 quarter and a refund claimed for instalments made for the September and December 2019 quarters. Penalties for instalment shortfalls in the end of year true up will be waived.
- Remission of interest and penalties on tax liabilities incurred on or after 23 January 2020 and low interest payment plans for businesses with ongoing tax liabilities.

R&D AusIndustry lodgement due date extension to 30 September 2020 for companies with 30 June year ends. The R&D benefit is a tax offset worth 8.5c per $1 of R&D expenditure for companies with global revenue >A$20m or a cash refund of 43.5c per $1 for companies with global revenue <A$20m.

State payroll tax measures

- **Australian Capital Territory:** Businesses with payroll <A$10m, interest free deferral for FY20/21 until 1 July 2022 (on application). Businesses in the construction industry, interest free deferral from April to December 2020 (on application).

  Waiver for the hospitality, creative arts, entertainment industries and other impacted businesses from April to December 2020 (on application).

  Six-month exemption for businesses that take on new or additional apprentices or trainees.

  JobKeeper Payments are exempt from payroll tax in the Australian Capital Territory.
- **New South Wales:** Deferral for six months for businesses with payroll >A$10m.

  Businesses with payroll <A$10m: i) Deferral for six months; ii) 25% reduction in annual payroll tax liability upon filing of the annual reconciliation.

  Payroll tax cuts by increasing exemption threshold to A$1m in FY20/21.

  JobKeeper Payments to employees currently stood down or payments above an employee's usual salary are exempt from payroll tax in New South Wales.
- **Northern Territory:** Exemption for hiring Territory employees extended to 30 June 2021.

  Businesses that are registered on the Department of Trade, Business and Innovation's Business Hardship Register (broadly businesses with annual turnover up to A$50m that can demonstrate a COVID-19 related reduction in turnover of at least 30% compared to the same month or quarter in 2019) may be eligible for the following payroll tax relief: Deferral for six months for businesses with payroll >A$7.5m where turnover has reduced by at least 50%; or waiver for six months for businesses with payroll <A$7.5m where turnover has reduced by at least 30%.

  JobKeeper Payments are exempt from payroll tax in the Northern Territory.
- **Queensland:** Negatively impacted businesses with payroll >A$6.5m (may need to apply online): i) Refund for two months; ii) Deferral for the 2020 calendar year (until 14 January 2021).

  Businesses with payroll <A$6.5m (apply online): i) Refund for two months; ii) Waiver for three months; iii) Deferral for the 2020 calendar year (until 14 January 2021).

  JobKeeper Payments are exempt from payroll tax in Queensland.

Australia (continued)

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Return to jurisdiction list

Business tax (continued)

- **South Australia:** Businesses with payroll >A$4m may be able to obtain a 6 month deferral on demonstration of significant impacts on cash flow (on application).

  Businesses with payroll up to A$4m will receive waiver for six months (Revenue SA will contact eligible businesses).

  JobKeeper Payments are exempt from payroll tax in South Australia.
- **Tasmania:** Waiver for the entire financial year FY19/20 for businesses in the hospitality, tourism, seafood and export sectors (on application).

  Waiver for the entire financial year FY19/20 for negatively impacted businesses with payroll <A$5m (on application).

  One year rebate from April 2020 for businesses employing persons 24 or under and two-year payroll tax rebate for businesses employing apprentices / trainees in the building, construction, tourism, hospitality and manufacturing industries.

  JobKeeper Payments are exempt from payroll tax in Tasmania.
- **Victoria:** Refunds for FY19/20 for small and medium-sized businesses with payroll <A$3m (State Revenue Office will contact eligible businesses) and deferral for the first three months of the 30 June 2021 financial year until 1 January 2021.

  Deferral for the first half of the 30 June 2021 financial year for eligible businesses with payroll up to A$10m.

  JobKeeper Payments to employees currently stood down or payments above an employee's usual salary are exempt from payroll tax and WorkCover premium in Victoria.
- **Western Australia:** One-off grant of A$17,500 for businesses with a payroll between A$1m and A$4m.

  Waiver for the period between 1 March and 30 June 2020 for businesses with Australia-wide annual wages of less than A$7.5m in the 2019/20 income year on application; and if less than A$5m by ticking a box on the return.

  Payroll tax cuts by increasing exemption threshold to A$1m in FY20/21.

  JobKeeper Payments are exempt from payroll tax in Western Australia.

Links and resources

EY Materials

Rolling updates from Australia and New Zealand:
https://www.ey.com/en_au/covid-19/oceania-covid-19-response

Tax Alert on enacted stimulus legislation:
https://asia-pac.ey-vx.com/287/14440/landing-pages/ey-tax-alert---australian-covid-19-economic-stimulus-support-measures-enacted--action-required-by-business.pdf

Tax Alert on JobKeeper:
https://www.ey.com/en_gl/tax-alerts/australia-enacts-jobkeeper-payments-wage-subsidy-law

https://www.ey.com/en_gl/tax-alerts/australian-jobkeeper-wage-subsidy---developments-and-action-plan-to-accelerate-payment

https://www.ey.com/en_gl/tax-alerts/australian-jobkeeper-new-rules--ato-guidance-and-extensions-require-urgent-action

Federal Government materials

Legislation:
https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6521

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6533

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6535

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6562

Federal Government stimulus packages:
https://treasury.gov.au/coronavirus

Third stimulus package (JobKeeper assistance):
https://treasury.gov.au/coronavirus/jobkeeper

ATO materials

COVID-19 landing page:

https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/

JobKeeper landing page:
https://www.ato.gov.au/General/JobKeeper-Payment

Austria

- Contact: Markus Schragl – Tax Policy
- Last updated: 8 April 2020

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Return to jurisdiction list

Overview

- The Austrian Federal Ministry of Finance issued a decree on 14 March 2020 that shall help to safeguard businesses against liquidity shortages. This decree was replaced by a decree issued on 24 March 2020 to concretize individual provisions.
- Prerequisite for all cases and for all applications is that the taxpayer can credibly argue that liquidity shortages are directly caused by COVID-19 (e.g. break down of the supply chain, change in customer behavior, cancelation of hotel reservations, authority-imposed restrictions).
- The decrees are based on tax procedural law as currently enacted. Tax offices are instructed to process all applications with immediate effect. To facilitate applications and processing, the decree lists simplified draft wordings for applications.
- Taxpayers can apply to defer tax payments or to pay taxes in instalments. This already applies for tax payments due on Monday 16 March 2020 (e.g. VAT January 2020, Wage Tax, Employer's Contributions for February 2020). Independent of payment facilities, taxes still have to be calculated and notified. Requests for deferral or instalments of tax payments can be applied for until 30 September 2020.
- Taxpayers can apply to not levy interest on deferral of payments; such applications need to be filed together with applications to defer tax payments or to pay taxes in instalments.
- The filing deadline for tax returns 2018 filed by an Austrian tax advisor has been extended until 31 August 2020.
- Tax offices are instructed to not levy interest on late payment for tax payments if the failure to meet a payment deadline occurs until 1 September 2020.
- On 15 March 2020, the Austrian Parliament adopted the first COVID-19 Act. It includes a new short-time work model which is initially valid for three months but can be extended for a further three months if necessary; independent of the reduction of work, income can remain at up to 90%. The working time of employees must be at least 10% during the entire short-time working period. It can also be reduced temporarily down to 0%. In addition, the law provides for a framework for measures to safeguard liquidity of businesses (to be specified).
- The COVID-19 Law of 15 March 2020 also introduces a special leave of up to three weeks for employees with children under 14 years of age because of the close down of schools and child care facilities. The employer decides whether the special leave can be taken. Employers are entitled to compensation from the government up to one third of remuneration paid to those employees. The special leave does not apply to employees working in a "supply-critical sector" (e.g. pharmacies, food production, etc.).

Personal tax

- Taxpayers affected by a loss of income due to the COVID-19 virus may apply for a reduction of advance payments of direct taxes for calendar year 2020. The advance payment can even be set to zero in case of liquidity shortages directly caused by COVID-19.
- Tax liabilities, wage taxes, wage tax related duties and social security payments due may be deferred on application without interest.

Austria (continued)

Overview (continued)

- On 21 March 2020, the Austrian Parliament adopted the second COVID-19 Act to further manage the COVID-19 crisis.
- On 3 April 2020, the Austrian government presented details of the EUR 15 billion emergency fund for companies. The upper limit for aid loans from this fund is three months' turnover or EUR 120 million, for which the state is liable for up to 90%. The package also includes a non-repayable grant. Applications are possible as of 8 April 2020. Further information by the Austrian Ministry of Finance will be provided in the course of the week 6 April 2020 to 12 April 2020. In addition, it was announced that a fixed costs subsidy will be granted by AWS (application starts on 15 April 2020).
- On 3 April 2020 it was additionally announced by the Austrian government that it is planned that all companies that take advantage of government aid funds have to consider a one-year ban on dividend distributions and that manager bonuses must be reduced by 50% compared to the previous year. Further developments in this context should be monitored carefully.
- On 3 April 2020, the Austrian government adopted the third. fourth and fifth COVID-19 Act, with the following amendments (among others):
  - Writings and official acts in connection with COVID-19 are exempt from stamp duties from 1 March 2020 until 31 December 2020.
  - The physical presence of shareholders and board members at meetings is no longer required until 31 December 2020.
  - Open deadlines in front of tax authorities and tax courts are interrupted until 30 April 2020 if started before or after 16 March 2020 and will start again from new beginning with 1 May 2020.
  - Contributions from the crisis management fund, the hardship fund and the Corona crisis fund as well as comparable contributions from the federal states, municipalities and statutory interest groups that are made to manage the Corona crisis are tax-exempt (with an expense reduction).
  - The deadline for the submission of annual financial statements will be extended from 9 to 12 months.
  - COVID-19 bonus payments of up to EUR3,000 are tax-exempt. A bonus or allowance granted to employees for their work during the Corona crisis should be tax-exempt up to an amount of EUR3,000. Those bonuses must qualify as additional payments that are made exclusively for this purpose and have not been granted previously.

Personal tax

- According to the Decree of 24 March 2020 (which replaced the decree of 14 March 2020), taxpayers can apply to reduce quarterly prepayments for income tax to a lower amount or to Zero in case of liquidity shortages directly caused by COVID-19.
- For companies that are affected by official closures, the social security contributions of February, March and April 2020 are to be deferred without interest on arrears.
- All other companies may apply to defer social security payments in case of liquidity shortages directly caused by COVID-19. The maximum deferral is extended from one to three months. In case of payment in instalments, the maximum period can be extended up to 18 months.
- Self-employed persons can apply to reduce the social security contribution base, to defer payments and to pay in instalments. There is the possibility to apply to not levy late payment penalties and interest.
- A hardship fund will be created to provide security in cases of hardship based on COVID-19 for one-person companies, freelancers, non-profit organizations and micro-enterprises. The support program with up to EUR 2 billion will be handled by the Austrian Chamber of Commerce. Applications are possible until 31 December 2020.

Austria (continued)

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Return to jurisdiction list

VAT, GST and trade

- Deferral of VAT payments or instalment payments are possible
- Application for waiver of interest thereon is possible

Business tax

- According to the Decree of 24 March 2020 (which replaced the decree of 14 March 2020), it is possible to apply for a reduction of CIT prepayments 2020 to a lower amount or to Zero in case of liquidity shortages directly caused by COVID-19.
- An application to defer tax payments or to pay taxes in instalments is possible. This already applies for tax payments that were due on 16 March 2020 (e.g., VAT January 2020, Wage Tax, Employer's Contributions for February 2020). Independent of payment facilities, taxes still have to be calculated and notified.
- Tax payments may be deferred until 30 September 2020; in cases of payment in instalments, taxes must be paid by 30 September 2020.
- Taxpayers may apply for no interest to be applied on deferred payments; such applications need to be filed together with applications to defer tax payments or to pay taxes in instalments.

Links and resources

Government materials

- Decree (GZ: 2020-0.178.784 of 14 March 2020): https://findok.bmf.gv.at/findok?execution=e1s1
- Decree (GZ: 2020-0.190.277 of 24 March 2020): https://findok.bmf.gv.at/findok?execution=e1s8
- Online form for self-employed with regard to social security contributions: https://www.svs.at/cdscontent/?contentid=10007.857676
- First COVID-19 Act: https://www.parlament.gv.at/PAKT/VHG/XXVII/A/A_00396/index.shtml
- Second COVID-19 Act: https://www.parlament.gv.at/PAKT/VHG/XXVII/A/A_00397/index.shtml

Bahamas

- Contact: Bill Bailey- Tax
- Contact: Erica Culmer-Curry – Tax

- Last updated: 1 May 2020

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Return to jurisdiction list

Overview

- The Central Bank of The Bahamas has arranged with domestic banks and credit unions to provide a three-month deferral against repayments on credit facilities for businesses and households that were negatively impacted by the COVID-19 pandemic. This program will be revisited in June 2020.
- Social Services to provide Bahamians with social benefits stemming from the impact of COVID-19 on the community. B$4M budget has been allocated for food and social assistance.
- Effective 17 March 2020 and for the duration of the state of public emergency and 60 days thereafter, requirements to pay insurance premiums have been suspended (this includes health, medical, and life insurance policies).
- Insurance claims made during this time shall still be honored, while allowing the insurer to only deduct from the claim payment, the amount owed in relation to the unpaid premium as well as the deductible.
- The Small Business Development Centre (SBDC) rolled out the Government's B$20M COVID-19 response, targeted to provide loans to small businesses, ranging from B$5,000 to $300,000. These loans are earmarked for operating costs.

VAT, GST and trade

- The Bahamas Government has designed a tax credit system which allows businesses to retain the funds which would have been earmarked for VAT Receipts collected (up to $200,000 per month for up to three months. Additionally, half of this amount would be translated to a temporary tax credit (up to $100,000 per month), usable for payroll expenses only, repayment of which will begin in January 2021 for 12 months. Excluded industries: retail or wholesale grocery; hotel and resorts; regulated financial and insurance entities; regulated telecommunications businesses; and, gaming businesses.
- VAT Returns and payments are still due by the 21st of each month.

Bahamas (continued)

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Return to jurisdiction list

Business tax

- Regarding Business license fees, effective 17 March 2020 and for the duration of the state of public emergency and 30 days thereafter, requirements to file documents (form, application) and pay fees/renew business licenses are suspended.
- The Government has designed a tax credit system which allows businesses to retain the funds which would have been earmarked for Business License fees collected (up to $200,000 per month for up to three months. Additionally, half of this amount would be translated to a temporary tax credit or deferral (up to $100,000 per month), usable for payroll expenses only, repayment of which will begin in January 2021 for 12 months. Excluded industries: retail/wholesale grocery, hotels/resorts; regulated financial institutions, telecommunications and gaming.

Other measures

- Regarding National Insurance, no filing postponement for National Insurance Contribution forms and payments, which continue to be due on 15th of each month.
- Effective 17 March 2020 and for the duration of the state of public emergency and 14 days thereafter, requirements to file documents or declarations/pay fees subject to the International Business Companies Act have been suspended.
- Effective 17 March 2020 and for the duration of the state of public emergency and 30 days thereafter, requirements to file documents (form, application, affidavit, report)/pay fees/renew licenses, visas, permits to government entities/statutory bodies/regulators have been suspended, this includes Company filings.
- Regarding FATCA/CRS/CbCR, effective 17 March 2020 and for the duration of the state of public emergency and 30 days thereafter, requirements to file documents (form, application, affidavit, report)/pay fees/renew licenses, visas, permits to government entities/statutory bodies/regulators have been suspended.
- Regarding Economic Substance filing obligations, a Public Notice issued on 30 March 2020 provides that a three-month extension for Bahamas Economic substance reporting has been granted.
- The transition period in the Register of Beneficial Ownership Act has been suspended for the duration of the public emergency and 60 days thereafter.

Links and resources

Government materials

- http://www.thebahamasinvestor.com/2020/extension-of-deadline-for-economic-substance-filing-pdf
- https://www.nib-bahamas.com/NIB-News/NIB-Makes-More-Than-11-Thousand-Unemployment-Benefit-Payments
- http://www.bahamas.gov.bs/wps/wcm/connect/4c7cc60f-1403-4b1a-88b8-b2e33a7a3162/Public+Notice+for+Tourism+Workers+-+FINAL.pdf?MOD=AJPERES
- https://www.bahamas.gov.bs/wps/wcm/connect/5bcf1df0-0420-4d00-94d6-e7bf907f91e2/Notice-+Suspension+of+obligations+signed.pdf?MOD=AJPERES

Bahrain

- Contact: Paul Karamanoukian - Tax
- Contact: Asmaa Ali – Tax Desk

- Last updated: 4 May 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The Government of Bahrain announced a BHD4.3 billion economic stimulus package to support the country's citizens and private sector.
- On 17 March 2020, ministers announced an eight-point economic package that commits the government to:
  - Referring a draft law concerning paying the salaries of all private sector employees for three months from April 2020 from the unemployment fund, following constitutional procedures and in line with the Social Insurance Law
  - Paying individuals' and businesses' Electricity and Water Authority utility bills for three months from April 2020 (up to the costs incurred during the same period in 2019), while also restructuring government administrative costs to offset additional costs incurred by the government
  - Exempting all individuals and businesses from municipal fees for three months from April 2020
  - Exempting all businesses from industrial land rental fees for three months from April 2020
  - Exempting all tourism-related industry from tourism levies for three months from April 2020
  - Doubling the Liquidity Support Fund to BHD 200 million
  - Increasing the Central Bank of Bahrain's loan facilities to BHD 3.7 billion to allow debt instalments to be deferred and extra credit to be extended
  - The redirection of all Tamkeen programs (semi-autonomous government agency that provides loans and assistance to businesses) to support adversely affected companies, as well as the restructuring of all debts issued by Tamkeen.
- The Ministry of Industry, Commerce and Tourism (MOICT) has postponed the filing deadline for Economic substance return Form (1), for all in-scope entities with a financial year ending 31 December 2019, from 31 March 2020 to 30 June 2020.

Personal tax

VAT, GST and trade

Business tax

Links and resources

Government materials

- https://www.bna.bh/en/GovernmentofBahrainannouncesBHD4.3billioneconomicstimuluspackage.aspx?cms=q8FmFJgiscL2fwIzON1%2BDp6Z7IZ3o6%2BzWIZ1S8%2BYrsU%3D

Barbados

- Contact: La-Tanya Edwards -Tax Desk

- Last updated: 29 May 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- BBD$600 per month to be provided to approximately 1500 vulnerable families and a 40% increase in all rates and fees already paid by the Welfare Department to individuals.
- Companies retaining at least ¾ of their workforce will receive a deferral of employers' National Insurance Scheme contributions for three months.
- Commercial Banks will offer a three to six-month moratorium on existing loans and mortgages to individuals and businesses directly impacted by COVID-19 measures/effects.
- Commercial Banks will offer temporary working capital financing options for corporate and small business directly impacted by COVID-19.
- Pending private sector investments primarily in the Tourism sector will be expedited by Government.
- Government to increase capital expenditure projects beyond those approved in the annual estimates.
- Employees placed on shortened work weeks will be paid 60% of their earnings for the days on which they do not work. This will be facilitated through the National Insurance Scheme.
- Government will refinance the Small Hotel Investment Fund with BBD$20 million to allow small hotels to borrow in order to refurbish their properties. Interest rates will be reduced from 5% to 3.5%.
- Individuals in the creative industry will benefit from a BBD$1 million fund under a special program.
- A BBD$40 million VAT Loan Fund will be established for those companies who are registered and pay VAT and who can show that their cashflow has been severely disrupted by the pandemic and the measures taken to contain the outbreak. The loan fund will offer twelve-month, interest-free loans representing half of the amount paid by in the taxpayer's last VAT filing before the onset of the pandemic. Eligible firms must maintain at least 75% of their normal staff levels.
- A BBD$20 million Small Business Wage Fund will be administered by Fund Access for firms too small to be eligible for VAT or VAT refunds (i.e., micro and small businesses). This Fund will contribute BBD$500 per month per employee up to five employees, where the employer is registered at the Small Business Association, the Barbados Revenue Authority, and the National Insurance Scheme.
- A BBD$200 million tourism facility will be established to provide urgent working capital and investment loans to Barbadian hotels during the current period.
- BBD$274 million will be invested into the capital works program to facilitate the refurbishment of buildings, on-road construction, market refurbishment, a massive environmental clean up and sanitization program, and digitization etc.
- An expanded BBD$50 million capital works program will be undertaken by the Barbados Water Authority.
- The Government has "strongly encouraged" landlords to temporarily halt evictions. This measure will be codified if necessary.

Barbados (continued)

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Personal Tax

- The personal tax filing and payment deadline has been further extended from 29 May to 30 June 2020.
- BBD$50 million representing personal income tax refunds will be settled in order to assist individuals with much needed liquidity.

VAT, GST and Trade

- BBD$80 million representing value added tax refunds will be settled in order to assist businesses with much needed liquidity.

Business tax

- BBD$89 million in corporation tax refunds will be settled later in the year as cash flow allows.
- The corporation tax filing and payment deadline has been extended from 15 to 30 June 2020.

Other measures

- Private sector investments in tourism will be expedited.
- Government to expedite certain infrastructural projects.
- The Barbados Light and Power Company and the Barbados National Oil Company have been instructed to lock in low oil prices with the aim of having a two year supply.
- Regulations for medical cannabis will be expedited.

Links and resources

Belgium

- Contact: Steve Claes – Tax Policy
- Contact: Jean-Charles van Heurck – Tax Desk

- Last updated: 2 September 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The government is providing support for temporary unemployment due to COVID-19 (under specific conditions).
- For persons (business, self employment and mortgage borrowers) with payment difficulties, deferral for repayment of loans until 31 December 2020 is available. Conditions apply.
- Federal state provides guarantee on new loans and credit lines granted by banks. Conditions apply.
- Insurance sector to support both individual laid off and companies in difficulties because of COVID-19 through series of measures, including extension of coverage and waiver of payment of insurance premiums. Conditions apply.
- Frontier workers: No impact on applicable social security regime, of home office work between 13 March 2020 and 31 December 2020 due to COVID-19.
- Guarantees and tax exempted cash incentives/premiums set out by Belgian Regional authorities and available to individuals, companies and self-employed persons impacted by COVID-19. Conditions apply.
- Increased flexibility in terms of meeting formal conditions for support measures and subsidies and introduction of subsidies intending to boost innovative R&D projects, helping to fight the COVID-19 impact
- Support measures for telework, specific measures for return to work safely and additional HR support measures, specifically for critical and vital sectors, but also for all sectors

Personal tax

- Automatic payment deferral of 2 months extra for assessments relating to TY 2019 - assessed as from 12 March 2020
- Upon request until 31 December 2020: payment plans and waiver of late payment interest and of penalties for non-payment. Conditions apply
- Self-employed individuals:
  - Tax prepayments: Increased bonification percentages third and fourth quarter (deadlines: 12 October and 21 December 2020)
  - Loss carry-back: exemption for losses of income year 2020. Conditions apply
  - 'Crisis bridging right' up to 31 December 2020 if business cannot restart due to COVID-19. Conditions apply
  - Allowance for reopening of business up to 31 October 2020. Conditions apply
- 120 hours extra overtime (on top of the existing 100 hours) in critical sectors, paid between 1 April 2020 and 30 June 2020 as net income (payroll and social security exemption)
- Tax deduction for donations in kind of medical materials or products useful in the fight against COVID-19 and made between 1 March 2020 up to and including 30 June 2020 (donations by private persons) or 1 September 2020 (donations by self-employed people) Conditions apply.
  Same tax deduction applies to computers donated to schools, made between 1 March 2020 and 31 December 2020.
- Tax reductions for gifts to recognized institutions made in 2020, increased from 45% up to 60% and for expenses relating to child care before 31 December 2020
- Existing tax shelter for investments in start-ups and scale-ups temporary applicable for direct capital increases up to 31 December 2020, in SMEs affected by the COVID-19 outbreak. Conditions apply
- Consumption vouchers as a new tax free benefit in kind

VAT, GST and trade

- Upon request until 31 December 2020: payment plans, waiver of late payment interest and waiver of penalties for non-payment. Conditions apply.
- Filing postponement of periodic VAT returns and intracommunity sales listings
- Faster VAT refunds for 'starters' (taxpayers in the first 24 months after registration) and taxpayers holding a license for a monthly refund (subject to conditions)
- Automatic payment deferrals of VAT
- December advance payment will not be due
- No VAT on donations (conditions apply) of:
  - Medical equipment and protective gear to hospitals and healthcare institutions, made between 1 March 2020 and 1 September 2020
  - Computers to schools, made between 1 March 2020 and 31 December 2020
- Lower VAT rate of 6%, conditionally applicable on:
  - Delivery, intra-Community acquisition and import of medical protective gear (as from 4 May up to 31 December 2020)
  - Cafes, restaurant and catering services (as from 8 June 2020 until 31 December 2020)

Belgium (continued)

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Return to jurisdiction list

Business tax

- Automatic payment deferral of two months for assessments relating to TY 2019 - assessed as from 12 March 2020
- Upon request until 31 December 2020, payment plan, waiver of late payment interest, and waiver of penalties for non-payment of CIT, non-resident taxation, taxes on legal entities and payroll (conditions need to be met)
- Payment deferral of social security liabilities up to 15 December
- Payment exemption of withholding tax for companies with temporary unemployment during an uninterrupted period of at least 30 days (conditions apply).
- Administrative tolerance with respect to the payroll tax exemption for night & shiftwork
- CIT filing deferral:
  - Entities with year-end close between 1 October 2019 and 30 December 2019 (TY 2019) – filing period of 7 month starts after balance sheet date instead of date of general shareholders meeting
  - Entities with year-end closing between 31 December 2019 and 29 February 2020 (TY 2020) – extension of filing date until 29 October 2020 (instead of 24 September 2020)
- Deferral of payment of the annual corporate contribution, the annual tax relating to premiums and employers' contributions and of property taxes
- 6 months deferral reporting deadline cross-border arrangements
- Increased tolerance until 31 December 2020 for home office workers to not constitute a PE in view of the tax treaties between Belgium and Luxembourg, France, Germany and the Netherlands
- Indemnification of home office costs in relation to COVID-19 – No approval from the Ruling Commission required in certain specific situations
- Modification of the advance tax payment regime – increase of the bonification of the third and the fourth quarter of the financial year,

Business tax

- A temporary adjustment of the calculation of the tax increase for insufficient tax prepayments (conditions apply):
  - Increase of bonification percentage for tax prepayments done in Q3 (6.75% instead of 6%) and Q4 (5.25% instead of 4.5%);
  - Applicable for financial years ending between 30 September 2020 and 31 January 2021 (included);
- Circular letter states that COVID-19 is an exceptional circumstance, justifying tax exemption for impairments of trade receivables for corporate income tax purposes.
- Tax shelter for the audiovisual sector and performing arts - extension of the expenditure periods
- Interest deduction limitation regime – Grandfathered loans: loans concluded before 17 June 2016 remain subject to the 5:1 thin cap
- Investment deduction:
  - Increased up to 25% for fixed assets obtained or established between 12 March and 31 December 2020
  - 2-year carry forward (instead of 1 year) for unused investment deduction with regard to fixed assets obtained or established in 2019.
- Tax deduction catering costs (made or borne between 8 June and 31 December 2020 increased up to 100% (instead of 50%).
- Tax deduction for donations in kind (conditions apply) of:
  - Equipment or products aimed at combatting the pandemic and made between 1 March 2020 and 1 September 2020.
  - Computers to school, made between 1 March 2020 and 31 December 2020
- COVID-19 loss carry-back : companies can impute expected losses of the current taxable period on the taxable profits of the previous taxable period by way of a tax exempt reserve, to be used to an accounting year closed between 13 March 2019 and 31 July 2020. This measure also allows reclaim of tax prepayments already paid in 2020.
- Exemption of income tax for compensations granted by the regional or municipal authorities (between 15 March 2020 and 31 December 2020) for mandatory closure of certain businesses
- Introduction of consumption vouchers, the cost of which is tax deductible
- Proposition of law introducing a reconstitution reserve for companies

Belgium (continued)

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Links and resources

EY materials

- https://www.ey.com/en_be/covid-19
- https://emeia.ey-vx.com/603/129246/may-2020/ey-tax-alert--covid-19---belgian-parliament-approves-new-wave-of-tax-measures-and-announces-a-fiscal-"bazooka"-for-businesses.asp
- https://emeia.ey-vx.com/603/129246/july-2020/ey-tax-alert-covid-19-tax-alert--new-bill-containing-various-urgent-tax-measures-adopted-by-belgian-parliament..asp

Government materials

- http://www.ejustice.just.fgov.be/cgi/article_body.pl?language=fr&pub_date=2020-06-11&caller=list&numac=2020021216 (Corona I)
- http://www.ejustice.just.fgov.be/cgi/article_body.pl?language=fr&pub_date=2020-07-01&caller=list&numac=2020041966 (Corona II)
- http://www.ejustice.just.fgov.be/cgi/article_body.pl?language=nl&caller=summary&pub_date=2020-07-23&numac=2020015194%0D%0A (Corona III)
- https://www.dekamer.be/kvvcr/showpage.cfm?section=/flwb&language=nl&cfm=/site/wwwcfm/flwb/flwbn.cfm?lang=N&legislat=55&dossierID=1412 (reconstitution reserve)

Other official sources

- https://finances.belgium.be/fr/entreprises/coronavirus
- https://www.nbb.be/en/articles/guarantee-scheme-individuals-and-companies-affected-corona-crisis
- https://www.nbb.be/en/articles/insurance-sector-also-working-tackle-socio-economic-impact-coronavirus-crisis
- https://campaigns.eranova.fgov.be/r-2cb66a2b4c8c9231787685db43cdf791bb2be89193542660
- https://finances.belgium.be/fr/Actualites/ouverture-biztax-2020-report-delai-declarations-isoc-ipm-inrsoc
- https://www.vlaio.be/nl/begeleiding-advies/heropstart-na-corona/nood-aan-financiele-ademruimte/betalingsverplichtingen
- https://www.vlaio.be/nl/subsidies-financiering/subsidiedatabank/vlaamse-steun-voor-ondernemers-coronavirus
- https://financien.belgium.be/nl/Actueel/update-covid-19-verlenging-van-de-termijn-van-vrijstelling-van-rechten-en-btw-bij-invoer-op

Bermuda

- Contact: Bill Bailey – Tax
- Contact: Jaison Hinshaw - Tax

- Last updated: 4 May 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The Government is planning to introduce a number of economic stimulus packages to benefit residents impacted by the COVID-19 pandemic. Details will be released at a later date.
- Banks are implementing measures to provide financial relief to clients, including automatic payment deferrals on residential mortgages and personal loans in good standing.
- Emergency supplementary funding, recently approved by Cabinet, will provide temporary food assistance to Bermudian residents due to the impact of COVID-19.
- The Bermuda Economic Development Corporation has released their economic relief packages available to small and mid-sized companies. Grants and loans are available, depending on the recipient's size, of up to $40,000.

Personal tax

VAT, GST and trade

Business Tax

Bermuda

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Return to jurisdiction list

Other measures

- Regarding Company filings, all company filings and registrations can still be done electronically through the Bermuda Registrar of Companies. However, processing times may be delayed.
- Bermuda has extended the deadline to file and pay statutory fees (Government annual fees) from 31 March to 30 June 2020.
- Regarding FATCA, the Bermuda Minister of Finance has extended the FATCA and CRS deadlines for Bermuda Reporting Financial Institutions for the period ended 31 December 2019 to 15 July 2020.
- Regarding CRS, the Bermuda Minister of Finance has extended the deadlines for Bermuda CbCR Reporting Entities for periods ending between 26 March 2019 through 31 May 2019 are to be submitted no later than 31 May 2020. The submission deadlines for reporting periods ending after 31 May 2019 have not been changed.
- Regarding Economic Substance, where meetings or other similar compliance measures are not possible due to necessary travel or quarantine restrictions, this may be taken into account. As with all information evidencing compliance, entities should keep careful records of all such circumstances, and should continue in good faith to ensure their ongoing compliance with the economic substance requirements as set out in the legislation and Guidance Notes.

Links and resources

Government materials

- http://coronavirus.bernews.com/covid-19-finances/
- https://www.gov.bm/common-reporting-standard-country-country-reporting
- https://www.bda.bm/office-of-the-registrar-of-companies-industry-notice-economic-substance/

BES Islands (Bonaire, Sint-Eustatius and Saba)

- Contact: Raisza Terburg-Ersilia – International Tax and Transaction Services
- Rose Boeve – International Tax and Transaction Services

- Last updated: 3 July 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The BES-islands are participating as much as possible in the measures announced by the Dutch Government to support companies and employees in the European Netherlands.
- Emergency relief measures are in principle applicable for a period of three months.
- Upon request (and subject to conditions), compensation of a maximum of 80% of maximum day wage for businesses that expect a minimum of 20% decrease of turnover as of 13 March 2020.
- Emergency relief for self-employed entrepreneurs and individuals that are unemployed as a result of COVID-19 amounting to a maximum of 80% of the minimum wage.
- Additional budget has been made available to provide additional relief subject to each BES-island policy.
- Relief payment in the form of a gift to certain businesses that were affected by the government measures to combat COVID-19, is currently being developed.
- Expanded possibility for financial institutions and entrepreneurs to receive government guarantees.
- Qualifying entrepreneurs have the possibility to receive micro financing and through this financing are granted a postponement of the repayment obligation for a maximum period of six months, whereby an interest discount is also offered during this period.
- Temporary facilitations are granted up to 1 October 2020, including the deferral of payment of tax (upon request and subject to conditions); interest rate of 0% on outstanding tax debts as a result of COVID-19; waiver of fines on certain payment defaults.

Personal tax

- Special deferral of payment upon request for all entrepreneurs and private individuals who are no longer able to fulfill their obligations as a result of measures taken to combat the COVID-19.

VAT, GST and trade

- Special deferral of payment upon request for all entrepreneurs and private individuals who are no longer able to fulfill their obligations as a result of measures taken to combat COVID-19.

Business tax

- Special deferral of payment upon request for all entrepreneurs and private individuals who are no longer able to fulfill their obligations as a result of measures taken to combat COVID-19.

Links and resources

Government materials

- https://www.belastingdienst-cn.nl/actueel/nieuws/2020/maart/25/belastingdienst-cn-met-bijzonder-uitstel-van-betaling
- https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/25/kamerbrief-effecten-corona-op-caribische-delen-koninkrijk
- http://bes-reporter.com/index.php/2020/06/25/belastingdienst-caribisch-nederland-extends-easing-measures-for-bonaire-st-eustatius-and-saba/

Bolivia

- Contact: Juan Pablo Vargas – Tax Policy

- Last updated: 9 April 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- Through the Supreme Decrees No. 4196 and No. 4198, the Bolivian government granted some relief benefits to the contributors.
- The implementation of these Supreme Decrees is regulated by the Administrative Resolution N° 1020000000061, of 27 March 2020, issued by the Revenue Authority.

Personal tax

VAT, GST and trade

- Suspension of February and March tax return filing and payment deadlines, until May of 2020.
- Suspension of payment of February and March quotas (in case of subscribing a payment plan for any tax debt) until 30 April of 2020.
- Suspension of VAT reimbursement request for export activities until 30 April of 2020.
- Suspension of requests of Credit Notes Certificates until 30 April 2020.
- Suspension of formal duties (i.e., purchases and sales books) of February and March, until 11 May 2020.
- Decrease of Transaction Tax (TT 3%) base for next three months (April, May and June), by taking out the VAT amount included in the final price of a transaction (less 13%).

Business tax

- Suspension of CIT tax return filing and payment until 29 May 2020, including financial statements, annual memory, complementary tax information and transfer pricing report.
- FY19 CIT payment deferral until 29 May 2020.
- Additionally, contributors can pay FY19 CIT in three monthly payments. However, 50% of the total CIT must be paid by June on 2020.
- Donations to hospitals (until 10% of FY19 CIT) made until 31 December 2020 will be considered as deductibles for FY20 CIT determination.

Links and resources

Government materials

- https://www.impuestos.gob.bo/ckeditor/plugins/imageuploader/uploads/3324c1f66b.pdf
- http://www.gacetaoficialdebolivia.gob.bo/normas/listadonor/11
- https://www.impuestos.gob.bo/ckeditor/plugins/imageuploader/uploads/333043b1c4.pdf

Bosnia and Herzegovina

- Contact: Ivan Rakić - Tax Policy

- Last updated: 15 April 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- Both the Government of Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS) have announced measures related to stabilization of effects arising from the COVID-19 pandemic, so far such measures aim at postponing tax filings and deferal of certain tax liabilities. Further measured continued to be discussed.
- Different types of deferrals on loan repayments are available for citizens and entities.
- Measures for FBIH are published on the tax authorities website, and relevant legislation is pending.

Personal tax

- Statutory deadline for submission of the annual personal income tax return for 2019 in FBiH and RS extended to 30 April 2020.
- Statutory deadline for submission special republic tax for entrepreneurs and registered weapons in RS for 2020 extended to 30 April 2020.
- In FBIH* extended deadline for submission of salary related tax returns for employees and entrepreneurs to 30 April (for March salary) and 30 May (for April salary).
- Statutory deadline for payment of tax liabilities due on 31 March 2020 for personal income tax in RS is extended to 30 June 2020 (liability is to be settled in instalments by the end of 2020) for entrepreneurs that are facing business-related difficulties caused by implementation of COVID-19 pandemic suppression measures.
- For RS, calculated salary related taxes and SSC for March 2019 for legal entities and entrepreneurs that are prohibited to work during the state of national emergency will be paid by the Government directly to the relevant funds, whereby in Canton Sarajevo (main canton in FBiH) Government will refund only minimal net salary for March (under certain conditions).

VAT, GST and trade

- Decree has been adopted related to VAT and customs exemption for medical equipment and assets donated by domestic and international entities for purposes of prevention and suppression of COVID-19.

Business tax

- Both Tax Administrations of FBiH* and RS have extended the statutory deadline for submission of annual tax returns to 30 April 2020.
- The statutory deadline for payment of tax liabilities due on 31 March 2020. for corporate income tax and *fees for forest and fire protection* in RS is extended to 30 June 2020, whereby entities that are facing business-related difficulties caused by implementation of COVID-19 pandemic suppression measures can ask for further delay and settle due liabilities in instalments by the end of 2020. Entities are to notify the Tax Administration of RS about such difficulties via a written statement (form can be found on the official Tax Authority's web page).
- Statutory deadline for payment of real estate tax extended to 30 September 2020 for first instalment and to 31 December 2020 for the second instalment.

Links and resources

Government materials
(Bosnian language only)

- **Official Gazette of Republic of Srpska**
- http://www.pufbih.ba/v1/novosti/1764/kontakt-adrese-i-telefoni-za-dostavu-poreznih-prijava-i-podnesaka-a-rok-za-predaju-poreznih-prijava-je-produen
- http://poreskaupravars.org/SiteLat/Novosti2.aspx?Sadrzajid=15645
- https://www.fba.ba/upload/docs/saopcenje_odluke_o_moratoriju_2_bos_Uff.pdf
- https://abrs.ba/lat/odluka-o-privremenim-mjerama/n52
- http://vijeceministara.gov.ba/saopstenja/sjednice/najave_sa_sjednica/default.aspx?id=32629&langTag=bs-BA
- https://www.poreskaupravars.org/Documents/Aktuelno/Obavjestenje%20o%20odnosenju%20pismene%20izjave%20za%20odgadjanje%20placanja%20obaveza.pdf

Botswana

- Contact: Brigitte Keirby-Smith – EY Africa Tax Desk
- Last updated: 17 April 2020

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Return to jurisdiction list

Overview

- On 2 April 2020, in response to the COVID-19 pandemic, Botswana's Ministry of Finance and Economic Development issued a press release on some of the measures taken by Government to mitigate the effects of COVID-19.
- The Government has established a Fund to which individuals, businesses and other organizations are encouraged to contribute.

Personal tax

- Introduction of a wage subsidy to help businesses retain employees during the COVID-19 lockdown. The Botswana Unified Revenue Service (BURS) will administer the wage subsidy program. Key features include:
  - Payment of 50% of the basic salary of employees of affected businesses.
  - Subsidies for employees ranging between P1000 - P2500 per month for three months (i.e., April, May and June 2020).
  - Participating businesses must be registered for tax with BURS. The targeted affected sectors are still to be identified. Parastatal organizations and businesses with direct government shareholdings are excluded.
  - Eligible businesses must supply payroll information to BURS, including name, Omang (ID), Taxpayer Identification number (~~if~~ available) and basic monthly salary.
  - Claims will be subject to audit.
- Further information on the program will be forthcoming. However, assistance will be offered to businesses regardless of whether they owe tax to BURS, provided there are no workforce reductions due to COVID-19.

VAT, GST and trade

- The following tax concessions~~s~~ will be available for tax-compliant businesses adversely affected by COVID-19:
  - VAT refund processing periods will be reduced from 60 to 21 days.

Business tax

- The following tax concessions will be available for tax-compliant businesses adversely affected by COVID-19:
  - 75% of any two self-assessment tax (SAT) payments that are payable between March and September 2020 may be deferred and be paid starting in March 2021.
  - The tax filings of businesses with turnover of over P250 million annually will be negotiated with BURS on a case-by-case basis.
  - Waiver of payment of the Vocational Training Levy for six months
  - Businesses are expected to continue filing tax returns electronically. However, where for some reason companies cannot access e-services, no penalties will be charged for failing to comply.
- Note that contributions to the Government COVID-19 Fund will not qualify as deductible expenditure for tax purposes.

Links and resources

EY materials

- https://taxnews.ey.com/news/2020-1004-botswana-announces-tax-measures-to-mitigate-impact-of-covid-19

Brazil

- Contact: Washington Coehlo – Tax Policy
- Contact: Gustavo Carmona – Tax Desk

- Last updated: 7 August 2020

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Return to jurisdiction list

Overview

- The Brazilian Minister of Economy has presented proposals to counter the economic slowdown deriving from the COVID-19 spread. The proposals will need to be analyzed and debated by Congress.
- On 23 March 2020 the government released Simplifications on the employment contracts such as: teleworking/home office; anticipation of individual vacation; collective vacation; anticipation suspension of determined occupational exams and trainings, suspension of inspection processes, among other labor changes. Based on the compelling reasons resulting from the COVID-19 pandemic, companies are able to reduce salaries and work shift in up to 25%.
- Other proposals to allow for better access to financing, or anticipated cash payments to certain individuals: (a) Proger/FAT credit for micro and small businesses; (b) simplification of requirements for contracting credit and exemption of documentation for credit negotiation; (c) Anticipation of the 1st instalment payment of the 13 salary for retirees and pensioners for April and the 2nd instalment payment for May; (d) release of BRL 15 billion in benefits of up to R$600.00 for informal, self-employed and domestic workers for the next three months.
- Brazil's Central Bank reduced the SELIC rate (basic interest rate of the Brazilian economy) by 0.5% (from 4.25% to 3.75%).
- On 6 May 2020, The Central Bank announced a reduction of the SELIC rate to 3%.
- On 17 June 2020, The Central Bank reduced the SELIC rate from 3% to 2.25%. On 6 August 2020, the SELIC rate was reduced to 2%.
- Postponement of loan payments made through Caixa Ecônomica for at least 90 days (individuals and companies) and reduction on interest rates of loans. The bank has also released funds to loans for public hospitals (BRL 3 billion).
- Possibility of postponement in the payment of federal taxes in three months based on the public calamity state. (Ordinance 12/2012).
- BNDES emergency credit line for small and medium-sized companies (annual revenues between R$ 360k-10million), exclusively for the payment of payroll.
- MP #931/20 - postponed for seven months the ordinary general meeting for public and limited liability companies (SA and LTDA) calendar year ending (31 December 2019 and 31 March 2020).
- Public companies may declare dividends prior to the general assembly. The shareholders may participate and vote at a distance.
- CVM Deliberation #849/20 - authorized digital meetings for investment funds and approval of the financial statement when the meeting cannot occur.
- CVM Deliberation #849/20 - Postponed:
  - For public companies with calendar year ending (31 December 2019 and 31 March 2020):
    - Financial statement for five months starting at the end of the calendar year.
    - Annual report for six months starting at the end of the calendar year.
    - Two months for the deadline listed on CVM #480
  - 45 days for the quarterly information form of the fiscal year of companies with calendar year ended on 31 December 2019.
  - Three months for the deadline on CVM #539.
- MP #938 announced financial support by the Union of R$60 million to federative entities that receive resources from the State Participation Fund - FPE and the Municipality Participation Fund - FPM, in order to mitigate the economic impact of COVID-19.

Overview (continued)

- Ordinance PGFN #13,338 – amends Ordinance PGFN # 7,821, suspending until 30 June 2020 the opening of procedures for the exclusion of taxpayers from the instalment program administered by PGFN, who have been in default since February 2020.
- ME IN #43/20 - authorizes the waiver of the collection of administrative fines not exceeding R$1,000. However, the documentation will be archived for future charges in the event of new debts of the same nature. The instruction also authorized the payment in up to 12 instalments of debts related to administrative fines, with instalments of not less than 0.5% of the minimum limit and correction of the amounts by the SELIC rate. In case of non-payment of three instalments, the ordinance authorizes the exclusion of the taxpayer from the program. A further measure delivered by the instruction is the possibility of compensation of credits that companies already possess, upon their request.
- Suspended for four months art.13 of CVM #476 when, alternatively or cumulatively: a) the acquirer is a professional investor; and b) a security issued by a company registered with the CVM.
- CVM deliberation #848/20 - Postponed certain deadlines that were due during 2020 according to CVM, as well as the end of the vacancy period of CVM's Instruction #617/2019 that provides suspension of the deadlines related to administrative penalties of the CVM.
- ORDINANCE /INPI #119/20- INPI - Reduced customer service operation, online public service only and suspension of terms.
- ORDINANCE/INPI/#120/20 – Suspension of deadlines from 16 March 2020 until 14 April 2020.
- MP #936/20 – Complementary labor measures to reduce the work hours and salaries of the employees, temporary suspension of the work contract, complementation of the worker's salary amount reduced through the unemployment insurance. The compensatory aid paid by the employer may be excluded from income tax and social contribution tax basis for calculating the net profit. This measure is applicable for companies under actual profit method calculation. The measure was approved by the Chamber of Deputies on 28 May 2020, and is pending of Senate review. The MP had a validity of 60 days, starting on 1 April 2020, and it was extended for another 60 days.
- Ordinance #10,486 regulates the government's emergency benefit to employees (MP #936).
- Brazilian Central Bank announced the temporary suspension of profits distribution and increase in the remuneration of bank managers and other financial institutions until 30 September 2020.
- Resolution #4.786 - Central Bank of Brazil authorized to grant loan operations through the Special Temporary Liquidity Line.
- MP #944/20– Established the Emergency Employment Support Program, aimed at credit operations for companies with gross annual revenue between R$360,000 and R$10 million in 2019. It is exclusively for employees' payroll and it is limited to two minimum wages (up to R$ 2,090.00) per worker.
- MP#946/20 - Temporary authorization for withdrawal of FGTS balance from 15 June to 31 December 2020, up to R$1.045 per worker. PLP 149/19 - The Chamber of Deputies approved a complementary bill for the Union's financial aid to states,
- Federal District and municipalities to compensate for the ICMS and ISS collection of 2020 in relation to 2019. The funds will be delivered from May to October and refer to the difference in collection, if any, between April to September. This measure awaits Senate approval.
- IN DREI #79/20 - Set the protocols for participation and remote voting, authorized by the MP #931, for public and limited liability companies (SA, Ltda.) and cooperatives meetings.
- Deliberation #855/20 - Established procedures for conducting judgment sessions exclusively by videoconference during the COVID-19 crisis.

Brazil (continued)

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Return to jurisdiction list

Personal tax

- New deadline to submit DCBE (Declaration of Brazilian Capital Abroad).
- Up to 1 June 2020 for annual declaration (31 December 2019 as reference date); and between 15 and 31 July for the first quarter 2020.
- The deadline to submit the Individual Income Tax Return has been extended for 60 days, from 30 April to 30 June 2020.
- IN #1930/20 Extended for 60 days the deadline to submit the Individual Income Tax Return, going from 30 April 2020 to 30 June 2020.
- PL 1297/20 – project of law that establishes that the income tax refund can be made to the tax payer up to 30 days after the submission of the individual income tax. (Pending approval).
- IN #1934/20 - extended the deadline to submission and payment until 30 June 2020 of the estate and definitive country exiting declarations.

VAT, GST and trade

- Reduction to 0% of the Import Duty due on import of products necessary to counter COVID-19 until September 2020. Products are listed on Annex I of CAMEX Resolution #17/20; #22/20, #28/20, #31/20, #32/20, #44/20 and #52/20
- IN #1,927 - Simplification and acceleration of customs clearance process for products related to counter COVID-19 (fixed assets and raw materials).
- Reduction to 0% of Excise Tax for local and imported products (Decree #10.285/20 and 10.302/20) necessary to counter COVID-19 until the end of September 2020.
- SECEX Ordinance No. 18/2020 - Suspension of import license of products subject to anti-dumping measures: plastic tubes for blood test and disposable syringes. Resolution 23/2020 suspended the anti dumping, until 30 September 2020 for these products. Circular #22 extended for two months, from 1 May 2020, the deadline for review of the anti-dumping duty applied to exports to Brazil of cold line glasses.
- SECEX Ordinance #16/20 and SUEXT Export Notice #08/20 - establish Special Export License for products destined to counter COVID-19.
- Law #13.979/20 - Exceptional and temporary authorization for the importation of products subject to sanitary surveillance without registration with ANVISA, as long as registered by a foreign health authority and foreseen in the acts of the Ministry of Health.
- Ordinance 139/20 - Postponed the contributions of PIS/COFINS and INSS (the employer's contribution to Social Security). The contributions due on March-April were postponed to July/September. Ordinance #150.
- IN #1932 - Postponed the deadline to submit the DCTF of April–June to the 15th business day of July.
- #1,929/20 - lists products subject to priority customs clearance related to COVID-19.
- Decree #10,318/20 – reduced to zero the rate of PIS and Cofins levied upon sales and importation of zinc sulfate (classified in the tariff codes 3003.90.99 – bulk and 3004.90.99 – retail). The measure will be valid up to 30 September 2020.
- PLC #149/19 - the Chamber of Deputies approved a complementary bill for the Union's financial aid to states, Federal District and municipalities to compensate for the difference of the ICMS and ISS collection of 2020 compared to the collection in 2019. The difference of the collection between 2019 and 2020 will be payed from May to October.
- Ordinance ME #158 - Reduced to 0% of the Import Duty due on import of products shipped by postal services or airmail, up to U$10.000 or the equivalent in another currency, until 30 September 2020. Products are listed in the Annex of the ordinance.
- Decree #10,278/20 - Established the requirements to digitalize public or private documents, in order to scanned documents produce the same legal effects as original documents.
- Siscomex Notice #16/20 - Implementation of the full exemption from ICMS per screen in the Centralized Payment module of the PCCE, waiver of the requirement of presenting the physical document for the removal of load in the warehouse.
- Siscomex Notice #17/20 - Flexibility in the receipt of instructing documents customs clearance by digital means.

VAT, GST and trade (continued)

- Siscomex Notice #18/20 - Ratification of the legal effects of the original documents received electronically based on Decree nº 10.278 / 2020
- Siscomex Notice #20/20 - Expedited parameterized consent for the import license requests involving goods classified under NCM subject to COVID-19 counter
- Siscomex Notice #21/20 - The information related to operations with payment over a period of more than 360 days, or without exchange coverage for reasons 30, 57, 66 and 70, must be provided in its own field, providing greater control by the RFB
- Siscomex Notice #23/20 - Waiver of the SUEXT's consent license, for the items that the legislation specifies
- Siscomex Notice #08/20 - Requirement of "Special export license for products to counter COVID-19" to complete the export of such products. This is an exceptional measure to counter the COVID-19 pandemic. Protectionist measure to prevent the export of the items listed during the pandemic period
- Ordinance SUEXT #16/20 - Monitoring by requiring export authorization and licensing of the items listed in order to protect internal supply
- Ordinance SUEXT #18/20 - Suspended the import licensing requirement for the products listed on the ordinance
- IN #1,933/20 - Suspended until 30 September, the deadline for exporters of precious or semi-precious stones and jewelry, on consignment, to proceed with the return to the country of those sent on consignment and not sold abroad, or for the definitive exportation of those that are sold
- RDC #348/20 and #356/20 – Simplified the requirements for the manufacture, import and purchase of medical devices identified as a priority, such as surgical masks
- RDC #366/20 - Imports of goods for in vitro diagnosis of COVID-19 may be carried out through the Import Licensing (SISCOMEX) and Express Shipping modalities
- State Law #17893/20 – The Santa Catarina State announced the exemption of the ICMS payment on goods and medical equipment (national and imported) related to the COVID-19 pandemic until September 2020
- State Law #11.107/20 – State of Mato Grosso reduced the internal ICMS tax rate to 7% on medical product (e.g. alcohol; inputs for the manufacture of alcohol gel, medical gloves; medical masks) and to any products indicated by the Ministry of Health for the prevention and treatment of COVID-19
- District Decree #40.549/20 – Federal District exempted from ICMS internal output and medical products (e.g. alcohol; Inputs for the manufacture of alcohol gel, medical gloves, medical masks)
- State Decree #622/20 – State of Para reduced the internal ICMS tax rate to 7% on medical product (e.g. alcohol, medical gloves, medical masks
- IN #1.936/20 - Changed the customs import clearance, due to the COVID-19, by extending for 60 days the submission of the certificate of origin of imported goods as long as the commercial invoice contains the exporter number and description of the goods; and the amount of taxes levied on imports that are no longer collected or which benefit from suspension of payment
- MP #960/20 - The deadline of the payment of suspended taxes foreseen in the Drawback Suspension
- ME Ordinance 245/20 - Postponed the contributions of PIS/PASEP/COFINS. The contributions due in May have been postponed to October 2020

VAT, GST and trade (continued)

- IN #1940/20 - Specified that the limit on the Ordinance ME #158 of US$10,000.00 will be for imports made by: I - individual of finished products belonging to the classes of medicines under the conditions or II - individual/legal entity of the goods classified in the codes of the NCM.
- IN #1947/20 – Authorized, until 30 September 2020, the requests for application and extinction of application of customs regimes to be formalized through a digital service dossier (RFB IN #782 and #1,783) based on the beneficiary's request. Suspended until 30 September, the deadlines for carrying out procedural acts related to the temporary admission and exportation regimes of goods transported under the protection of ATA and the deadlines for returning goods with temporary exit authorized (IN SRF #300), which were in progress as of 4 February 2020. Also exempted the verification of goods, including vehicles, in the situations referred to IN SRF #300, when the available information or other means make it possible for customs inspection to properly identify the asset and ensure that it is within the corresponding incentive area.
- IN #1944/20 - Replaced the list of imported products, annex II of IN #680, which are authorized to be delivered after the registration of the corresponding import declaration and before the conclusion of the customs conference at the request of the importer, due to Emergency Public Health of National Importance (Espin).
- Law #13.993/20 - Suspended the export of medical materials (e.g. hospital beds, mechanical ventilation device, monitors and equipment for personal protection) necessary to counter COVID-19.
- Ordinance ME #194/20 - Replaced the annex of the Ordinance MF #156/99, listing the medical products sent by post or airmail (up to US$10,000) that are entitled to the import tax exemption.
- IN #1947/20 - Replaced the list of imported products, annex II of IN #680, which are authorized to be delivered after the registration of the corresponding import declaration and before the conclusion of the customs conference at the request of the importer, due to Emergency Public Health of National Importance (Espin).
- MP #973 - Amends the Law No. 11,508/07, modifying the percentage of gross revenue for legal entities authorized to operate in a Processing Zone Exports (ZPE) for the calendar year of 2020.
- IN #1955/20 - replaces the list of imported products, annex II of IN 680, which are authorized to be delivered after the registration of the corresponding import declaration and before the conclusion of the customs conference at the request of the importer, due to Emergency Public Health of National Importance (Espin).
- SISCOMEX Notice #38/20 - products covered by the NCM indicated in this notice are exempt from the requirement of the "Special export license for products to counter COVID-19" (E00115), instituted by Secex Ordinance #16/20.
- IN #1,960 - reduced by 50% the thresholds of industrialization and export for the Special Customs Regimes of Industrial Warehouse under Computerized Control (Recof) and Computerized Control of the Public Digital Bookkeeping System (Recof-Sped), for the period between 1 May 2020 and 30 April 2021. The period of validity of the regimes or its extension will be extended in 1 year for goods admitted to the regimes between 1 January 2019 and 31 December 2020.

Business tax

- Resolution #152 - "Simples" system: Postponement of tax collection - Postponement for six months of the deadlines for the payment of debts with mature date originally established at April 2020, May 2020 and June 2020.
- FGTS MP #927:
  - Suspension of the due date for tax collection of FGTS related to March, April and May 2020, including housekeepers (Circular #893).
  - Payment of the FGTS of these months in instalments, without triggering interest and penalties, in up to six instalments, with due date on the 7th of each month, as from July 2020.
- MP #927: authorizes the extension of the validity of the certificate of fiscal regularity issued jointly by the RFB and the PGFN, related to federal taxes and federal past-due liability roster (dívida ativa), up to 180 days in the event of a public calamity.
- CARF Ordinance 8,112/20: the deadlines suspended, until 30 April 2020, for the practice of procedural acts in administrative proceedings within the scope of the Administrative Council for Tax Appeals (CARF).
- Postponement of deadlines related to collection assessments in 90 days and facilitation to join debts program (REGULARIZE).
- RFB Ordinance #543/20: suspension of deadlines with RFB and administrative processes until 29 May 2020.
- Suspension for 90 days of deadline to present Requests, Defense or Appeal to PGFN (Until 06/18/20) (Ordinance PGFN no. 7821/20)
- Joint Ordinance RFB/PGFN # 541/20: Extension, until 31 December 2020, of minimum instalment amount necessary for the request of instalment to PGFN or RFB.
- Resolution CGSN#153 - extended to 30 June 2020 the deadline to submit the Defis and DASN-Simei.(Simples Regime).
- Circular/CVM/SNC/SEP/#02/2020 - Guidelines to report the impact and risks of COVID-19 on the financial statements of publicly held companies.
- Res. #846 - Extends the period of interruption of the analysis period for public offerings for the distribution of securities submitted for registration, as well as that related to the registration of issuer New deadline date is up to 180 days.
- Joint Ordinance #555: Postponement, for additional 90 days of the date until a Debt Clearance Certificate (CND) and CPEND are valid (for certificates issued and valid on 24 March 2020).
- Joint Ordinance #1178: Postponement, for additional 30 days of the Debt Clearance Certificate (CND) and CPEND are valid (for certificates issued and valid on 24 March 2020).
- Decree #10.284/20 - authorized the postponement of the due date for the payment of air navigation fares/tariffs during the period of COVID-19 pandemic.
- State Decree # 64.879/20 - Services as the board of trade of the state of São Paulo (JUCESP), reduced customer service operation, online public service only. Attorney General of the State suspended, for 90 days, abusive acts that lead to a protest of debts registered in the active debt.
- MP #930/20 investments made by financial institutions and other institutions in a controlled company established abroad:
  - from FY2021, the exchange variation of the portion with risk coverage (Hedge) shall be computed in the determination of the actual profit and in the (cont.)calculation basis of the Social Contribution on Net Income of the controlling entity domiciled in the country: I – 50%, in the FY2021; and II – 100%, from the FY2022.
- For bankruptcy or extrajudicial liquidation of financial institutions decreed after the date of the publication of this provision, the presumed credit "bad debt" (Law #12.838) will be applied until 31 December 2022, to the balance of credits arising from tax loss and negative social contribution base resulting from hedging operations of the foreign exchange risk in a controlled company domiciled abroad.

Business tax (continued)

- MP #932/20 reduced the contribution rates for the Sistema S during the three months starting in April. The new contribution rates are:
  - Sescoop 1,25%; Sesi, Sesc and Sest 0,75%; Senac, Senai and Senat 0,5%; Senar 0,1% 0,125% and 1,25%. Sebrae will allocate at least 50% of the additional contribution to the Guarantee Fund for Micro and Small Enterprises (GFMSE).
- Decree 10.305/20 – Reduced the IOF rate to ZERO for credit transactions made between 3 April 2020 to 3 July 2020. The reduction was postponed to additional 90 days, ending on 3 October 2020.
- Ruling COSIT #32/20 - Allows register of PIS credits under non-cumulative regime when, by legal imposition, companies allocate workers in activities of producing goods or providing services and provide personal protective equipment (EPI).
- PL 985/20 – Project of law approved by the Chamber of Deputies postponed up to 90 days, the payment of social security contributions by companies. It also suspended fines for non submission of the DEFIS; LCDPR; ECD; ECF; DCTFWeb; EFD-Contributions; EFD-Reinf. Pending Senate approval.
- IN #1,935/20 - Extended the list of online services to be provided by Brazilian IRS (e.g., orientation on open debts, instalment payments, and refund requests).
- Ordinance #9.924/20 – Revoked Ordinance #7820 and established the conditions for an extraordinary transaction in the collection of the Union's active debt, due to the COVID-19 for debtors registered in the DAU, requiring a down payment of 1% of the total amount of the debt, divided into up to three equal and successive instalments and the remainder within 81 months for the extraordinary transaction in the collection of the Union's active debt. For social security debts, the instalment will be divided in up to 142 months.
- Ordinance ME #103/20 - Suspended for 90 days the deadlines for the defense of taxpayers in administrative proceedings for the collection of the Union's active debt, submission of Active Debt Certificates for extrajudicial protest, new procedures for collection and taxpayer accountability, and procedures for termination of instalments due to default. It also allows a proposal for a negotiation program regarded to debts registered in the Federal Government's active debt.
- MP #952 – postponed the deadline for the payment of taxes on telecommunications services (TFF), audiovisual (Condecine) and public Broadcasting (CFRP) from 31 March to 31 August 2020. For Condecine tax, the postponement will be granted if the requirements are met under MP #2.228/01
- Ordinance #7.280 and #8.457 - Established the procedures, requirements and conditions necessary for the extraordinary transaction in collecting the outstanding debt of the Union whose enrollment and administration devolve to the Attorney General of the Treasury, due to the effects of COVID-19.
- PGFN Ordinance #10.205/20 - Modified Ordinance PGFN #7,821, suspending for 90 days the initiation of procedures for exclusion of taxpayers from the National Treasury Attorney General's Office instalment programs, due to default of instalment payments since February 2020.
- ME Ordinance #201/20 - Postponed the deadline of the monthly instalments related to the instalment agreements between taxpayer and RFB and PGFN. The new deadline for the instalments is until the last business day of the following months: May to August 2020, June to October 2020, and July to December 2020. The measure does not apply to instalments under the Simples Regime for the collection of taxes and contributions.
- IN #1950/20 - Deadline for the submission of the ECD (Digital Accounting Bookkeeping) for the calendar year of 2019 was postponed to the last business day of July 2020, including in cases of extinction, incorporation, merger and total or partial spin-off of the legal entity.
- Ordinance #961/20 - Postponed the FGTS payment for up to six months. The instalments maturing between March and August 2020 that have been defaulted will not result in the automatic termination of the instalment plan. In the case of payment of the instalments, the reprogramming of the instalments maturity that remain open as of September 2020 is authorized. For new instalment agreements signed until 31 December 2020, there will be granted a grace period of 90 days for the beginning of the maturity of the instalments part of the agreement.
- Resolution CGSN #155/20 - Postponed the deadline of the monthly instalments related to the SIMPLES regime and SIMEI instalment agreements administered by SERFB and PGFN. The new instalments deadline is the last business day of the following months: from May to August 2020, from June to October 2020, and from July to December 2020.

Business tax (continued)

- Ordinance #14.402/20 - Regulates the procedures, requirements and conditions for an extraordinary transaction in the collection of the Union's active debt, which the registration and administration is incumbent upon the Attorney General of the National Treasury, due to the effects of the COVID-19 pandemic with a view to receiving enrolled credits. The credits in the process of judicial execution or object of the previous instalment terminated, suspended or not, whose updated value to be negotiated is equal to or less than R$ 150M, are allowed for the extraordinary transaction. The measure allows instalments of up to 133 months and up to 100% discount on fines and interest.
- Joint Ordinance SECINT/RFB 25/2020: suspends the fulfillment of ancillary obligation related to services (SISCOSERV) from 1 July 2020 to 31 December 2020. The registers that would occur during this period shall be informed as of 1 January 2021.
- Normative Instruction #1965/2020: The deadline to file the Brazilian Corporate Income Tax Return (ECF) has been postponed to last day of September 2020 (it was originally due by 31 July 2020).

Links and resources

Government materials

Imported products subject to Import Duty Reduction:

- http://www.in.gov.br/en/web/dou/-/resolucao-n-17-de-17-de-marco-de-2020-248564246
- http://www.in.gov.br/en/web/dou/-/resolucao-n-22-de-25-de-marco-de-2020-249807290
- http://www.in.gov.br/en/web/dou/-/resolucao-n-28-de-1-de-abril-de-2020-251062799
- http://www.in.gov.br/web/dou/-/resolucao-n-31-de-7-de-abril-de-2020-251704729

Products subject to IPI exemption:

- http://www.planalto.gov.br/ccivil_03/_Ato2019-2022/2020/Decreto/D10285.htm

Products subject to priority customs clearance (annex):

- http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?visao=anotado&idAto=108156

Imported products subject to Import Duty Reduction shipped by postal services or airmail:

- https://www.lex.com.br/legis_28008925_PORTARIA_N_158_DE_15_DE_ABRIL_DE_2020.aspx

- Imported products subject to Import Duty Reduction shipped by postal services or airmail: https://www.lex.com.br/legis_28008925_PORTARIA_N_158_DE_15_DE_ABRIL_DE_2020.aspx

Siscomex Importers -

- http://www.siscomex.gov.br/importacao/importacao-n-016-2020/
- http://www.siscomex.gov.br/importacao/importacao-n-017-2020/
- http://www.siscomex.gov.br/importacao/importacao-n-018-2020/

Siscomex Importers-

- http://www.siscomex.gov.br/importacao/importacao-n-020-2020/
- http://www.siscomex.gov.br/importacao/importacao-n-021-2020/
- http://www.siscomex.gov.br/importacao/importacao-n-023-2020/

Siscomex Exporters:

- http://www.siscomex.gov.br/exportacao/exportacao-n-008-2020/

SUEXT –

- http://www.mdic.gov.br/images/REPOSITORIO/secex/gab/portarias_secex_2020/Portaria_SECEX_016_2020.pdf
- http://www.mdic.gov.br/images/REPOSITORIO/secex/gab/portarias_secex_2020/Portaria_SECEX_018_2020.pdf

Collegiate Board Resolution RDC

- http://portal.anvisa.gov.br/documents/10181/5815062/RDC_348_2020_.pdf/ea3791b2-ca73-4ae9-83b8-1882f1e80662
- http://portal.anvisa.gov.br/documents/10181/5809525/%281%29RDC_356_2020_COMP.pdf/ac8cc717-4eed-43ee-938f-5c0b3a6db4cd
- http://portal.anvisa.gov.br/legislacao#/visualizar/417918

British Virgin Islands

- Contact: Gareth Chatkin – Tax
- Contact: Bill Bailey – Tax

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- Cabinet passed the Financial Services (Exceptional Circumstances) Bill on 30 March 2020. This bill makes special and urgent provisions for temporary disruption in the financial services industry.
- The Government is planning to introduce a number of economic stimulus packages to benefit residents impacted by the COVID-19 pandemic. Details to be released at a later date.
- The BVI Government has approved an economic stimulus program to assist the territory due to the impact of COVID-19 and approved $2 million allocation to the Health Emergency Operations Centre (HEOC) for the purpose of food provisioning for those who are unable to afford food.

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Other measures

- Regarding the Foreign Account Tax Compliance Act (FATCA), the BVI International Tax Authority (ITA) currently expects to maintain its operational framework and meet its international obligations and does not expect to make any changes to previous announcements. It will extend the FATCA enrollment deadline to 31 July 2020 and extend the filing deadline to 31 August 2020.
- Regarding Common Reporting Standards (CRS), the enrollment deadline has been extended to 30 June 2020 and the filing deadline to 31 July 2020.
- Regarding Economic Substance, where possible, recourse should be had to appointment of alternate directors in the BVI to meet substance requirements; all directors do not have to attend Board meetings in the BVI – only as many as required (to allow social distancing protocols to be followed); virtual meetings may be preferred; only Board meetings related to CIGA need to be held in the BVI; where it is not possible to hold meetings in the BVI due to the COVID-19 outbreak, entities should retain documentation to support such claims.
- Financing & Money Services (Amendment) Act 2020 passed which requires a 7% tax to be levied by money transfer agencies on all monies leaving the territory.
- Regarding Company filings, all filings and registrations can be done electronically through the VIRRGIN system; Investment business licensees, mutual funds, and approved managers were encouraged to comply with 31 March 2020 deadline for payment of annual license fees; FSC will not apply nor issue penalty fees for late submission until after 30 April 2020.
- Court searches are available and will be available during the 24-hour curfew period for Registry staff only.
- Company searches can be performed electronically through the VIRRGIN system.
- Trademark and Patent searches have been suspended during the curfew period.

Links and resources

Government materials

- https://bvi.gov.vg/media-centre/update-economic-substance-during-covid-19-pandemic
- https://bvi.gov.vg/media-centre/premier-fahie-bvi-financial-services-we-are-open-business%20

Bulgaria

- Contact: Evguenia Tzenova – Tax Desk
- Contact: Milen Raikov – Tax Desk

- Last updated: 9 September 2020

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Return to jurisdiction list

Overview

- On 13 March 2020 the Government announced a state of emergency followed by imposing strict quarantine measures on 20 March 2020.
- On 23 March 2020 the Government adopted legislative changes to meet the economic needs of the business and the individuals. Generally, the changes concern extension of the legally established deadlines for tax reporting and payment by both businesses and individuals.
- Bulgarian companies that have been most severely hit by the COVID-19 measures as well as companies declaring a decrease in their income of minimum 20% as compared to the same period in 2019 are entitled to a salary compensation of up to 60% of the insurable income of their employees for May 2020 plus 60% of the social and health insurance contributions paid by the employer. Employers will be entitled to such compensation for a maximum period of three months, until 30 September 2020.
- Preferential loans for local SMEs operating in all economic sectors that suffer from the effects of the COVID-19 outbreak: The maximum amount of the loans is up to BGN 300,000 under the measure and the Bulgarian Development Bank will provide guarantee cover up to 80% of the granted loans. The deadline for applications under the measure is 23 December 2020.
- Encourage foreign and local investors in Bulgaria: An additional BGN 9.5 million is provided to the budget of the Ministry of Economy to encourage investments of local and foreign enterprises implementing investment projects under the Investment Promotion Act.
- Direct grant in support of tour operators affected by the coronavirus outbreak: Tour operators are entitled to receive €35 for each passenger that booked a travel package with them, which includes a flight into Bulgaria for flights with a capacity of over 100 seats. The measure is open to all tour operators and carriers regardless of the country of registration with a valid license for the implementation of charter flights to Bulgaria for tourism purposes. The support will not exceed EUR 800,000 per company. Eligibility is restricted to flights between 14 May and 31 December 2020.

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 to 30 June 2020.The deadline for using a 5% discount for early filing and payment for them is extended from 31 March to 31 May 2020.
- For the rest of the individuals, the deadlines under the PITA remain unchanged - the annual tax returns are to be submitted within 30 April 2020. A 5% discount of the tax due is applicable in case of electronic filing of the declaration and payment of the tax by 31 March 2020.

Bulgaria (continued)

VAT, GST and trade

- VAT reduction on services provided by restaurants or catering companies, books, baby foods, baby diapers and similar hygiene products for babies from the standard 20% to 9%. The measure will apply from 1 July 2020 to 31 December 2021.
- VAT reduction on tour operators' services, beer and wine provided as a part of restaurant/catering services, and the use of certain sports facilities to 9 % for the period from 1 August 2020 to 31 December 2021.
- Relief of garbage collection fee for particular category of enterprises. The relief applies to enterprises that ceased their activities in municipal real estate due to the state of emergency declared on 13 March 2020 as a result of the COVID-19 pandemic. The municipalities may exempt this category of enterprises from the payment of the garbage collection fee for a certain period of time.

Business tax

- The deadline for filing of FY19 Corporate Income Tax Return (CITR) and paying the tax, as well as the deadline for payment of the tax on expenses, are extended to 30 June 2020.
- All other deadlines for declaring and paying taxes under the Corporate income tax Act (CITA) and tax on vehicles and reals estate are extended to 30 June 2020 (instead of 31 March 2020). The deadline for filing of annual statistical reports are also extended to 30 June 2020.
- The advance monthly CIT installments for FY20 should be declared as follows:
  - If, prior to the entry into force of these measures, an annual CIT return for FY19 was filed, the advance payments shall be determined based on the declared taxable income therein. If necessary, later the taxable person could file a corrective tax return;
  - If by 15 April 2020, the FY19 CIT return is filed, the advance payments shall be determined based on the declared taxable income therein;
  - If the FY19 CIT return is not filed by 15 April 2020, the advance payments shall be declared by filing an annual CIT return in this deadline, completed only in the part related to the advance payments.

Links and resources

Government materials

- Ministry of Finance: *Changes related to tax requirements and publication of financial statements in the period of emergency* *(only Bulgarian version available)*
- National Revenue Agency: *Declaring and paying taxes and social security contributions during the state of emergency* *(only Bulgarian version available)*
- The Law on Measures and Actions during the state of emergency announced by a decision of the National Assembly on 13 March 2020 *(only Bulgarian version available)*
- National statistical institute: *Annual report on the activity of enterprises 2019* *(only Bulgarian version available)*
- Bulgarian Employment Agency: https://www.az.government.bg/pages/izplashtane-na-kompensacii-za-zapazwane-na-zaetostta/ *(only Bulgarian version available)*
- Ministry of Tourism https://www.tourism.government.bg/en/kategorii/covid-19/state-aid-tour-operators-which-use-air-carriers-valid-operating-license
- Bulgarian Development Bank https://bbr.bg/en/p/financial-support-for-victims-of-covid-19/anti-crisis-program-to-support-sm-es

Cambodia

- Contact: Robert M King - Tax
- Last updated: 10 April 2020

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Return to jurisdiction list

Overview

- Responding to COVID-19 spread and its impact on the Cambodian economy, in particular on the garment and tourism and hospitality sector, the Prime Minister has issued various Decisions relating to the policies and measures that will provide measures and incentives to support the economy recovery.

Personal tax

- In response to COVID-19, from 10 April 2020, the government will contribute US$40 per month for two months to support individuals who are working in the garment and tourism sector and are suspended from their employment.
- Employers are exempt from paying national social security fund contributions for employees during business suspension.
- Delay the time for paying the seniority payment.
- There is an exemption from penalties for late renewal of work permit for 2020.

VAT, GST and trade

- From February to May 2020, hotels and guesthouses operating in Siem Reap are exempted from their monthly tax payment including VAT.

Business tax

- Taxpayers can upload scanned tax returns to e-Tax Services from February to June 2020, while the hard copy tax returns can be filed within three months of the statutory deadline.
- Garment manufacturers are exempted from annual tax on income for a period from six months to one year depending on the actual impact.
- Casinos are exempted from making fixed gaming tax from April 2020 until their operations resume.
- Airlines in Cambodia are exempted from 1% Minimum Tax and Prepayment Tax on Income for 3 months from March to May 2020.
- Tourism business in Phnom Penh, Siem Reap, Preah Sihanouk, Kep, Kampot, Bavit and Poipet provinces/cities are exempted from monthly tax payments from March to May 2020 and allowed to pay monthly instalment of annual tax on income liability from the due date 31 March 2020 until November 2020.
- No tax audit for 2020 tax-year operations for hotels and guesthouses operating in Siem Reap.

Cameroon

- Contact: Brigitte Keirby-Smith
- Last updated: 12 May 2020

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Return to jurisdiction list

Overview

- On 30 April 2020, the Cameroon Government introduced economic measures in response to the COVID-19 pandemic.

Personal tax

- Suspension of general accounting checks for the second quarter of 2020, except in the event of suspicious tax behavior.
- Deferral for up to three months of social contribution payments due in the months of April, May and June 2020, on justified request.

VAT, GST and trade

- Suspension of general accounting checks for the second quarter of 2020, except in the event of suspicious tax behavior
- Clearance of stocks of VAT. credits awaiting reimbursement by making available to companies a budget of CFA25 billion.
- Temporary suspension for a period of three months, of the payment of parking and demurrage fees in the ports of Douala and Kribi for basic necessities.

Business tax

- Taxpayers may postpone the deadline for the filing of Annual Statistical and Fiscal Statements without penalties, in the event of payment of the corresponding balance (no specific postponement deadline is provided. In practice, taxpayers can freely request for an extension of deadline).
- Granting of moratoriums and deferred payments to companies directly affected by the crisis, including suspending forced recovery measures against them.
- Suspension, for a period of three months, namely April, May and June, of on-the-spot checks by the National Social Security Fund (CNPS).
- The cancellation of penalties for late payment of social security contributions due to the CNPS, on justified request.
- Deferral for up to three months of social contribution payments debt due in the months of April, May and June 2020, on justified request.
- Total deductibility for the determination of Corporate Income Tax of donations and gifts made by companies for the fight against the COVID-19 pandemic.

Links and resources

Government materials

- https://www.spm.gov.cm

Canada

- Contact: Fred O'Riordan – Tax Policy
- Last updated: 28 July 2020

Return to jurisdiction list

Overview

Federal

- On March 18, 2020, Prime Minister Trudeau announced a new set of economic measures to help stabilize the economy to be delivered as part of the Government of Canada's COVID-19 Economic Response Plan. Since being announced, a number of these new measures have been periodically expanded, and they were in addition to a coordinated package of measures to support the functioning of markets, the resilience of the financial sector and continued access to financing for Canadian businesses that has also been periodically amended since being announced on March 13, 2020 by the Minister of Finance, Governor of the Bank of Canada and Superintendent of Financial Institutions.

Provinces and Territories

- All Canadian provincial and territorial governments have now also announced stimulus measures and these are also summarized here.

Personal tax

- **Individuals: Extended tax return filing deadline** – For individuals (other than trusts and deceased individuals), the 2019 personal tax return (T1) filing due date is deferred until 1 June 2020; for deceased individuals who died between 1 January and 31 October 2019, the filing deadline is deferred until 1 June 2020 (or 15 June 2020 for deceased self-employed individuals); and for deceased individuals who died after October 2019 and before 1 June 2020, the filing deadline is deferred until the later of 1 June 2020 (or 15 June 2020 for deceased self-employed individuals) and six months after their death. However, late-filing penalties will not be charged if payments are made and the return is filed by 30 September 2020. This extension (and the non-application of late-filing penalties) also applies to Form T1135, *Foreign Income Verification Statement*, and, subject to certain exceptions, any other forms tied to the T1 filing deadline (see **Individuals and Trusts: Deferral of administrative income tax actions** below). Individuals are encouraged to file their returns before September to ensure the proper calculation of benefit entitlements (see **Canada Child Benefit and GST/HST credit payments for 2020-21 benefit year** below) and to ensure timely receipt of any tax refund owing to them.
- **Individuals: Deferred payment of income tax** – The payment of any income tax amounts that become owing on or after 18 March 2020 and before 30 September 2020 may be deferred until ~~1~~30 September 2020; however, for deceased individuals who died after October 2019 and before 1 June 2020 (or 15 June 2020 for deceased self-employed individuals) payment may be deferred until the later of 1 September 2020 or 6 months after their death. This measure applies to income tax balances and instalments owing under Part I of the *Income Tax Act* (i.e., therefore, this deferral does not apply to remittances and tax payments owing under various other parts of the *Income Tax Act*, such as Part XIII withholding tax). The deferred payments will not be subject to interest or penalties during this period.
- **Electronic signatures** – Effective immediately, the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, on a temporary administrative basis only. This measure will apply to authorization Form T183, *Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return*.
- **Trusts: Extended tax return filing deadline and deferred payment** – For trusts with a 31 December 2019 taxation year-end, the tax return (T3 return) filing due date is deferred until 1 May 2020; for trusts with a filing due date after 30 March and before 31 May, the filing due date is deferred until 1 June 2020; for trusts with a filing due date on 31 May, or in June, July, or August, the filing due date is deferred until 1 September 2020. Also, all trusts that have an upcoming income tax balance due date or an income tax instalment payment due date before 30 September 2020, will have their payment due date deferred until 30 September 2020 (this payment deferral also applies to the Part XIII remittance requirement associated with income paid or payable to non-resident beneficiaries). The CRA has indicated that penalty and interest implications for upcoming trust tax obligations not covered by this relief will be considered on a case-by-case basis.
- **Trusts: Extended information return filing deadline** – The deadline for trust information returns (T3 slips and T3 Summary) is also deferred until 1 May 2020 for trusts with a 31 December 2019 taxation year-end, until 1 June 2020 if the information return is due after 30 March and before 31 May, and until 1 September 2020 if the information return is due on 31 May, or in June, July, or August.

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 29 - Update on Canada Emergency Wage Subsidy
- EY Tax Alert 2020 Issue No. 28 - Canada Emergency Wage Subsidy
- EY Tax Alert 2020 Issue No. 27 - Deferral of customs duties and import GST payments
- EY Tax Alert 2020 Issue No. 25 - Additional filing deadline extensions
- EY Tax Alert 2020 Issue No. 24 - Temporary wage subsidy program
- EY Tax Alert 2020 Issue No. 20 - Additional tax measures and guidance
- EY Tax Alert 2020 Issue No. 15 - Canada's Economic Response Plan
- EY Tax Alert 2020 Issue No. 14 - Tax measures to support Canadians and businesses

Government materials

- Finance Canada Economic Response Plan
- Canada Revenue Agency COVID-19 update
- Canada Revenue Agency - collections-audits-appeals
- CBSA news release (re. import of US vehicles)
- Federal Bill C-13, COVID-19 Emergency Response Act
- Federal Bill C-14 - COVID-19 Emergency Response Act No. 2

Return to jurisdiction list

Personal tax (continued)

- **Individuals and Trusts: Deferral of administrative income tax actions** – Deferral to 1 June 2020 of administrative income tax actions (other than income tax return filing and payments deadlines outlined above) due after 18 March 2020 and before 31 May 2020, including the filing of information returns, forms, elections, designations, and responses to information requests. This deferral does not apply to payroll deductions (including related activities) nor to Form T661, Scientific Research and Experimental Development (SR&ED), Form T2038(IND), Investment Tax Credit (Individuals), or related forms, receipts, documents, or prescribed information. A similar deferral to 1 September 2020 applies to administrative income tax actions due on 31 May, or in June, July, or August 2020 (presumably the exception for Form T661, Form T2038(IND), etc., also applies to the deferral to 1 September).
- **GST credit: One-time special payment** – On 9 April 2020, a one-time special payment will be made through the GST credit to assist low- and modest-income individuals and families. The special payment will double the maximum annual GST credit amounts paid for the 2019-20 benefit year. The estate of a deceased individual is eligible to receive the one-time special payment if they were eligible for any GST/HST credit quarterly payments in the 2019-2020 benefit year (July 2019 – June 2020).
- **Enhanced Canada Child Benefit payments** – On a one-time basis, for the 2019-20 benefit year only, the maximum annual Canada Child Benefit payment amounts will be increased by $300 per child. The increase will be included as part of the May 2020 payment.
- **Canada Child Benefit and GST/HST credit payments for 2020-21 benefit year** – Individuals who are currently receiving Canada Child Benefit payments or the GST/HST credit for the 2019-20 benefit year and who have not been able to file their 2019 income tax return by 30 April (and are taking advantage of the extended personal tax return filing deadline to 1 June) will continue to receive benefit and/or credit payments until the end of September 2020, with the payment amounts being based on their 2018 tax return information. If 2019 tax returns are not received and assessed by early September 2020, the estimated benefit/credit payments will stop in October 2020 and the individual will have to repay the estimated amounts that were issued as of July 2020.
- **RRIF withdrawals and RPP payments** – Effective immediately, the required minimum withdrawals from RRIFs will be reduced by 25% for 2020 (the unreduced minimum amounts will continue to apply though for the purposes of applying certain exemptions under the Income Tax Act). A similar reduction is introduced for individuals receiving variable benefit payments under a defined contribution RPP.
- **Temporary measure re. already filed paper returns** – Beginning on 20 April 2020, the CRA will allow an electronic filer to submit a personal tax (T1) return for their client, even if a paper return has already been filed for the tax year, but has not yet been processed; the same applies for unprocessed requests sent by mail to change a return. This temporary measure excludes returns where the CRA's web response stated that the return must be paper filed, or electronic filing exclusions are applicable.
- **Taxable benefits** – In the particular context of the COVID-19 crisis, the CRA is willing to accept that a total or partial reimbursement not exceeding $500 for the purchase of personal computer equipment to enable an employee to immediately and properly perform their work from home, is not a taxable benefit for the employee (provided supporting documentation is provided to obtain the reimbursement).
- **Deferred registered pension plan election (eligible period of reduce pay)** Under proposed amendments to the Income Tax Regulations, the deadline for a member of a money purchase or defined benefit pension plan to make an election to recognize an eligible period of reduced pay that ended in 2019 as pensionable service under the plan is extended from 30 April 2020 to 1 June 2020 (or such later date as is acceptable to the minister of national revenue), subject to any plan restrictions. This provides for the credit for the additional pensionable service to be reported by way of a pension adjustment rather than a past-service pension adjustment.
- **Deferred Salary Leave Plan (DSLP) maximum deferral period and minimum leave period** - A health care spending account (HCSA) that qualifies as a private health services plan (PHSP) and which has unused credits or unreimbursed eligible medical expenses expiring between 15 March and 31 December 2020, could temporarily permit the carry forward of those unused credits or unreimbursed expenses for a reasonable period to allow members to access services that were otherwise restricted during the COVID-19 outbreak. A period of up to six months would generally be considered reasonable and would not, in and of itself, disqualify the HCSA from being a PHSP.

Links and resources

Government materials

- Canada Revenue Agency - Support to businesses
- Finance Canada - Additional Support for Canadian Businesses
- CBSA Customs Notice 20-11 (Extension of deadlines)
- Canada Revenue Agency - tax filing and payment dates
- Canada Revenue Agency - Frequently asked questions GST/HST
- Canada Revenue Agency - Temporary Wage Subsidy Frequently Asked Questions
- Canada Revenue Agency - COVID-19 update re. benefits-credits-support payments
- Canada Revenue Agency - economic measure re. RRIF withdrawals
- Finance Canada - Canada Emergency Wage Subsidy
- COVID-19 Update: Additional measures from the Canada Revenue Agency for businesses
- CRA Technical Interpretation 2020-0845431C6 (re. taxable benefit)
- CEWS - CRA information on application process
- E-file - Temporary measure for already paper-filed returns
- CRA FAQs re. Canada Emergency Wage Subsidy

Return to jurisdiction list

Personal tax (continued)

- **Retroactive RPP money purchase contributions** - Under proposed amendments to the Income Tax Regulations, a retroactive contribution will be permitted to be made to an employee's money purchase account in respect of the 2020 year (regardless of whether or not the employee was subject to reduced service or reduced pay), provided the contribution replaces, in whole or in part, a contribution that would have otherwise been required for the 2020 year, and the employee/employer contribution is made after 2020 and before May 2021 (or a written commitment to contribute is made by the employee before May 2021 and the employer's contribution will match an employee's committed contribution). The retroactive contribution will be added to the employee's pension adjustment for 2020.
- **Pension coverage during periods of reduced pay** - Under proposed amendments to the Income Tax Regulations, the requirement that an employee must be employed for at least 36 months in order to continue to earn full pensionable service for an eligible period of reduced pay under the RPP rules will not apply for 2020. The suspension of this requirement permits employers to provide unreduced pension coverage to all employees, including newer employees. As well, the requirement that the reduction in pay must be generally commensurate with the reduction in work hours will not apply for 2020.
- **HCSA unused credits or unreimbursed eligible medical expenses** – HCSA unused credits or unreimbursed eligible medical expenses – A health care spending account (HCSA) that qualifies as a private health services plan (PHSP) and which has unused credits or unreimbursed eligible medical expenses expiring between 15 March and 31 December 2020, could temporarily permit the carry forward of those unused credits or unreimbursed expenses for a reasonable period to allow members to access services that were otherwise restricted during the COVID-19 outbreak. A period of up to six months would generally be considered reasonable and would not, in and of itself, disqualify the HCSA from being a PHSP.
- **Residency determinations** - If an individual who is visiting Canada from another country has had to remain in Canada solely because of the COVID-19 travel restrictions, this factor alone will not cause the CRA to consider the individual to be a resident of Canada under the common-law factual residency test. In addition, subject to certain conditions and on a temporary administrative basis, the days during which an individual is present in Canada and is unable to return to their country of residence solely as a result of the travel restrictions will not count towards the 183-day limit for the deemed residency test. This temporary administrative position applies for the period 16 March to 31 August 2020.
- **Cross-border employment income** - U.S. residents who regularly exercise their employment in Canada but would normally not be present in Canada for more than 183 days (and, for that reason, are not normally taxable in Canada on their employment income under the Canada-U.S. treaty) may now be exercising their duties in Canada for an extended period of time solely as a result of the COVID-19 travel restrictions. In these circumstances, the CRA has indicated that those days will not be counted toward the 183-day test in the Canada-U.S. treaty and these individuals will continue to benefit from the treaty relief provided under the tax treaty. The same administrative approach will be taken by the CRA for employees that are resident in other countries with which Canada has a tax treaty. This temporary administrative position applies for the period 16 March to 31 August 2020.

Links and resources

Government materials

- CRA CEWS Application Guide
- Federal Court_COVID-19 Updated Practice Direction and Order
- FCA Notice re. COVID-19_April 15 2020f
- SCC News Item 6850
- CRA What's New re. Savings and pension plan administration
- Finance news release re. Tariff relief
- CBSA Customs Notice 20-19
- CRA News Release re. CCB and GST/HST credit payments
- Finance Backgrounder re. Extension of CEWS
- Finance News Release re. Extension of CEWS
- CEWS Regulations to amend the Income Tax Regulations (Eligible entities)
- TWS Regulations to amend the Income Tax Regulations (Deemed remittance)
- COVID-19 FAQs: Increase to the GST/HST credit amount
- COVID-19 Update: CRA Guidance on International Tax Issues
- Tax Court of Canada Notice to the Public and Profession (20 May 2020)
- CRA Technical Interpretation 2020-0848641E5
- CRA News Release: Extended filing deadlines for corporations and trusts
- CRA News Release: Benefit payments for eligible Canadians to continue until fall 2020
- CRA COVID-19 update: Clearance certificates
- CRA COVID-19 update: International waivers and compliance certificates
- Finance News Release re. CEWS consultation
- Federal Court Practice Direction and Order (29 May 2020)

Return to jurisdiction list

Personal tax (continued)

individuals will continue to benefit from the treaty relief provided under the tax treaty. The same administrative approach will be taken by the CRA for employees that are resident in other countries with which Canada has a tax treaty. This temporary administrative position applies for the period 16 March to 31 August 2020.

- **Temporary issuance of comfort letters for dispositions of taxable Canadian property** - If a vendor has submitted a request for a section 116 compliance certificate (Forms T2062, T2062A, T2062B, or T2062C) and, due to a COVID-19-related CRA service interruption, the certificate has not been issued by the time a purchaser's remittance is due (i.e., within 30 days after the end of the month in which the property was acquired), the purchaser or vendor may request a comfort letter from the CRA (on an urgent and temporary basis, electronically by e-mail). [The comfort letter advises the purchaser/vendor/ representative to retain the funds they have withheld but not remitted to the CRA until the CRA's review is complete and the CRA requests the purchaser to remit the required tax.] Urgent requests for a section 116 compliance certificate can also be made electronically by e-mail. No penalty will be assessed by the CRA provided the tax is remitted when requested. These temporary administrative relief measures apply for the period 16 March to 31 August 2020.
- **Clearance certificates** – Legal representatives who submitted a request for a clearance certificate (Form TX19) after 12 March 2020 are encouraged to resubmit the request and supporting documents electronically, either through Represent a Client or by e-mail.
- **Requests for Individual Tax Numbers (ITN)** - To ensure they are processed by the CRA, applications for ITNs must be done separately from any international waiver application (e.g., under Regulation 105) or request for a certificate of compliance under section 116 of the *Income Tax Act*. The application must be made using Form T1261, Application for a Canada Revenue Agency Individual Tax Number (ITN) for Non-Residents.
- **Non-resident individuals: Section 216 return for rental (or timber royalty) income** – Non-resident individuals who have elected under subsection 216(4) to have Part XIII tax withheld on their net rental or timber royalty income (rather than gross rental or royalty income) and pay tax on that income at graduated rates, and who would otherwise have a filing deadline of 30 June 2020 for the related T1 return (Section 216 return), may now file the Section 216 return by 1 September 2020. Penalties (including late-filing penalties) and interest will not be applied if the Section 216 return is filed and any related payments are made by 1 September 2020.
- **Non-resident individuals: Section 217 return for Canadian benefits** – Non-residents who are electing under section 217 to report certain Canadian benefits on a T1 return (Section 217 return) and pay tax on that Canadian-source income at graduated rates, and who would normally have a filing deadline of 30 June 2020, may now file the Section 217 return by 1 September 2020. Penalties (including late-filing penalties) and interest will not be applied if the Section 217 return is filed and any related payments are made by 1 September 2020.

Links and resources

Government materials

- Tax Court of Canada Notice
- Finance news release - Support for Junior Mining Exploration
- Backgrounder re. support for junior mining companies

Return to jurisdiction list

Personal tax (continued)

- **Temporary extension of Old Age Security (OAS) payments for non-residents** – OAS payments to non-resident seniors have temporarily been extended in circumstances where the non-resident senior's 2019 OAS Return of Income (OASRI) has not yet been assessed. To continue to receive uninterrupted OAS benefits, non-resident seniors are encouraged to file their 2019 OASRI as soon as possible and no later than 1 October 2020.
- **Support for individuals with disabilities** – A one-time, tax-free, non-reportable payment of $600 to assist individuals with disabilities who qualify for the disability tax credit, the Canada Pension Plan disability benefit or Quebec pension plan disability benefit, or disability supports provided by Veterans Affairs Canada has been proposed. If Bill C-20 is enacted, eligible individuals will receive the payment automatically. In addition, individuals who may be eligible for the disability tax credit but have not yet applied for a disability tax credit certificate with the CRA, will have 60 days to do so after Bill C-20 receives royal assent in order to qualify for the one-time payment. The one-time payment will also be adjusted to provide a top-up for certain eligible seniors receiving old age security pension (i.e., the top-up would be $300 if the individual received the one-time senior's tax-free payment of $300, or $100 if the individual is eligible for the guaranteed income supplement or allowances and has received the one-time senior's tax-free payment of $500).

Links and resources

Government materials

- July 17, 2020 draft legislative proposals for further COVID-19 measures
- Backgrounder re. July 17, 2020 changes to the Canada Emergency Wage Subsidy
- Finance news release - Redesigned Canada Emergency Wage Subsidy
- Employment and Social Development Canada news release - Support for persons with disabilities
- Prime Minister news release re. support for Canadians with disabilities

Canada (continued)

Return to jurisdiction list

VAT, GST and trade

- **GST/HST returns** - Although the filing deadline of the GST/HST returns remains unchanged, the CRA won't impose late-filing penalties provided the return is filed by 30 June 2020.
- **GST/HST remittances and import duties** – The payment of GST/HST remittances, as well as import duties, may be deferred until 30 June 2020. More specifically, this extension applies to GST/HST monthly filers' remittances of amounts collected for the February, March, and April 2020 reporting periods; GST/HST quarterly filers' remittances of amounts collected for the 1 January 2020 through 31 March 2020 reporting period; GST/HST annual filers' remittances of amounts collected and owing for their previous fiscal year, as well as instalments in respect of their current fiscal year, that are due in March, April or May 2020; and payments owing for customs duties and GST on imports for March, April, and May 2020 statements of account (all other payments due to the Canada Border Services Agency, such as on re-assessments, penalties, etc., are also deferred to 30 June 2020). Businesses that continue after 30 June 2020 to experience difficulty in remitting GST/HST and customs duty amounts owing can contact the CRA and the CBSA to make a request for the cancelation of penalties and interest, and/or for a flexible payment arrangement with the CRA.
- **Prioritization of audit actions** – On 28 May 2020, the CRA announced the resumption of a full range of audit work and the adaptation of its practices to reflect the health and economic impacts of COVID-19 (e.g., option to send the CRA information by e-mail, additional time and upfront consultation on requests to provide the CRA with information and access). For more details, see **Prioritization of audit actions** under the "Business Tax and Charities" column.
- **Trade: Waiver of late accounting penalties** - 53 business days grace period before imposing penalties for late accounting declarations for imported goods released on minimum documentation. (Applicable to transactions released from 11 March 2020 to 26 May 2020, inclusively).
- **Trade and GST/HST: Imports of U.S.-plated vehicles** – Temporary import of U.S. vehicles driven by Canadians without paying customs duties and taxes, provided the vehicles remain in Canada no longer than 60 days from the date of importation, and are only used for personal transportation to get its passengers from the border to a specific destination in Canada and return.
- **Tariffs waiver on certain medical goods** – Relief of customs duty is provided for personal protective equipment and other necessary medical equipment which were imported on or after 5 May 2020.
- **Clearance certificates** – Legal representatives who submitted a request for a clearance certificate (Form GST352) after 12 March 2020 are encouraged to resubmit the request and supporting documents electronically, either through Represent a Client or by e-mail.

Business tax

- **Corporations: Extended tax return filing deadline** – For corporations, any income tax return (T2) filing due date after 18 March 2020 and before 31 May 2020 is deferred until 1 June 2020. This extension also applies to any other forms tied to the T2 filing deadline, except Form T661, *Scientific Research and Experimental Development (SR&ED)*, Form T2 Schedule 31, *Investment Tax Credit - Corporations*, or related forms, receipts, documents, or prescribed information. A similar deferral to 1 September 2020 applies to corporations having a T2 filing due date on 31 May, or in June, July, or August 2020 (presumably, the exception for Form T661, Form T2 Schedule 31, etc., also applies to the deferral to 1 September 2020).
- **Corporations: Deferred payment of income tax** – For corporations, the payment of any income tax amounts that become owing on or after 18 March 2020 and before September 2020 may be deferred until 1 September 2020. This measure applies to income tax balances and instalments owing under Part I of the *Income Tax Act* (i.e., therefore, this deferral does not apply to remittances and tax payments owing under various other parts of the *Income Tax Act*, such as Part XIII withholding tax). The deferred payments will not be subject to interest or penalties during this period.
- **Corporations: Deferral of administrative income tax actions** – Deferral to 1 June 2020 of administrative income tax actions (other than income tax return filing and payments) due after 18 March 2020 and before 31 May 2020, including the filing of information returns (such as Form T1134, *Information Return Relating to Controlled and Not-Controlled Foreign Affiliates*), forms, elections, designations, and responses to information requests. This deferral does not apply to payroll deductions (including related activities) nor to Form T661, *Scientific Research and Experimental Development (SR&ED)*, Form T2 Schedule 31, *Investment Tax Credit - Corporations*, or related forms, receipts, documents, or prescribed information. A similar deferral to 1 September 2020 applies to administrative income tax actions due in June, July, or August 2020 (presumably the exception for Form T661, Form T2 Schedule 31, etc. also applies to the deferral to 1 September).
- **Electronic signatures** – Effective immediately, the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, on a temporary administrative basis only. This measure will apply to authorization Form T183CORP, *Information Return for Corporations Filing Electronically*.
- **Partnerships: Extended information return filing deadline** – For partnerships, any income tax information return filing due date after 18 March and before 31 March 2020 is deferred until 1 May 2020; until 1 June 2020 for those with a filing due date after 31 March and before 31 May; and until 1 September 2020 for those with a filing due date on 31 May, or in June, July, or August 2020.

Canada (continued)

Return to jurisdiction list

VAT, GST and trade (continued)

- **Electronic signatures** - Effective 6 July 2020, businesses will temporarily be able to use a new electronic service to submit a GST/HST document with an electronic signature. The link to this new service will be found on the My Business Account main web page of the GST/HST program account menu. Where the signature on a form submitted through My Business Account is not that of the person submitting the form, the person submitting the form will have to ensure to obtain a valid signature.

Business tax (continued)

- **NR4 reporting: Extended information return filing deadline** – The deadline to file Form NR4, *Statement of Amounts Paid or Credited to Non-Residents of Canada,* is extended to 1 May 2020.
- **Charities: Extended filing deadline** – For all charities with a Form T3010, *Registered Charity Information Return,* due between 18 March 2020 and 31 December 2020, the filing deadline is extended to 31 December 2020.
- **Prioritization of audit actions** – On 28 May 2020, the CRA announced the resumption of a full range of audit work and the adaptation of its practices to reflect the health and economic impacts of COVID-19 (e.g., option to send the CRA information by e-mail, additional time and upfront consultation on requests to provide the CRA with information and access). The CRA will prioritize higher dollar audits first, audits close to completion, and those of strategic importance. Requirements for Information (RFIs) issued prior to 16 March 2020 and due after that date will be reviewed and taxpayers and third parties will be contacted if needed. Efforts to combat suspected fraud and other criminal activity are also advancing.
- **Temporary wage subsidy** - Eligible employers that pay remuneration to an employee on or after 18 March 2020 and before 20 June 2020, benefit from a reduction in remittances of federal, provincial, or territorial income tax by the amount of the subsidy. Eligible employers include CCPC's eligible for small business deduction (without regard for the grind-down for passive investment income), as well as individuals (other than trusts), eligible partnerships, non-profit organizations and registered charities. The subsidy is equal to 10% (or a lower percentage elected by the eligible employer) of remuneration paid during that period, up to a maximum subsidy of $1,375 per employee and $25,000 per employer. This measure is only applicable to remittances made to the CRA. [Note: In circumstances where an eligible employer also qualifies for the Canada Emergency Wage Subsidy (see below), any benefit received or receivable from the temporary wage subsidy will reduce the subsidy available under the Canada Emergency Wage Subsidy.]
- **Canada emergency wage subsidy (CEWS): Initial program (applicable to 4 July 2020)** – This measure is comprised of two parts: a 75% wage subsidy, and a 100% add-on refund of certain payroll contributions. Eligible employers are entitled to the 75% wage subsidy when they suffer a drop in revenues of at least 15% in March 2020 or 30% in April, May, or June 2020, from arm's length sources, when compared to either the same months in 2019, or the monthly average of the revenues earned in January and February 2020 [special rules are provided, for this revenue qualification test, for corporate groups, affiliated groups, joint ventures, and non-arm's length entities; cash method accounting may also be used]. Unlike for the 10% temporary wage subsidy, eligible employers generally include all types of employers aside from public sector employers. The subsidy generally applies at a rate of 75% on the first $58,700 of eligible remuneration paid to an eligible employee (i.e., generally an individual employed in Canada) during one of the first four qualifying periods (with Period one commencing on 15 March 2020 and Period four ending on 4 July 2020), providing a maximum benefit of $847 per week per employee. The eligible remuneration includes salary, wages, and other remuneration (such as commissions), (continued)

Return to jurisdiction list

Business tax (continued)

(continued) but not severance pay or items such as stock option benefits. In addition, eligible employers are also entitled to a 100% refund of the employer-paid EI, CPP, QPP and QPIP contributions that are made for eligible employees for each week throughout which those employees are on leave with pay (for the full week, without performing any work) and for which the employer is eligible to claim the 75% wage subsidy. No CEWS is available for remuneration paid to an employee who has been without remuneration for 14 or more consecutive days in a particular qualifying period. As announced on 17 July 2020, this measure is extended until 19 December 2020, with significant changes to the design of the program. The application deadline is also extended from 30 September 2020 to 31 January 2021. See CEWS: Redesigned program (applicable as of 5 July 2020) (below).

CEWS: Redesigned program (applicable as of 5 July 2020) – As indicated above, the CEWS has in effect been extended to 19 December 2020. Details of the redesigned program have been announced for qualifying periods five to nine (with Period five commencing on 5 July 2020 and Period nine ending on 21 November 2020); the program can then be further extended by regulation to no later than 31 December 2020 (a standard four-week "Period 10" would thus end 19 December 2020). The main change to the redesigned program is that the bright line test requiring a 30% decline in revenue, which applied to Periods two to four, does not apply for Periods five to nine; instead, a sliding scale is used and all eligible employers experiencing any decline in revenue will qualify for some level of CEWS support (depending on the scale of revenue decline). Key elements of the redesigned program include: a new two-tiered subsidy structure in respect of active employees that is composed of a base subsidy of up to 60% on eligible remuneration of up to $1,129 per employee per week (calculated on a sliding scale that gives more support to those employers with higher rates of revenue decline) and a top-up subsidy of up to 25% for employers that experienced an average drop in revenue of more than 50% in the preceding three calendar months; a separate subsidy rate structure for furloughed employees (for Periods five and six, the subsidy calculation would be the same as the subsidy calculation that applied for Periods one to four, and beginning in Period seven, the subsidy calculation will be modified to align with benefits provided under the CERB or Employment Insurance); and a safe harbor rule for Periods five and six will apply to ensure that an eligible employer with a revenue decline of 30% or more will receive no less CEWS support for Periods five and six under the redesigned CEWS program than they would have under the initial design that applied for Periods one to four. The requirement that an employee not be without remuneration for 14 or more consecutive days in a particular qualifying period to qualify as an eligible employee has also been removed.

- **Waiver of money purchase pension plan minimum contribution rule** – The 1% minimum contribution rule applicable to a money purchase provision of a registered pension plan will be waived for the remainder of 2020, if the plan is amended to suspend accruals under the plan for the year (i.e., meaning there will be no employer or employee contributions to the plan following the amendment).
- **Residency determinations** - Where the issue of dual residency of a corporation is resolved under one of Canada's income tax treaties that contains a residency tie-breaker rule that looks to the corporation's place of effective management (among other factors), the CRA has indicated that it will not consider the corporation to be resident in Canada solely on the basis that one or more directors of the corporation had to participate in a board meeting from Canada because of COVID-19 travel restrictions. In the case of dual residency with non-treaty countries, the CRA will determine residency on a case-by-case basis. These rules will also apply to other foreign entities that are considered corporations under Canadian income tax law (such as LLCs), as well as, where appropriate, commercial trusts. This temporary administrative position applies for the period 16 March to 31 August **Carrying on business in Canada filing obligations** - If a non-resident entity is resident in a non-treaty country and it can be demonstrated that the entity meets the threshold of "carrying on business in Canada" solely because of COVID-19 travel restrictions, the CRA will consider whether administrative relief from the obligation to file a Canadian income tax return (and presumably pay tax in Canada) is appropriate on a case-by-case basis. For non-resident entities that are carrying on business in Canada and are resident in a treaty country, the treaty-based income tax return filing obligation (to claim the treaty exemption from Canadian income tax) will continue to apply.
- **Permanent establishment determinations** - On an administrative basis, a non-resident entity will not be considered to have a permanent establishment in Canada if its employees perform their employment duties in Canada solely as a result of the COVID-19 travel restrictions. In addition, the CRA will not consider an "agency" permanent establishment to exist solely due to a dependent agent concluding contracts in Canada on behalf of the non-resident entity while the travel restrictions are in force, provided that such activities are limited to that period and would not have been performed in Canada but for the travel restrictions. The CRA will also exclude from the 183-day presence test in the "services permanent establishment" provision of Canada's tax treaties (e.g., Article V(9)(a) of the Canada-U.S. treaty), any days of

Return to jurisdiction list

Business tax (continued)

physical presence in Canada that are solely the result of the travel restrictions. These temporary administrative positions apply for the period 16 March to 31 August 2020.

- **Reduced withholding of source deductions by non-resident employers** - Where a Canadian resident employee of a non-resident entity is required to perform their employment duties in Canada on an exceptional and temporary basis as a result of the COVID-19 travel restrictions and that employee has previously been issued a letter of authority (for the reduction of Canadian source deductions) for the taxation year during which the travel restrictions were in place, the CRA has indicated that the letter of authority will continue to apply and the withholding obligations of the non-resident entity will not change in Canada. This relieving measure applies only if there are no changes to the withholding obligations of the non-resident entity in the other jurisdiction. This temporary administrative position applies for the period 16 March to 31 August 2020.
- **Electronic submission of Regulation 102 and 105 and RC473 waiver requests** - As a result of CRA service interruptions due to COVID-19 and the COVID-19 travel restrictions, urgent waiver requests may be submitted electronically by email on a temporary basis. However, as of 19 June 2020, requests may also be submitted through My Account, Represent a Client and My Business Account, and where possible, these portals should be used instead of email.
- **Regulations 102 and 105 penalty relief** - In circumstances where a Regulation 102 or 105 waiver request was submitted to the CRA, but (as a result of service interruptions due to COVID-19) was not processed by the CRA within 30 days, the payer will not be assessed for failure to deduct, withhold or remit any amount as required by Regulations 102 and 105, in respect of an amount paid to a non-resident person covered by the particular waiver request. However, to qualify for this relief, the person paying the amount must demonstrate that they have taken reasonable steps to ascertain that the non-resident person was entitled to a reduction or elimination of Canadian withholding tax under an income tax treaty with Canada. Also, the non-resident and the person paying the amount must otherwise fulfil their Canadian reporting and remitting obligations in respect of the waiver application. This temporary administrative position applies for the period 16 March to 31 August 2020. The CRA will review other situations where a waiver request could not be submitted due to the COVID-19 travel restrictions, or other consequences of the COVID-19 crisis, and no amounts were withheld under Regulations 102 or 105, on a case-by-case basis.
- **Temporary issuance of comfort letters for dispositions of taxable Canadian property** – See the corresponding entry under the "Personal Tax and Trusts" column.
- **Clearance certificates** – Legal representatives who submitted a request for a clearance certificate (Form TX19) after 12 March 2020 are encouraged to resubmit the request and supporting documents electronically, either through Represent a Client or by e-mail.
- **Flow-through share issuers: Canadian exploration expenses** - The period within which a mining corporation must incur eligible flow-through share expenses under the general and look-back rules for renouncing Canadian exploration expenses (CEE) will be extended by 12 months; this extension will apply to flow-through share agreements entered into on or after 1 March 2018 and before 2021 under the general rule and agreements entered into in 2019 or 2020 under the look-back rule. In addition, the Part XII.6 flow-through shares tax will be amended to apply as if expenditures were incurred up to one year earlier than actually incurred for agreements entered into in 2019 or 2020; if amounts are not expended by the end of 2021 for agreements entered into in 2019 or 2022 for agreements entered into in 2020, Part XII.6 tax will apply.

Return to jurisdiction list

Business tax (continued)

Additional federal tax measures and information:

- **Collections activities:** The CRA has announced that collections activities on new debts will be suspended until further notice, and flexible payment arrangements will be available. Banks, employers and other third parties do not need to comply or remit on existing Requirements to pay (RTP) during this time.
- **Objections and appeals:** For objections due on or after 18 March 2020, the deadline has been extended until 30 June 2020. Any objections related to Canadian taxpayers' entitlement to benefits, credits, GST/HST refund claims, and SR&ED claims have been identified by the CRA as a critical service which has continued to be delivered during this time. With respect to objections related to other tax matters filed by individuals and businesses, the CRA held these accounts in abeyance prior to 3 July 2020 – CRA's dispute resolution and taxpayer relief programs have since resumed operations. The CRA will advise taxpayers if there are COVID-19-related delays in finalizing resolution of a dispute or request for relief.
- **Appeals before the Tax Court of Canada:** The Tax Court of Canada ordered the extension of all timelines prescribed by the rules of that Court while it was closed for business until 3 July 2020. The Tax Court of Canada resumed operations and reopened for the transaction of business on 6 July 2020.
- **Federal Courts and Supreme Court of Canada activities:** A timeline extension is provided by the Federal Court while its activities are suspended until 15 June 2020. Although some are suspended, certain filing deadlines (e.g., re commencing an appeal from a Tax Court of Canada decision) continue to apply at the Federal Court of Appeal, unless a request for an extension of time is made. Deadlines that are imposed by the Rules of the Supreme Court of Canada, are suspended until further notice; however, deadlines that are imposed by statute (e.g., re. commencing an appeal from a Federal Court of Appeal decision) remain in force. Appeals are scheduled to begin being heard in June 2020 by the Supreme Court of Canada.

Canada – British Columbia

- Contact for all Canadian provinces: Fred O'Riordan – Tax Policy
- Last updated: 28 July 2020

Return to jurisdiction list

Overview

British Columbia

Personal Tax

- **Individuals: Climate action tax credit increase** – In July 2020, a one-time special payment will be made by British Columbia to individuals through an increase in the maximum amounts under its BC Climate Action Tax Credit. In addition, the income threshold amount (at which the credit is reduced to zero) is increased for the one-time special payment. Individuals who are currently receiving BC climate action tax credit payments for the 2019-20 benefit year and who have not been able to file their 2019 income tax return by 30 April (and are taking advantage of the extended personal tax return filing deadline to 1 June) will receive the one-time special payment of the BC climate action tax credit for July 2020, with the payment amount being based on their 2018 tax return information. If 2019 tax returns are not received and assessed by early September 2020, the individual will have to repay the estimated amount that was issued for July 2020.

VAT, GST and trade

- **Extended tax filing and payment deadlines** – Many deadlines are deferred until 30 September 2020, effective 23 March 2020. This includes the extension of filing and payment deadlines for PST, employer health tax, motor fuel tax, carbon tax, tobacco tax, and municipal and regional district tax.
- **Deferral of certain budget measures** – Measures announced in the 2020 BC budget (tabled on 18 February 2020) to expand PST registration requirements for Canadian sellers of goods, as well as for Canadian and foreign sellers of software and telecommunication services, and to impose PST on e-commerce transactions and on sweetened carbonated drinks, with effect from 1 July 2020, will be deferred. Similarly, the scheduled increase to the carbon tax, which was to take effect on 1 April 2020, will be deferred.
- **Reduction in school property tax for 2020** – School property tax mill rates for commercial properties (i.e., classes 4, 5, 6, 7, and 8) are reduced for the 2020 tax year to achieve an average 25% reduction in the total property tax bill for most businesses. This enhances the already announced 50% mill rate reduction in the business and light and major industry property classes (i.e., classes 4, 5, and 6).
- **School property tax deferral** –Municipalities can defer their remittance of the school property tax collected for the province until the end of the year.
- **Postponed property tax late payment penalties for businesses** - For rural area properties, late payment penalties for commercial properties (i.e., classes 4, 5, 6, 7 and 8) are postponed to 3 November 2020. Rural property tax due dates have not changed.

Business tax

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 22

Government materials

- BC news release - COVID-19 Action Plan
- BC COVID-19 Action Plan - Provincial Tax Changes
- BC - COVID-19 tax changes
- BC Ministry of Finance - COVID-19 Sales Tax Changes
- BC - Climate action credit - enhanced July 2020 payment
- BC Gov News - New supports for businesses
- BC news item re. Logging Tax
- BC PST Notice 2020-003 re. Multijurisdictional Vehicles
- Order in Council No. 223 re. PST (Multijurisdictional Vehicles) Remission Regulation
- Order in Council No. 222 re. PST Exemption and Refund Regulation

Canada – British Columbia

Return to jurisdiction list

Overview

British Columbia

Personal Tax

- **BC Early Childhood Tax Benefit payments for 2020-21 benefit year** – Individuals who are currently receiving the BC Early Childhood Tax Benefit payments for the 2019-20 benefit year and who have not been able to file their 2019 income tax return by 30 April (and are taking advantage of the extended personal tax return filing deadline to 1 June) will continue to receive benefit payments until the end of September 2020, with the payment amounts being based on their 2018 tax return information. If 2019 tax returns are not received and assessed by early September 2020, the estimated benefit payments will stop in October 2020 and the individual will have to repay the estimated amounts that were issued as of July 2020.

VAT, GST and trade

- **Extended logging tax filing deadline** - For logging tax returns due between 18 March and 31 August 2020, the filing deadline is extended to 1 September 2020. Penalties and interest won't be charged if the deferred payment requirements are met by the extended filing deadline.
- **Multijurisdictional vehicles** – Effective 4 May 2020, the "exit tax" under the Provincial Sales Tax Act is no longer required to be paid in respect of a multijurisdictional vehicle (MJV) for which the prorate licence is canceled, and a licence for use solely within BC is obtained, between 11 March 2020 and 30 September 2020. In addition, also effective 4 May 2020, the Insurance Corporation of British Columbia (ICBC) (instead of the Ministry of Finance) may provide a refund of prepaid "MJV tax" if a MJV ceases to be prorate licensed within the vehicle licence period and between 11 March 2020 and 30 September 2020. Refunds due to unlicensed or overlapping periods may now be provided before the end of the original vehicle licence period (instead of after such period).

Business tax

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 22 - BC relief plan

Government materials

- BC news release - COVID-19 Action Plan
- BC COVID-19 Action Plan - Provincial Tax Changes
- BC - COVID-19 tax changes
- BC Ministry of Finance - COVID-19 Sales Tax Changes
- BC - Climate action credit - enhanced July 2020 payment
- BC Gov News - New supports for businesses
- BC news item re. Logging Tax
- BC PST Notice 2020-003 re. Multijurisdictional Vehicles
- Order in Council No. 223 re. PST (Multijurisdictional Vehicles) Remission Regulation
- Order in Council No. 222 re. PST Exemption and Refund Regulation
- Order in Council No. 255 re. Climate Action Tax Credit
- Order in Council No. 371 re. Tax and Royalty Interest (COVID-19 Emergency) Remission Regulation

Canada - Alberta

Return to jurisdiction list

Overview

Alberta

Personal tax

VAT, GST and trade

- **Deferred payment of WCB premiums** – Deferral of the 2020 workers' compensation premiums until 2021 for private sector employers. No interest charges will apply on these unpaid balances. Employers that have already paid their 2020 premiums, will be entitled to a rebate or a credit.
- **Reduction of WCB premiums** – Waiver of 50% of the 2020 workers' compensation premiums for small and medium-sized private sector employers with $10 million or less in insurable earnings for 2020.
- **Deferred payment of education property tax** – Six-month deferral of the education property tax for businesses.
- **Cancellation of increase to education property tax** – Cancellation of the 3.4% increase, announced in the 2020 Alberta budget (tabled on 27 February 2020), in the education property tax that was scheduled for 2020-21.
- **Waiver of IFTA credentials** – Waiver of international fuel tax agreement (IFTA) credential requirements for Alberta carriers until 30 June 2020 (as new IFTA registrations or requests for additional IFTA decals may not be processed in time by the government).
- **Tourism levy relief** – The deadline for the remittance of tourism levy amounts collected before 1 March 2020 is extended to 31 August 2020, without any interest being imposed. In addition, the Alberta government is allowing hotels and other lodging providers to keep any tourism levy amounts collected between 1 March and 31 December 2020. Although the filing deadline of the tourism levy returns remains unchanged, Alberta previously announced that it won't impose late-filing penalties provided all the returns and respective remittances are received by the Tax and Revenue Administration before 1 September 2020. Additional details on the revised relief will be provided in the coming weeks.

Business tax

- **Corporations: Extended tax return filing deadline** – Any corporate income tax return (AT1) filing due date that is after 18 March 2020 and before 1 June 2020 is deferred until 1 June 2020. A similar deferral to 1 September 2020 applies to corporations having an AT1 filing due date in June, July, or August 2020 (this extension also applies to returns due on 31 May 2020, since a filing deadline that normally falls on a Sunday is extended by the Alberta *Interpretation Act* to the next business day). No late-filing penalties will apply during these deferral periods.
- **Extended income tax payment deadline** - Corporate income tax balances due on or after 18 March 2020 and instalment payments coming due between 18 March 2020 and 31 August 2020 can be

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 17

Government materials

- Alberta - COVID-19 support for employers and employees
- Alberta - Additional financial support for Albertans and employers
- Alberta - WCB Premium relief for employers
- Alberta - Education property tax
- IFTA Special Notice Vol. 10 No. 3
- Alberta CTA Special Notice Vol. 5 No. 56 (re. Corporate Income Tax Payments)
- Alberta - Tax relief for tourism industry
- Alberta CT Special Notice Vol. 5 No. 57 - Extension in AT1 filing deadline
- Alberta TRA IFTA Special Notice Vol. 10 No. 4
- Alberta - Additional relief for tourism industry
- Tax and Revenue Administration - Tourism Levy Act Special Notice Vol. 7 Nol. 10 (Tourism Levy Abatement and Deferral)
- Alberta economic recovery plan

Canada - Alberta

Return to jurisdiction list

Overview

Alberta

Personal tax

VAT, GST and trade

- **Extended filing deadline: IFTA returns** – The filing due date for international fuel tax agreement (IFTA) quarterly tax return for the first calendar quarter of 2020 is extended to 30 June 2020, and no late-filing penalty will be assessed. The respective fuel tax remittance remains due on or before 30 April 2020.

Business tax

- (continued) deferred to 31 August 2020. No interest and penalties will apply during the deferral period.
- **Tax audits and collections** – Modification of the provincial corporate income tax audit and collection practices.
- **Extended deadline for objections** – The filing deadline for a Notice of Objection (Form AT97) that would otherwise be due after 18 March 2020 and before 30 June 2020 is extended to 30 June 2020.
- **Acceleration of job creation tax cut** – The job creation tax cut (enacted in 2019) is accelerated by a year and a half so that the general corporate income tax rate will be reduced from 10% to 8% effective 1 July 2020.
- **Innovation employment grant** – Introduction of a new innovation employment grant, which will provide a refundable tax credit to smaller Alberta-based companies that invest in research and development and are unable to immediately or fully benefit from the job creation tax cut (e.g., by being in a pre-income start-up or scale-up phase). Additional details will be released.

Links and resources

Canada – Saskatchewan

Return to jurisdiction list

Overview

Saskatchewan

Personal tax

VAT, GST and trade

- **Deferred payment of PST** – Monthly filers may defer PST remittances due for February, March and April 2020 reporting periods to 31 July 2020, and quarterly filers may defer PST remittances for the 1 January 2020 to 31 March 2020 reporting period to 31 July 2020. The waiver of interest and penalties during the deferral period will apply automatically provided full payment is made or a payment arrangement is in place by 31 July 2020.
- **Reduction of the oil and gas administrative levy** – The industry portion of the oil and gas administrative levy is reduced by 50% this fiscal year, and the invoicing of the remaining balance is delayed until 1 October 2020.

Business tax

- **Interest and penalty relief** – Businesses directly impacted by COVID-19 that are unable to file their provincial tax return(s) (administered by the province) by the due date may submit a request for relief from penalty and interest charges on the return(s) affected.
- **Suspension of audit program** – Audit program and compliance activities have been suspended.

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 21

Government materials

- Saskatchewan - IN 2020-03 (re. Penalty and Interest on late returns)
- Saskatchewan News Release - Support for employers and employees
- Saskatchewan news release - Oil industry support

Canada – Manitoba

Return to jurisdiction list

Overview

Manitoba

Personal tax

- **Seniors economic recovery credit** – A $200 one-time refundable tax credit will automatically be provided to eligible Manitoba seniors who filed a 2018 income tax return (otherwise the credit will be claimable on the 2020 income tax return).

VAT, GST and trade

- **Extended tax filing and payment deadlines** – Extension to 20 July 2020 of the 20 April, 20 May, and 22 June filing and payment deadlines for the retail sales tax (RST) for small and medium-sized business with monthly remittances of no more than $10,000. The filing due date is also extended to 20 July 2020 for businesses that file on a quarterly basis and have a due date of 20 April 2020. A similar extension to 15 July 2020 of the 15 April, 15 May, and 15 June filing and payment deadlines for the health and post-secondary education tax levy (i.e., payroll tax) is also provided to small and medium-sized businesses that remit up to $10,000 per month in Manitoba payroll tax. In addition, no late filing penalty will be assessed for the March 2020 return and remittance of these businesses, and no interest will be applied until after 15 July 2020 (for the levy) or 20 July 2020 (for the RST).
- **Deferral of WCB premiums and waiver of interest and penalties** – Workers compensation board (WCB) premium payments are deferred until the end of May 2020, and no interest and penalties will be charged for non-payment until October 2020 (and coverage will remain active). The payroll reporting deadline is also deferred until the end of May 2020. Business that expect a dramatic change in payroll compared to what was initially reported to the WCB earlier in the year can submit a revised 2020 payroll estimate to the WCB to have their premiums adjusted accordingly.

Business tax

Links and resources

Government materials

- Manitoba News Release - Tax payment filing deadlines
- Manitoba Notice RST 20-03 (re. RST deadlines)
- Manitoba Notice HE 20-01 (re. Health and Post Secondary Education Health Tax Levy)
- https://news.gov.mb.ca/news/index.html?item=47380&posted=2020-04-03
- https://news.gov.mb.ca/asset_library/en/newslinks/2020/04/BG-COVID_Routine_Update_04.03.pdf
- https://www.wcb.mb.ca/how-the-wcb-is-responding-to-covid-19#employers
- Manitoba Bill 62
- Manitoba Finance - Notice RST 20-04
- Manitoba Finance - Notice Fuel 20-04
- Manitoba COVID-19 - Seniors economic recovery credit
- Manitoba News Release 14 May 2020
- Manitoba Information Notice TAMTA 20-02 - Deadlines to appeal tax assessments suspended

Canada – Manitoba (continued)

Return to jurisdiction list

Overview

Manitoba (continued)

Personal tax

VAT, GST and trade

- **Accelerated removal of PST from residential and business properties** – To make home and business property insurance more affordable, the province is accelerating the removal of the annual PST on insurance for residential and business properties that was promised during the election, effective 1 July 2020.
- **Fuel tax exemption** – Suspension, for the duration of the 2020 public health emergency, of the requirements that a carrier who is not licensed under the International Fuel Tax Agreement must pay the fuel tax and obtain a single-trip permit upon entering Manitoba.
- **Extended filing deadline: IFTA returns** – The filing due date for international fuel tax agreement (IFTA) quarterly tax return for the first calendar quarter of 2020 is extended to 31 July 2020. In addition, as confirmed by Taxation Division of Manitoba Finance, the remittance due date for the respective fuel tax (for the first calendar quarter) is also extended to 31 July 2020.
- **Waiver of IFTA credentials** – Waiver of international fuel tax agreement (IFTA) credential requirements for Manitoba carriers until 31 July 2020.
- **Farmland school tax rebates and appeals** – The deadline to apply for the 2019 farmland school tax rebate and to appeal tax assessments is extended to the earlier of 21 September 2020, or the end of the state of emergency associated with COVID-19.
- **Suspension of deadlines to appeal** – Temporary suspension of the 90-day time period to appeal tax assessments to the earlier of 21 September 2020 or the end of the Manitoba COVID-19 state of emergency.

Business tax

- **Suspension of collection activities** – The issuance of tax debt warnings, legal collection actions and the contacting of new debtors is suspended.

Links and resources

Canada - Ontario

Return to jurisdiction list

Overview

Ontario

Personal tax

VAT, GST and trade

- **Doubling of 2020 EHT exemption** – Retroactive increase of the employer health tax (EHT) exemption from $490,000 to $1,000,000 for 2020 only.
- **Extended filing and payment deadlines** – Deferral of the filing and remittance deadlines for a period of five months, from 1 April 2020 to 31 August 2020, for the following provincially administered taxes/programs: EHT, tobacco tax, fuel tax, gas tax, taxes on beer, wine and spirits, mining tax, insurance premium tax, international fuel tax agreement, retail sales tax on insurance contracts and benefit plans, and race tracks tax. Penalties and interest will not apply to late returns or remittances made during this five-month period.
- **Deferral of WSIB payments** – Six-month deferral of workers' compensation payments until 31 August 2020. Penalties and interest will not apply to late payments during this six-month period.
- **Education property tax deferral** – Deferral of the quarterly education property tax payment municipalities must make to school boards on 30 June 2020 by 90 days. This will provide municipalities with the flexibility to, in turn, provide property tax deferrals to residents and businesses.
- **Postponement of property tax reassessment** – Postponement of the 2020 property valuation update or reassessment – assessments for the 2021 taxation year will thus continue to be based on the same valuation that was in effect for the 2020 taxation year.

Business tax

- **Regional Opportunities Investment Tax Credit** – Introduction of a 10% refundable corporate income tax credit for CCPCs that make eligible capital investments that become available for use on or after 25 March 2020 in specified regions of Ontario. Qualifying investments include expenditures over $50,000 and up to $500,000 for capital property included in Class 1 and Class 6 for CCA purposes.
- **Suspended audit activities** – Audit interactions with most Ontario businesses and representatives is suspended beginning the month of April 2020 until further notice.

Links and resources

Canada – Ontario (continued)

Return to jurisdiction list

Overview

Ontario (continued)

Personal tax

VAT, GST and trade

- **Remote Northern Taxpayers: Deferral of Provincial Land Tax** – Individuals and businesses in parts of Northern Ontario located outside of municipal borders (i.e., in unincorporated areas) may defer each of their 2020 quarterly provincial land tax instalments by 90 days, without interest and penalties. The deferral applies to all levies collected through the consolidated provincial land tax bill, which includes the provincial land tax, the education property tax, and any local road board and local service board levies.
- **Postponement of beer and wine tax rate increases** – The next scheduled increase to the beer basic tax rates, which was set for 1 June 2020, is postponed to 1 December 2020. Similarly, the next scheduled wine basic tax rate increases (i.e., for blended wine purchased in winery retail stores or in wine boutiques, and for 100% Ontario wine purchased in wine boutiques), which was set for 1 June 2020, is suspended until 31 December 2020.
- **Non-resident speculation tax rebate** – The requirement to occupy a home as a principal residence within 60 days of its purchase for purposes of obtaining a non-resident speculation tax rebate is extended to 60 days after the final day of the state of emergency in the province. This relief measure will be applicable to purchases that occur between 17 January 2020 to the final day of the state of emergency in the province.

Business tax

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 23

Government Materials

- Ontario Bill 188, Economic and Fiscal Update Act, 2020
- Ontario News Release - Responding to COVID-19
- Ontario's Action Plan 2020
- Ontario March 2020 Economic and Fiscal Update - Responding to COVID-19
- Ontario - EHT Exemption Increase for 2020
- Ontario - Interest and Penalty Relief for Businesses Tax Bulletin
- Ontario Finance - EHT Exemption Increase for 2020 Tax Bulletin
- Ontario news release - Relief for remote northern property taxpayers
- Ontario March economic update - Relief measures
- O. Reg. 180/20: Tax on Beer, Wine and Spirits
- Ontario Ministry of Finance news release re. Beer and Wine Tax
- Ontario Bulletin re. Non-Resident Speculation Tax

Canada - Quebec

Return to jurisdiction list

Overview

Personal tax

- **2019 personal tax return filing-due date** – Postponement of the filing-due date for 2019 income tax returns from 30 April 2020 to 1 June 2020 (also applicable to the 2019 income tax return of a person who died in 2019 before 1 December 2019). However, late-filing penalties will not be charged if payments are made and the return is filed by 1 September 2020.
- **2019 personal tax balance-due day** – Postponement of the 30 April 2020 tax balance-due day to 1 September 2020.
- **Electronic signatures** – Revenu Québec will recognize, on a temporary administrative basis, electronic signatures on authorization form TP-1000.TE-V, *Online Filing of the Personal Income Tax Return by an Accredited Person*, which tax preparers must have their clients sign. Where tax preparers or individuals are unable to accept or provide electronic signatures, the tax preparer can still file the return online and the individual can sign Form TP-1000.TE-V later, provided consent is first obtained by the tax preparer; tax preparers can replace Form TP-1000.TE-V by sending an email containing specific tax information about the client. Revenu Québec is also accepting electronic signatures on authorization form MR-69-V, Authorization to Communicate Information or Power of Attorney, as well as related form MR-69.R-V, until 1 September 2020.

VAT, GST and trade

- **QST remittances** – QST remittances that are due between 27 March and 1 June 2020 may be deferred until 30 June 2020, without interest or penalties. To harmonize the QST system with the GST/HST system, the filing deadline for QST returns remains unchanged; however, no late-filing penalties will be charged for returns filed no later than 30 June 2020. For returns with deadlines falling after 1 June 2020, the filing and payment deadlines stipulated in the tax legislation will apply.
- **Deferral of administrative tax actions** – Deferral to 1 June 2020 of all administrative tax actions (other than tax return filings already deferred to a specific date, payments of taxes and contributions, and source deductions) that are due after 16 March 2020 and before 31 May 2020. This includes the filing of information returns, forms, elections (other than QST elections that are harmonized

Business tax

- **Corporations: Extended income tax return filing deadline** – For corporations, the filing of any income tax return (CO-17) due from 17 March 2020 up to 30 May 2020 may be deferred until 1 June 2020. In addition, the filing of any CO-17 return normally due after 30 May and before 1 September may be deferred until 1 September 2020.
- **Corporate tax balance-due day** – Postponement of any tax balance-due day falling between 17 March 2020 and 31 August 2020 to 1 September 2020. This postponement does not apply to Part IV.1 compensation tax for financial institutions, Part VI capital tax on insurance corporations, and Part VI.1 capital tax on life insurers.
- **Corporate instalment payments** – Suspension of monthly and quarterly tax instalment payments due between 17 March 2020 and 31 August 2020 until 1 September 2020. This suspension does not apply to Part IV.1 compensation tax for financial institutions, Part VI capital tax on insurance

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 18

Government Materials

- Quebec Information Bulletin 2020-3
- Quebec Information Bulletin 2020-4
- Quebec Press Release (harmonization with federal measures)
- Quebec Partnership Information Return Filing Deadline
- Quebec Press Release - new measures to help individuals and businesses
- Quebec Information Bulletin 2020-5
- Quebec news release - Nouvelles Mesures (27 March) (French only)
- Quebec updated measures (27 March) (French only)
- Revenu Quebec - COVID-19: Frequently Asked Questions
- Revenu Quebec - COVID-19 Relief measures for individuals and businesses
- CNESST - COVID-19 flexibility measures
- Quebec Information Bulletin 2020-6 (Lodging Tax)
- Quebec Information Bulletin 2020-7 (Employers Contribution to Health Services Fund)
- Quebec news release - Details on filing deadline extension for corporations and trusts
- Quebec Information Bulletin 2020-8
- Quebec Finance Press Release re. School tax rate reduction
- Quebec Information Bulletin 2020-9

Canada – Quebec (continued)

Return to jurisdiction list

Overview

Quebec (continued)

Personal tax

- **Contributions due date** – Postponement of the 30 April 2020 deadline for the payment of the following contributions to 1 September 2020:
  - QPP and QPIP contributions for self-employed earnings (or earnings from activities as a family-type resource or an intermediate resource), and
  - Health Services Fund and Quebec prescription drug insurance plan contributions.
- **Deferral of 15 June 2020 instalment payments** – For individuals and trusts (other than SIFT trusts), suspension of any tax instalment payment due on 15 June 2020 until 1 September 2020.
- **Trusts (other than graduated rate estates and SIFT trusts):**
- **Tax return filing-due date** – Postponement of the 30 March 2020 tax return filing-due date to 1 May 2020. In addition, for trusts with a filing due date after 30 March and before 31 May, the filing due date is deferred until 1 June 2020; and for trusts with a filing due date after 30 May and before 1 September, the filing due date is deferred until 1 September 2020.
- **Graduated rate estates (GREs): Tax return filing-due date** – Postponement of the 2019 tax return filing-due date after 16 March and before 31 March 2020 to 1 May 2020. In addition, for GREs with a filing due date after 30 March and before 31 May, the filing due date is deferred until 1 June 2020; and for GREs with a filing due date after 30 May and before 1 September, the filing due date is deferred until 1 September 2020.

VAT, GST and trade

with the GST), designations, and responses to information requests. A similar deferral to 1 September 2020 also applies where the administrative tax actions are due on 31 May or in June, July, or August 2020.

- **Deferral of CNESST premiums and filing** – As of 20 March 2020, employers have until 31 August 2020 to pay the amount indicated on their *Statement of Account* for their CNESST premiums. No penalties or interest will apply. In addition, employers have until 1 June 2020 to file their 2019 *Statement of Wages*.
- **Lodging tax** - The deadline for reporting and remitting the tax on lodging that would otherwise have had to be reported no later than April 30, 2020 is extended to July 31, 2020.
- **Suspension of periodic sales summary filing** – The obligation to file a periodic sales summary (i.e., *Sommaire périodique des ventes)* with Revenu Québec using a sales recording module is suspended until further notice. As a result, no penalties will be imposed on a restaurant establishment operator that fails to file the periodic sales summary for periods beginning after January 2020.
- **School tax** – Accelerated reduction of the school tax rate, effective 1 July 2020, to $0.1054 per $100 of standardized property assessment.

Business tax

- corporations, and Part VI.1 capital tax on life insurers.
- **Corporations, other businesses, and charities: Deferral of administrative tax actions** – Deferral to 1 June 2020 of all administrative tax actions (other than tax return filings already deferred to a specific date, payments of taxes and contributions, and source deductions) that are due after 16 March 2020 and before 31 May 2020. This includes the filing of information returns, forms, elections, designations, mandatory or preventive disclosures of aggressive tax planning, and responses to information requests. A similar deferral to 1 September 2020 also applies where the administrative tax actions are due on 31 May or in June, July, or August 2020.
- **Electronic signatures** – Revenu Québec will recognize, on a temporary administrative basis, electronic signatures on authorization form CO-1000.TE, *Transmission par internet de la déclaration de revenus d'une société*, which tax preparers must have their clients sign. Revenu Québec is also accepting electronic signatures on authorization form MR-69-V, Authorization to Communicate Information or Power of Attorney, as well

Canada – Quebec (continued)

Return to jurisdiction list

Overview	Personal tax	VAT, GST and trade	Business tax
Quebec (continued)	▸ **Trusts (other than SIFT trusts): Tax balance-due day** – Postponement of the payment of the tax balance and the annual registration fee for the enterprise register for the 2019 taxation year to 1 September 2020. In addition, the tax balance and the annual registration fee for the enterprise register payable by trusts for their taxation year ended during the 2020 calendar year that would otherwise be payable before 1 September 2020, can now be deferred until 1 September 2020. ▸ **Individuals and Trusts: Deferral of administrative tax actions** – Deferral to 1 June 2020 of all administrative tax actions (other than tax return filings already deferred to a specific date, payments of taxes and contributions, and source deductions) that are due after 16 March 2020 and before 31 May 2020. This includes the filing of information returns, forms, elections, designations, mandatory or preventive disclosures of tax planning, and responses to information requests. A similar deferral to 1 September 2020 also applies where the administrative tax actions are due on 30 May or in June, July, or August 2020. ▸ **Individuals: RRIF withdrawals** – In line with the federal measure, the required minimum withdrawals from RRIFs will by reduced by 25% for 2020. ▸ **Individuals: Seniors' home-support services tax credit** – An extension of the deadlines for renewing the advanced payments of the tax credit for home-support services for seniors, provided the deadline falls after 17 March 2020. Revenu Québec will determine a new deadline at a later date. Current advanced payments will be maintained until the renewal (unless Revenu Québec is aware that the senior is no longer eligible).		as related forms MR-69.E-V, MR-69.R-V, and MR-69.RP, until 1 September 2020. Employers will also be allowed, during the health crisis, to complete and sign form TP-64.3-V, *General Employment Conditions*, electronically and e-mail a copy to the employee. ▸ **SIFT trusts: Tax return filing-due date** – Postponement of 2019 tax return filings due after 16 March and before 31 March to 1 May 2020. In addition, for SIFT trusts with a filing due date after 30 March and before 31 May, the filing due date is deferred until 1 June 2020; and for SIFT trusts with a filing due date after 30 May and before 1 September, the filing due date is deferred until 1 September 2020. ▸ **SIFT partnerships: Tax return filing-due date** – Postponement of 2019 tax return filings due after 16 March and before 1 April 2020 to 1 May 2020; to 1 June 2020 for those due after 31 March and before 31 May; and to 1 September 2020 for those due after 30 May and before 1 September 2020. ▸ **SIFT Trusts and SIFT partnerships: Tax balance-due day** – Postponement of any tax balance-due day falling between 17 March 2020 and 31 August 2020 to 1 September 2020. ▸ **SIFT Trusts and SIFT partnerships: Instalment payments** – Suspension of monthly tax instalment payments due between 17 March 2020 and 31 August 2020 until 1 September 2020. ▸ **Other Partnerships: Partnership information return** – Postponement of the filing due date for 2019 partnership information returns (TP-600-V) due after 16 March 2020 (and before 1 April 2020) to 1 May 2020; to 1 June 2020 for those due after 31 March and before 31 May; and to 1 September 2020 for those due after 30 May and before 1 September 2020. ▸ **Charities: Extended filing deadline** – For all registered charities and other donees with a Form TP-985.22-V, *Information Return for Registered Charities and Other Donees*, due between 17 March 2020 and 31 December 2020, the filing deadline is extended to 31 December 2020.

Canada – Quebec (continued)

Return to jurisdiction list

Overview

Quebec (continued)

Personal Tax

- **Taxable benefits** – Revenu Québec does not consider, given the exceptional circumstances caused by COVID-19, the total or partial reimbursement of up to $500 for equipment that an employee purchased for teleworking as a taxable benefit for the employee.
- **Solidarity tax credit payments for 2020-21 benefit year** – Individuals who are currently receiving the solidarity tax credit for the 2019-20 benefit year and who have not been able to file their 2019 income tax return by 30 April (and are taking advantage of the extended personal tax return filing deadline to 1 June) will continue to receive credit payments until September 2020, with the payment amounts being based on their 2018 tax return information.

Business tax

- **Non-profit corporations: Extended filing deadline** – For all non-profit corporations with a Form CO-17.SP, *Déclaration de revenus et de renseignements des sociétés sans but lucratif*, and a Form TP-997.1-V, *Information Return for Tax-Exempt Entities*, due after 16 March 2020 and before 31 May 2020, the filing deadline is extended to 1 June 2020. Similarly, for non-profit corporations with a Form CO-17.SP or a Form TP-997.1-V due after 30 May and before 1 September, the filing deadline is extended to 1 September 2020.
- **Mining taxes** – Postponement of the payment of mining taxes (including instalments) to 1 September 2020. The deadline for filing the Mining Tax Return (IM-30-V) has been extended to 1 June 2020, for operators that were required to file the return between 17 March 2020 and 31 May 2020; and to 1 September 2020, for operators that were required to file the return between 1 June and 31 August. [Note that the extension to 1 September 2020 (instead of the extension to 1 June 2020) should also apply to administrative tax actions due on 31 May 2020, since a filing deadline that normally falls on a Sunday is extended by the Quebec Interpretation Act to the next business day.] The extensions also apply to operators that file forms IM-30.MX-V and IM-30.DL-V (instead of form IM-30-V).
- **Logging operations tax** – Postponement of the payment of the tax on logging operations (including instalments) to 1 September 2020.
- **Quebec health services fund** – To complement the federal implementation of the Canada emergency wage subsidy (CEWS) and, in particular, the 100% refund of certain payroll contributions, a credit on contributions to the Health Services Fund for employees on paid leave will be granted to employers entitled to the CEWS (including as a result of the 15 May 2020 proposed amendments to the CEWS). Employers will also have to maintain an establishment in Quebec. The credit will be granted for the same 24-week period applicable to the CEWS (taking into account the proposed extension – see above), retroactive to 15 March 2020.
- **Quebec health services fund** – To complement the federal implementation of the Canada emergency wage subsidy (CEWS) and, in particular, the 100% refund of certain payroll contributions, a credit on contributions to the Health Services Fund for employees on paid leave will be granted to employers entitled to the CEWS (including as a result of the 15 May 2020 proposed amendments to the CEWS). Employers will also have to maintain an establishment in Quebec. The credit will be granted for the same 24-week period applicable to the CEWS (taking into account the proposed extension – see above), retroactive to 15 March 2020.

Canada – Quebec (continued)

Return to jurisdiction list

Overview	Personal Tax	Business tax
Quebec (continued)	▸ **Childcare expenses tax credit and disability supports deduction** – Amendments to the requirement to physically "attend a qualified educational institution" for purposes of being eligible to claim either the refundable childcare expense tax credit or the disability supports deduction, so that courses offered by a post-secondary qualified educational institution and taken at a distance or virtually may qualify. The changes apply to expenses incurred after 31 December 2019.	▸ **Small business deduction: Calculation of remunerated hours** - Amendments to provide for an adjustment to the calculation of a corporation's remunerated hours for purposes of meeting Quebec's minimum 5,000/5,500 hours threshold for the small business deduction, so that the impact of any temporary suspension of the corporation's activities between 15 March and 29 June 2020 (the "closing period") is limited. Specifically, where all or part of the closing period is included in a corporation's given taxation year, the number of remunerated hours determined in respect of the corporation's employees, for the given year, will be grossed-up and deemed to be determined as if the given year was a shorter year that didn't include the closing period and the number of remunerated hours were in respect of that shorter year. This adjustment will also apply to the calculation of the remunerated hours of a partnership. ▸ **Discretionary powers re certain tax incentive measures** – Temporary discretionary powers granted to departments and public agencies other than Revenu Québec in the administration of non-tax parameters that are necessary to obtain related tax incentives, so that the department or agency can exceptionally authorize eligibility if the recipient taxpayer demonstrates that their inability to meet the non-tax parameters is directly attributable to measures put in place to mitigate the effects of the COVID-19 pandemic. Similar temporary discretionary powers will also be granted to Revenu Québec where the eligibility for a fiscal measure depends on the qualification of eligible salary or wages, as well as in the context of the application of the refundable tax credit for the production of performances, or where a corporation has failed to apply to the Société de développement des entreprises culturelles in order to claim a tax credit for the cultural sector. These amendments generally apply to taxation years ending after 14 March 2020.

Additional Quebec tax measures and information:

- **Collections activities:** Revenu Québec has announced that collections activities on new debts will be suspended until further notice, and greater flexibility will be shown with respect to payment arrangements for tax debts. Subject to certain exceptions, Revenu Québec has granted a release of garnishments on current bank accounts for tax debts, including the bank accounts of corporations, and has stopped sending employers income seizure by garnishment notices and formal requests to pay regarding tax debts (seizure by garnishment notices for tax debts have also stopped being issued to financial institutions). Recovery measures have also been suspended, and the usual duration of tax-debt payment arrangements have been extended.
- **Audit activities** – Revenu Québec has suspended its audit activities (except in situations where there is a risk of fraud). No contact will be initiated with taxpayers until it is necessary to process a refund.
- **Objections:** For objections due on or after 13 March 2020 up to 29 June 2020, the deadline is extended until 30 June 2020.
- **Appeals before the Quebec Court:** On 26 March 2020, the Quebec Court announced that its Civil Division has suspended all proceedings in its Regular Division and its Small Claims Division, until 31 May 2020. A ministerial order (M.O. 2020-4251) has also been issued on 15 March 2020 for the suspension of prescription and procedural periods until the expiry of the public health emergency declared in the province on 13 March 2020.

Canada – New Brunswick

Return to jurisdiction list

Overview

New Brunswick

Personal tax

VAT, GST and trade

- **WorkSafeNB premiums** - Deferral of WorkSafeNB assessment premiums related to payroll for February, March and April until June 2020 without interest charges.
- **Property tax** - The deadline to request a property assessment review has been extended by 30 days, until 1 May 2020. Although business property taxes must be paid by 31 May 2020, late penalties will be reviewed on a case-by-case basis to see if the penalty can be waived due to undue financial challenges, such as having to close a business due to COVID-19.
- **Gasoline, motive fuel, and carbon emitting product taxes** – Contrary to what was previously instructed, retailers are no longer required to file a Tax Remittance Form (GMF-02) by 30 April 2020, nor remit the difference between New Brunswick's new carbon emitting product tax due and the reduction in the gasoline and motive fuel taxes on the inventory they held at 12h01 a.m. on 1 April 2020. For retailers that have not filed Form GMF-02, they may instead apply for the refund of the tax difference between the reduction in the gasoline and motive fuel taxes and the carbon emitting products incremental tax increase (i.e., from the federal backstop carbon tax to New Brunswick's carbon emitting product tax) on that inventory, by completing Form GMF-03, *Gasoline, Motive Fuel and Carbon Emitting Products Retailer Tax Refund: Inventory Report*, by 15 May 2020.
- **Tobacco tax licences extended** – Retailer licences previously valid until 31 May 2020 will remain valid until 30 June 2020.
- **Gasoline, motive fuel, and carbon emitting product tax licences extended** – Retailer licences previously valid until 31 May 2020 will remain valid until 30 June 2020.
- **Deferral of certain budget measures** – Measures announced in the 2020 New Brunswick budget (tabled on 10 March 2020) to reduce the provincial property tax rate on non-owner-occupied residential properties and on non-residential properties, both over a four-year period and starting in the 2021 taxation year, will be deferred.

Business tax

Links and resources

EY materials

- EY Tax Alert 2020 Issue No. 19 - Economic assistance available in Atlantic provinces

Government materials

- WorkSafeNB - Deferral of premium payments
- New Brunswick - COVID-19 Guidance for Businesses
- New Brunswick - Notice to all Gasoline, Motive Fuel and Carbon Emitting Product Retailers: Refund
- New Brunswick Finance and Treasury Board - Business Property Tax Penalty Relief Program
- Notice to Tobacco Retailers (TTN: 420)
- Notice to Gasoline, Motive Fuel and Carbon Emitting Product Retailers (TTN: 423)
- New Brunswick News Release re. Deferral of provincial property tax rate reduction

Canada – Nova Scotia

Return to jurisdiction list

Overview

Nova Scotia

Personal Tax

VAT, GST and trade

- **Deferral of WCB premiums and waiver of interest and penalties –** Workers compensation board (WCB) premium payments for all employers are deferred for three months, until July 2020. Late payment fees and interest are waived until further notice.

Business tax

Links and resources

Government Materials

- Nova Scotia COVID-19 Relief Measures for business
- Nova Scotia - News Release - WCB employer premiums

Canada – Prince Edward Island

Return to jurisdiction list

Overview

Prince Edward Island

Personal Tax

VAT, GST and trade

- **Property tax relief** – Provincial property tax and fee payments are deferred until 31 December 2020. In addition, the property tax assessment appeal deadlines for the 2020 assessment year are deferred to 31 December 2020, and interest relief will be provided for the 2020 tax year (including for all past due amounts). The mailing of provincial tax bills for 2020 will also be deferred until June.
- Deferral of WCB premiums – Workers' compensation board (WCB) premiums normally paid in March, April and May are deferred until 30 June 2020. No interest and penalties will apply during the deferral period.

Business tax

Links and resources

Government Materials

- https://www.princeedwardisland.ca/en/news/province-provides-covid-19-economic-update-confirms-property-tax-relief
- PEI WCB - Assessment deferral
- Prince Edward Island - Royal Gazette Issue 15 - April 11, 2020

Canada – Newfoundland

Return to jurisdiction list

Overview

Newfoundland

Personal Tax

VAT, GST and trade

- **Extended filing and payment deadlines** – Deferral to 20 August 2020 of the filing and payment deadlines of all tax returns that would otherwise be due between 20 March to 31 July 2020, for all the provincially administered taxes under the Revenue Administration Act, including: gasoline tax, carbon tax, health and post-secondary education tax, insurance companies tax, mining and mineral rights tax, tax on insurance premiums, and tobacco tax (the deferral period was otherwise scheduled to end on 23 June). The filing and payment deadline for international fuel tax agreement returns due on 30 April 2020 is deferred to 1 June 2020. In addition, as confirmed by the Tax Administration Division of the province's Department of Finance for the first deferral period ending 23 June, we expect that no penalties and interest will be imposed during the extended deferral period that now goes up to 20 August 2020 as long as the relevant returns and related payments are filed by that date.
- **Fuel tax** - The 31 March 2020 expiry date for fuel tax exemption permits, which allows permit holders to purchase tax-exempt marked gasoline and light fuel oil, is extended to 30 June 2020.
- **Deferral of WorkplaceNL premiums** – WorkplaceNL assessment premiums, which were originally deferred until 30 June 2020, are now deferred until 31 August 2020. No interest and penalties will apply during the deferral period. The deferral will be applied to all existing payment plans and post-dated cheques. Employers do not need to contact WorkplaceNL.

Business tax

- **Wage compensation** – To complement the federal temporary wage subsidy and the Canada emergency wage subsidy, the province will compensate private sector employers for continuation of pay to employees who were required to self-isolate for 14-days due to the COVID-19 travel restrictions. The maximum amount of funding under the provincial program will be $500/week for each employee (to a combined maximum of $1,000/week for each employee where both federal and provincial funding is received). This provincial funding will also be available to individuals who are self-employed.

Links and resources

Government Materials

- Newfoundland news release - fuel tax
- WorplaceNL - premium deferral
- NL Finance news release - Changes made to tax return filing deadlines and remission of interest and penalties/
- NL News Release - Compensation for Private Sector Employers
- Newfoundland and Labrador News Release (May 22, 2020) - Deferral or waiver of fees
- WorkplaceNL - Service update
- NL News Release - Further extension of Tax Return Filing Deadlines

Canada – Northwest Territories

Return to jurisdiction list

Overview

Northwest Territories

Personal Tax

VAT, GST and trade

- **Interest relief** – Interest charges on all late-filed tax returns between 15 March 2020 and 30 June 2020 is waived.
- **Deferral of workers' compensation premiums** – Effective 1 April 2020, the Workers' Safety and Compensation Commission has suspended late payment interest charges and extended the assessment payment deadline to 1 August 2020. The deferral means that employers can move to two equal instalments in August and October 2020. Employers are also encouraged to submit a revised payroll estimate for 2020.

Business tax

Links and resources

Government Materials

- NWT - Backgrounder Wave 2 - Economic Relief Measures Details
- WSCC - Financial relief measures for employers

Canada – Nunavut

Return to jurisdiction list

Overview

Nunavut

Personal Tax

VAT, GST and trade

- Deferral of workers' compensation premiums – Effective 1 April 2020, the Workers' Safety and Compensation Commission has suspended late payment interest charges and extended the assessment payment deadline to 1 August 2020. The deferral means that employers can move to two equal instalments in August and October 2020. Employers are also encouraged to submit a revised payroll estimate for 2020.

Business tax

Links and resources

Government Materials

- WSCC - Financial relief measures for employers

Canada – Yukon

Return to jurisdiction list

Overview

Yukon

Personal Tax

VAT, GST and trade

- **Deferral of workers' compensation premiums** – Workers' compensation health and safety board premiums may be deferred without interest and penalty charges to a date that is appropriate for an employer's business. In addition, businesses experiencing serious adverse financial impacts from COVID-19 may revise their annual payroll estimates (which may result in lower payments, revised payment schedules or a refund of 2020 assessment premiums)
- **Deferred payment of property tax** – Extension of the deadline for 2020 property tax payments to 2 September 2020 for citizens and businesses, without penalty (also applicable to any Local Improvement Charges that property owners are repaying).

Business tax

Links and resources

Government Materials

- Yukon WCHSB - COVID-19 Relief for businesses
- Yukon News Release re. Property Tax Payment Deadline

Cayman Islands

- Contact: Bill Bailey - Tax
- Contact: Christine M. Bower - Tax

- Last updated: 5 May 2020

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Return to jurisdiction list

Overview

- Banks are implementing measures to provide financial relief to their clients, including automatic payment deferrals on residential mortgages and personal loans in good standing
- Emergency supplementary funding, recently approved by Cabinet, will provide temporary food assistance to non-Caymanians who qualify and are unable to leave the Cayman Islands or who find themselves out of work due to the impact of COVID-19.
- Additional emergency stipends to be paid to those who receive permanent financial assistance to allow them to better prepare with provisions and medical expenses.
- The Cayman Islands Centre for Business Development provide support to small businesses across the Islands. The services being offered to the public will begin with a focus on business continuity training and coaching. Small and medium-sized enterprises with an urgent need for assistance with cash flow management, business impact analysis or those that need to redesign or re-think their business models are urged to contact the Centre.

Personal tax

VAT, GST and trade

Business Tax

Cayman Islands

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Return to jurisdiction list

Other measures

- Regarding the Foreign Account Tax Compliance Act (FATCA), as a result of the United States' Internal Revenue Service (IRS) providing an extension for Model 1 IGA jurisdictions to provide their 2019 FATCA data to the United States, the Cayman Islands Department of International Tax Cooperation (DITC) has extended the deadline for the 2019 reporting period to 16 November 2020.
- Regarding Common Reporting Standards (CRS), the DITC announced on 2 March 2020 that the reporting deadline for the 2019 reporting period is extended to 16 November 2020 due to development of the new DITC portal. Further, the DITC issued an Industry Advisory dated 15 April 2020, which includes the release of a new CRS Compliance Form, which will be required to be submitted by all Reporting Financial Institutions and Trustee Documented Trusts. For the 2019 reporting period, the deadline for submission is 31 December 2020.
- Regarding Country-by-Country Reporting (CbCR), the DITC announced on 2 March 2020 that the reporting deadline for CbCR is extended due to development of the new DITC portal. MNE Groups with the fiscal year starting in the range 1 July 2018 through 31 December 2018 will be required to file their CbC Report no later than 31 December 2020.
- Regarding Economic Substance, the Registrar of Companies (ROC) and the Department for International Tax Cooperation (DITC) have extended the deadlines for entities to complete their Annual Returns and Economic Substance Notification (ESN) filings until 30 June 2020. The ESN will remain a prerequisite for companies filing an Annual Return.
- Regarding Company filings, the Government has deferred the obligation to pay annual fees until 30 June 2020, for registered corporate entities. The fees deferral applies to all companies, including LLCs foundations companies. Exempted liability partnerships (ELPs) will also have their annual fees and annual return filings deadline extended until 30 June.
- A 30-day extension with respect to filings relating to changes in directors and officers, changes in registered offices and filing of amended memorandum and articles (including changes in share capital), occurring on or after 1 March 2020. Additional list of filing extensions provided by the Cayman Islands Monetary Authority (CIMA), included in the links and resource section.

Links and resources

Government materials

- https://www.mfs.ky/news/
- https://www.cima.ky/upimages/commonfiles/ListofFilingExtensions_1585070451.pdf
- https://www.exploregov.ky/coronavirus

Chad

- Contact: Brigitte Keirby-Smith
- Last updated: 5 May 2020

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Return to jurisdiction list

Overview

- On 23 April 2020 the Chad Government introduced economic measures in response to the COVID-19 pandemic.

Personal tax

- Suspension of external tax audits (spot checks and general account audits) for a period of three months as from April 2020. This suspension does not concern tax audits in the process of being finalized, notably those that have been subject to drafts exchange or for which the notifications of adjustments, of confirmation of adjustments or of issuance of the Collection Notice (AMR) are in the sending cycle.

VAT, GST and trade

- Suspension of external tax audits for a period of three months from April 2020. This suspension also applies to customs audits, but does not concern tax audits in the process of being finalized, notably those that have been subject to drafts exchange or for which the notifications of adjustments, of confirmation of adjustments or of issuance of the AMR are in the sending cycle.
- Exemption from customs duties and taxes on imports of basic foodstuffs until the end of FY 2020.
- Exemption from customs taxes and duties on imports of medical consumables and equipment used in the fight against the COVID-19 pandemic. The list of exempted medical products and equipment will be proposed and agreed jointly by the WHO and the WCO.
- Facilitation and acceleration of the procedure for the clearance of medical consumables and equipment used in the fight against the COVID-19 pandemic will be granted to economic operators registered and recognized by the tax and customs authorities and to recognized partners of the Ministry of Public Health.
- Temporary admission could be granted to organizations engaged in the fight against the COVID-19 pandemic, with regards to the equipment used by them or under their guidance in rescue operations.
- Exemption of importers of food and health products from declarations and prior authorizations by referral to local banks and economic operators through their umbrella organizations.

Business tax

- A 50% reduction of business license tax and synthetic tax for FY 2020. Taxpayers who have paid their taxes before this measure shall benefit from a tax credit of 50% of the amount paid, to be deducted from future payment of taxes, including those for FY 2021, with the exception of taxes for which the taxpayer is only the collector.
- Suspension of external tax audits for a period of three months as from April 2020. This suspension does not concern tax audits in the process of being finalized, notably those that have been subject to drafts exchange or for which the notifications of adjustments, of confirmation of adjustments or of issuance of the AMR are in the sending cycle.
- More lenient attitude toward requests made by taxpayers whose activities are affected by the preventative measure against the COVID-19 pandemic.

Links and resources

Government materials

- www.finances.gouv.td

CIRCULAR N°004/PR/MFB/2020 On the implementation of social and economic measures relating to the fight against COVID-19

Chile

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- Last updated: 3 September 2020

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Return to jurisdiction list

Overview

- On March, Government filed an incentive economic package, mainly focused on providing funds and supporting small/medium business for an amount of US$11,750 Million, equivalent to 4.7% of Chilean GDP. Expected benefits will be sanitary systems, family revenues and employment protections.
- On 14 June 2020, the Chilean Government announced a second economic package consisting in a two-year $12 billion citizen support and economic stimulus package to overcome the effects of the coronavirus outbreak
- From a practical perspective, the Chilean IRS has launched new online tools in its website enabling the obtaining of a tax ID, and improving managing of monthly taxes, among others.
- Work from home bill has been approved by Congress.
- More flexible mechanisms to carry out shareholder and board of director meetings remotely.
- New labor legislation enacted easing access to unemployment insurance and allowing employers to agree a reduction in the weekly hours and remuneration. The second economic package expands the eligibility of employees under this regime.
- The second economic package also contains benefit for companies that employ people in the lower remuneration brackets and establishing tax benefits in the form of tax credit for the employment of new employees.
- Small size companies can apply to commercial loans guaranteed by the government at reduced rates.
- On 2 September 2020, a new package was approved by Congress allowing bonus tax depreciation for fixed assets and intangible

VAT, GST and trade

- Deferral of VAT payments for the next threemonths (benefit available for small sales volume companies) Deferred VAT can be paid in 12 interest free instalments.
- Exceptional one time refund of VAT surplus credit (One time, only available for small size companies that comply with good practices requirements and have suffered decrease on their revenues of at least 30%)
- Real estate taxes due in April may be deferred until 31 December 2020. Applicable to small/medium size companies and individuals that own real state valued lower than US$170,000.

Business tax

- Several sworn statements are postponed to March end - beginning of April.

Small/medium-sized companies

- Deferral of annual income tax return until July 2020;
- Relieve measures for tax debt aiming to incentive payments agreements (e.g. waiver of penalties and interests)
- Advance income tax return in April 2020.
- Reducing corporate tax credit rate for commercial years 2020 - 2022.
- Extended suspension of monthly advance payments (in advance of corporate tax) for additional three months (counted from June).
- Corporate tax rate is cut from 25% to 10% during commercial years 2020-2022. As consequence, tax pre-payments for small size companies would be reduced in half

All size companies

- Monthly advance payments (in advance of Corporate Tax) are suspended for the next three months
- Deductibility of all COVID-19-related expenses incurred by Chilean companies
- Extended super accelerated depreciation regime available until 2022 allowing to depreciate within the same year of acquisition 100% of the value of acquired assets.
- 100% amortization for intangible acquired to the extent that they qualify as intellectual or industrial property
- 23% of new hires remuneration to be deducted as corporate tax credit.

Other measures

- Elimination of stamp tax for credit loans granted within the upcoming six months
- Eliminate for year 2021 the 1% regional contribution tax.

Links and resources

Government materials

- http://www.sii.cl/servicios_online/index.htmlhttps
- ://static.emol.cl/emol50/documentos/archivos/2020/06/14/20200614116 46.pdf
- https://www.gob.cl/planeconomicoemergencia/

China Mainland

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- Contact: Min Fei - China Tax Desk

- Last updated: 20 July 2020

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Return to jurisdiction list

Overview

- Multiple Injections of capital totaling more than CNY1.7 trillion (approx. US$242 billion) have been made by the People's Bank of China (PBOC) via reverse repos through open market operations
- Reduction of the one-year lending facility rate by 0.10% and slash the one-year and five-year prime rates by 0.10% and 0.05%, respectively, as well as lowering the bank capital reserve requirements
- Issuance of two series of local government special bonds, in the amount of CNY1.29 Trillion (approx. US$183.18 billion) in early 2020 and the additional CNY1Trillion (approx. US$142 billion) in May 2020
- Allowance of deferral of principal/interest payments (mainly applicable to micro and SMEs)
- Expansion of loan financing to key industries, such as manufacturing sector, private enterprises, and small-sized enterprises with marginal profit
- Introduction of a program providing deferral of payment, and/or reduce rents/interest on financial leasing businesses
- Removal of the cap on foreign debt for enterprises, removal of the cap on foreign debt (subject to case by case review) and facilitate online foreign debt registration
- Offer a fast track for foreign exchange verification, cancellation and settlement process to support cross-border financing and RMB business for the contagion prevention and control
- Qualifying enterprises may receive up to 100-percent refund of their unemployment insurance premiums paid in the last year
- According to certain previously issued national rules, financial subsidies have been provided to certain industries significantly affected by the epidemic such as airlines, as well as to designated personnel, e.g., the COVID-19 patients, medical personnel and other related personnel
- 46 new cross-border e-commerce pilot zones to be newly established, expanding the total to 105
- Expansion of the scope of industries into which foreign investment is encouraged
- Reduction of the prohibited commodities for processing trade
- Waiver of three-month's rents for the first half of 2020 for small and micro-sized enterprises or self-employed small businesses engaged in service industry which lease state-owned properties. Further, State-owned banks or financial institutions are encouraged to offer financial support to these businesses to pay their rents (e.g., to offer loans with preferential interest rates)
- A further cut of CNY2.5 Trillion (approx. US$355 billion) in corporate taxes and fees in 2020 has been made
- The government has:
  - Removed the Cultural Development Fee for the media, advertisement and entertainment industries for the period 1 January 2020 to 31 December 2020
  - Exempted the relevant entities from contributions to National Film Development Funds (for the period 1 January 2020 to 31 December for entities in Hubei Province and 1 January 2020 to 21 August 2020 for entities in other locations)
- Measures have been released to attract and retain FDI and foreign trade, key highlights include:
  - National level
    - Relaxing the negative list for foreign investment and entry requirements for financial services and expanding the pilot for further opening-up of the services sector
    - Expanded the scope of encouraged industries.
    - Streamlined the administration for foreign inbound investment.
    - Removed the security investment quota restrictions set for Qualified Foreign Institutional Investors (QFIIs) and RMB Qualified Foreign Institutional Investors (RQFIIs), and simplified the procedures for their outbound remittances.
    - Allowed more flexibility to pilot free trade zones
    - Announced plans to establish new pilot free trade zones and integrated bonded areas in the central and western regions
    - Lowered costs of import/export compliance for enterprises engaging in import/export businesses
    - Provided finance support for sales of export products in domestic market

China Mainland (continued)

Overview

- Shanghai city level
  - Accelerated the opening up industries, in particular the financial services and new energy vehicle sectors
  - Enlarged coverage of Shanghai FTZs and Lin-gang, e.g., telecommunications, scientific research and technical services, education and health
  - District level financial "rewards" is available for certain key foreign invested projects and design incentives to attract talents
  - Relaxed foreign exchange related transaction process
  - Involved businesses in the policy-making processes
  - Streamlined work permit application process for foreigners
  - Strengthened the legal protection of intellectual property
  - Provided for loan interest subsidies for key industries (including High-and-New Technology Enterprises and shipping industries) in the Shanghai Lin-gang Special Area
  - Enterprises engaged in key industries in the Shanghai Lin-gang Special Area (e.g., integrated circuit, artificial intelligence, biological medicine, civil aviation) will be entitled to a reduced CIT rate of 15%

China Mainland (continued)

Personal tax

- Individual Income Tax (IIT) exemption on additional allowance and bonus for medical staff and qualifying personnel who has been involved in COVID-19 prevention, treatment and or handling related emergencies (to be provided by the government by the end of 2020)
- IIT exemption on medicines, medical supplies and protective equipment provided from enterprises to employees (to be provided by the government by the end of 2020)
- Qualifying donations are allowed to be deducted in full for IIT purposes (to be provided by the government by the end of 2020)
- **Deferral IIT payments:** allowing self-employed industrial and commercial households (SICHs) to defer the payments of IIT until the first tax filing period of 2021

VAT, GST and trade

Exemption/reduction

- Exempt VAT on revenue in providing prescribed services (i.e., transportation of key supplies under the epidemic, public transportation services, lifestyle services) from 1 January 2020 to 31 December 2020
- Exempt VAT for small-scale VAT taxpayers in Hubei and reduce VAT collection rate for those in other regions to 1% (1 March 2020 to 31 December 2020)
- Exempt VAT for financial institutions' interest income from the loans to small and micro-sized enterprises (by the end of 2023)
- Exempt VAT and Consumption Tax on cross-border e-commerce pilot zones ("ECPZs") in 46 newly established ECPZs, total 105 zones
- Exempt VAT for income derived from film screening services (1 January 2020 to 31 December 2020)

VAT refunds

- Key medical and epidemic prevention-related supplies (Key Supply Enterprises, "KSEs") under designated lists (vary locally) may apply a full refund of the incremental input VAT credits incurred after the end of December 2019 on a monthly basis (to be provided by the government by the end of 2020)

Tax administration

- Temporarily waive on-site verification for VAT invoice related applications
- Big data analysis (particularly on VAT invoices) is leveraged to assist governments in making well-informed decisions
- Certain tax authorities launched the blockchain-based general VAT invoice on a pilot basis
- Waiver of late tax payment interest on domestic sales from bonded materials

Deferral of VAT payments

- Subject to individual application and case-by-case review

Business tax

- **Asset write-off/tax depreciation:** Equipment purchased by KSEs under a designated list for expanding production capacity is allowed to be one-off deducted in the same period for CIT purposes (to be provided by the government by the end of 2020)
- **Reduction of taxable income:**
  - Interest income derived by financial institutions for extending small loans to farmers is entitled to 10% deduction (CIT rate is at 25%)
  - Premium income derived from insurance services provided to businesses engaging in planting as well as breeding and poultry raising is subject to CIT at a 10% reduction (by the end of 2023)
- **Special CIT deduction:** Qualifying donations are allowed to be deducted in full for CIT purposes (to be provided by the government by the end of 2020)
- **Loss carry-forward**: The government has extended the carry-forward period for losses incurred in 2020 from five to eight years for qualifying enterprises
- **Deferral CIT payment:** Small-sized enterprises with meager profits will be allowed to defer their CIT payments to the first tax filing period of 2021
- **Temporary relief on social security contributions:** social security contributions by employers (including the pension, unemployment insurance and work-related injury insurance) (refer to medium, small and micro-sized enterprises) can be exempted (to be provided by the government by the end of 2020)
- **Deferral social securities contribution:** enterprises with severe difficulties in business due to COVID-19 epidemic may defer the social securities contribution to the end of December 2020 without penalties
- **Property tax reduction:** 50% deduction of Urban Land Use Tax (ULUT) rates on the land used by logistics companies for bulk commodity storage (1 January to 31 December 2022). Landlords who offer rent relief to small businesses may be entitled to Real Estate Tax (RET) and ULUT reduction/exemption
- **Western Regions:** China extends the validity of15% CIT rate for qualified enterprises engaged in encouraged industries in the Western Regions to the end of 2030. The criteria has also been lowered

Links and resources

Government materials

- http://www.gov.cn/xinwen/2020-02/02/content_5473948.htm
- http://www.gov.cn/xinwen/2020-02/05/content_5474649.htm
- http://www.gov.cn/xinwen/2020-02/10/content_5476769.htm
- http://www.gov.cn/xinwen/2020-02/11/content_5477257.htm
- http://www.gov.cn/xinwen/2020-02/17/content_5479938.htm
- http://www.gov.cn/xinwen/2020-03/30/content_5497129.htm
- http://www.pbc.gov.cn/zhengcehuobisi/125207/125213/125431/125475/4000001/index.html
- http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3989112/index.html
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- http://www.miit.gov.cn/n973401/n7647394/n7647399/c7830236/content.html
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- http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5154333/content.html
- http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5153727/content.html

Colombia

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- Last updated: 18 August 2020

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Return to jurisdiction list

Overview

- As a result of the emergency caused by the outbreak of COVID-19 in Colombia, the Government issued a number of tax measures to ease the burden on taxpayers during the crisis.
- The Colombian Government established a special VAT exemption program for three days, applicable to retail sales of certain type of goods.
- The Colombian tax authorities have suspended all tax, customs or foreign exchange procedures and actions. Personnel of companies located in free trade zones (FTZs) are allowed to work outside the FTZ area.
- Tax refunds are being fast-tracked.
- Debit tax exemption to apply for bank transfers made by Non-Profit Organizations.

Personal tax

- On 25 March 2020, the Colombian tax authorities issued a resolution in which postponed the due dates for the submission of magnetic media reports for FY 2019 from 16 June to 1 July 2020 depending on the last two digits of the taxpayer's identification number (before the changes were introduced, the due dates were from 13 May to 10 June 2020 depending on the last two digits of the taxpayer's identification number).
- On 15 April 2020, the Colombian Government issued Legislative Decree 568, introducing a new "solidarity tax" that, applicable from 1 May 2020 to 31 July 2020. The solidarity tax is applicable to public officers and individuals contracted by the Colombian Government (at the Central and local level) and public entities as well as retired employees with a monthly salary, remuneration or pension that is higher than COP 10 million (approx. US$2,500), at a progressive rate from 15% to 20%. The Solidarity tax will be collected via withholding tax. The Colombian Constitutional Court declared Legislative Decree 568 as unconstitutional. The Court's decision will have retroactive effects, in consequence, the amounts collected via withholding tax would be deemed as an advance payment for income tax purposes that may be deducted against the income tax liability assessed.
- Unemployed individuals who have made contributions to the Family Compensation Fund for one year within a five year period may apply for a benefit by means of which social security contributions would be paid by the government (social security contributions would be assessed over one minimum monthly wage). Further, provided that certain requirements are met, the unemployed individual will receive a family subsidy. These benefits will apply until September 2020.

VAT, GST and trade

- Customs duties are reduced to 0% on imports of: (i) certain medicines, medical equipment and devices (e.g., oxygen, soaps, antibacterial gel, special masks, gloves for surgery, etc.); and (ii) certain goods used in the air travel industry. The 0% customs duties will apply for six months.
- The Government established a 0% VAT rate for 211 goods, including medical equipment, soap, antibacterial gel, laundry detergent, some cleaners, special masks, gloves for surgery, nebulizers, vital sign monitors, portable x-ray machines and hospital beds. The 0% VAT rate will apply during the time the sanitary emergency is in place. Taxpayers must meet certain requirements for the 0% rate to apply.
- A VAT exclusion applies to the commissions on the guarantees granted by the Agrarian Guarantees Fund. The VAT exclusion will apply until 31 December 2021, provided certain requirements are met.
- A 5% VAT rate (the general VAT rate is 19%) will apply to Colombian aviation gasoline Jet A1 and/or 100/130, as well as passenger air travel services. This reduced VAT rate will apply until 31 December 2021.
- Mobile voice and internet plans with a monthly cost of lower than approximately US$18 will be exempt from VAT for four months as from 13 April 2020.
- The in-kind donation of goods for human and animal consumption, clothing, personal care goods, medicines, medical devices, and construction materials used to respond to the sanitary emergency will not be deemed as a "sale" for VAT purposes (therefore, those donations will not be subject to VAT). This treatment will not apply if the donation/gift is concluded, directly or indirectly, between related parties. This treatment will apply during the time in which the state of emergency is declared.
- On 15 April 2020, the Colombian Government issued Decree 560 by means of which entities that entered into a reorganization or execute a reorganization plan (similar to the US chapter 11 process) will be subject to VAT withholding at 50% of the usual rate (e.g., if the general 19% VAT rate applies, the withholding tax to be applied will be 9.5%) until 31 December 2020.
- For companies engaged in hotel services, passenger air travel services, theatrical activities and live showbusiness activities, VAT payment due for the March - April 2020 period (or for the January - April period, if they file a VAT return every four months) is extended to 30 June 2020 (previously from 12 to 26 May 2020, depending on the last digit of the taxpayer's tax identification number).

VAT, GST and trade (continued)

- For taxpayers engaged in the provision of alcoholic beverages in situ, cafeterias and restaurants, as well as travel agencies and tour operators, the deadline to pay VAT and national excise tax for the March – April period (or for the January - April period if they pay the VAT every four months) is extended to 30 June 2020 (previously from 12 to 26 May 2020, depending on the last digit of the taxpayer's tax identification number).
- Additionally, the Colombian Government has postponed the due date for the filing of the tourism contribution form and payment for the first quarter of 2020 to 29 July 2020 (previously 20 April 2020).
- On 21 May 2020 the Colombian Government issued Legislative Decree 682, 2020 by means of which a special VAT exemption (zero rated treatment) will be granted on 19 June, 3 July and 19 July 2020. The special VAT exemption will apply for the sale of certain products as follows:
  - Clothing and accessories whose value per unit is equal or lower than USD $198 approx.
  - Home Appliances, computers and communications devices which value per unit is equal or lower than USD $790 approx.
  - Sports equipment, bicycles and electronic bicycles which value per unit is equal or lower than USD $790 approx.
  - Toys and games (including scooters) which value per unit is equal or lower than USD $100 approx.
  - School supplies which value per unit is equal or lower than USD $50 approx.
  - Goods and supplies for the agriculture sector which value per unit is equal or lower than USD $790 approx.

  The VAT exemption only applies to retail sales made directly to individuals who must pay by credit or debit card or any electronic payment mechanism (payments in cash are not covered by the exemption). Each individual is allowed to buy up to three units of the same type of good from the same retailer (the seller must adjust its systems to comply with the limit of units purchased by individual).

  The invoice related with the sale must be issued in the day in which the VAT exemption is applicable.

  Sale price to the public must be adjusted considering the VAT exemption

  Finally the VAT taxpayer must submit to the tax authorities a report of the transactions covered under the special VAT exemption by 31 August 2020.

  This is similar, but not the same exemption provided in the last tax reform (Law 2010, 2019) which will apply as from 2021.
- The Decree also establishes that the rent of commercial premises (different to offices and warehouses) will be not subject to VAT as from 21 May to 31 July 2020. This measure is applicable for business premises who have been subject to a total or partial closure for two or more weeks due to lockdown (or quarantine) measures. Additional requirements should be met to apply this VAT benefit.
- The following business activities will be not subject to VAT:
  - The acquisition of certain chemical supplies to produce medicines (e.g., vitamins and antibiotics) (during the sanitary emergency, currently until 31 August 2020)
  - The provision of food and beverages in restaurants, coffee shops, cafeterias, ice-cream parlors and bakeries, developed under a franchise agreement (until 31 December 2020)
  - Hoteling and tourism services (until 31 December 2020)
  - Certain artistic services rendered for the audiovisual production of performing arts shows available to the public (from 1 July 2020 to 30 June 2021) Legislative Decree 789 of 4 June 2020.
- Retailers of Jet A1 and 100/130 Aviation gasoline (locally produced or imported), that have stock available on 15 April 2020, may request that the manufacturer or importer apply the VAT treatment applicable to returns or canceled transactions related to gasoline.
- A 0% VAT rate will apply to imports of public and private transportation motor vehicles and cargo transportation vehicles until 31 December 2021. This treatment also will apply to the importation of a chassis with an engine, as well as car body parts to build a new motor vehicle for public and private passenger transportation and cargo transportation. The importer will have to meet certain requirements to apply the 0% rate.
- Consumption Tax measures: By means of Legislative Decree 682,2020 the consumption tax applicable to tax payers engaged in the provision of alcoholic beverage in situ, cafeterias and restaurants is reduced to 0% (usually 8%) up to 31 December 2020.

Business tax

- Pursuant to Decree No. 655 of 2020, the Government postponed the due dates of the second payment instalment for micro, small or medium-sized companies. The new due dates for the second instalment payment for micro, small or medium-sized companies would be from 9 November 2020 to 7 December 2020 (depending on the last two digits of the tax payers' identification number). The second instalment payments were previously due from 1 June to 1 July 2020 (depending on the last two digits of the taxpayer's identification number).
- The Government did not extend the due date for filing the income tax returns. The income tax returns are still due from 1 June to 1 July 2020 (depending on the last two digits of the taxpayer's identification number). This is implied in this case.
- In the case of companies characterized as Large companies, the due dates for filing the income tax return and paying the tax are as follows:

  Large taxpayers:

  - **Tax return filing:** The due dates are from 9 to 24 June 2020, depending on the last digit of the taxpayer's identification number (pre-COVID-19: due dates were from 14 to 27 April 2020).
  - **First instalment payment:** The due dates are from 11 to 23 February 2020, depending on the last digit of the taxpayer's identification number (not impacted by COVID-19). The amount to be paid should be at least 20% of the amount due in the 2018 income tax return.
  - **Second instalment Payment:** The due dates are from 21 April to 5 May 2020 depending on the last digit of the taxpayer's identification number (pre-COVID-19 due dates were from 14 to 27 April 2020).The amount of the second instalment should be equivalent to 45% of the amount due in the 2018 income tax return.
  - **Third instalment payments:** The due dates are from 9 to 24 June 2020, depending on the last digit of the taxpayer's identification number (no change from pre-COVID-19). The amount of the third instalment would be the balance of the amount due in the 2019 income tax return minus the amounts paid in the first and second instalments.
  - For a large taxpayer who already filed their 2019 income tax return when the second instalment is due, the taxpayer should subtract, from the payment due, the amount paid in the first instalment. The balance should then be split in half, with one half paid in the second instalment and the other half in the third instalment.
  - Financial institutions qualified as large taxpayers: Income surtax first instalment payment will be due between 21 April to 5 May 2020 depending on the last digit of the tax identification number. Original dates were between 14 and 27 April 2020.

  Standard Legal entities:

  - Tax return filing: The due dates are from 1 June to 1 July 2020, depending on the last two digits of the taxpayer's identification number (pre-COVID-19, due dates were from 14 April to 12 May 2020).
  - First instalment payment: The due dates are from 21 April to 19 May 2020 (pre-COVID-19 due dates were from 14 April to 10 May 2020), depending on the last two digits of the taxpayer's identification number. The amount of the first instalment should be equivalent to 50% of the total amount due in the 2018 income tax return.
  - Second instalment payment: The due dates are from 1 June to 1 July 2020 depending on the last two digits of the taxpayer's identification number (pre-COVID-19 due dates were from 9 to 24 June 2020). The amount to be paid as second instalment should be the balance of the amount due in the 2019 income tax return minus the amount paid in the first instalment.
  - For standard legal entities that already filed the 2019 income tax return when the first instalment is due, the amount determined in the 2019 income tax return should be divided in half and paid in the first and second instalments.

- In addition, for companies engaged in hotel services, passenger air travel services, theatrical activities, and live showbusiness activities, the due dates for income tax payments were extended as follows:
  - Large taxpayers: The payment of the second instalment, was extended until 31 July 2020 (the original payment due dates were between 14 to 27 April 2020, depending on the last digit of the taxpayer's tax identification number). The payment of the third instalment was extended until 31 August 2020 (the original payment due dates were between 9 to 24 June 2020, depending on the last digit of the taxpayer's tax identification number).
  - Standard taxpayers: The payment of the first instalment, was extended until 31 July 2020 (the original payment due dates were between 9 April to 12 May 2020, depending on the last two digits of the taxpayer's tax identification number). The payment of the second instalment was extended until 31 August 2020 (the original payment due dates were between 9 to 24 June 2020, depending on the last digit of the taxpayer's tax identification number).

Business tax (continued)

- Due dates for filing the tax return for assets held abroad were postponed as follows:
  - Large taxpayers: From 9 to 24 June 2020, depending on the last digit of the taxpayer's identification ID (before the changes introduced, the due dates we from 21 April to 5 May 2020).
  - Standard taxpayers: From 1 June to 1 July 2020, depending on the last two digits of the taxpayer's identification ID (before the changes were introduced, the due dates were from 21 April to 19 May 2020).
- Colombian tax authorities has postponed the due dates for the submission of magnetic media reports for FY 2019 as follows:
  - Large taxpayers: From June 16 to July 1 2020 depending on the last digit of the taxpayer's identification ID (Pre COVID-19 measures, the due dates were from 28 April to 12 May 2020 depending on the last digit of the taxpayer's identification number).
  - Standard taxpayers: From 16 June to 1 July 2020 depending on the last two digits of the taxpayer's identification ID (Pre COVID-19 measures, the due dates were from 13 May to 10 June 2020, depending on the last two digits of the taxpayer's identification number)
- For regular taxpayers the Government issued some regulations to allow personnel of companies located in Free Trade Zones (FTZ) to work outside the FTZ area by using any telecommunication equipment or technology that allows remote connection of the personnel (in normal circumstances, companies located in free trade zones must undertake all its activities within the physical location of the FTZ to access to the tax and customs benefits granted under the FTZ regime)
- Generally, taxpayers must invest at least 30 million tax units (approx. US $267 million) to apply for the mega investment regime. The Government, by means of Legislative Decree 575 of 15 April 2020, reduced the investment amount allowing income taxpayers that invest more than 2 million tax units (approx. US $18 million) in Colombian air transportation to qualify for the benefits of the mega investment regime (e.g., a reduced income tax rate of generally 27% (the ordinary income tax rate is 32%), a two-year depreciation period, no 10% dividend tax).
- To apply to the benefits provided by the mega investment regime, the investments should be made before 31 December 2021. The taxpayers also will have to satisfy other requirements applicable to the regime.
- From 1 July 1 to 30 June 2021, a reduced 4% withholding tax will apply to domestic payments of fees and commissions to taxpayers engaged in certain cultural and entertainment activities (usually, this withholding tax may be up to 11%).
- Additionally, from 4 June 2020 to 30 June 2021, the economic stimulus/allowances granted by the Ministry of Culture, the cinematic development fund and local culture authorities will be not subject to withholding tax.
- Entities that enter into a reorganization or execute a reorganization plan (similar to a Chapter 11 process) will not be subject to income tax withholding or self-withholding through 31 December 2020.

  In addition, those entities should not make income tax advance payments or determine their income under the presumptive system for tax year 2020.

  Further, for taxable years 2020 and 2021, the entities that enter into a reorganization process should treat the reductions or discounts obtained during the process in accounts payables, including penalties and interest, as capital gains. These reductions and discounts, will be subject to a reduced capital gains rate of 10%, as opposed to the ordinary rate, generally 32% which is currently in effect for 2020. In addition, during those years, these taxpayers may offset the capital gains derived from the reductions or discounts with ordinary accumulated tax losses (NOLs), or current year capital losses
- As a general rule, the income tax advanced payment is determined at a rate of 75% of the previous year's income as of the third year of the company's existence. Under the new tax measures, companies engaged in certain economic activities (e.g., oil and gas production, mining activities, clothing and garments manufacturing, air transportation of passengers, tourism activities) may determine the income tax advance payment for FY 2020 at a reduced rate of 25% or 0% over the income tax due for FY 2019, depending of the type of business activity.

Business tax (continued)

- By means of Legislative Decree 639 of May 8, 2020, Legislative Decree 677 of 19 May 2020 and Legislative Decree 815 of 4 June 2020, Colombian Government established a subsidy to help Colombian companies incorporated prior to 1 January 2020, meet their payroll. Non-profit organizations, consortiums, some joint ventures and certain individual employers may also able to request the subsidy. To apply for the subsidy employers must prove a decrease in its revenue in more than 20% according to the methodologies set by the Government.

  The subsidy is equal to 40% of a monthly minimum wage (as determined by the Government) for each employee that the company has and for which it is paying social security contributions (approx. USD $98 for each employee). The subsidy would be granted for up to four months (May, June ,July and August). The company must use the subsidy only to meet its payroll.

  A similar payroll subsidy (of approx. USD $98 per employee) is applicable to public notaries' employees during the months of June, July, August and September of 2020. This subsidy will be non-taxable income for the notary (Legislative Decree 805 of 4 June 2020).

  In addition, for the semiannual services bonuses (15 days of salary paid to certain employees) of June 2020, the Government established a subsidy for employees that earn less than approx. USD $278. The amount of the subsidy should be approx. USD $61 per employee. Companies that qualify for this subsidy also may apply for this subsidy to the semiannual service bonus. For individual employers in the agricultural sector, the qualifications requirements are more flexible.

- On 15 April 2020 the Colombian Government issued legislative Decree 562 by means of which Colombian Government established a mandatory temporary investment on Government securities (called solidarity securities) for financial institutions. These Government securities will have a term of one year (which could be extended until 2029).
  - The amount of the investment should be up to 3% of demand deposits subject to the bank reserve, after subtracting the bank reserve, and up to 1% of the term deposits subject to the bank reserve. The amount of the investment should be determined based on the information reported in the financial statements as of 31 March 2020.
  - The financial institutions are required to make the mandatory investment in the securities within 90 days of 15 April 2020.
  - Colombian Authorities have postponed the due date for the filing of the tourism contribution form and payment for the first quarter of 2020 to 29 July 2020 (previously 20 April 2020),
- As an incentive for investments made in the oil and gas and mining sector, the Government may issue Tax Reimbursement Certificates (CERT as per its acronym in Spanish) for investments made through 31 December 2021. To qualify for the CERT, investors will have to meet certain requirements. The value of the CERT will be non-taxable income for the beneficiary and may be used to pay national taxes.
- The Government established a fast-track procedure for income tax and VAT refunds and offsets (i.e., tax receivable against a tax payable). Under this procedure, to the extent the taxpayer is not categorized as "high risk," the refund or offset should be granted within 15 business days following the date the request is submitted (ordinarily, the procedure takes 50 days). The tax authorities, however, may suspend the refund procedure for 90 days.
- The request does not have to include the detailed description of the costs, expenses and deductions (which is usually required). The request should be submitted prior to 19 June 2020 in order to apply the fast-track procedure. Tax audits for these refunds will be performed after the deadline to submit the tax refund/ sett -off has elapsed.
- On 15 April 2020, the Colombian Government issued Legislative Decree 530 by means of which a debit tax exemption will apply to withdrawals made by Non-profit Organizations from their Colombian Bank accounts. The exemption will apply until the state of emergency is lifted. The non-profit organizations also must meet other requirements to qualify for the exemption.
- Colombian tax authorities suspended all tax, customs or foreign exchange procedures or actions that are carried out before them until the state of emergency is lifted. The suspension does not apply to: i) compliance with filing tax returns and making tax payments; ii) refund requests made through the tax authorities' electronic system; iii) requests submitted through the tax authorities' electronic channels; iv) payment agreements requested through the tax authorities' electronic channels; v) procedures related to cash deposits ordered by a judge; vi) requests to lift liens on assets through the tax authorities' electronic channels; vii) refund request procedures and actions which are under audit by the tax authorities and viii) the appeals submitted against the minutes of the Committees how solved settlement request.

Business tax (continued)

- Colombian Government extended the suspension of judicial deadlines as from 25 May to 8 June 2020 (including tax cases).
- On 30 April 2020, the Colombian tax authorities issued Resolution No. 40 by means of which foreign entities may request to be registered under the Colombian tax registry by submitting copies of the documents required without apostille and official translation, as required otherwise. Original documents should be sent to the tax authorities within 60 working days following the lifting of the sanitary emergency.
- On 22 May 2020, the Colombian Government issued Decree 688 by means of which it postponed the due date to settle the discussions related to taxes, customs duties and foreign exchange matters obtaining a reduction on penalties and interest (depending on the stage of the discussion). The settlement request should be submitted by 30 November 2020. The settlement agreement must be signed no later than 31 December 2020 . This possibility was provided by Law 2010 of 2019 and the deadlines to apply were originally on 30 June 2020.
- On 4 June 2020, the Colombian Government issued Legislative Decree 807 by means of which Colombian tax authorities may automatically refund income tax and VAT balances in favor to taxpayers who are not categorized as a high-risk taxpayers and at least 25% of its cost or expenses and /or VAT credits are supported on electronic invoices until 31 December 31 2020 (As a general rule, the automatic refund requires that at least 85% of the cost or expenses and /or VAT credits are supported by electronic invoices).
- Local Governments are authorized to postpone the payment of local taxes (e.g., turnover tax, real estate tax, etc.) for up to 12 monthly instalments, with no interest. The last instalment should be paid no later than June 2021. The deferral should be established by each local Authority.
- While the sanitary emergency is in place, tax and accounting inspections/audits and visits may be carried out virtually.
- Tourism service providers will be not subject to the special electricity contribution (generally 20% surcharge on the electricity bill) until 31 December 2020. To apply for this benefit, the taxpayer must be registered with the National Tourism Registry.
- Taxpayers required to file the tax return and pay the contribution on the sale of tickets through 31 December 2020, for public performances of performing arts shows may file the return and pay the contribution on or before 31 March 2021. Additionally, payments for ticket sales to public performances of the performing arts shows up to 31 December 2020 will not be subject to the contribution withholding.
- The Superintendence of Corporations have postponed the filing dates for financial statements, entrepreneurial practices report, consolidated and combined financial statements and financial information as follows:
  - Financial Statements as of 31 December 2019: The new due dates are from 24 May to 24 June 2020 depending of the last two digits of the taxpayer's identification number (Pre-COVID19 the due dates were as from 30 March to 4 May 2020)
  - Entrepreneurial practices report (submitted by entities under surveillance or control of the Superintendence of Corporations): The new due dates are from 6 to 17 July 2020 depending of the last two digits of the taxpayer's identification number (Pre-COVID-19 the due dates were from 11 to 22 May 2020).
  - Consolidated and combined financial Statements must be filed by 30 June, 2020 (Pre-COVID-19, the due dates was from 27 May 2020).
  - Financial information for enterprises that do not comply with the undergoing business requirement or are under a voluntary liquidation: The new due date is 23 June 2020.

Links and resources

EY Materials

- http://www.ey.com/GL/en/Services/Tax/International-Tax/Tax-alert-library
- https://gtnu.ey.com/Login/ViewNewsAttachment.aspx?AlertID=107682&AttachmentName=L6hIYe5ryZIfuP8bQ08f114PnleVdbnD3clQN65eQGlVvlNqOV74pdSehj8wwp6ZWrthW1kqJXXXMOjDuRvTno45d1XhZtELN8u%2fQ9xZN%2fM%3d&ualertID=null

Costa Rica

- Contact: Rafael Sayagues, Juan Carlos Chavarria

- Last updated: 5 May 2020

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Return to jurisdiction list

Overview

- Costa Rica has issued several emergency measures to address economic impact of COVID-19 pandemic.

Personal tax

VAT, GST and trade

- Three months (April, May and June) VAT exemption for commercial rents
- Control over the exports of surgical products
- Defer payment of the VAT, advance payments of income tax, consumption tax and imports tax for April, May and June
- A control will be applied over the exportations of certain medical products. An export license will be required in some cases.

Business tax

- Elimination of the advance payment of Corporate Income Tax for June 2020
- Reduction to a 25% of the minimum tax base in the social security health insurance and pension insurance on a temporary basis (three months).
- Measures to allow work from home to personal of Free Trade Zone Regime Companies
- Social Security amnesty program bill (approval pending).
- Law to allow modifications to employment contracts to reduce the working day
- Law for temporary suspension of employment contracts.
- Deferral on the payment of specific taxes applicable to tourism industry and managed by the Costa Rican Tourism Institute (ICT) for a period of four months

Links and resources

Government materials

- www.presidencia.go.cr
- www.hacienda.go.cr
- www.procomer.com

Croatia

- Contact: Jelena Orlic - Tax

- Last updated: 13 April 2020

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Return to jurisdiction list

Overview

- On 17 March 2020, the Croatian Government adopted a first package of measures to help the Croatian economy fight the COVID-19 uncertainties. The March package of measures consists of 63 measures. The total value of the economic package exceeds HRK 30bn (approx. EUR 4 billion).
- On 2 April 2020, the Croatian Government adopted the second package of measures to help the Croatian economy fight the COVID-19 circumstances. The total combined value of COVID-19 April economic package exceeds HRK 18bn (approx. EUR 2.4bn).
- Combined, the economic packages comprise of more than 60 measures, which are enacted through more than 20 legislative acts and corresponding bylaws.
- The General Tax Act introduces a term titled "special circumstances". If the "special circumstances" (COVID-19) affect the ability of a taxpayer to settle his or her tax liabilities, the payment of tax liabilities and public contributions can be written-off, deferred or repayment in instalments may be approved.
- The Croatian Government has released a set of measures aimed at assisting employers to preserve jobs and maintain their workforce. The primary employment economic measure is financial aid to the COVID-19 affected employers in the amount of HRK 4,000 (approx. EUR 550) per employee per month, for the months of April and May. The amount of financial aid for the month of March was HRK 3,250 (approx. EUR 450). Employers are exempted from the obligation to pay social contributions on the amount of salary received as financial aid for the purpose of preserving jobs.
- The Croatian Government continues to assist the overall economy by encouraging special COVID-19 credit lines, reprograming of liabilities options and standstills on the existing loan obligations.
- The COVID-19 set of measures also addresses assistance to the stakeholders in the area of tourism, agriculture, as well as other stakeholders affected by the extraordinary circumstances.
- The Croatian Financial Agency introduced a centralized digital platform to monitor the implementation of the COVID-19 measures.

Personal tax

- Companies that are affected by the extraordinary circumstances and have a decrease in monthly revenue of more than 20% YOY may request an interest-free deferral for payment of taxes (VAT excluded) and social contributions for a period of three months. After expiry of the three-month period, taxpayers will be able to request repayment of taxes and social contributions in up to 24 instalments;
- Taxpayers who generate their income from renting flats, rooms and beds to travellers and tourists and organizing campsites and pay a lump sum tax, will be exempt from the tax liabilities in the amount of ¼ annual lump sum income tax and surtax on income tax, which are due by the end of the second quarter of 2020.
- VAT, custom duties and excise duties, taxes and surtaxes determined on the final incomes, fees and charges of lottery games, liabilities arising from previously signed administrative agreements and renegotiated obligations under bankruptcy procedures are excluded from the tax exemption.

VAT, GST and trade

- The main requirement for tax deferral is 20% decrease in revenues. All taxpayers meeting the main requirement, irrespective of their annual turnover, who determine the tax base according to the accrual principle may defer VAT liabilities. The amount that could be deferred is the difference between the VAT due based on the accruals principle and VAT due based on the cash accounting principle.
- The VAT returns will be filed and due tax calculated as in a standard VAT return. The taxpayer will calculate and report the amount of deferred tax in a designated box of the VAT return.
- The bylaws prescribe new regulations for VAT that are intended to counter the negative effects of the COVID-19 pandemic. The rules are listed below:
  - The import of goods needed to counter the effects of the COVID-19 pandemic is exempt from VAT based on Commission Decision (EU) 2020/491 of the European Commission. The deadlines and the conditions for the exemption are prescribed by the Minister of Finance Bylaws. The exemption applies exclusively to bodies governed by public law and goods that are exempt from custom duties in accordance with customs regulations and European Commission's decision.
  - VAT on goods imported from 20 March 2020 to 20 June 2020 is considered as paid if the taxpayer renders it in the VAT return.
  - Donations made to help with countering the effects of the COVID-19 pandemic, will not be subject to VAT in the following three months starting from April 2020.

Business tax

- Where extraordinary circumstances affected the ability of businesses to settle their tax liabilities or seriously affected the ongoing business, the following economic measures may be utilized:
- Companies that did not exceed an annual turnover of HRK 7.5 million (approx. EUR 1 million), from supply of goods and services in the previous year, and have a decrease in monthly revenue of more than 50% year over year (YOY), are entitled to exemption in full from the obligation to pay taxes (VAT excluded) and social contributions for the months of April, May, and June;
- Companies that did exceed an annual turnover of HRK 7.5 million (approx. EUR 1 million) from supply of goods and services in the previous year, and have a decrease in monthly revenue of more than 50% YOY, are entitled to proportional exemption from the obligation to pay taxes (VAT excluded) and social contributions for the months of April, May and June. The proportional exemption will correspond to the percentage of revenue decrease of the taxpayer;
- Companies that have a decrease in monthly revenue of more than 20% YOY may request an interest-free deferral for payment of taxes (VAT excluded) and social contributions for a period of three months. After expiry of the three-month period, taxpayers will be able to request repayment of taxes and social contributions in up to 24 instalments.

Measures related to financial reporting and tax return filing:

- The deadline for submission of financial statements for 2019 for statistical purposes is deferred to 30 June 2020
- Companies subject to publication of publicly available financial statements must file annual financial statements together with the related audit report within eight months after the FYE and the consolidated financial statements within ten months after the FYE (postponement for two months)
- Large public-interest company that is required to prepare separate non-financial report on its website, must publish the report within eight months after the trial balance date
- For a branch office of the company established in another Member State subject to public disclosure, deferral of deadlines for submission of the parent company's financial statements in that Member State, will be considered for Croatian filing as well, due to specific circumstances

Business tax (continued)

- The deadline for filing of the corporate income tax return is deferred to 30 June 2020. The payment of the corresponding tax liability is postponed to 31 July 2020.
- Taxpayers whose tax period does not match with the calendar year and taxpayers whose CIT liabilities are not due four months after the expiration of the tax period are excluded from using the aforementioned deferral
- Companies that are affected by the extraordinary circumstances and have a decrease in monthly revenue of more than 20% year-on-year may request an interest-free deferral for payment of taxes (VAT excluded) and social contributions for a period of three months. After expiry of the three-month period, taxpayers will be able to request repayment of taxes and social contributions in up to 24 instalments
- Taxpayers who generate their income from renting flats, rooms and beds to travellers and tourists and organizing campsites and pay a lump sum tax, will be exempt from the tax liabilities in the amount of ¼ annual lump sum income tax and surtax on income tax, which are due by the end of the second quarter of 2020.
- VAT, custom duties and excise duties, taxes and surtaxes determined on the final incomes, fees and charges of lottery games, liabilities arising from previously signed administrative agreements and renegotiated obligations under bankruptcy procedures are excluded from the tax exemption.

Links and resources

EY materials

- COVID-19 Economic measures – Croatia
- Tax and employment retention measures
- Second package of measures to help the Croatian economy
- **Tax Alert** (English version)

Cuba

- Contact: Matthew Pickles – Tax Policy

- Last updated: 27 July 2020

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Return to jurisdiction list

Overview

- The Ministry of Finances and Prices has issued two main set of rules associated with COVID-19 for companies and others in the economy. These rules deal with tax and other financial matters applicable during the more acute period of the COVID-19 pandemic in Cuba, as well as the so-called recovery period, which the Cuban government is describing as a three-phased process.
- Beginning from 18 June 2020, all Cuban provinces, except Havana and Matanzas, are currently under Phase One of the recovery period. Tax and financial matters for the recovery period were announced on 15 June 2020 by the Minister of Finances and Prices.
- It should be noted that there are no differences between measures issued for the more acute period of the COVID-19 pandemic and those issued for the recovery period, insofar as joint venture companies and foreign companies registered with the Chamber of Commerce are concerned.

Personal tax

- Cuba has authorized the deferral of tax obligations that apply equally to all tax payments and the submission of the annual tax return. These measures apply both during the more acute period of the COVID-19 and during Phase One of the recovery period.
- Personal income tax obligations will be resumed as from the date of entry into force of Phase Two, which includes complying with partial payments and submitting the annual tax return for 2019.
- A tax rebate consisting of a 5% reduction of the total amount payable will be granted to taxpayers complying with payment obligations within 60 days as from the entry into force of Phase Two.

Business tax

Joint Venture companies
Companies must comply with corporate income tax obligations during the COVID-19 emergency. However, the following tax and fiscal measures are available for those activities affected by COVID-19:

- The general principle is that losses associated with COVID-19 must be covered with contingency reserves up to their limit.
- Companies with losses exceeding contingency reserves may request from the Ministry of Finances and Prices their evaluation for the application of any of the measures available.
- In case of joint venture companies, measures available include the deferral of both tax payments and the submission and payment of the annual tax return.
- In the event the tax payment deferral is authorized, no default interest will be charged.

Links and resources

Government materials

- https://www.mep.gob.cu/sites/default/files/Documentos/Alejandro%20Gil%20Fernandez%20transcripci%C3%B3n%20mesa%20redonda.pdf
- https://www.mep.gob.cu/sites/default/files/Documentos/Etapa-de-recuperaci%C3%B3n-pos-COVID-19-medidas-a-implementar-en-sus-tres-fases.pdf
- http://www.mfp.gob.cu/class/control_view.php?&d=d&t=2&id=35
- http://www.mfp.gob.cu/class/control_view.php?&d=d&t=2&id=34
- http://www.mfp.gob.cu/class/control_view.php?&d=d&t=2&id=33
- http://www.mfp.gob.cu/class/control_view.php?&d=d&t=2&id=32

Other materials

- http://www.cubadebate.cu/noticias/2020/07/16/gobierno-cubano-informa-nuevas-medidas-economicas-video/
- http://www.cubadebate.cu/wp-content/uploads/2016/09/pago-de-tributos-para-trabajadores-del-sector-empresarial.pdf

Curacao

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- Rose Boeve - International Tax and Transaction Services

- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

- Banks and credit institutions are permitted to postpone interest and principle payments for their customers for a period of three to six months without recognizing a provision.
- Banks are temporarily permitted to exceed the debt to service ratio to a maximum of 50% (currently 37%).
- Life insurance companies and pension companies are allowed to postpone premium payments for three to six months without recognizing a provision.
- With immediate effect, the Central Bank of Curacao and Sint Maarten (CBCS) has restricted (and in some cases suspended) the issuance of licenses for foreign exchange transactions. This license is required for financial transactions starting as of ANG 150,000 (approximately US $84,250). This restriction also applies to existing license applications which have not yet been granted.
- The lending rate for commercial banks has been reduced to 1%. Additionally, the extra interest rate of 200 basis points for loans exceeding ANG 20 million is suspended.
- Banks are allowed to maintain a negative balance with the CBCS.
- The interest on so called "certificates of deposit" will be reduced to retain money in the market.
- Micro, small and medium-sized businesses in sectors that have been seriously affected are entitled to a credit facility of up to ANG 100,000 to cover their fixed costs. The interest rate will be 2% for the first six months and subsequently it will increase to 6%.
- Financial compensation will be provided to people and organizations involved in caretaking of for example the elderly, the disabled and families with children.
- Everyone who lost employment from 15 March 2020, will receive a financial compensation of maximum ANG 1,000 per month.
- Social welfare recipients can generate earnings up to ANG 600 per month through temporary jobs. As these jobs became unavailable, social welfare recipients could be entitled to monthly financial support of ANG 450 if they can provide evidence that they are missing the ANG 600 income.
- Financial support of ANG 1,335 per month will be provided to small businesses and self-employed entrepreneurs (with no employees). Priority will be given to those sectors that have been seriously affected, such as public transportation, the hospitality sector, the retail business, advertising and entertainment.
- Employers that experienced a drop in the turnover of at least 25% will receive a monthly financial support to cover the employees' salaries to keep as many employees as possible employed. The financial support amounts to 80% of the total wage expenses multiplied by the percentage of decrease in turnover. Additional requirements apply, for example that all permanent employees must continue to be employed and there will be a maximum salary threshold of ANG 5,781.

Personal tax

- **Payment arrangements for outstanding tax liabilities :**Ongoing payment arrangements and granted extensions of payment may be suspended upon request. Companies and (self-employed) individuals can file a request for temporary suspension of payment with the Tax Collector.
- **Project 'Compliance' will be temporarily suspended:** Under 'Project Compliance', the Curaçao Government worked on creating more awareness with taxpayers regarding their fiscal responsibilities as well as a more effective and active collection of outstanding tax liabilities. As a lot of companies and self-employed individuals will be facing financial difficulties in Curaçao, the active pursuit of outstanding tax liabilities in connection with 'Project Compliance' will be suspended.
- **Reduced interest rate of 0% for late payment :** When companies and (self-employed) individuals fail to pay their tax liability timely, interest for late payment is imposed. However, the interest rate for late payment of outstanding tax liabilities will be temporarily reduced from 6% to 0%.
- **Suspension of collection costs for outstanding tax liabilities:** Under certain circumstances, the Tax Collector can charge the tax payer for expenses incurred when collecting overdue tax liabilities. As an emergency tax measure, the collection costs for outstanding tax liabilities will not be charged to companies and self-employed individuals.

Curacao (continued)

Personal tax

- **No fines for late payments:** When tax payers fail to pay or are late with meeting their tax payment obligations, a fine can be imposed. However, as companies and self-employed individuals are expected to struggle with meeting tax obligations temporarily no fines will be imposed for no or late payment of outstanding tax liabilities.
- **Extended possibility to conclude payment arrangements:** Affected companies and self-employed individuals with liquidity problems can conclude new payment arrangements for all taxes and non-taxes.
- **Increase of the basic income tax allowance:** The basic income tax allowance of ANG 2,284 (2020) will be increased with retroactive effect to 1 January 2020 to an amount yet to be announced. This will lead to an increase in net wage of most individuals, as their taxable income for wage and income tax purposes will be reduced. By increasing the net wages of individuals, the Government aims to stimulate extra spending by the public.

VAT, GST and trade

- Items listed under the first six bullets in the personal income tax section also apply to this section in addition to the following measures:
- **Hospitality and designated businesses do not have to remit the sales tax collected:** In order to provide additional financial relief to the hospitality and designated businesses, these businesses are relieved from remitting the sales tax collected to the Curaçao tax authorities. In practice, this means that the hospitality and tourism businesses will charge and collect sales tax from their clients, without remitting the sales tax collected to the tax authorities upon filing the monthly sales tax return. Instead these funds can be used by the businesses to cover other expenses.
- **0% Import duties and sales tax on hygiene and sanitary/cleaning products:** In addition to the introduced measures concerning maximum margins that businesses can apply on the sale of certain goods, the rate of import duties and sales tax on hygiene and sanitary/cleaning products will be reduced to 0%. As these items become more important during the COVID-19 pandemic, the Government aims to manage the necessary expenses for the public in this regard as much as possible.

Business tax

- Items listed under the first six bullets in the personal income tax section also apply to this section in addition to the following measure:
- **Hospitality and designated businesses do not have to remit the employer's contribution for general old age insurance:** Employers of the following designated businesses (jointly referred to as "hospitality businesses") will not have to remit the employer's contribution of the general old age insurance (known as the "AOV/AWW premium") of 9.5% to the tax authorities:
  - Businesses in the hospitality sector, which includes hotels and similar businesses that provide accommodation, restaurants, recreation and entertainment venues and convention centers.
  - Beauty salons
  - Businesses in the travel industry.
  - Car rental, car wash and transportation companies
- This measure aims to provide a financial relief to the hospitality and tourism businesses, as they can keep the employer's contributions and use these funds to cover other expenses instead.

Cyprus

- Contact: Philippos Raptopoulos - Tax Policy

- Last updated: 20 March 2020

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Return to jurisdiction list

Personal tax

- Extension of the time-period for filing of objections with the Social Insurance Department by self-employed individuals by one month to 30 April 2020 (deadline was originally 31 March 2020).
- A two month extension to those that are required to submit a tax return by 31 March 2020.

VAT/GST and trade

- Temporary two-month deferral of payment of VAT, without the imposition of any penalties 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 due amounts will be settled gradually by 11 November 2020.
- Temporary reduction of VAT on Goods and Services from 19% to 17% for a period of 2 months and from 9% to 7% for a period of 3.5 months, to be effective from enactment of the relevant VAT law.

Business tax

- Non-payment of the additional contributions to the General health care System (GHS), which was scheduled for 31 March 2020, for two months, by employers, employees and the Government, in order to reinforce the health sector during the fight against the virus and not to affect the income of employees and businesses.
- Special arrangements will be made for the ease of those taxpayers that entered the Overdue Taxes Settlement Scheme for the duration of this emergency situation
- A two-month extension to those that are required to submit a tax return by 31 March 2020 (the new deadline is 31 May 2020).

Links and resources

EY materials

- https://emeia.ey-vx.com/2594/133863/landing-pages/public-support-program-covid-19-en.pdf

Czech Republic

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

- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

- Due to the COVID-19 pandemic, the Ministry of Finance announced a number of tax relief measures, including relief of various sanctions for late filling of selected tax returns and related tax payments.
- The state will compensate employers for costs incurred for the payment of compensatory wages in the event of disability due to quarantine or provide partial compensation in other COVID-19-related emergency measures.

Personal tax

- The personal income tax return for 2019 may be filed and related tax paid by 1 July 2020 without a penalty and related late payment sanctions (standard deadline is 1 April 2020).
- Automatic removal of the June advance payment on personal income tax without a need to apply.
- Introduction of tax loss carryback for 2020 tax losses to be potentially applied in 2019 and 2018 tax returns.
- Waiver of the obligation to pay social security and health insurance payments for all self-employed individuals for the period March – August 2020 in the extent of the minimum amount of these payments
- Direct one-off contribution up to CZK 25 thousand (upon application) for self-employed individuals affected by COVID-19 state restrictions for period from 12 March 2020 to 30 April 2020.

VAT, GST and trade

- There are no extensions currently being granted to filing deadlines for VAT returns.
- Taxpayers must apply for deferrals of VAT payments with related penalties and interest. The taxpayer must demonstrate in their application for a deferral that they have been adversely impacted by COVID-19. There is no automatic deferral as such.
- Suspension of obligations from electronic records of sales during the state of emergency and in three subsequent months has been announced.
- Automatic removal of the penalty for late filing of real estate acquisition tax return and related late payment sanctions if the tax return is filed before 31 August 2020.

Business tax

- The corporate income tax return and annual withholding tax statement for 2019 may be filed and related tax paid by 1 July 2020 without a penalty or related late payment sanctions (this applies to entities with a standard deadline of 1 April 2020).
- Automatic removal of the June advance payment on corporate income tax without a need to apply.
- Introduction of tax loss carryback for 2020 tax losses to be potentially applied in 2019 and 2018 tax returns.
- Introduction of proposed law concerning a moratorium on credits and loans for the deferral of repayments of credit, loans and liabilities from similar financial services, such as a financial lease with compulsory purchase of the leased object at the end of the lease term , if the borrower so requests.

Links and resources

EY materials

- https://emeia.ey-vx.com/2520/139210/landing-pages/extraordinary-tax-news.pdf
- https://emeia.ey-vx.com/2520/139210/landing-pages/government-antivirus-employment-protection.pdf
- https://emeia.ey-vx.com/2520/139210/landing-pages/additional-tax-relief-measures.pdf
- https://emeia.ey-vx.com/2520/139210/landing-pages/antivirus-government-employment-protection-program-continued.pdf
- https://emeia.ey-vx.com/2520/139210/landing-pages/planned-introduction-of-tax-loss-carryback.pdf

Denmark

- Contact: Tobias R Steinø - Tax Policy
- Malte Soegaard - Tax desk

- Last updated: 12 June 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- Various stimulus measures have been passed by the Danish Parliament - ranging from compensation schemes to government guarantees etc. The measures in force as of the date of this update include:
- Deferral of reporting and/or payment deadlines for various taxes, VAT etc.
- Employment support (tax liability)
- Salary compensation
- Grants covering fixed costs
- Compensation for turnover losses (self-employed)
- Compensation for canceled or postponed events
- COVID-19 State guaranteed loans (separate terms apply to large businesses and SMEs, respectively)
- Export Credit Agency liquidity guarantee and reinsurance
- Various other measures
- Advanced payment under the R&D tax credit scheme from November to 30 June 2020. Application deadline 15 May 2020.
- Further, available grants covering R&D and innovation for SMEs should be considered.

Personal tax

- The tax filing deadlines for all tax payers for the income year 2019 have been extended to 1 September 2020.
- The special expat scheme (Forskerskatteordningen) has been modified to ensure that no individuals are barred from qualifying for the special expat scheme because of longer stays in Denmark or abroad in the period between 9 March and 30 June 2020, inclusive.
- Furthermore, a reduction of the required minimum salary during this period aims to ensure that employees are not disqualified for the special expat scheme because of a reduced salary during these months.
- Employees who are fully liable for tax in Denmark and who perform work outside Denmark for at least six months, may be exempted from Danish taxation on the salary related to the work performed outside Denmark. One of the requirements for the tax exemption is that the employee does not stay in Denmark for more than 42 days within the six months period in which they were working outside Denmark. This scheme has been modified, so that the employees concerned can choose not to take stays in Denmark in the period between 9 March through 30 June 2020 into consideration, when determining whether or not the 42 days requirement has been met.
- Persons who are not covered by full Danish tax liability become fully tax liable in Denmark if they have taken residence in Denmark and the individual, due to vacation etc., stays in Denmark for at least three consecutive months or a total of 180 days within a 12-month period. A temporary optional solution aims to ensure that people concerned who have spent more than three months or 180 days in Denmark caused by a stay here between 9 March through 30 June 2020 can choose not to enter into full Danish tax liability. This is irrespective of whether work is performed in Denmark.

Denmark (continued)

VAT, GST and trade

- The deadline for VAT reporting and payment is postponed. No application is required to be be made for the deferral of VAT.
- 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, May, July and August 2020. This only applies for the payment of positive VAT, negative VAT can still be refunded within three weeks of receipt of the VAT statement.
- Payment of VAT for the third quarter 2020 is postponed and will be due when payment for the fourth quarter is due on 1 March 2021.
- For companies with VAT liable between DKK 5-50m on an annual basis, the payment of VAT is postponed for the first quarter of 2020 and is now payable together with the payment deadline of the second quarter of 2020, on 1 September 2020.
- For companies with VAT liable below DKK 5m on an annual basis, the VAT payment of the first half of 2020 has been postponed and is now payable together with the payment deadline of the second half of 2020, on 1 March 2021.
- Businesses may apply for interest-free state loans in an amount equivalent to (1) already paid H2 / Q4 2019 VAT payments for SMEs covered by semi-annual and quarterly VAT reporting cycles, respectively, and (2) already paid special payroll tax (SPT) for so-called "category 4" special payroll tax liable businesses (certain niche categories of business).
- For businesses reporting SPT according to method 4, the deadline for SPT reporting and payment for the 2nd quarter is postponed from 15 July to 1 September 2020, whereas the deadline for SPT reporting and payment for the 3rd quarter is postponed from 15 October to 16 November 2020.

Business tax

- The deadlines for the payments of the payroll tax (A-tax) and labor market contributions (AMB) are postponed by four months for the months April, May and June 2020. No application needs to be made for the deferral.
- 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 250k, both of which must continue over a 12-month period, are as follows: i) The payment that should have been made on April 30th are postponed until August 31st, ii) May 29th are postponed until September 30th, and iii) June 30th are postponed until October 30th.
- For the companies below the thresholds the payments are as follows: i) The payment that should have been made on 11 May are postponed until 10 September ii) 10 June are postponed until 12 October, and iii) 10 July are postponed until 10 November.
- As regards B-tax (self-employed) the payment deadlines have been extended for the two upcoming rates (20 April and 20 May payments). Payments to be executed on 20 June and 20 December 2020
- Please keep in mind that only the payments of A-tax/AMB and B-tax have been postponed, the reporting deadlines are maintained.
- The maximum refund limit on the business tax account has been temporarily increased from DKK 200,000 to 10 million. Effective as of 7 May 2020 until 1 April 2021, the limit has been further increased to 100 billion. Businesses with excess liquidity may choose to pay in advance of the postponed deadlines and increase the refund limit to avoid negative interest rates on their bank deposits.
- March rates are due without changes, but certain companies that have not paid March A-tax and AMB due to the COVID-19 disruption may apply to exempt the instalment from late payment interest and fees.
- The tax filing deadlines for all taxpayers for the income year 2019 have been extended to 1 September 2020.
- Businesses can apply for advanced refunds from the R&D tax credit scheme. Application deadline is on 15 May 2020. The application must be supported by an auditor's statement.
- Payments of payroll tax (A-tax) and labor market contributions (AMB) for all companies for August, September and October 2020 have been postponed by 4½, 5½ and 6½ months respectively.

Denmark (continued)

Links and resources

Government materials

- https://www.ft.dk/samling/20191/lovforslag/l134/som_fremsat.htm
- https://www.ft.dk/samling/20191/lovforslag/L175/som_fremsat.htm

EY materials

- Responding to COVID-19
- Denmark changes tax legislation in light of COVID-19
- COVID-19 consequences on Tax, Social Security and Immigration
- Corona virus (COVID-19), The most important labor law issues in the Nordic countries

Dominican Republic

- Contact: Rafael Sayagués / Ludovino Colón

- Last updated: 14 April 2020

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Return to jurisdiction list

Overview

- The Dominican Republic has issued emergency measures to address economic impact of COVID-19 pandemic and the Dominican Congress has declared State of Emergency.
- There is a national curfew in effect from 5:00pm to 6:00am until 17 April 2020.
- Through Decree 137-20 the Government suspended, while the state of emergency lasts, the computation of the terms of the administrative procedures.
- Application of a State-administered program to support formal workers suspended because of COVID-19 crisis, based on which the government covers a portion of their salary.
- Social Security Treasury suspends surcharges while the State of Emergency is in force and for up to 30 days after it is lifted.
- Dominican Congress extends State of Emergency for 17 additional days, until 30 April 2020.

Personal tax

- An extension of the deadline 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 has been granted for fiscal year 2019. The new filing and payment deadline is 29 May 2020.

VAT, GST and trade

- Taxpayers may request payment agreements for payment in up to four instalments of VAT due for fiscal period February 2020. Additionally, the deadline for filing and payment of VAT for this period is extended to 30 March 2020.
- Reception of requests for exemption of VAT and Excise Tax for taxpayers covered by special regimes is made available through online platforms.
- The Customs Administration announced measures of (1) elimination of the surcharge for late declaration, (2) extension of the term of permanence of applicable goods in the Deposit Regime, until three business days after the lifting of the national emergency, and (3) the Customs Administration will discount the days of quarantine to the terms to be computed so that a merchandise is considered abandoned.
- The Customs Administration has granted 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.

Dominican Republic (continued)

Business tax

- For the hotel sector, the Tax Administration (General Directorate of Internal Taxes) will stop applying rate restrictions to Advance Pricing Agreements (APA).
- The Income Tax due by entities with fiscal closing on 31 December 2019 may be split into four payments.
- Urgent facilities will be granted for the payment of the first quota of income tax prepayments of the entire productive sector, to pay in three instalments immediately after the emergency period.
- The deadline for filing of the annual Corporate Income Tax Return is extended to 29 May 2020, as well as the deadline for payment of the tax. Also, the same extension is granted to the deadlines for filing and payment of the first instalment of the Asset Tax and the tax return for non-profit organizations.
- Exemption for the income tax prepayments of the fiscal period March 2020 with expiration date on 15 April 2020. This provision does not apply to large national taxpayers, except those with impediment to operate during the state of emergency.
- Reduction by 50% of instalments due on April, May and June 2020 corresponding to payment agreements with the Tax Authority 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 to 30 April 2020.
- Extension of the deadline for the filing and payment of the withholding and fringe benefits, as well as the second instalment of the asset tax. The new deadlines will be 24 April and 29 May 2020, respectively.

Links and resources

Government materials

- https://dgii.gov.do/publicacionesOficiales/avisosInformativos/Paginas/default.aspx
- https://www.camaradediputados.gob.do/serve/listfile_download.aspxid=46243&num=1
- https://www.tss.gov.do/
- https://www.hacienda.gob.do/ministro-de-hacienda-explica-el-funcionamiento-de-los-programas-quedate-en-casa-y-fase/

Ecuador

- Contact: Fernanda Checa – Tax Policy
- Contact: Carlos Cazar – Tax Desk

- Last updated: 8 September 2020

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Return to jurisdiction list

Overview

- The Ecuadorian Government extended a "State of Sanitary Emergency" and " National State of Exception" due to the increase in positive cases of COVID-19 in Ecuador for a period of 60 days, beginning 15 June 2020.

Personal tax

- The President, by a new decree, has requested that high-net worth taxpayers make a payment of income tax in advance for the 2020 fiscal year, by 11 September 2020. The payment applies for taxpayers with more than US$5mn in income in FY19. The Decree was declared Constitutional by the Constitutional Court, thus the payment of this tax obligation is maintained.
- Taxpayers could pay the income tax advance voluntarily and interests will be recognized for the benefit of taxpayers.
- The working day could be reduced up to 50%. The social security contribution would be calculated over the reduced remuneration, which should not be less than 55% of the remuneration before the reduction.

VAT, GST and trade

- Import tariffs on medical products necessary to attend the emergency were eliminated, according to a list issued by the Costume Authority, to this end.
- The payment of the VAT related to April, May and June 2020 could be deferred by six months for the following taxpayers: (i) small business, (ii) resident on Galápagos Island, (iii) whose economic activity is the operation of airlines (iv) tourism economic sector (specially good and housing tourism activities), (v) agriculture economic sector, (vi) frequent exporters of goods and (vii) 50% of its incomes are related to exportation of goods.

Business tax

- The Financial Institutions under the Control of the Superintendence of Companies and Private Companies that render mobile telephone services will apply a tax withholding of 1.75% over its monthly taxable incomes each month.
- Companies that have subscribed with the State contracts for exploration and exploitation of hydrocarbons under any contractual modality, or works and services contracts according to the Law of Hydrocarbons, or oil complementary services , as well Companies that perform crude oil transportation will apply a tax withholding of 1.50% over its monthly taxable incomes each month.
- The payment of the corporate income tax of fiscal year 2019 may be deferred by six months for the following taxpayers: (i) Small business, (ii) Resident on Galápagos Island, (iii) whose economic activity is the operation of airlines (iv)Tourism economic sector (specially good and housing tourism activities), (v) Agriculture economic sector, (vi) Frequent exporters of goods and (vii) 50% of its incomes are related to exportation of goods.
- **IRS:** The deadlines and terms of all the tax administrative processes and the statutes of limitation of the collection action were suspended from 16 March to 16 June 2020 (for process managed by Quito's agencies, the suspension lasted until 29 June 2020).
- The superintendent of companies extended the due date for the payment of Annual Contribution. The contribution could be paid in two statements of 50% by 30 September, and the balance by 30 December 2020.
- The President by a decree requested taxpayers to make the payment of income tax advance for fiscal year 2020. The Constitutional Court reached an unfavorable judgment and revoked the decree issued by the President.
- Taxpayers may pay the income tax advance voluntarily and interests will be recognized for the benefit of taxpayers.

Links and resources

Government materials

- https://minka.presidencia.gob.ec/portal/usuarios_externos.jsf
- https://www.sri.gob.ec
- http://www.trabajo.gob.ec
- https://www.aduana.gob.ec/

EY materials

- https://globaltaxnews.ey.com/news/2020-6190-ecuador-requires-certain-taxpayers-to-pay-all-estimated-income-taxes-for-tax-year-2020-by-11-september-2020?uAlertID=wiEeRLQKbOPGvXKZgo7vhA%3d%3d

Egypt

- Contact: Ahmed El Sayed - Tax
- Contact: Asmaa Ali – Tax Desk

- Last updated: 27 August 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided to cut the credit and discount rates from 12.75% to 9.75%.
- Financial Regulatory Authority (FRA) extended the deadline for the submission of financial statements to companies listed on the Egyptian stock exchange and to companies supervised by the FRA for the financial period ending 31 December 2019 until 30 April 2020 and for the financial period ending 31 March 2020 until 15 June 2020.
- On 18 March 2020, the General Authority for Investment and Free Zones (GAFI) issued a temporarily decree, that applies to companies regulated under the Companies Law No. 159/1981 and the Investment Law No. 72/2017, which permits the attendance of corporate meetings (boards of directors and ordinary and extraordinary general assemblies) through modern audio or visual communication systems.
- The Egyptian Tax Authority has waived the annual subscription fees of the tax portal to make sure that all the taxpayers submit the annual tax returns electronically on the Egyptian Tax Authority portal
- Natural Persons tax return filing is extended until 16 April 2020
- Flexibility in the tax payment approach.
- Corporate income tax due of FY 2019 of companies operating in specific sectors to be paid over instalments by 30 June 2020 without any late fees.
- On 13 August 2020, Law No. 170 of 2020 was published, introducing a new pandemic social contribution on net salaries and net pensions for individuals with a monthly net income exceeding EGP2,000.
- On 16 August 2020, Law No.173 of 2020 was published to waive outstanding interest and additional taxes at certain limits and provided that the underlying taxes and duties are paid within prescribed timeframes. The relief will apply to income tax, value-added tax, sales tax, real estate tax, customs duty, stamp duty and State development duty.

Personal tax

- On 23 March 2020, the Egyptian tax authority extended the deadline for filing tax returns for natural persons after the end of the legal period set for them on 31 March 2020 until 16 April 2020.
- The Egyptian Tax authority can accept the taxes due in cash or check instead of bank transfer, with full waiver to administrative fees related to cash/checks payment.
- On 13 August 2020, Law No. 170 of 2020 was published in the Official Gazette. The law introduces a new monthly social contribution of 1% on net salaries and 0.5% on net pensions for individuals with a monthly net income exceeding EGP2,000. The new contribution will apply to all sectors for a 12 month period, unless the Council of Ministers reduces the period or covered sectors. Employers should ensure they deduct and report the contribution on net income paid on or after 14 August 2020.

VAT, GST and trade

- The Egyptian Tax authority can accept the taxes due in cash or check instead of bank transfer, with full waiver to administrative fees related to cash/checks payment.
- On 16 August 2020, Law No.173 of 2020 was published to waive any outstanding interest and additional taxes if the underlying taxes and duties were assessed and paid in full before 17 August 2020. Taxpayers can also benefit up to 90% relief from interest and additional taxes if the underlying taxes and duties are paid within prescribed timeframes. The relief will apply to income tax, value-added tax, sales tax, real estate tax, customs duty, stamp duty and State development duty.

Business tax

- The Egyptian Tax authority can accept the taxes due in cash or check instead of bank transfer, with full waiver to administrative fees related to cash/checks payment.
- The Egyptian cabinet announced that the due corporate income tax of 2019 for companies operating in specific sectors would be paid over instalments by 30 June without any late fees. The sectors include aviation, tourism and antiquities, hotels and other touristic establishments, press and media, manufacturing, transport companies and auto distributers, hospitals, construction, communications and information technology and sports.
- On 16 August 2020, Law No.173 of 2020 was published. waiving any outstanding interest and additional taxes if the underlying taxes and duties were assessed and paid in full before 17 August 2020. Taxpayers may also benefit up to 90% relief from interest and additional taxes if the underlying taxes and duties are paid within prescribed timeframes. The relief will apply to income tax, value-added tax, sales tax, real estate tax, customs duty, stamp duty and State development duty.

El Salvador

- Contact: Rafael Sayagues / Hector Mancia

- Last updated: 14 April 2020

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Return to jurisdiction list

Overview

- On 12 April 2020 the Salvadoran Congress approved an extension of the Legislative Decree 593, that declares the state of national emergency, state of public calamity and natural disaster. The Decree will remain in force until 16 April 2020.
- Salvadoran Congress has also approved a temporary restriction to constitutional rights of freedom of movement, freedom of peaceful assembly and freedom of residence due to the COVID-19 pandemic.
- On 20 March 2020 the Salvadoran Congress approved Legislative Decrees 598, 603 and 604, through which benefits and exemptions have been granted to certain taxpayers and operations.
- On 21 March 2020 a general quarantine was declared in El Salvador for the term of 30 days. All individuals are forbidden of transit and peaceful assembly during this period.

Personal tax

- Legislative Decree 598 grants an extension for the payment of the Income Tax corresponding to fiscal year 2019, with the exemption of the applicable interest, charges or penalties, to the following taxpayers:
- Small taxpayers that have to pay Income Tax equal or less than US $10,000.00, can make the corresponding payment up to in eight monthly instalments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and pay the 10% of the Income Tax self assessed.
- Taxpayers in the tourism industry that have to pay Income Tax, equal or less than US $25,000, may make the payment up to 31 May 2020. The extension is not applicable to taxpayers that has valid tax incentives granted according to the Tourism Law.
- The payment of the Special Tax on tourism has been suspended for three months.

VAT, GST and trade

- Legislative Decree 603 grants exemption of VAT, custom duties and any other intern 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 tariff 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.

El Salvador (continued)

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Return to jurisdiction list

Business tax

- Legislative Decree 598 grants an extension for the payment of the Income Tax corresponding to fiscal year 2019, with the exemption of the applicable interest, charges or penalties, to the following taxpayers:
- Small taxpayers that have to pay Income Tax equal or less than US $10,000.00, can make the corresponding payment up to in eight monthly instalments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and pay in May, 2020, the 10% of the Income Tax self-assessed.
- Taxpayers in the tourism industry that have to pay Income Tax, equal or less than US $25,000.00, can make the payment up to 31 May 2020. The extension is not applicable to taxpayers that has valid tax incentives granted according to the Tourism Law.
- The payment of the Special Tax on tourism has been suspended for three months.
- Legislative Decree 598 grants an extension for the payment of the Income Tax corresponding to fiscal year 2019 with the exemption of the applicable interest, charges or penalties, to the following taxpayers:
  - Taxpayers that generate, transmit, distribute and sale electric power can make the payment of the Income Tax up to in eight monthly instalments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and pay in May, 2020, the 10% of the Income Tax self assessed.
  - Taxpayers that render at least two of the following services: cable TV, internet and fixed or mobile telephony, can make the payment of the Income Tax up to in eight monthly instalments. To access to this benefit, the taxpayer will have to request authorization to the General Treasury Directorate and pay in May, 2020, the 10% of the Income Tax self assessed.
- In all the previously mentioned cases, the Income Tax return must be filed no later than 30 April 2020.
- Legislative Decree 598 grants an extension for the payment of the advance Income Tax corresponding to March, April and May, 2020, with the exemption of the applicable 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, up to in six monthly instalments. The first instalment corresponds to the 10% of the amount determined and will be paid in July, 2020.
- The returns must be filed within ten working days following the closing of the corresponding tax period.

Links and resources

Government materials

- https://www.diariooficial.gob.sv/diarios/do-2020/03-marzo/14-03-2020.pdf
- https://www.diariooficial.gob.sv/diarios/do-2020/03-marzo/15-03-2020.pdf
- https://www.diariooficial.gob.sv/diarios/do-2020/03-marzo/20-03-2020.pdf

Equatorial Guinea

- Contact: Brigitte Keirby-Smith
- Last updated: 16 April 2020

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Return to jurisdiction list

Overview

- The Government of Equatorial Guinea has published a new Decree, providing important tax measures to mitigate the impact of COVID-19.
- Decree nº 43/2020, dated 31 March 2020 provides key amendments and new provisions to the tax regulations in force in Equatorial Guinea, specifically aimed at supporting small and medium enterprises (SMEs) not in the oil sector.
- In addition to the tax measures, the following strategies will be adopted:
  - Minimizing the payment of electricity by SMEs;
  - Minimizing the payment of Internet services by SMEs.
  - Rescheduling the repayment of financial credits of SMEs.

Personal tax

VAT, GST and trade

Business tax

- Negotiations with companies operating in the oil sector to pay tax debts resulting from the liquidation of the corporate income tax for the 2019 fiscal year before the end of April 2020.
- Various measures to support qualifying SMEs in the non-oil sector include:
- Deadline for payment of the minimum income tax (MIT) for the year 2020 extended until June.
- Period for voluntary payment of the liquidation resulting from corporate income tax for the year 2019 is extended to July.
- The MIT is also reduced from 3% to 1.5% for the year 2020, until 30 September 2020.
- The above measures do not apply to companies providing services on behalf of an institution which is part of the public sector.
- To qualify as an SME, the definition and eligibility criteria need to be met.
- A 100% reduction in social security contributions until 30 September 2020 to applications from food distribution and marketing companies and all companies that hire new employees to strengthen their staff in order to comply with the rules established by the health authorities.

Links and resources

EY materials

- https://globaltaxnews.ey.com/news/2020-5550-equatorial-guinea-announces-new-tax-measures-to-mitigate-impact-of-covid-19

Ethiopia

- Contact: Brigitte Keirby-Smith
- Last updated: 13 May 2020

Find the most current version of this tracker on ey.com

Overview

- The government announced various fiscal measures designed to minimize the economic and social impacts of COVID-19.

Personal tax

- Forgiveness of all tax debt prior to 2014/2015.
- A tax amnesty on interest and penalties for tax debt pertaining to 2015/2016 - 2018/2019 tax years

VAT, GST and Trade

- A one-month grace period has been granted for the payment of Value-Added Tax (VAT) and Turnover Tax.
- The Ministry of Revenues will speed up VAT refunds to support taxpayers with cash flows.
- Materials and equipment to be used in the prevention and containment of COVID-19 are exempt from import duties and other taxes.

Business tax

- Tax waiver has been granted to taxpayers in the manufacturing, construction and financial sector for any assessment due for the period between 2005 and 2015.
- Interest and penalties on outstanding taxes due between 2016 and 2019 will be canceled outright and the underlying tax due can be paid in instalments.
- Firms that pay their tax in a lump sum will receive a 10% tax credit.
- There will be as much as 20% discount on taxable income for companies donating to the COVID-19 response.
- Landlords will be exempted from taxes payable for one tax year.
- Companies in loss positions during this period should be permitted to carry forward incurred losses for more than two financial years.
- Employers would be exempted from paying personal income tax withheld from employee salaries for four months. This applies to employers who continue paying employee salaries despite not being able to operate due to COVID-19.

Other measures

- The National Bank of Ethiopia (NBE) will release funds totaling ETB15 billion to commercial banks to enable them to provide loans and debt relief to impacted customers.
- The minimum selling price set by the NBE for the horticulture sector for flower exports has been temporarily removed.
- Importers of goods for prevention of COVID-19 will be given priority access to foreign currencies.
- Development Bank of Ethiopia will issue loans to microfinance institutions who can in turn lend to small and medium-sized enterprises.
- National Bank of Ethiopia will facilitate loans to microfinance institutions.
- Registered exporters who are unable to export can supply their products locally.

Links and resources

European Union

- Contact: Marlies de Ruiter
- Last updated: 21 July 2020

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Other measures

- On 21 July 2020, after five days of negotiations, EU Member States leaders reached an agreement on a significant post-coronavirus recovery package, as well as the 2021-2027 EU budget, totaling €1.8tn.
- The package is worth a maximum of €750bn (£677bn; $859bn) and centers upon the provision of grants and loans to EU Member States. The money will be borrowed from capital markets and then repaid by Member States. Political agreement was reached on new taxes to pay for some of the recovery package:
  - Introduction on 1 January 2021: tax on non-recyclable plastic waste
  - Introduction no later than 1 January 2023: a carbon border adjustment mechanism
  - Introduction no later than 1 January 2023: a digital levy.
    - The Commission will need to develop proposals (i.e., draft Directives) for both of the above taxes
    - No further information was provided on the scope or mechanism for the digital levy, nor any information on how it may align with current work being performed at the G20/OECD level.
  - (With no specific timing information provided): a revised EU emissions trading scheme, with possible extension to the aviation and maritime sectors
  - Additional EU taxes to be developed between 2021-2027, including possibly an EU-wide Financial Transaction Tax.
- Following the agreement on the package, the European Parliament will need to approve the EU-budget and give its opinion on the recovery package. Moreover, EU Member States will need to go through their constitutional processes, typically their parliaments, to formalize their unanimous agreement on the new taxes

Links and resources

EY materials

- EY Global Tax Alert: European Commission publishes proposal for recovery plan and adjusts 2020 Work Programme (28 May 2020)

European Commission materials

- Special meeting of the European Council (17, 18, 19, 20 and 21 July 2020) - Conclusions

Estonia

- Contact: Ranno Tingas – Tax Policy

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- On 15 April 2020, the Estonian Parliament adopted the Act on the State's Supplementary Budget for 2020 (measures related to the spread of the COVID-19 disease. The President promulgated the act on 16 April 2020
- The supplementary budget allows KredEx (the foundation established by the state for providing financial solutions) to provide business loans and guarantees in the amount of up to 500 million euros. An additional 200 million euros will be allocated to the Health Insurance Fund, and the Government may acquire convertible bonds to support strategic businesses.
- Parliament is discussing an additional package of COVID-19 measures, which includes suspension of the obligation to apply for bankruptcy and new rules for foreigners to work and stay in Estonia during the emergency.
- The Estonian government's first stimulus package was valued at €2 billion, which represented 7% of the country's GDP. The aim of the package is to mitigate the situation for employees and businesses in Estonia.
- In the period between 1 July 2020 and 31 August 2021, state payments (4%) into the compulsory pension fund (II pillar) are temporarily suspended.
- The government will use €250 million to support the income of employees who cannot work due to the economic effects of the COVID-19 pandemic.
- The compensation will be based on 70% of the employee's average gross salary of 2019, but will not exceed €1,000 in a month. The compensation will be paid by the Unemployment Insurance Fund on behalf of the employer if the employer complies with certain terms and conditions.

Personal tax

- Revenue from selling timber or cutting rights and from Natura 2000 support will be tax exempt for up to 5,000 euros a year for both sole proprietors and other natural persons (from 1 January 2020).
- An employee can discontinue their II pillar payments in the period from 1 December 2020 to 31 August 2021 by submitting an application in October 2020.

VAT, GST and trade

- The value added tax rate on electronic publications (e.g., e-books) will be reduced to 9% from 1 May 2020, so that the tax rate will equal that of print publications.
- The government will lower the excise duty rates on several types of fuels and electric power for two years, from 1 May 2020 until 30 April 2022.

Estonia (continued)

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Return to jurisdiction list

Business tax

- The tax authorities have suspended the application of interest on tax arrears for the period of emergency with retroactive effect as from 1 March 2020 until the end of the emergency period.
- After the emergency period, the default interest rate will lowered from the usual 0.06% per day to 0.03% per day until 31 December 2021.
- After the emergency period, the tax authority can reduce the interest rate upon deferral of payment of the tax arrears by up to 100% as of the date of adoption of the deferral decision 31 December 2021. Thus, the effective interest rate can be reduced to 0% until 31 December 2021 via a decision of the tax authority.
- The employer is released from the obligation to pay minimum any social tax liability lower than 540 euros a month on wages paid in March, April and May 2020. The state made the advance payments of social tax payable by sole proprietors in the first quarter of 2020. In cases where private entrepreneur have already paid the tax, such funds may be used to cover other taxes.
- In the period between 12 March 2020 and 1 July 2020, corporate donations and gifts made to hospitals, welfare institutions and state and local government authorities are exempt from corporate income tax.

Links and resources

Government materials

- https://www.tootukassa.ee/eng/content/temporary-subsidy-program
- https://news.err.ee/1066821/government-approves-250-million-unemployment-fund-for-coronavirus-supportt
- https://www.emta.ee/eng/etcbs-information-emergency-situation
- https://www.rahandusministeerium.ee/en/news/supplementary-budget-includes-lower-excise-duties-and-temporary-suspension-funded-pension-suspension-funded-pension

Finland

- Contact: Jukka **Lyijynen – Tax Policy**
- Last updated: 6 August 2020

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Return to jurisdiction list

Overview

- On 16 March 2020, the Government, in cooperation with the president, declared a state of emergency in Finland.
- 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.
- Pension payments will be delayed by three months and pension payments of private sector employers will be decreased.
- Notification period for lay-offs and for statutory employer-employee negotiations will be shortened to five days. Employer's lay-off right will extend to fixed-term contracts.
- Tax prepayments will be reduced and less strict terms will be applied for payment arrangements for taxes.
- The financing of Finnvera and Business Finland will be increased.
- Finnvera's mandates will be raised from euro 2 bn. to 12 bn. The purpose is that Finnvera will guarantee corporate debts. In addition to this, Bank of Finland and The State Pension Fund of Finland will both invest 1 bn. in commercial papers.
- In the supplementary budget, euro 150 million will be given to Business Finland and euro 50 million to development projects financed by the Center for Economic Development, Transport and the Environment. Business Finland's funding for business development in disruptive circumstances opened on 19 March 2020 for companies to apply.
- Funding is intended to SMEs and midcap companies whose business suffers from the COVID-19 situation. There are two financing solutions, preclearance funding (up to 10 000 euros) and development funding for businesses in disruptive circumstances (up to 100 000 euros). Funding is de minimis -funding and it can be obtained only if there is room in the company's de minimis cumulation.
- Private sectors employer's pension payments will be reduced by 2.6% at the latest as of the beginning of June and the reduction is in force until end of the year. In addition, pension payments will be delayed by three months and reborrowing of paid employee pension insurance premiums will be made easier.
- The reduction and delay of pension payments will also affect entrepreneur pension insurance premiums and agricultural pension insurance premiums payments
- Temporary actions to secure survival of businesses – shortening of lay-off period.
- Unemployment security waiting period (five days) will be removed from lay-offs and redundancies. In addition to this, the minimum duration of employment required for eligibility for unemployment allowance will be shortened to 13 weeks if the employment has started after 1 January 2020.
- Entrepreneurs and self-employed irrespective of type of business (including sole traders and freelancers) will be entitled to unemployment allowance. To receive unemployment allowance, entrepreneurs must explain how their business has been weakened due to COVID-19.
- Notification period for lay-offs and for statutory employer- employee negotiations will be shortened to five days. Employer's lay-off right will extend to fixed-term contracts.
- The Tax Administration is granting a month of extra time for filing due to the COVID-19 situation. This extra month does not need to be separately requested, and no late-filing penalties are imposed for tax returns filed during the month.

Finland (continued)

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Return to jurisdiction list

Overview (continued)

- Unemployment security waiting period (five days) will be removed from lay-offs and redundancies. In addition to this, the minimum duration of employment required for eligibility for unemployment allowance will be shortened to 13 weeks if the employment has started after 1 January 2020.
- Entrepreneurs and self-employed irrespective of type of business (including sole traders and freelancers) will be entitled to unemployment allowance. To receive unemployment allowance, entrepreneurs must explain how their business has been weakened due to COVID-19.
- Notification period for lay-offs and for statutory employer- employee negotiations will be shortened to five days. Employer's lay-off right will extend to fixed-term contracts.
- The Tax Administration is granting a month of extra time for filing due to the COVID-19 situation. This extra month does not need to be separately requested, and no late-filing penalties are imposed for tax returns filed during the month.

Personal tax

VAT, GST and trade

- No additional time for filing VAT returns or other tax returns for self-assessed taxes can be granted.
- In the case of late filing or late payment, tax payers can request that the penalty be removed, if they have a justified reason for the late payment/filing, such as illness or quarantine.
- Tax payers can request for a payment arrangement with eased terms for the company's taxes between 25 March and 31 August 2020.
- VAT already paid in the beginning of the year 2020 may be reclaimed as a loan with 2.5% interest, which will be calculated from the initial due date of the taxes. Tax refunds will not be used against taxes within the eased payment arrangement scheme.
- Customs duties and VAT waived for certain medical supplies imported from outside the EU until 31 July 2020.
- The Government's proposal has been passed for zero rating VAT on domestic and intra-community acquisition of certain medical supplies retrospectively between 1 January and 31 August 2020.

Business tax

- The deadlines for paying taxes are postponed (further details of this are not yet known).
- The Tax Administration is granting a month of extra time for filing due to the COVID-19 situation.
- The extra month does not need to be separately requested, and no late-filing penalties are imposed for tax returns filed during the month.
- The interest rate for late payment further reduced to 2.5% (currently 7%) for taxes due from 1 March 2020.

Links and resources

EY materials

- Responding to COVID-19
- Corona virus (COVID-19), The most important labor law issues in the Nordic countries

Government materials

- Corona situation: Recent updates (from the Finnish tax authority)

France

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

- Last updated: 23 August 2020

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Return to jurisdiction list

Overview

- The French Government has implemented, among others, tax measures (tax deferment, filing postponement, cash incentive, adjustment of deadlines, etc.) to help businesses and, to a lesser extent, individuals (filing postponement and exceptional tax-exempt premium), to help reduce tax formalities and provide support from treasury and employment perspectives.
- The following measures are temporary and could be renewed. Mostly subject to no justification to facilitate procedures, these measures are dedicated to companies encountering extreme difficulties in different activity sectors. Other measures could be implemented in the future.

Personal tax

- For the self-employed, adjustment of the rate and the down payments at source of income tax, or deferral of payment of the personal income tax down payments from one month to another up to three times if monthly instalments, or from one quarter to the next if quarterly instalments. Adjustments to 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 contemplated for the employee's payments at source of personal income tax.
- Extension of the online filing deadline for personal income tax return to 4, 8 or 11 June 2020, depending of the department of residency (paper returns should be filed before 12 June 2020).
- Employers are encouraged to pay to their employees an exceptional tax-exempt purchasing power premium (*prime de pouvoir d'achat*) exempt from tax and social contributions under certain conditions. The second amending finance bill for 2020 provides for an exceptional tax-exempt premium to health-care personnel of EUR 500, up to €1,500 for the most exposed professionals. The third amending finance law for 2020 extends this exemption to premiums paid in 2020 by private health establishments or in the social and medico-social sector to their agents and employees mobilized in the same way.
- The fact that an individual finds himself blocked in France due to the exceptional measures should not have any adverse consequence on the assessment of tax residence in France. A temporary stay under travel ban decided by the country of residence is not likely to characterize a tax residence in France under the article 4 B of the French tax code. In addition, several agreements have been concluded with bordering countries in order to ensure that the specific tax treatment of cross-border workers will not be affected by home-working measures.

VAT, GST and trade

- No VAT payment deferral, the postponement only concerns 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 at the present time).
- However, Government states an objective of rapid refund of VAT credit to companies (i.e., within one month in 80% of cases). Ministerial order dated 18 March 2020 temporarily increases the thresholds for the automatic delegation of signature for the reimbursements of tax credits requests.
- Companies encountering difficulties in gathering all the documents useful for establishing their CA3 return, can make a simple estimate of the amount of VAT due (margin of error tolerated of 20%).
- Possibility of paying a lump sum of VAT calculated on the basis of the VAT amounts declared for previous months for companies having experienced a decrease in their turnover (the proper application of such tolerance may be subject to tax audit by the FTA afterwards).
- Tolerance on the part of the French Tax Authorities, allowing invoices issued in paper form then scanned and sent by email (without following the entire electronic invoicing process specific to electronic invoicing) by any supplier to its client without the need to send the corresponding paper invoice by post.
- VAT rate applicable to several products adapted to the fight against the spread of COVID-19 temporarily reduced from 20% to 5.5%. This measure includes masks and protective clothing as well as products intended for personal hygiene, including hydro-alcoholic gels (the precise characteristics are described by decrees). This temporary measure should apply until 31 December 2020.
- Donations of sanitary materials (masks, gels, protective clothing and respirators) carried out by companies for the benefit of health establishments will be exempt from VAT regularization.

Business tax

- Postponement upon request and without penalty of the payment direct taxes instalments (for CIT down payment, corporate property tax or property tax (*taxe foncière*) and business contribution on the added value (*"CVAE"*)) or tax audit liabilities, or if already paid, request for a reimbursement (specific form available on the tax authorities' website). At this stage, this only applies to those direct taxes due in March, April and May: down payment from corporation tax, payroll tax, and for companies that pay these taxes monthly from the companies' property tax and the CVAE.
- If the company is facing major financial difficulties due to COVID-19, a settlement plan can be requested from the public accountant in order to spread or defer the payment of tax debt. If the difficulties cannot be resolved by such a plan, the company may request a rebate of direct taxes subject to a personalized examination of the difficulties actually encountered. This request can be made by filling in a dedicated form on the tax authorities website. The French Minister of the Economy announced a system of settlement plans allowing small companies (VSEs and SMEs), without condition of sector of activity or loss of turnover, to spread payment of their taxes due during the period of health crisis for 12, 24 or 36 months.
  - For large companies and large groups with more than 5,000 employees or €1.5 billion in sales, deferrals of payment deadlines will only be granted in the absence of dividend payments or share buybacks until the end of 2020. in addition, companies that are able to do so are invited to fulfil their reporting and payment obligations within the initial timeframe.
- Filing postponement to 30 June 2020 for CIT returns (the postponement should not go beyond, given the need to anticipate future revenues). Filing postponement applicable to CIT tax returns, to forms relating to tax credits and to categorical income (BIC, BNC, BA) subject to income tax.
- Acceleration of reimbursements of tax credit (tax credit for competitiveness and employment (*CICE*), R&D tax credit (*CIR*), Innovation tax credit (*CII*), etc.) receivables due to companies upon request. The companies must file a tax credit refund request (#2573 form), the tax credit supporting form (#2069-RCI form), if the CIT return is not ready yet, the statement of CIT balance (#2572 form) indicating the CIT due. The FTA have a target of reimbursing tax credits in three months for 75% of companies. Ministerial order dated 18 March 2020 temporarily increases the thresholds for for the automatic delegation of signature for the reimbursements of tax credits requests.
- Solidarity fund created by the State and regions for entrepreneurs, merchants, artisans and financial support of €1,500 for the smallest businesses, the self-employed and microenterprises in the sectors most affected. Municipalities and large companies will be able to contribute to the financing of the fund. For the most difficult situations, additional support of € 2,000 may be granted on electronic request to the Conseil Regional to avoid bankruptcy on a case-by-case basis. The amount granted will depend on the loss of turnover incurred. This fund is aimed at companies with a workforce less than or equal to 10 employees, turnover of less than €1,000,000 and a taxable profit of less than €60,000.
- Smallest companies that encounter financial difficulties can send a request for a postponement to their water, gas or electricity supplier who may not suspend, interrupt or reduce, including by terminating a contract, the supply of electricity, gas or water. The application of penalties, the lease termination or the activation of guarantees due to the default of payment of rents is prohibited.
- The government decided to resize the partial unemployment scheme (also called partial or technical unemployment or *chomage partiel*). This scheme is a tool generally used to prevent redundancies which enables employers encountering economical difficulties to have all or part of the cost of their employees paid by the State. According to the new partial unemployment scheme, the allowance paid by the State to the company is now proportional to the income of employees placed in partial activity, up to a threshold of 4.5 times the minimum wage. The employer pays the employee an indemnity equivalent to 70% of his gross hourly earnings, which corresponds on average to around 84% of the employee's net salary. As from 1st June 2020, the conditions for taking over of the unemployment scheme will be amended to follow the resumption of activity. The compensation paid to the employee is unchanged but companies will be reimbursed 60% of gross salary by the State, instead of 70% previously.The companies that have used the partial unemployment mechanism are also asked not to proceed to dividend distributions in 2020.

Business tax (continued)

- State guarantee up to €300b of bank loans (*"PGE"*) that businesses may need resulting from the pandemic and support from the Banque de France into negotiating rescheduling of existing bank credits. This loan may represent up to 3 months of 2019 turnover, or two years of payroll for innovative or businesses created as from 1 January 2019. No reimbursement will be required in the first year. The loan will benefit from a state guarantee up to 70 to 90%, depending on the size of the business.
- Companies are allowed to request the early repayment of tax receivables resulting from an option for the carry-back of their tax losses made at the latest for the FY ended on 31 December 2020 (option exercised before beginning of May 2021, i.e., the deadline for filing the CIT return for the FY ended on 31 December 2020).
- Companies in the hotel and catering sector can benefit from a 3-month deferral of public service broadcasting contribution. This tax deferral is not automatic, companies that encounter difficulties must request it from their business tax service ("SIE"), and by mentioning it in their VAT declaration filed in April and specifying the amount of the broadcasting contribution which should have been declared and paid in April. They can thus declare and pay the amount of their broadcasting contribution during the VAT declaration filed in July.
- Companies subject to CIT which carry out the activity of publisher of on-demand television, radio or audiovisual media services may benefit from a tax credit equal to 15% of the amount of creation expenses if they justify a decrease in turnover of at least 10%. The expenses incurred are those contributing to the development of the production of cinematographic and audiovisual works declared to the Superior Audiovisual Council (*CSA* or *Conseil Superieur de l'Audiovisuel*) listed in several categories. The tax credit is equal to 15% of the total amount of expenses incurred from 1st March 2020 to 31 December 2020 in France, in another EU Member State or in another State party to the EEA. The total amount of tax credit granted cannot exceed the amount of the decrease in turnover observed. This tax credit's scope has been widen to production of live shows expenses to theater and variety shows expenses (which had been excluded from 1st January 2019), which notably includes shows of humor. This tax credit amounts to 15% (30% for SMEs) of the expenses of creation, exploitation, and digitization not only of a live musical spectacle but also of a theater or variety shows.
- The *CFE* (*cotisation fonciere des entreprises*) payment has been delayed to 15 December 2020. In addition, SMEs belonging to specific economical sectors affected by the pandemic (i.e., the tourism, hotel, catering, sport, culture, air transport and events sectors) will benefit, upon deliberation by the municipalities, from a partial relief from the *CFE* 2020.
- Suspension of statute of limitation applicable to tax audit procedures when standard statute of limitation would have expired on 31 December 2020 (suspension for the period between 12 March 2020 and one month after the ending date of the state of health emergency regardless of the date of initiation of control). In addition, the official instruction has been given not to initiate any new tax audit during the sanitary crisis and to continue pending tax audits "with discernment" (no new procedural notice, freezing of consequences of failure to meet deadlines), this instruction should progressively come to an end in the coming days/weeks, ongoing tax audit should resume.
- France implemented the 6-month postponement of DAC 6 reporting measures. This reporting obligation originally took effect from 1st July 2020 with a retrospective period (the arrangement having a first stage of implementation taking place between 25 June 2018 and 30 June 2020 had to be declared by 31 August 2020 at the latest). Implementing the European Council authorization, the French government introduced the following provisions: (i) for arrangements that occurred during the retrospective period: the declaration deadline is extended from 31 August 2020 to 28 February 2021, and (ii) for arrangements to be implemented as from 1st July 2020: the declaration deadline is postponed to 1 January 2021.

Other measures

- French tax authorities have admitted the dematerialized registration of deeds until 10 July 2020. The companies can send said deed to the registration department by email, paying the fees by bank transfer.
- Total exemption from employer social contributions for companies in sectors strongly affected by the COVID-19 pandemic and very small companies that have been subject to mandatory closure. The exemption applies to employer contributions due for the period between 1st February and 31 May 2020 by employers with fewer than 250 employees who exercise their main activity in the sectors relating to tourism, hotel industry, catering, sport, culture, air transport and events and which suffered a very sharp decrease of turnover. In addition, companies hiring less than 10 employees whose main activity relates to sectors other than those mentioned above, but which involve receiving the public and has been compulsorily interrupted due to the spread of the COVID-19 pandemic benefit from the total exemption from employer contributions due for the period of employment between 1st February and 30 April 2020 (excluding voluntary closures).
- Recognition of the Coronavirus as a case of force majeure for public contracts.
- Government objective of quick payment of suppliers of public administrations (i.e., on average 20 days).

Links and resources

Government materials

- https://www.impots.gouv.fr/portail/node/13465
- https://www.economie.gouv.fr/files/files/2020/coronavirus_faq_entreprises.pdf

Georgia

- Contact: Ekaterine Kiknadze - Tax Desk

- Last updated: 10 April 2020

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Return to jurisdiction list

Overview

- On 13 March 2020, several measures were implemented by the Government of Georgia for the purpose of supporting the economy and mitigating the negative impact caused by COVID-19 spread. Based on the statement issued by the Government, banks shall restructure loans of the businesses, which may face repayment problems. Moreover, citizens who wish to postpone repayment of the loan, will be offered a three-month grace period by the banks.
- On 17 March 2020, Revenue Service announced that customs clearance liabilities for importers of vehicles will be postponed until 1 September 2020 for vehicles that were imported before 1 April 2020.
- On 19 March 2020, the Government of Georgia issued a statement, according to which all trading facilities throughout Georgia shall be closed, except grocery stores, pharmaceutical networks and gas stations, postal services and banks.
- On 21 March 2020, a state of emergency was declared throughout the whole territory of Georgia until 21 April 2020.
- On 23 March 2020, the Government of Georgia issued an Ordinance which envisages several measures for prevention of spread of COVID-19, such as suspension of international flights, public transportation, and educational processes, as well as prohibition of public gatherings consisting of 10 or more individuals.
- On 30 March 2020, further restrictions were imposed, including the following: transportation of passengers by rail as well as air traffic within the country have been prohibited, with some exceptions; Travelling of more than 3 persons (including driver) in a car has been prohibited for the period of the State of Emergency; public gatherings of more than three people have been prohibited, with some exceptions; a curfew has been imposed, prohibiting individuals to travel on foot or by vehicle between 9PM and 6AM; individuals are now obliged to have identification documents at hand while being outside; the individuals of 70 or more years of age are prohibited to leave their place of residence (except for the purpose of getting medical service, purchasing food/medicine); the Government has determined a list of businesses that will be permitted to continue operation during the State of Emergency, such as medical institutions, food retailers, commercial banks, delivery services, etc.

Personal tax

- The Government of Georgia will postpone the liability of payment of property and personal income taxes for the enterprises engaged in tourism-related activities and other entities whose business activities have ceased due to the current state of affairs, until 1 November 2020. Enterprises operating in the tourism industry include hotels, restaurants, travel agencies, transportation companies etc. For the purpose of obtaining the relief, taxpayers are required to submit an application to the Revenue Service of Georgia. Furthermore, no late payment interest will be assessed on deferred tax liabilities.

VAT, GST and trade

- The Government of Georgia will double the initially determined amount of VAT refund to the enterprises engaged in tourist activities and the Ministry of Finance of Georgia will return GEL 1,200 million to the companies until the end of the year.

Business tax

Links and resources

Government materials

- http://gov.ge/index.php?lang_id=ENG&sec_id=288&info_id=75563
- http://gov.ge/index.php?lang_id=ENG&sec_id=288&info_id=75732
- https://www.rs.ge/Default.aspx?sec_id=4845&lang=1&newsid=5782

Germany

- Contact: Hermann Gauss – Tax Policy
- Contact: Tobias Appl – Tax Desk

- Last updated: 23 July 2020

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Return to jurisdiction list

Overview

- Reduced hours compensation is available if 10% of the employees are affected (regular threshold of 1/3), negative hours balances will not accrue, social security contribution on the reduced hour compensation will be refunded and agency workers can be included. On 22 April 2020, the government announced an increase in compensation benefits to up to 87% (depending on duration and family status) for those whose working time had been decreased by more than 50%.
- Small businesses with up to 10 employees receive a direct subsidy for certain expenses (e.g., rent payments) in form of a one-time payment if economic hardship is caused by COVID-19. The payment will amount up to EUR 9,000 for businesses with up to 5 employees and up to EUR 15,000 for businesses with up to 10 employees. However, the subsidy will be considered taxable income.
- Conditions for the KfW-Unternehmerkredit (business loan companies) and the ERP-Gründerkredit-Universell (stfor existing art-up loan for companies that are less than five years old) are loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises. The previously applicable turnover thresholds are eliminated and the programs are now available to enterprises irrespective of their turnover. Higher risk assumptions of up to 80% (90% for small and medium businesses) for operating loans of up to EUR 1 billion will increase banks' willingness to extend credit.
- The KfW can now participate in syndicated financings and assume up to 80% of the risk (however limited to 50% of the overall financing risk).
- The KfW-Schnellkredit 2020 disburses up to EUR 800,000 for individual businesses (depending on monthly turnover and number of employees) quick and unbureaucratically, as the KfW waives credit risk assessments and dispenses the underwriting commercial bank from 100% of the liability.
- For guarantee banks (Bürgschaftsbanken), the guarantee limit is doubled, to EUR 2.5 million. The Federation increased its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks' total exposure was increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to EUR 250,000 independently and within a period of three days.

  The large guarantee program (parallel guarantees from the Federation and the Länder) was opened up to companies in other regions, as well.
- For companies that have temporary serious financial difficulties because of the crisis and therefore do not have easy access to existing support programs, additional special KfW programs were launched.
- The former bank rescue fund "Soffin" was converted into an "economic stabilization fund" for large businesses which are critical for the system. The fund can provide equity financing, participate in re-financing (e.g., absorb certain liabilities) and has a volume of EUR 600 billion.
- Insolvencies due to the COVID-19 impact have not to be declared until 30 September 2020. Further, the law implements a moratorium for certain obligations which were taken on prior to 8 March and if their fulfillment would constitute a danger for health of economic survival. Moreover, lease agreements cannot be terminated due to outstanding lease payments for the period 1 April to 30 June if the lessee's inability to pay the lease payments is due to COVID-19 impact.
- For certain types of reorganizations (e.g., mergers and de-mergers), a balance sheet not older than 8 months has to be field with the responsible court. This deadline is extended to 12 months, which effectively also means that such transactions can now be executed with 12 months retroactivity for tax purposes as the balance sheet date is generally decisive in this regard.
- On 4 May 2020, the MoF and the MoE issued a press statement, regarding further support for startups, to the amount of EUR 2 billion. The measures are intended for start-ups, young technology companies and SMEs who often do not fulfill the requirements for other stimulus measures due to their age. The program consists of two pillars. Pillar I "Corona matching facility" which intends to support startups currently financed through venture capital fonds, and pillar II which is aimed at startups and SMEs without access to pillar I.
- An additional large economic stimulus package is currently discussed and expected for June. Discussed measures range from accelerated amortization, improved possibilities to utilize tax losses, increased child subsidy, a general lump-sum subsidy for "everyone", industry specific measures such as a direct grant for the acquisition of electric or plug-in hybrid cars and other potential measures.
- Subsidies for COVID-19-related R&D, investments in testing infrastructures and production facilities in Germany are expected (volume approx. EUR 5 billion):
  - Up to 80% of eligible costs in case of new investments (95% if project is completed within 2 months or project with more than one Member State)
  - Up to 100% of eligible costs for R&D activities
  - Up to 75% of eligible costs in case of upscaling of existing facilities (90% if project is completed within 2 months)
- No final decision as to whether this will be in form of direct grants, tax benefits, repayable advances or loss cover guarantees yet

Business tax

- After a political announcement and after individual federal states had already published decrees and information on deferral and enforcement relief in connection with the coronavirus, on 20 March 2020, the Ministry of Finance also specified the tax relief measures in two official letters (decree of the Federal Ministry of Finance and identical decrees of the federal states on trade tax aspects). Additional decrees with minor adjustments followed throughout the past weeks. The basic intention is to avoid liquidity bottlenecks for taxpayers due to tax payments. Overall, businesses shall be able to defer billions of Euros in tax payments.
- The measures are as follows:
  - **Deferral of tax payments:** Taxpayers which can demonstrate that they are directly and not insignificantly affected may, until 31 December 2020, submit applications for the deferral of taxes which are already due or are becoming due until that date. Requests for deferral of taxes which become due after 31 December 2020 must be specifically justified. Interest on deferred taxes shall generally be waived. Monthly and quarterly declarations for wages taxes (including tax payments) can be deferred for up to two months if the COVID-19 virus impedes bookkeepers to submit timely declarations.
  - **Reduction of tax prepayments:** Taxpayers may, until 31 December 2020, submit applications for the adjustment of tax prepayments. Requests for adjustment of tax prepayments which only concern periods after 31 December 2020 must be specifically justified. 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 shall be reduced in a swift and straightforward manner.
  - **Loss carryback:** In a decree dated 24 April 2020, the MoF permits an accelerated flat rate loss-carry back of 15% the relevant 2019 income, limited to EUR 1 million for single individuals or corporations, EUR 2 million for joint-filing individuals. The loss carryback is granted upon application.
  - **Waiver of enforcement measures and penalties:** If the tax office becomes aware of the fact that a taxpayer is directly and not insignificantly affected, either through notification of the debtor or in some other way, the tax office should abstain from enforcement measures until 31 December 2020. In that case late-payment penalties which would otherwise be levied from 20 March 2020 until 31 December 2020 shall be waived.
  - On 6 April 2020, the MoF issued a non-binding FAQ document aiming at application questions. Among other things, this catalogue clarifies that the possibility of waiving enforcement also exists for wage tax and that tax deferrals should only be granted for taxes that have been determined
  - **Who can benefit?** According to the decree only those taxpayers shall benefit from the tax relief measures who can demonstrate that they are directly and not insignificantly affected by the economic consequences of the coronavirus. Only indirectly and/or insignificantly affected taxpayers shall at least based on the wording of the decrees not benefit. Whereas it is unclear when a taxpayer is considered to be directly and not insignificantly affected, the tax offices are generally asked to not apply too strict requirements when checking the conditions. It is in particular not required that the taxpayer can document and prove the specific damages and the corresponding amounts.
  - **Which taxes are covered?** The two decrees in particular cover VAT, personal income tax, corporate income tax and trade tax (the later is covered by the identical state decrees).
  - Not covered are for example wage tax and other withholding taxes (e.g. dividend and royalty withholding tax) payable by a third party. However, the overall context of the decrees should be understood in a sense that the same liquidity sequence is achieved through the above-mentioned deferral of enforcement measures without penalties. The Bavarian tax authority also points out on its homepage wage and other withholding taxes cannot be deferred, but that there is the possibility of submitting an application for a waiver of enforcement measures with the competent tax office. Thus, upon filing of the application, all tax payments covered by the measures could be stopped.

    Regarding the wage tax, we expect further guidance to be issued by the tax authorities in the near future.
  - On 28 May 2020, the German parliament adopted the "Corona Tax Assistance Act" which foresees a decrease of the VAT rate for restaurant and catering services from 19% to 7% (time limited to July 2020 to June 2021), an extension of the transitional regime of sec. 2b VAT act, an extension of retroactive periods in the Transformation Tax Act and partial exemption of employer subsidies for short time work in accordance with social security law. Furthermore a legal basis for the tax exemption for Corona special payments of up to EUR 1,500 in the period 1 March to 31 December 2020 - already introduced with the BMF letter of 9 April 2020 – was created in the Income Tax Act
  - In order to grant a timely adoption of the possible postponement of the Mandatory Disclosure Regime (MDR) reporting deadline as proposed by the EU Commission the BMF has been authorized to transpose the respective extension into national law by decree once approved by the ECOFIN.

Business tax (continued)

- On 3 June 2020, the Coalition Committee announced the key points for the expected economic stimulus package. The EUR 130bn package comprises a total of 57 mostly temporary measures for short-term stimulation of private demand, but also includes long-term structural investments, in particular in digital infrastructure and climate technologies, as well as strengthening the health care system and improving future pandemic protection. In the resolution, the grand coalition also makes a commitment to the EU economic and financial crisis.
- On 30 June 2020 the Government passed the "Second Corona Tax Assistance Act" implementing the majority of the tax measures outlined in the stimulus package:
- **Reduction of the VAT rate**

  For a limited period from 1 July to 31 December 2020, the regular VAT rate will be reduced from 19% to 16% and the reduced VAT rate from 7% to 5%.
- **Tax loss carryback/corona reserve**

  For the years 2020 and 2021, the tax loss carryback will be extended from the current EUR 1 million to a maximum of EUR 5 million and EUR 10 million (in the case of joint assessment). There is a mechanism to use the relief effect already in the 2019 tax return. In the first step of the mechanism (partial) reimbursement of the pre-payments for 2019 (flat 30% of the 2019 taxable income with respective limit on the loss-carryback). In the second step, preliminary loss carryback for 2020 of 30% of the total income of 2019. Moreover, it is possible to receive a temporary loss carryback exceeding the 30% limit upon request.
- **Degressive depreciation**

  The possibility of degressive depreciation for wear and tear (AfA) is made possible for the fiscal years 2020 and 2021. A maximum of 25 percent per year can be written off for movable fixed assets, capped at 2.5 times the current depreciation rate.
- Increased allowance for Trade Tax additions (business expenses that are treated as non-deductible for Trade Tax purposes)
- increase of the reduction factor for income from business operations of partnerships from 3.8 to 4 times the Trade Tax base
- **R&D Tax Credit**

  Doubling of the maximum tax assessment basis from EUR 2 million to EUR 4 million for expenditures eligible for the research allowance occurring after 30 June 2020 and before 1 July 2026.

  Maturity of the import VAT

  Postponement to 26th of the second following month
- **Tax allowance for Trade tax additions**

  Increase of the allowance for the addition of trade tax from EUR 100,000 to 200,000.
- **Company eCar Taxation**

  The purchase price limit for the preferential taxation of purely electric company cars will be raised from EUR 40,000 to EUR 60,000.
- Extension of deadlines for investments under § 6b and § 7g EStG for one year.

Other measures included in the stimulus package not covered under the Second Corona Tax Assistance Act:

- **Depreciation for digital assets:** The extended depreciation of digital assets is to be addressed within the framework of the "digitaliz ation push". However, the coalition committee has not yet negotiated further details on this issue.
- **Modernization of corporate tax law:** Option model to corporate income tax for partnerships

Furthermore without direct tax reference:

- **SME package**

  For small and medium-sized enterprises, interim aid is granted for the months June to August across all sectors - but with a focus on those industries particularly affected by the Corona crisis. Within this framework, up to 50 percent of the fixed operating costs can be reimbursed in the event of a drop in turnover of at least 50 percent compared to the same month of the previous year, and up to 80 percent of the fixed operating costs in the event of a drop in turnover of more than 70 percent. The maximum payment is EUR 150,000 for three months. A maximum volume of EUR 25 billion is estimated for the program.

Germany (continued)

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Return to jurisdiction list

Business tax (continued)

- **Social Security Contributions:** The general possibility of a deferral of social security payments shall be facilitated according to a circular of the responsible social security umbrella organization as of 24 March (updated 25 March). It can basically be granted if the employer plausibly explains that he suffers from financial damage (e.g., loss of turnover) due to the corona crisis. However, a deferral of social security payments is only possible if the employer has already made use of the other available corona crisis related aid measures (see above), in particular reduced hours compensation benefit (Kurzarbeitergeld), ad-hoc aid and business loans. Only if these measures are not sufficient for the employer to be able to fulfil all social security contribution obligations, he can, without providing a security, apply for an interest-free deferral of social security contributions for the months March and April (the first circular also included the month of May, though, May is not included in the latest update and therefore seems to be excluded from the deferral).
- **Social guarantee 2021:** In order to prevent an increase in non-wage labor costs, social security contributions are to be stabilized at a maximum of 40 percent by covering any additional financial requirements from the federal budget at least until 2021.

Personal tax

- Bonuses in the form of direct payments or fringe benefits to mitigate negative impacts of the Corona crisis on employees are tax free for up to EUR 1,500, if the transfer is "justifiable" (which, for the duration of the crisis, is generally assumed).
- Germany is discussing flexible regulations with its treaty partners to avoid unintended effects for cross-border commuters working at home during the crisis. Three final consultation agreements have been published (The Netherlands, Luxemburg, Austria, Belgium, France), further agreements may follow. Affected persons will receive the same tax treatment while working at home as they would have received, had they not been impacted by the measures designed to tackle the COVID-19 crisis. The provisions apply for working days between 11 March 2020 and 30 April 2020 and are automatically extended at the end of a month for an additional month unless canceled beforehand.
- **Child bonus and increase in the relief for single parents**: Families are relieved by a per-child bonus of EUR 300 which will be paid in two amounts of EUR 150 each for each child entitled to child benefit for at least one month in 2020.
- For single parents, the relief contribution for the years 2020 and 2021 will be significantly increased from currently 1,908 euros to 4,008 euros.

VAT, GST and trade

- For VAT see also business tax measures and the economic stimulus package (general VAT rate reduction from 1 July to 31 December 2020)
- With regard to taxes that are administered by the customs administration (e.g. energy duty and aviation tax), the Central Customs Authority (Generalzolldirektion) has been instructed to make appropriate concessions to taxpayers. The Central Customs Authority has already reacted and provided further guidance on its homepage.
- The same applies to the Federal Central Tax Office (Bundeszentralamt für Steuern), which will proceed accordingly with regard to insurance tax and value added tax, which fall within its remit.
- The Ministry of Economy issued a press release in coordination with the Ministry of Finance that, with immediate effect, export transactions at short credit terms (credit periods of up to 24 months) within the EU as well as to selected OECD member states can be supported with state export credit guarantees. The EU Commission granted an exemption to this effect on 27 March 2020.
- **Reduced VAT rate for gastronomy:** Restaurant and catering services which are subject to the reduced tax rate due the Corona Tax Assistance Act, are expected to be taxed with VAT at a rate of 5 percent in the period from 1 July 2020 to 31 December 2020, 7 percent in the period from 1 January 2021 to 30 June 2021 and finally 19 percent again from 1 July 2021.

Links and resources

Government materials

German version: Pressemitteilung: Beitragsstundungen erst dann, wenn alle Hilfen genutzt sind https://www.gkv-spitzenverband.de/media/dokumente/presse/pressemitteilungen/2020/PM_2020-03-25_Beitragsstundungen.pdf
German version: Änderungen im Zivil-, Insolvenz- und Strafverfahrensrecht angenommen https://www.bundestag.de/dokumente/textarchiv/2020/kw13-de-corona-recht-688962
German version: Ein Schutzschild für Beschäftigte und Unternehmen https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-de.pdf?__blob=publicationFile&v=2
English version: A protective shield for employees and companies https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/03/2020-03-13-download-en.pdf?__blob=publicationFile&v=2
German version only: suspension of insolvency filing https://www.bmjv.de/SharedDocs/Zitate/DE/2020/031620_Insolvenzantragspflicht.html

German version: KfW-Corona-Hilfe: Kredite für Unternehmen https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/KfW-Corona-Hilfe-Unternehmen.html

English version: KfW coronavirus aid: loans for companies https://www.kfw.de/KfW-Group/Newsroom/Latest-News/KfW-Corona-Hilfe-Unternehmen.html

German version only: Corona-Krise: Bürgschaftsbanken erweitern Unterstützung von KMU https://www.vdb-info.de/aktuelles/pressemitteilungen/corona-krise-buergschaftsbanken-erweitern-unterstuetzung-von-kmu#

German version only: Corona-Virus: Informationen für Unternehmen zum Kurzarbeitergeld https://www.arbeitsagentur.de/news/corona-virus-informationen-fuer-unternehmen-zum-kurzarbeitergeld

German version only: Prepayments/loss carry back https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Einkommensteuer/2020-04-24-Corona-Sofortmassnahme-Antrag-auf-pauschalierte-Herabsetzung-bereits-geleisteter-Vorauszahlungen-fuer-2019.pdf;jsessionid=649CDE612D54D9D80DC10BAE6ACF7596.delivery2-replication?__blob=publicationFile&v=2

German version only: Bund erweitert Möglichkeiten für Exportkreditgarantien als Reaktion auf Corona-Pandemie https://www.bmwi.de/Redaktion/DE/Pressemitteilungen/2020/20200330-bund-erweitert-moeglichkeiten-fuer-exportkreditgarantien-als-reaktion-auf-corona-pandemie.html

German version only: Auswirkungen des Coronavirus: Informationen und Unterstützung für Unternehmen https://www.bmwi.de/Redaktion/DE/Dossier/coronavirus.html#id1694894

German version only: FAQ „Corona" (Steuern) https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/2020-04-01-FAQ_Corona_Steuern.html?cms_pk_kwd=06.04.2020_FAQ+Corona+Steuern+&cms_pk_campaign=Newsletter-06.04.2020

German version only: Abmilderung der zusätzlichen Belastung durch die Corona-Krise für Arbeitnehmer

https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Lohnsteuer/2020-04-09-steuerbefreiung-fuer-beihilfen-und-unterstuetzungen.pdf%3bjsessionid=CB86887CC3A656A89CF4516B0A664324.delivery2-replication?__blob=publicationFile&v=1

German version only: Konsultationsvereinbarung zwischen der Bundesrepublik Deutschland und: Niederlande:

https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Internationales_Steuerrecht/Staatenbezogene_Informationen/Laender_A_Z/Niederlande/2020-04-08-DBA-Niederlande-Konsultationsvereinbarung.pdf?__blob=publicationFile&v=1

Links and resources (continued)

Government materials

Belgium:
https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Internationales_Steuerrecht/Staatenbezogene_Informationen/Laender_A_Z/Belgien/2020-05-07-Belgien-Abkommen-DBA-Konsultationsvereinbarung-Besteuerung-Grenzpendler.pdf?__blob=publicationFile&v=2

Österreich:>

https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Internationales_Steuerrecht/Staatenbezogene_Informationen/Laender_A_Z/Oesterreich/2020-04-16-konsultationsvereinbarung-zwischen-der-bundesrepublik-deutschland-und-der-republik-oesterreich-vom-15-04-2020.pdf?__blob=publicationFile&v=1

German version only: KfW-Schnellkredit 2020

https://www.kfw.de/inlandsfoerderung/Unternehmen/Erweitern-Festigen/Förderprodukte/KfW-Schnellkredit-(078)/?kfwmc=vt.sea.google.SEA_VT_Erweitern_Corona_Schnellkredit_BK.{Anzeigengruppe}.{Anzeige}&wt_cc1=erweitern&wt_cc2=kon|newsroom&wt_cc3=103163403271_kwd-899949303356_431456682414&wt_kw=b_103163403271_%2Bkfw%20%2Bschnellkredit

German version only: Wage tax deferral

https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Weitere_Steuerthemen/Abgabenordnung/2020-04-23-verlaengerung-der-erklaerungsfrist-fuer-vierteljaehrliche-und-monatliche-lohnsteueranmeldungen-waehrend-der-corona-krise.pdf?__blob=publicationFile&v=1

German version only: Prepayments/loss carry back
https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/04/2020-04-23-PM08-Liquiditaetshilfe.html

German version only: Start-up-Schutzschild steht
https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/05/2020-04-30-Hilfe-Startups-Eckpunkte-download.pdf;jsessionid=2DD5EF1FC82280C9C394D46850F0518B.delivery1-master?__blob=publicationFile&v=4

German version only: Entwurf eines Gesetzes zur Umsetzung steuerlicher Hilfsmaßnahmen zur Bewältigung der Corona-Krise (Corona-Steuerhilfegesetz)
https://www.bundesfinanzministerium.de/Content/DE/Gesetzestexte/Gesetze_Gesetzesvorhaben/Abteilungen/Abteilung_IV/19_Legislaturperiode/Gesetze_Verordnungen/2020-04-30-Corona-Steuerhilfegesetz/1-Formulierungshilfe.pdf;jsessionid=242B30E64585C63AC5CF9F34169252B7.delivery1-replication?__blob=publicationFile&v=4

German version only: Corona-Steuerhilfegesetz (Corona-StHG) – Corona Tax Assistance Act. Publication in the Federal Gazette I 2020, p. 1385 from 29 June 2020:
https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&start=//*[@attr_id=%27bgbl120s1385.pdf%27]#__bgbl__%2F%2F*%5B%40attr_id%3D%27bgbl120s1385.pdf%27%5D__1594742113604

Economic recovery plan:
https://www.cdu.de/system/tdf/media/dokumente/2020_06_03_koalitionsausschuss_0.pdf?file=1&type=field_collection_item&id=20972

German version only: Zweites Corona-Steuerhilfegesetz (2. Corona-StHG) – Second Corona Tax Assistance Act. Publication in the Federal Gazette I 2020, p. 1512 from 30 June 2020:
https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&start=%2F%2F%2A%5B%40attr_id=%27bgbl120s1512.pdf%27%5D#__bgbl__%2F%2F*%5B%40attr_id%3D%27bgbl120s1512.pdf%27%5D__1594740394267

Ghana

- Contact: Brigitte Keirby-Smith – EY Africa Tax Desk

- Last updated: 31 July 2020

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Return to jurisdiction list

Overview

- On 18 March 2020, The Bank of Ghana's Monetary Policy Committee issued a press release announcing the reduction in the Monetary Policy Rate by 150 basis points to 14.5 percent, effective 18 March 2020.
- On 30 March 2020, the Finance Minister presented various tax measures to be introduced by the Government to mitigate the economic burden on taxpayers. In pursuance of the implementation of these tax measures, the Ghana Revenue Authority (GRA) outlined steps to ensure that taxpayers are able to meet their tax obligations during this period.
- On 5 April 2020, Ghana's President announced various incentives the Government proposed for frontline health workers as well as for the general public.
- On 26 July 2020, the President announced that the following plans or measures would be implemented:
  - Extension of the provision of free electricity to lifeline tariff customers until the end of the year
  - Introduction of a National Unemployment Insurance Scheme to provide temporary income support to workers who lost their jobs
  - Increase of the funding for the COVID-19 Alleviation Program Business Support Scheme by GHS150 million (approx. US$26 million)
  - Establishment of a Guarantee Scheme of GHS2 billion (approx. US$345 million) to enable businesses access credit at more affordable rates to survive the pandemic and retain jobs

Personal tax

- The due date for filing the Annual Return was extended from four months to six months after the end of the basis year.
- The annual tax month was moved from April 2020 to June 2020.
- Taxpayers who paid their outstanding debts due to the GRA by 30 June 2020 were granted a remission of penalties on the principal debts.
- Taxes on selected third-tier pension withdrawals will be waived.
- Incentives for frontline health workers:
  - Exemption from the payment of tax on their employment emoluments for a three-month period commencing from April 2020
  - A daily allowance of GHS150 (approx. US$26) payable to those undertaking contact tracing
  - Additional allowance of 50% of their basic salary per month for a four-month period commencing from March 2020
  - Insurance package, with an assured sum of GHS350,000 (approx. US$60,345)
- To enable everyone to wash their hands frequently, Government will absorb the water bill of every resident individual for a three-month period commencing April 2020.

VAT, GST and trade

- The Government waived VAT on the donation of stock of equipment and goods for fighting the COVID-19 pandemic.
- The due date for the sale of Vehicle Income Tax stickers for the second quarter was extended by one month ending on 15 May 2020.
- Communication Service Tax rate will be reduced from 9% to 5%, effective from 1 September 2020

Business tax

- The due date for filing the Annual Return was extended from four months to six months after the end of the basis year. Companies that can file their returns before the extension period are encouraged to do so. According to the GRA, such companies will be classified as compliant and eligible for early issuance of both the Tax Clearance Certificate and the Withholding Tax Exemption Certificate.
- The annual tax month was moved from April 2020 to June 2020.
- The due date for filing Self-Assessment return by entities with a 31 December financial year-end, which was originally 31 March 2020, was extended to 30 April 2020.
- Taxpayers who pay their outstanding debts due to the GRA by 30 June 2020 were granted a remission of penalties on the principal debts.
- Contributions and donations toward COVID-19 will be allowable expenses for tax purposes.

Links and resources

Government materials

- https://www.bog.gov.gh/mpc_press_release/mpc-press-release-march-2020/
- https://gra.gov.gh/news/waiver-of-penalties-to-taxpayers-as-a-result-of-covid-19-pandemic/

Gibraltar

- Contact: Neil Rumford - Tax

- Last updated: 23 March 2020

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Return to jurisdiction list

Overview

- A series of measures to help businesses affected by COVID-19-related restrictions were announced by the announced by the Chief Minister on 17 and 20 March 2020.

Personal tax

- Affected businesses in hospitality, leisure, distributive and catering sectors: the payment of salaries to employees "will not attract any PAYE or social insurance contributions for the month of April". (It is likely that this means that employers may calculate and pay net salary in the usual manner, but not pay the PAYE/SI, and that employees will not pay tax on this, but clarification awaited on these points).
- For all business sectors:
  - During the second quarter of 2020, payments of PAYE and Social Insurance by employers may be deferred by eight weeks from the due date. Whether such measures should be extended further will be considered in consultation with the unions and business representative organizations.

VAT, GST and trade

- Import duties have been waived until midnight on 30 April 2020 in respect of all goods except for tobacco, fuel and alcohol classes of goods. This is to be reviewed before the end of April with business representative organisations.
- Licence fees due by gaming companies on 1 April 2020 are being delayed until 1 July 2020.

Business tax

- Private landlords of affected businesses in hospitality, leisure, distributive and catering sectors will be taxed at 50% of gross rent if they do not either (a) waive at least 50% of rent due for Q2 in calendar year 2020, or (b) waive rent in Q2 and extend the lease by a further three months.
- Where a tenant is not given the above flexibility by their private landlord, Government proposes to allow the tenant "a deduction against their tax liability of three times the amount of the rent paid".
- All business rates for the second quarter of 2020 will be waived.

Links and resources

Government materials

- https://www.gibraltar.gov.gi/press-releases/chief-ministers-statement-covid-19-1962020-5700

Greece

- Contact: Stefanos Mitsios – Tax Policy

- Last updated: 28 July 2020

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Return to jurisdiction list

Overview

- Greece has adopted a series of emergency tax (as well as social security and labor law measures) as a response to the unprecedent COVID-19 situation. Certain other targeted measures have also been adopted in relation to affected enterprises' financing.
- The tax measures so far are included in five-legislative acts (dated 11 March 2020, 20 March 2020,30 March 2020, 13 April 2020 and 1 May 2020) as well as Law 4683/2020, Law 4684/2020, Law 4690/2020, Law 4701/2020 and Law 4706/2020 implemented through various Ministerial Decisions, whereas Government announcements have declared the adoption of further measures and amendments / specifications on the measures already introduced.

Personal tax

- The payment of debts already due on March 11 or assessed and due to the Tax Administration between 11 March 2020 to 30 April 2020, as well as the payment of debt instalments or partial repayments is suspended up until 31 August 2020 for:
  - Private individuals that lease real estate property to affected enterprises. No late payment interest or surcharges are calculated during the suspension period.
  - The employees of affected enterprises whose employment contract have been suspended. No late payment interest or surcharges are calculated during the suspension period.
- The above apply to private individuals that lease real estate property and employees under employment contract suspension of enterprises included in the list of affected enterprises for April, only for tax debts due within April.
- The payment of debts already due on 1 May 2020 or assessed and due to the Tax Administration between 01 May to 31 May 2020, as well as the payment of debt instalments or partial repayments due within May is suspended up until 30 September 2020 for private individuals that lease immovable property to affected enterprises (as listed for May 2020 measures) and employees of affected enterprises whose employment contract was suspended.
- A discount of 25% may be granted for on-time payment of debt instalments/partial repayment scheme instalments.
- A corresponding suspension to 31 October 2020 was granted with respect to tax obligations due by the end of June 2020.
- The employees of mandatorily closed enterprises whose employment contract is suspended are eligible to pay their agreed rent price for their main residence reduced by 40% for March and April. The 40% rent reduction is also granted to the employees of affected enterprises whose employment relationship has been suspended, applicable to the rent of their main residence for April. This rent reduction was also extended for May 2020.
- Employees whose employment contract have been temporarily suspended are entitled to a 40% rent reduction for June 2020 for their main residence. This reduction may be extended, subject to the issuance of a relevant Ministerial Decision.
- Moreover, certain measures were recently enacted to support landlords. Inter alia, the amount of rent that has not been or will not be paid in the context of the COVID-19 confrontation legislative framework does not constitute income and is not subject to income tax and special solidarity contribution of Art. 43A of L. 4172/2013. Further, taxpayers that have collected reduced rent by at least 40% are entitled to a discount of 20% on 60% of the rent of the months calculated before reduction, on debts payable from 31 July 2020 onward, with the exception of tax debt instalments or partial payment schemes, foreign government debts and debts from recovery of state aid. Deadline extensions for the payment of tax debts, as well as a 25% reduction for timely payment are also provided.
- Landlords who received reduced rent (March-June) had to submit a 'COVID-19 Declaration' to be granted tax benefits.
- The deadline for the submission of inheritance, donation and parental gifts tax returns to be submitted within March and April 2020 has been extended up until 29 May 2020.
- Following a recent OECD Report regarding the impact of COVID-19, the Tax Administration issued Circular E.2113/2020 providing guidance and clarifications in relation to certain international and domestic tax law issues, such as the tax residency status of individuals who were forced to stay in Greece during the COVID-19 outbreak (e.g., how the 183-day rule shall apply, treatment of cross-border employees issues).
- Income tax for FY19 can be paid in eight (instead of six) monthly instalments for all private individuals. Taxpayers opting to fully pay their income tax due in an one-off payment, a 2% discount is granted.

VAT, GST and trade

- The payment of VAT due between 11 and 30 March 2020 is suspended up until 31 August 2020 for affected enterprises.
- The payment of VAT already due on 11 March 2020 is suspended up until 31 August 2020 for affected enterprises.
- The above apply for enterprises included in the list of "affected" enterprises within April, only for the VAT debts due within April.
- 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 VAT due between 1 May to 29 May 2020 is suspended up until 30 September 2020 for affected enterprises.
- The payment of VAT due on 1 May 2020 is suspended up until 30 September 2020 for affected enterprises (as listed for May 2020 measures).
- The applicable VAT rate is reduced to 6% (from 24%) until 31 December 2020 for the below goods:
  - protective masks and gloves
  - antiseptic products, wipes and relevant antiseptic products
  - soap and other products used for personal hygiene purposes
  - ethyl alcohol which is used as raw material for the production of antiseptics, as well as ethyl alcohol in non-processed form sold bottled in retail for personal hygiene and protection purposes.
- All manufacturing activities for the production of antiseptics by industrial and craft enterprises for the benefit of the Ministry of Health are VAT exempt, whereas the relevant input VAT will be deductible.
- VAT exemption is available for goods delivered and services provided by suppliers to donors for donations made for the benefit of the public, under certain procedures to be followed.
- Enterprises affected by the COVID-19 outbreak (as defined in the relevant Ministerial Decisions) that will fully pay their VAT obligations stemming from their VAT returns filed for the first trimester of 2020 (in case of single-entry books) or for March of 2020 (in case of double-entry books) up until 30 April 2020, are entitled to offset 25% of the VAT timely paid against tax debts or instalments or partial repayment scheme instalments owed to the Tax Administration, which are due from 1 May 2020 onward. As a prerequisite for benefiting from such 25% offset, enterprises maintaining double-entry books must fully pay the VAT of February 2020, with the exception of enterprises whose operation was under suspension on 26 March 2020. The Hellenic Accounting and Auditing Standards Oversight Board issued guidance in relation to the proper accounting treatment such 25% VAT offset.
- Finally, the applicable VAT rate is reduced from 1 June 2020 up to 31.10.2020 for the below goods and services, as follows:
  - Non-alcoholic beverages, without addition of alcohol in any proportion (Taric Code Classification 2202) and gaseous water (of Taric Code Classification 2201): 13%
  - Theatre, concert and cinema tickets: 6%
  - Transportation of persons and their luggage: 13%
  - Exploitation of cafes, confectioneries, restaurants, grills, wineries and other related businesses (except for entertainment businesses) with the exception of beverages containing alcohol in any proportion: 13%
- As per recent Ministerial Decision A. 1143/2020, the free of charge delivery of goods and provision of services (donations) by vatable persons to the Greek State for the purposes of combating COVID-19 is VAT exempt.
- VAT on construction/renovation services over hotel buildings can be accounted through the reverse charge mechanism by the recipient of the services on the condition that:
  - The services are necessary for the needs of the hotel and are linked with the output services provided by the recipient of the construction/renovation services.
  - The VAT amount corresponding to the construction/renovation services is at least EUR 3.000.
  - The recipient of the services is the owner of the hotel building or has a legal right of use over the building for at least nine years.
  - The recipient of the services follows a special procedure and provides the Contract agreed with the supplier of the construction/renovation services as supporting documentation to the appropriate tax office.

Business tax

- The payment of debts assessed and due to the Tax Administration as well as the payment of debt instalments or partial repayments due between 11 March to 30 April 2020 are suspended up until 31 August 2020. The collection of debts assessed and due on 11 March 2020 are suspended up until 31 August 2020.
- The above apply for enterprises included in the list of "affected" enterprises within April, only for the tax debts due within April.
- No late payment interest or surcharges are calculated during the suspension period. As a prerequisite for suspension, enterprises must maintain all job positions.
- A discount of 25% might be granted for timely payment of debt instalments / partial repayment scheme instalments due from 30 March 30 April 2020 by affected enterprises. VAT and WHT debts are excluded from the 25% reduction, unless previously included in a debt instalment / settlement payment scheme. By virtue of a Ministry of Finance Press Release, payment of VAT payable by 30.04.2020 will not be subject to 25% discount; however, 25% of March VAT payable by 30 April 2020 may be offset against any other tax debts of the enterprise, due from 1 May 2020. As a prerequisite for benefiting from such 25% offset, enterprises maintaining double-entry books must fully pay VAT of February 2020. Maintenance of all job positions in order to be eligible for both measures must be clarified.
- The payment of debts assessed and due to the Tax Administration, as well as the payment of debt instalments or partial repayments due between 1 May and 31 May 2020 are suspended up until 30 September 2020. The collection of debts assessed and due on 1 May 2020 is suspended up until 30 September 2020. This applies to enterprises included in the list of "affected enterprises" for May 2020.
- The 25% discount on tax debt instalments or partial repayment scheme instalments in case of timely payment was extended for payments due within May 2020. The discount is granted to enterprises financially affected by the COVID-19 outbreak that are eligible for the extension of the deadline for the aforementioned payments to the Tax Authorities, as per the above. VAT debts and withholding taxes that have not been subject to debt instalment/partial payment scheme, as well as debts arising from the recovery of State aid and foreign government debt are excluded.
- A corresponding suspension up until 31 October was granted with respect to tax obligations due within June 2020 for enterprises considered as affected for the month June. These enterprises are also eligible for the abovementioned 25% discount in case of timely payment of tax debt instalments or partial repayment scheme instalments due within June.
- 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.
- Enterprises whose operation is mandatorily suspended or forbidden shall be liable to pay the agreed rent for their business premises for the months March and April reduced by 40%. VAT or stamp duty due shall be adjusted accordingly. Said rent reduction applies also for the rent of business premises of affected enterprises for April. The 40% rent reduction was extended for May 2020 for enterprises whose operation is under suspension or that are financially affected. Furthermore, enterprises whose operation is mandatorily suspended during March, April, May 2020 or June 2020 are also entitled to a 40% rent reduction for June 2020 for their business premises, while enterprises that continue to be considered as financially affected shall be entitled to 40% rent reduction for their business premises, for as many months as the enterprise is considered as financially affected (but in any case up to August 2020). A Ministerial Decision is issued determining affected enterprises per business sector and per month.

Business tax (continued)

- The payment of 40% of rent corresponding to financial leases of affected enterprises leasing movable or/and immovable assets used exclusively for business purposes is extended up to 12 monthly instalments in the case of finance leases for immovable assets and up to 6 monthly instalments for movable assets.
- Landlords that received reduced rent (March-June) had to submit a 'COVID-19 Declaration' (which had to be accepted by renters) to be granted tax benefits.
- Deadlines for the expiration, presentation and payment of cheques due by affected enterprises according to their activity code number (ΚΑΔ) are suspended from 30.03.2020 to 31.05.2020 for 75 days as of the date of each cheque. The above suspension also applies to enterprises whose activity code number is included in the Ministerial Decisions determining the affected enterprises within April.
- Deadlines for the expiration, presentation and payment of cheques/securities due by affected enterprises of the tourism sector are suspended for another 60 days (further to the initial suspension of deadline granted as per the above). Further, the deadline for payment of assessed tax debts stemming from VAT returns is suspended up until 30 September 2020 for non-tourism enterprises that bear suspended cheques the total value of which is greater than 20% of their average monthly turnover in the immediately preceding year, as calculated on the basis of their total output included in their VAT returns. Similarly, the deadline for payment of assessed tax debts as well as tax debt instalments or partial repayment scheme instalments is also suspended up until 30 September 2020. No late payment interest or surcharges are calculated during the suspension period.
- Exceptional state aid in the form of a repayable advances is also provided for enterprises. This aid is irrevocable, tax-free and cannot be offset against any debt. The terms, conditions and details for granting this aid have been determined by Ministerial Decision. The portal for applying for the granting of such state aid has been launched and was open up until 19 May 2020 for enterprises to finalize their application. Companies eligible for such state aid shall, among others, employee 1 – 500 employees (or no employees for certain corporate types of enterprises) and submit their financial data to the portal. It appears that the state aid will be granted based on actual financial data proving the decrease in company's business and turnover, rather than based on its ΚΑΔ. Certain other targeted fast-track loans and interest subsidy measures were also adopted by the Greek Government. A second round of advance was conducted and a third round was recently announced.
- Certain filing deadlines (i.e. for submission of capital duty, stamp duty, plastic environmental duty & accommodation tax returns) have been extended.
- By virtue of a recent Press Release, it was announced that affected enterprises might benefit from income tax prepayment cuts or exemptions (under conditions). This has not yet been passed into law.
- Following a recent OECD Report re the impact of COVID-19, the Tax Administration issued Circular E. 2113/2020, providing guidance and clarifications in relation to certain international and domestic tax law rules/issues, such as 'home office' tax implications, the application of Double Tax Treaties, the place of effective management and permanent establishment issues for legal entities.
- Corporate Income tax for FY19 can be paid in eight monthly instalments (instead of six) for all legal persons and legal entities.

Greece (continued)

Links and resources

EY materials

- https://emeia.ey-vx.com/406/82407/landing-pages/corona-virus-labor-alert-(002).pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/en-coronavirus-labor-alert-21032020-2.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-20.03.2020-final.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-22.03.2020-update-3.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/updated-covid-19-tax-alert-eng-30.03.2020-3.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-01.04.2020.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/vat-alert-en-26.03.2020-3.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/en-covid-800-eur-law-alert-2.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/en-ergani-submission-tax-alert-(002)-2.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-08.04.2020-pnp-13-4-2020-2.pdf
- https://emeia.ey-vx.com/api/email/handler?sid=492c36ce-e878-4a67-99e5-6c5b18b2449b&redirect=https%3a%2f%2femeia.ey-vx.com%2f406%2f82407%2flanding-pages%2fcovid-19-tax-alert-eng-05.05.2020-repayable-advance-3.pdf
- https://emeia.ey-vx.com/api/email/handler?sid=48fe8c53-a24a-49a8-b519-9d6dde481bec&redirect=https%3a%2f%2femeia.ey-vx.com%2f406%2f82407%2flanding-pages%2fcovid-19-tax-alert-eng-13.05.2020-2.pdf
- https://emeia.ey-vx.com/406/82407/landing-pages/covid-19-tax-alert-eng-05062020-(002)-3.pdf

Guatemala

- Contact: Rafael Sayagués / Manuel Ramírez
- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- On 24 March 2020 the Guatemalan tax authorities issued Ruling number SAT-DSI-280-2020 which declares as non-working days for such authorities from 24 to 31 March 2020 and 1 to 14 April 2020, for purposes of deferring the calculation of the administrative periods. Moreover, during this period the tax authorities may not carry out audit procedures or require compliance of tax obligations.
- Enacted Decree 12-2020, determines that all administrative deadlines of public entities have been extended for three months, with certain exceptions.
  - However, the tax authorities continue to receive files from taxpayers, which means that a case-by-case analysis is required in order to determine the applicability of such extension for tax purposes.

Personal tax

VAT, GST and trade

- 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.
- Decree 12-2020 entered into force on April 1 of 2020 and it determines an exemption of VAT and customs duties over all imports received as donations in favor of the Coordinating Entity for Disaster Reduction (CONRED), churches, organizations and charitable associations duly authorized and registered in the Registry of Legal Entities of the Ministry of Governance, while the State of Public Calamity and its possible reforms are in force.
- On 13 April 2020, the Tax Administration issued a statement granting VAT withholding agents and special taxpayers an extension until 29 April 2020, to submit financial statements audited by a public accountant and independent auditor.

Business tax

- 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 resumed on 15 April 2020.
- The deadline for attending information requests or presenting administrative appeals to the tax authorities is suspended and resumed on 15 April 2020.
- On 23 March 2020, the corresponding agreements were issued granting private sector employers the suspension of quotas for the Workers' Recreation Institute (IRTRA), the Technical Institute for Training and Productivity (INTECAP) and the Guatemalan Social Security Institute (IGSS) during the months of March, April and May, so that the payments may be deferred in the second half of 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 recently enacted Decree 12-2020 determines that taxpayers subject to Solidarity Tax obligations may defer the payment corresponding to the second quarter of 2020 and may perform such payment until 30 September 2020 without generating any penalty, fine or surcharge. However, taxpayers benefiting from this measure may not lay off workers until the payment is completed.

Guatemala

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Return to jurisdiction list

Other measures

- Guatemalan tax authorities declared as non-working days from 24 March to 14 April 2020, for purposes of deferring the calculation of the administrative periods.
- Moreover, during this period the tax authorities may not carry out audit procedures or require compliance of tax obligations.
- Decree 12-2020 determines that all administrative deadlines of public entities have been extended for three months, with certain exceptions. However, we are aware that the tax authority continues to receive files from taxpayers, which means that a case by case analysis is required in order to determine the applicability of such extension for tax purposes.

Links and resources

Government materials

- https://legal.dca.gob.gt/

Guyana

- Contact: Gregory Hannays – Tax
- Contact: Gail Marks – Tax

- Last updated: 4 August 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- In the ongoing national effort to support businesses and individuals who have been socially and economically disadvantaged by the threat of the COVID-19 pandemic, the Government of Guyana has implemented a number of tax relief measures.
- The measures described here represent a commitment made by the Guyana Revenue Authority based on approval of such measures by the Government of Guyana. Nevertheless, it should be noted that some of these measures are not automatically accessed and some may require legislative amendments to come into effect.

Personal tax

- The Guyana Revenue Authority will expedite the processing of Pay-as-you-Earn (PAYE) refunds for employees.

VAT, GST and trade

- VAT on water and electricity is eliminated, for the period from 1 April 2020 to 30 September 2020.
- VAT on domestic air travel is eliminated for the period from 8 April to 30 June 2020 to 30 September 2020.
- The Guyana Revenue Authority will expedite the processing of VAT refunds for businesses.
- VAT and duties on certain COVID-19 medical supplies and lab testing kits are waived.
- VAT, duties and excise tax on all medical supplies associated with the testing, prevention and treatment of COVID-19, Vitamin C and multivitamins are waived. This took effect on 26 March 2020 and is in effect until 30 September 2020.

Business tax

- The 30 April deadline for the filing of tax returns is extended to 30 September 2020. However, estimated remaining taxes using "management financial statements", for the Year of Income 2019 (Year of Assessment 2020) must be paid by 30 April 2020.
- Tax deductions are granted for all donations made by local businesses to health institutions and staff for the treatment of COVID-19.
- The payment of advance corporate and advance individual taxes for the Year of Assessment 2021 (Year of Income 2020) and PAYE for affected businesses is delayed until 30 September 2020. Airline and tourism and associated industries, as well as hotels and transportation businesses, that continue to employ their employees, or send their employees on extended vacation leave, the payment of advance taxes will be deferred without penalty and interest.
- Affected businesses will pay advance taxes on a current year basis.

Links and resources

Honduras

- Contact: Rafael Sayagues / Juan Carlos Chavarría

- Last updated: 13 April 2020

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Return to jurisdiction list

Overview

- Honduras issued several emergency measures to address economic impact of COVID-19 pandemic.

Personal tax

- By Legislative Decree N° 33-2020, a deferral on the payment of the income tax for persons and independent professionals was approved. Tax return and payment must be made no later than 30 June 2020.

VAT, GST and trade

- By Executive Decree 30-2020, a extension to file GST returns was approved for all taxpayers who have not had operations during the state of emergency. GST returns must be filed no later than 10 business days following the end of the state of emergency.
- An import duties and local taxes exemption is granted for the importation of raw materials, supplies, amongst others, to produce health care products and medicines to counter COVID-19. Exemption on local taxes (GST) also applies to masks and alcohol gel.

Business tax

- A deferral on the payment of the income tax for persons and independent professionals was approved. Tax return and payment must be done before 30 June 2020, but only for small and medium companies.
- Small and medium companies who file and pay the return on or before 30 April 2020 may apply a discount of 8.5% of the tax to be paid.
- 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. The payment dates are postponed for 30 August, 30 October and 31 December 2020.
- Extension to file the Transfer Pricing informative return to 31 July 2020.
- An extension to pay the Private Contributions Scheme (RAP) of February 2020, was approved. Contributions to the RAP can be paid within the following 15 days after the state of emergency ends.

Links and resources

Government materials

- www.presidencia.go.cr
- www.hacienda.go.cr
- www.procomer.com

Hong Kong

- Contact: Becky Lai - Tax Policy
- Contact: Rex Lo – Tax Desk

- Last updated: 19 July 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

Hong Kong has announced the following measures:

Job retention: Employment Support Scheme which provides wages subsidies to eligible employers to retain their employees. Subsidies calculated on the basis of 50% of wages (with a wage cap of HK$18,000 per month) for a period of six months

Relief grants for hard-hit sectors: Provide a one-off relief grant estimated at HK$21 billion benefiting hard-hit sectors and industries

Easing the cash flow and burden of businesses: Concessionary low-interest loans with Government guarantee for enterprises

- Extend the 75% waive of water and sewage charges payable by nondomestic accounts to November 2020
- Waive the business registration fees for 2020-21
- Waive registration fees for company annual returns for two years

Others

- Airport Authority – additional relief worth HK$2 billion to airlines and its immediate supporting operators
- Hong Kong Monetary Authority – adjust regulatory parameters to enable banks to lend, releasing a total lending capacity of HK$1,000 billion, and provide to clients "Principal moratorium" for a specified period and other sector-specific measures to provide much needed liquidity
- Insurance Authority – facilitate all major insurance companies to offer grace periods for premium payments for holders of individual life, critical illness and medical policies for a specified period
- Issue inflation-linked retail bonds and Silver Bonds totaling not less than HK$13 billion

Personal tax

- A one-off reduction of 100% of the salaries tax and tax under personal assessment for 2019/20, subject to a maximum reduction of HK$20,000. The reduction will be deducted directly from the taxpayer's 2019/20 final tax payable.
- Relief measures provided by the conditional waiver of surcharges for the settlement of demand notes by instalment for the tax year 2018/19.
- Automatic deferral for payments of salaries tax and tax under personal assessment due in April, May and June 2020 by three months.

Hong Kong (continued)

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Return to jurisdiction list

VAT, GST and trade

Business tax

- A one-off reduction of 100% of the profits tax for 2019/20, subject to a maximum reduction of HK$20,000. The reduction will be deducted directly from the taxpayer's 2019/20 final tax payable.
- Relief measures provided by the conditional waiver of surcharges for the settlement of demand notes by instalment for the tax year 2018/19
- Automatic deferral for payments of profits tax due in April, May and June 2020 by three months
- Extended due date for filing Profits Tax returns for 2019/20 from 17 August 2020 to 15 September 2020 (only for entities with accounting date falls between 1 and 31 December 2019)

Other measures

- The Hong Kong government has introduced an Employment Support Scheme which provides wage subsidies to eligible employers to retain their employees. Subsidies are calculated on the basis of 50% of wages (with a wage cap of HK$18,000 per month) for a period of six months (June to November 2020).

Links and resources

EY materials

- Hong Kong 2020-21 Budget Insights

Government materials

- Government budget announcement
- HK tax authority announcement
- Government relief measures (8 April 2020)
- Employment Support Scheme
- Extended Due Date for 2019/20 Profits Tax returns

Hungary

- Contact: Robert Heinczinger - Tax Policy
- Contact: Gabor Kiss - Tax Desk

- Last updated: 18 March 2020

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Return to jurisdiction list

Overview

- The Hungarian government suspended the monthly payments on loans for all businesses and private individuals, provided that the loans were concluded on or before 18 March 2020. The moratorium will likely apply for all the monthly payments that would be due in 2020.

Personal tax

- Employees working in severely hit industries, e.g., tourism, hospitality, entertainment, sports and cultural services (e.g., theaters, cinemas) will pay significantly lower social security contributions until 30 June 2020.
- In addition in relation to these industries, the Hungarian Government waived the employment related contribution payment obligation of employers until 30 June 2020.

VAT, GST and trade

Business tax

Links and resources

Iceland

- Contact: Þorkell Bjarnason - Tax Desk

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- The government is currently prohibiting gatherings of 20 people and more. This is, however, subject to some limitations –e.g. in respect of access to supermarkets etc. The ban is effective as of 24 March 2020.
- The following have been announced:
  - Icelandic Government will take on up to 75 percent of salaries.
  - State-backed bridging loans for companies.
  - Financial support for tourism sector.
  - One-off child benefit payment.
  - Access to third-pillar pension savings (private pension savings).
  - Public projects accelerated – investment in technical infrastructure.

Personal tax

VAT, GST and trade

- The tax on overnight stays (bed-night tax) will be suspended temporarily from 1 April 2020 through 31 December 2021, and the due date for payments from January through March 2020 will be postponed until February 2022.
- Reimbursement of VAT on labor for work carried out at a residential construction site will temporarily be increased from 60% to 100%. The authorization will also extend to vacation property and to design or supervision, the VAT reimbursement provision will be extended to the third sector organizations including charities and sports associations.

Business tax

- Employers can request authorization to defer up to three payments of pay-as-you-earn (PAYE) tax and payroll tax due and payable from 1 April 2020 through 1 December 2020, upon fulfilment of certain requirements.
- Authorization granted for the Minister to cancel or reduce companies' income tax prepayments.
- Payment due dates for import levies for settlement periods beginning in March 2020 for those companies that use a grace period (deferred payments) will be split into two payment due dates, with authorization for the entry of all input tax for the period concerned.
- The bank tax reduction previously passed into law, which was to take effect in increments from 2021-2023, will be expedited and will take effect in full in 2021. This will give the banks extra scope to support households and businesses.

Links and resources

Government materials

- https://www.government.is/diplomatic-missions/embassy-article/2020/03/21/Icelandic-Government-announces-1.6bn-USD-response-package-to-the-COVID-19-crisis/

India

- Contact: Ravi Vishwanath - EY Americas India Business Network
- Contact: Archit Shah - India Tax Desk

- Last updated: 11 August 2020

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Return to jurisdiction list

Overview

- On 19 March 2020, India announced the formation of the COVID-19 Economic Response Task Force which has announced various measures, including approval of schemes worth US$1.5 billion and US$560 million respectively to ensure production of critical drugs and medical equipment in India and permitting food grain to be lifted by States/Union Territories on credit from Food Corporation of India for three months.
- Measures introduced by the Central Bank include US$4 billion in forex swaps to provide dollar liquidity at a time when dollar availability is drying up; US$5.7 billion in government bond purchases in March; US$14 billion in overnight liquidity made available to banks via the repo window; US$14 billion in long term repo operations where banks can raise funds for one to three years at the repo rate.
- An Emergency Fund for South Asian Association for Regional Cooperation (SAARC) countries proposed which can be used by any of the partner countries to meet the cost of immediate actions. The Fund will be based on voluntary contributions from all the countries, with India making an initial offer of US$10 million for the fund.
- Corporate law relaxations include: companies' expenditure to deal with the COVID-19 outbreak will be considered as Corporate Social Responsibility (CSR) activity; mandatory requirement of holding board meetings by Indian Companies within prescribed interval of 120 days to be extended by a period of 60 days for next two quarters; no fee charged for delayed corporate law filings in respect of any document, return, statements from 1 April 2020 to 30 September 2020; applicability of Companies (Auditor's Report) Order, 2020 from 2020-21 instead of 2019-20; requirement to file Declaration for Commencement of Business by New Companies increased to 12 months from six months.
- On 12 May 2020, the stimulus package of US$266 billion (INR20 trillion) i.e. approximately 10% of Indian GDP was announced by the Prime Minister of India. The stimulus package focuses on reforms relating to land, labour, liquidity and laws.
- On 22 May 2020, the Reserve Bank of India announced fresh measures focussed on easing liquidity pressures and supporting market functioning.

Personal tax*

- All due dates for filing tax returns, notices, appeals and making investments for claiming various tax deductions falling during the period 20 March 2020 to 29 June 2020 were extended to 30 June 2020.
- Due dates for filing belated and revised tax returns for tax year 2018-19 have been further extended to 30 September 2020.
- Due date for filing of individual tax returns for tax year 2019-20 has been extended up to 30 November 2020.
- Timelines for filing tax audit reports, tax withholding/collection statements and certificates were also extended.
- The period of limitation for income tax assessments getting time barred on certain specified dates has been extended.
- Delay in payment of income tax up to 30 June 2020 was subject to reduced interest rates. Further, for such delayed payment until 30 June 2020, there was no levy of penalty or late fee or initiation of prosecution.
- Relief has been granted for delay in tax payment for the 2019-2020 tax year for persons aged 60 and above.
- Relaxation in determining residential status of individuals under the Income-tax Act.
- Due date for payment of provident fund and employee state insurance contributions for the month of March 2020 has been extended.
- Provident fund / National Pension System members are allowed to claim non-refundable advance/partial withdrawal for up to a specific limit.
- The Central Government will pay provident fund (social security) contributions for three months for eligible employees who are employed in eligible establishments.
- Rate of Provident Fund (social security) contribution for both employer and employee has been reduced from 12% to 10% for months of May, June and July 2020.

*These measures have been enacted by way of Notifications issued by the relevant Departments and/or an Ordinance signed by the President of India

VAT, GST and trade*

- For small tax payers having aggregate turnover of up to US$666,000, payment of tax for the months of February, March and April 2020 can be made to notified dates without interest and thereafter at reduced rate of 9% per annum from the notified date to September 2020. However, if the annual turnover is more than US$666,000, interest shall be levied after 15 days of the due date of filing return, at a reduced rate of 9% per annum.
- Late fee for delayed filing of returns for the period February to July 2020 has been partially/fully waived subject to the conditions prescribed.
- Due date for issue of notice, notification, sanction order, filing of appeal, furnishing of return, statements, applications and time limit for any compliance under GST, where it is expiring between 20 March 2020 to 30 August 2020, has been extended to 31 August 2020.
- Due date for issue of notice, notification, sanction order, filing of appeal, furnishing of return, statements, applications and time limit for any compliance under Central Excise, Service tax and Customs, where it is expiring between 20 March 2020 to 29 September 2020, has been extended to 30 September 2020.
- Restriction on availability of unmatched ITC shall not apply for the months February to August 2020. However, return for September 2020 shall be furnished with cumulative adjustment of ITC for February to August 2020.
- Basic customs duty and health cess exemption has been granted on import of ventilators, masks, PPE, COVID-19 testing kits etc. (subject to condition prescribed).
- Foreign trade policy and export promotion schemes have been extended to 31 March 2021. Further, due dates for various compliances have been extended.

Business tax*

- All due dates for filing notices, appeals and making investments for claiming various tax deductions falling during the period 20 March 2020 to 31 December 2020 have been extended to 31 March 2021.
- Delay in payment of income tax up to 30 June 2020 was subject to reduced interest rates. Further, for such delayed payment until 30 June 2020, there was no levy of penalty or late fee, or initiation of prosecution.
- Requirement of beginning activity of manufacture or production of article or things for newly established units in Special Economic Zone has been extended to 30 September 2020.
- The deadline for Aadhaar-PAN linking requirement has been extended from 31 March 2020 to 31 March 2021. Thus, PAN are not be treated as inoperative to 31 March 2021 even if not linked with Aadhaar.
- Date of applicability of reporting of GAAR and GST particulars in Tax Audit Report in Form 3CD has been deferred from 31 March 2020 to 31 March 2021 in view of COVID-19 pandemic.
- Any donation made to PM Cares Fund shall be eligible for 100% deduction.
- Validity of nil/lower withholding tax orders obtained for tax year 2019-20 was extended until 30 June 2020 or until disposal of application for 2020-21 certificate (in cases where application for tax year 2020-21 has been made), whichever is earlier. New applications made by non-residents having a PE in India (and not having a nil/ lower withholding tax certificate for tax year 2019-20) were subject to 10% withholding until 30 June 2020 or disposal of application, whichever is earlier.
- The Tamil Nadu government resolved to implement a special incentives package for the manufacture of ventilators, PPE kits, N-95 masks, Multi Para Monitors and anti malarial and anti viral drugs used in the management of COVID-19.
- CBDT deferred the implementation of revamped registration procedure for approval/registration/notification of specified charitable and research institutions. CBDT highlighted that tax authority will not have any communication with the taxpayer which may have adverse effect on the taxpayer until further orders are issued.
- Due dates of incentives claims under Telangana state IIPP 2010-15, T-IDEA and T-PRIDE schemes falling between lockdown period from 22 March 2020 to 15 April 2020 were extended up to 31 May 2020.
- Due date for filing income tax returns for tax year 2018-2019 was extended to 30 September 2020.
- Due date for furnishing tax returns for taxpayers (corporate and non-corporate) for tax year 2019-20 was extended to 30 November 2020.

*These measures have been enacted by way of Notifications issued by the relevant Departments and/or an Ordinance signed by the President of India

Business tax*

- Due date of furnishing tax audit report for tax year 2019-20 has been extended from 30 September 2020 to 31 October 2020.
- Due dates for filing tax withholding/collection statements and certificates were also extended to various dates.
- Due dates for making investments for claiming capital gains roll over benefits and tax savings investments have been extended to 30 September 2020.
- Due date for claiming benefit of settlement under Vivad se Vishwas Act 2020 without payment of additional amount was extended to 31 December 2020.
- The period of limitation for income tax assessments getting time barred on certain specified dates were extended.
- Rates of withholding/collection of tax were reduced by 25% (for non-salary payments).
- The state government of Bihar has announced customized special incentives for attracting investments and employment generation, especially on account of inter state movement of migrant workers due to the pandemic.

Other measures*

- On 26 March 2020, India announced US$24 billion relief fund for several important relief measures addressing the immediate concerns of the weakest sections of the society including farmers, construction workers and poor women, etc.
- The Reserve Bank of India has announced several measures such as Reduction in the policy repo rate under the Liquidity Adjustment Facility (LAF). Measures introduced to expand liquidity to ensure smooth functioning of financial institutions, including Targeted Long Term Repo Operations (TLTROs); reduction in Cash Reserve Ratio (CRR); Marginal Standing Facility raised from 2% to 3% with immediate effect and is applicable up to 30 June 2020; Policy Rate Corridor has been widened from 50 basis points to 65 basis points. Measures undertaken to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic Lending institutions permitted to allow moratorium of three months on repayment of instalments for term loans outstanding as on 1 March 2020. Deferment of three months on payment of interest with regard to all working capital facilities outstanding as of 1 March 2020.
- For making India self reliant several structural reforms have been proposed covering eight sectors i.e. i) Coal (ii) Mineral (iii) Defence (iv) Civil Aviation (v) Power sector (vi) Social Infrastructure (vii) Space sector (viii) Atomic energy related reforms.
- Additional announcements were made on ease of doing business, such as announcement of strategic sectors for public sector enterprises, decriminalisation of Companies Act violations, revisions in insolvency proceeding criteria etc
- Fresh measures have been announced to ease liquidity pressures by way of-
  - reduction in policy repo rate by 40 basis points making the policy repo rate and reverse repo rate 4% and 3.35% respectively
  - extension of moratorium on term loan instalments and deferment of interest on working capital facilities by another three months to 31 August 2020
  - steps to improve market functioning and support exports and imports
- The Government has amended 'Micro, Small and Medium Enterprises ('MSME') Development Act, 2006' to give effect to the new definition for 'MSMEs'. The new definition specifies investment and turnover based criteria for enterprises to qualify as 'MSMEs'.
- In Andhra Pradesh, ReSTART package launched to aid manufacturers in recovering from the impact of COVID-19 by way of waiver of electricity fixed demand charges for large, mega and MSME units. Additional benefits have also been announced for MSMEs.
- Several incentives related relief measures have been announced in Madhya Pradesh such as reduction in installed capacity requirement for incentives, extension in timelines for incentives applications and rent payments and deferment of other industrial charges.
- RBI has announced a range of initiatives for stimulating the Indian financial sector. These include improving liquidity for key institutions, maintaining the debt restructuring process for the MSME sector, and introducing measures for strengthening the lending market and the Indian banking sector.

*These measures have been enacted by way of Notifications issued by the relevant Departments and/or an Ordinance signed by the President of India

Links and resources

Government materials

- http://egazette.nic.in/WriteReadData/2020/218979.pdf
- https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/GraceperiodMarch2020.pdf
- http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2020.pdf
- http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2020.pdf
- http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2020.pdf
- http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-35-central-tax-english-2020.pdf
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Indonesia

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Overview

- On 27 April 2020, the Minister of Finance (MOF) issued update on the tax stimulus package due to the COVID-19 pandemic. The following stimulus programs have been updated and extended to December 2020:
  - Employee Income Tax borne by the Government.
  - Import tax exemptions.
  - 50% reduction of CIT instalments.
  - Advance VAT refund claims.
  - Small-Medium Enterprise Tax borne by the Government.
- Key non-tax strategies include (1) improved export and import procedures, and (2) banks restructuring and rescheduling loans.
- The Government issued a Regulation In Lieu of Laws on 31 March 2020 and is in effect immediately[1], which includes the following changes of tax policies:
  - Reduced CIT rate.
  - Implementation of taxes on the digital economy.
  - Extended timeline on time limit or deadline for tax refund process, tax objection letter submission, tax objection process, administrative penalty relief that falls within the "force majeure" period.
  - MOF is authorized to determine policy related to import tax duty exemption.
- The Government also provide additional stimulus on qualified deductible expenses as follow:
  - 30% bonus deduction on net income for producers of medical equipment and health supplies.
  - Tax deductible for qualified donations.

VAT, GST and trade

- Advance VAT refunds of up to IDR5billion (US$330,000) (without automatic tax audit) for the tax period from April to December 2020 for qualified companies that are:
  - Registered under any of 716 business sector codes.
  - Registered as export-oriented Companies (KITE status).
  - Certain qualified Bonded Zone Organizer or Enterprise.
- New VAT imposition mechanism on foreign VAT-able intangible goods and/or VAT-able services utilized in Indonesia done through e-commerce business[1]. The responsibility to collect, remit and report the 10% VAT in Indonesia is shifted to the foreign digital or e-commerce companies or domestic e-commerce companies, appointed by the Minister of Finance (MOF). Implementation is effective 1 July 2020.

[1] Law No. 2 Year 2020 has been issued to permanently enforce the GR in lie of Law.

Indonesia

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Business tax

- 50% reduction of CIT instalments (deferral) and/or income tax exemption on importation (which serves as CIT prepayment) are available for the following qualified companies for the tax period of April until December 2020.
  - Registered under the prescribed business sector codes, i.e. 1,189 business sectors for 50% CIT instalment and 721 business sectors for import tax exemption; or
  - Registered as Export-Oriented Companies (KITE status); or
  - Certain qualified Bonded Zone Organizer or Enterprise.
- CIT rate reduction from 25% to 22% for tax years 2020 and 2021 and to 20% for tax year 2022 and onwards. Additional reduction of 3% of CIT rate applies for certain qualified listed companies on IDX.
- Employee income tax will be borne by the Government for the tax period of April to December 2020, and is available for:
  - Companies that are registered under any of 1,189 sector codes; or
  - Companies that are registered as Export Oriented Companies (KITE status); or
  - Certain qualified Bonded Zone Organizer or Enterprise; and
  - Employee's regular income up to the amount of IDR200 million (approximately USD13k) per year.
- New concept of permanent establishment (PE)[1]. International sellers, international service providers, or international e-commerce platform providers that actively offer and/or conduct activities with consumers domiciled in Indonesia may be deemed to have a PE in Indonesia if they exceed certain thresholds with respect to (a) consolidated group gross revenue, (b) revenue derived from Indonesia and/or (c) number of active users in Indonesia. If the PE definition under a treaty overrides this domestic law, an electronic transaction tax (ETT) is imposed to tax income sourced from Indonesia. Implementing regulations in respect of the types of transactions, thresholds, rate of ETT and other administrative arrangements are still yet to be issued.
- Stimulus related to deductible expenses:
  - 30% bonus deduction on net income for producers of medical equipment and health supplies incurred for period until 30 September 2020.
  - Certain qualified donation related to COVID-19 pandemic control is deductible for tax purpose.

Other measures

- Indonesia's Financial Service Authority also issued a guidance on simplification of loan application and rescheduling processes, which among others, primarily targets small and medium-sized enterprises.

Links and resources

Government materials in Bahasa

- https://www.pajak.go.id/id/siaran-pers/kebijakan-perpajakan-sehubungan-dengan-penyebaran-virus-corona
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- https://www.ojk.go.id/id/regulasi/Pages/Stimulus-Perekonomian-Nasional-Sebagai-Kebijakan-Countercyclical-Dampak-Penyebaran-Coronavirus-Disease-2019.aspx
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EY materials

- https://www.ey.com/en_id/tax-service
- https://assets.ey.com/content/dam/ey-sites/ey-com/en_id/topics/tax/tax-library/ey-indonesia-tax-alert-6-april_2020.pdf

[1] Law No. 2 Year 2020 has been issued to permanently enforce the GR in lie of Law.
[2] Force majeure period is currently governed covering period starting 28 January to 29 May 2020.

Iraq

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- Last updated: 23 March 2020

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Overview

- Waiver of penalties applicable to the late payment of the February 2020 social security contributions, which were due by the end of March 2020.

Personal tax

VAT, GST and trade

Business tax

Other measures

Links and resources

Ireland

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Overview

- The Irish government has approved a temporary emergency wage subsidy scheme (TWSS) in response to COVID-19. An employer can qualify for this subsidy if they can show that they have lost at least 25% of their trade, experience COVID-19 disruption, is unable to pay normal wages and outgoings fully and retain their employees on payroll. The scheme enables employees, whose employers are affected by the pandemic, to receive significant support directly from their employer via the payroll system.
- Initially, from 26 March 2020, the subsidy scheme will refund employers up to a maximum of €410 per each qualifying employee (however, employers should pay no more than the normal weekly net pay of the employee). The scheme is extended to 31 August 2020.
- Employers will be reimbursed for amounts paid to employees and notified to the Irish Tax Authority via the payroll process.
- The government issued revised rates on 15 April 2020. The initial revised rates now implemented, include:
  - The 85% subsidy rate for employees whose average net weekly pay does not exceed €412
  - Non tapering of the 85% subsidy where an employer contribution of more than 15% of the employees net weekly pay results in a salary payment of up to €350 per week
  - The flat rate subsidy of up to €350 for employees whose average net weekly pay is more than €412 but less than €500
  - The 70% subsidy rate for employees whose average net weekly pay is more than €500 but less than €586, with a maximum subsidy of €410 applying
  - A maximum payment of €350 per week for employees whose average net weekly pay is greater than €586 per week but not more than €960 per week, subject to specific tapering reductions based on the employer contribution to the net weekly earnings
  - The operation of the scheme will reduce the burden on the Department of Employment Affairs and Social Protection (DEASP) which is dealing with the other COVID-19-related payments
- The TWSS is to be replaced by the Employment Wage Support Scheme (EWSS) which is to last until 20 March 2021. Payments under the EWSS will commence on 1 September 2020 and will be at a flat rate of €203 per employee per week. The primary criteria for qualification is that the employer must demonstrate that they are operating at no more than 70% turnover from the period July to December 2020 compared to the same period last year.
- Proposed actions by the banks to build on the Irish Government's response, and the ECB's monetary and regulatory policy measures to deliver real support to individuals, SMEs and companies.
- The range of supports proposed by the the Banking and Payments Federation Ireland (BPFI), and to be discussed with the Central Bank, are customer focused so as to cater for the different impacts of COVID-19 on each individual customer. These proposals include:
  - Flexible arrangements, including three-month payment break for mortgages and other loans
  - Support for buy-to-let bank customers with tenants affected by COVID-19
  - Extensive supports for SME customers – Banks are working to ensure a wide range of credit, cash flow and supply chain supports are offered to businesses who are trying to manage the pressures arising from COVID-19
  - In addition, the banks are adopting a customer focussed approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance
- Central Bank of Ireland will reduce the Countercyclical Capital Buffer, from 1% to 0%. This will free up bank capital to provide credit, and to restructure and extend existing loans.
- Lending will be provided to SMEs through Strategic Banking Corporation of Ireland (SCBI) to provide liquidity to these firms. Part of these loans will be targeted at working capital and future growth.

Overview (continued)

- €180m for Enterprise Supports including a Rescue and Restructuring Scheme as part of the Extension of the Rescue and Restructuring Scheme 2017 available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business. The funding is open to all Enterprise Ireland, IDA and Údarás na Gaeltachta clients and other companies employing 10 or more in the manufacturing and internationally traded services sector.
  - These funds will be a distinct offer of funding support via a repayable advance which would only be provided where all SBCI/bank options have been fully exhausted.
- Additional funds have been made available to Microfinance Ireland and Local Enterprises Offices as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises – (sole traders and firms with up to 9 employees) - are facing.
- The Irish Registrar of Companies has decided that all annual returns due to be filed by any company between 18 March and 31 October 2020 will be deemed to have been filed on time if all elements of the annual return are completed and filed by 31 October 2020.
- Businesses which are seeking support to assist with business continuity and preparedness connected to the COVID-19 outbreak, may be provided with a Business Continuity Voucher subject to certain conditions and criteria.
- The Irish government have approved measures to protect renters who have been impacted by COVID-19. The measures include:
  - no evictions or rent increases for the duration of the COVID-19 emergency
  - extending the notice period for renters who have been renting for less than six months from 28 days to 90 days
- Removal of means test required for supplementary welfare allowances in respect of medically certified cases of self-isolation.
- The personal rate of Illness Benefit will be increased from €203 per week to €350 per week for a maximum period of two weeks of medically certified self-isolation, or for the duration of a person's medically-certified absence from work due to COVID-19 diagnoses.
- In the July Stimulus package, the government announced a €200 million investment in training and education, skills development, work placement schemes, recruitment subsidies, and job search and assistance measures. The measures are designed to help those who have lost their jobs find a new one, retrain, or develop new skills, in particular in emerging growth sectors.
- In the July Stimulus package, the government announced that €10 million will be provided to the IDA for support for promotional and marketing initiatives targeting job-rich FDI projects that will be an essential part of Ireland's economic recovery.
- Self-employed people will be entitled to receive either illness benefit or non-means tested supplementary welfare allowance.
- The existing systematic short-time working scheme is available for employees who may be placed on reduced working arrangements.
- PAYE Dispensation Applications - Given the unprecedented circumstances and the restrictions on travel as a consequence of COVID-19, the Irish Tax Authority will not strictly enforce the 30 day notification requirement for PAYE dispensations which is applicable to short term business travelers from countries with which Ireland has a double taxation treaty who are going to spend in excess of 60 workdays in Ireland in a tax year.
- Foreign Employments - Operation of PAYE – the Irish Tax Authority 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 Ireland during the COVID-19 period and performs duties for his or her foreign employer while in Ireland.
- The Irish Tax Authority have also issued clarifying guidance to assist companies during COVID-19 on issues such as Benefits in Kind ("BIKs") and other payroll related obligations
- For property owners who opted to pay their Local Property Tax for 2020 by Annual Debit Instruction or Single Debit Authority payment, the deduction date will change from 21 March 2020 to 21 July 2020.

Overview (continued)

- The government also announced a Credit Guarantee Scheme (CGS) to help SMEs impacted by COVID-19 related issues to have access to sufficient working capital. The CGS will provide counter guarantees to the banks, mitigating credit risk or need for collateral. The purpose of the CGS is to encourage additional lending to SMEs by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs. The CGS does not substitute for conventional lending that would otherwise have taken place.
- On 2 May 2020, the Irish Government announced a €2 billion COVID-19 CGS. It will provide an 80% guarantee on lending to SMEs until the end of 2020, for terms between three months and six years. SMEs will be able to go directly to the banks in the Scheme, and the guarantee can be used for a wide range of lending products between €10,000 and €1 million that have a maximum term of six years or less. It will be available to all SME sectors, including primary producers. Interest rates will be below current market rates. This Scheme forms a major component of the government's strategy to aid SMEs in these difficult times.
- Commercial Rates: Subject to a few exceptions, all businesses will be granted a waiver of commercial rates, beginning on 27 March 2020, for the six months to end-September 2020.
- Pandemic Stabilization and Recovery Fund: The Ireland Strategic Investment Fund (ISIF) is revising its investment strategy to establish a sub-portfolio within ISIF called the Pandemic Stabilization and Recovery Fund. This sub-portfolio will invest up to €2 billion of ISIF's readily available capital in medium and large enterprises (more than €50 million in annual revenue or more than 250 employees) to assist them meet the challenge of COVID-19. It will complement ISIF's extensive work to date within its existing portfolio of over 100 investments of €2.7 billion invested capital to mitigate the impact of COVID-19.
- The ISIF Pandemic Stabilization and Recovery Fund will mirror the approach of ISIF's existing and proven investment strategy:
  - the fund will act as an accelerator, investing on a commercial basis in businesses that can meet the investment requirements and can use ISIF investment to return to long-term viability
  - investments can be across the range of instruments from senior debt, hybrid instruments to equity, and can be tailored to take account of the particular circumstances of each investee. This will enable businesses to access the capital they need in the most appropriate form that best suits their individual circumstances
  - in making investments, ISIF will seek to maximize the quantum of additional capital that the investee business can access from its existing shareholders and banks, from potential new co-investors and from European sources (such as the European Investment Bank), thereby minimizing the amount of ISIF capital that may be needed. To date, ISIF has led to overall investment levels of three times ISIF's initial investment
- A Restart Grant for small businesses was also announced to help small businesses with the cost associated with reopening and reemploying workers following COVID-19 closures. The grant previously consisted of a direct grant aid of between €2,000 minimum and €10,000 based on commercial rates bill from 2019. In the July Stimulus package, the government announced that the maximum payment level is being increased to €25,000. The criteria for accessing the scheme will now include businesses that have:
  - 250 employees or less;
  - Turnover of less than €100,000 per employee; and
  - Reduced turnover by 25% as a result of COVID-19
- Top-up payments may be available to firms which have already accessed this scheme and were subject to the previous caps. Some businesses, such as B&Bs and rateable sports businesses, not previously included in the scheme, will now be eligible for a grant payment of €4,000. Applications will be through local authorities (Fáilte Ireland for B&Bs).
- In the July stimulus, an additional €300m funding for The Future Growth Loan Scheme with the European Investment Bank Group, was announced so that businesses with up to 499 employees can now invest for the longer-term at competitive rates.
  - applies to small businesses with a turnover of under €5 million and employing 50 people or less
  - and opened for applications on Friday 22 May through the Local Authorities

Overview (continued)

- It was proposed that there will be 'Warehousing of Deferred Tax Liabilities' associated with the COVID-19 crisis. This will function as a direct support for affected businesses where a commitment to a phased payment arrangement is not possible. The finer details of this plan are still being worked out however the Irish Tax Authority have confirmed the following:
  - 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
  - No interest will accrue on the tax debts during the 12 month period
  - Thereafter, the COVID-19 related tax debts will carry a reduced interest rate of 3% (down from 10%), until the debt is paid
  - The timeframe allowed to pay the 'warehoused' debt will be flexible and determined by the ability of the business to pay both COVID-19 related debts as well as meeting its ongoing tax liabilities as they arise in the normal course
  - For the warehousing arrangement to apply, all returns must be filed in accordance with the Irish Tax Authority's guidance that has applied since the start of the current pandemic.
- The government has subsequently passed legislation affirming the warehousing of tax liabilities previously announced by the Irish Tax Authority. This should allow for businesses affected by COVID-19 to delay payment of their PAYE and VAT debts in part or in full for a set period with no interest or penalties, subject to conditions.
- All taxpayers (sole traders and businesses) that have declared but unpaid tax debts can avail of a reduced interest rate of 3% provided they contact the Irish Tax Authority to agree payment of these debts or have entered into an agreement to pay these debts on or before 30 September 2020.
- Public Consultation on Dividend Withholding Tax (DWT): The plan to have a real-time withholding tax system in place by March 2021 for dividends and distributions made by Irish resident companies has been postponed by the Irish Tax Authority due to COVID-19 and the feedback obtained through the DWT real-time feedback process. The Irish Tax Authority have said that they will engage with stakeholders in advance of the resumption of the change management program and will ensure that adequate time is allocated to the delivery of any development work associated with DWT real-time reporting.
- The Irish government has announced a "green list", where the 14-day quarantine rule should not apply to people arriving into Ireland.
- Exchange of Information – DAC2/CRS, FATCA and DAC6: The deadline for the filing of DAC2 returns in respect of the 2019 reporting period is deferred until 30 September 2020. The new deadline of 30 September will also apply for the filing of CRS and FATCA returns.
- The Irish Tax Authority has confirmed that the filings for the EU Mandatory Disclosure Regime (DAC6) returns, which were scheduled to commence on 1 July 2020, will also be deferred. The revised DAC 6 reporting deadlines are as shown below:

Time framework for reporting	New reporting deadline
Mainstream reporting	
The 30-day time period for the reporting of information related to new reportable cross-border arrangements will now commence on 1 January 2021. For any reportable cross-border arrangements made between 1 July 2020 and 31st December 2020, the 30-day reporting period also commences on 1 January 2021.	**The 30-day period for reporting commences on 1 January 2021**
Lookback reporting period	
Reportable cross-border arrangements, the first step of which was implemented between 25 June 2018 and 30 June 2020.	**28 February 2021**
Periodic reporting on marketable arrangements	**30 April 2021**

Overview (continued)

- In the July Stimulus package, the government announced enhanced levels of support to the Help to Buy scheme until December 2020. The level of support available to first time buyers will be increased to the lesser of €30,000 (up from €20,000) or 10% (up from 5%) of the purchase price of the new home/self-build property.
- In the July Stimulus package, the government announced a tax credit scheme for expenditure incurred in qualifying hotels and restaurants with a view to encouraging domestic tourism. This scheme will provide for a maximum credit of €125 (€250 maximum for married couples) for expenditure on hotels, food and non-alcoholic beverages. To avail of the maximum credit, a single individual would need to spend €625. The taxpayer may submit receipts up to a cap of €625 total. The Irish Tax Authority will provide an income tax credit of €125 per taxpayer, or up to €250 for a jointly-assessed married couple. The scheme will run from 1 October 2020 to April 2021.
- In the July Stimulus package, the government announced an increase in the allowable expenditure under the Cycle To Work Scheme' from €1,000 to €1,500 in respect of 'ebikes' and €1,250 in respect of other bicycles will be introduced. The scheme currently allows the purchase of a new bicycle every five years and this will be reduced to four years.
- In the July Stimulus package, the government announced that it will make a €25 million investment in the COVID Life Sciences Products Scheme to aid the research, development and production of medicinal products in Ireland that are used in the fight against Coivd-19. The COVID Products Scheme will accelerate the production of vital medicines, potential vaccines and essential medical equipment. The scheme allows for grant aid of up to 50% of eligible capital investment. The scheme will be delivered through IDA Ireland and Enterprise Ireland under the terms of the Temporary Framework, which is aimed at supporting the research, development, and production of COVID-19-related products in Ireland.
- In the July Stimulus package, the government announced that €10 million will be provided to support businesses engaging in green research, development and innovation, capital investment, and capacity building, through the first phase of a new Green Enterprise Fund.

Personal tax

- A workday allowance for e-workers (as defined in legislation) of €3.20 can be paid by employers free of payroll taxes subject to a number of conditions.
- The collection of stamp duty on credit cards which is normally levied in April has been deferred until July.
- The deadline for claiming a real-time foreign tax credit on RSUs provided through payroll (i.e., 31 March 2020) will be suspended.
- The filing deadline for all 2019 share scheme returns has been extended to 30 June 2020. The Irish Tax Revenue has agreed to further extend the filing deadline for the 2019 ESS1 – Return of Information by the Trustee of an Approved Profit Sharing Scheme – to 31 August 2020.
- The Special Assignee Relief program - employer filing obligation has been extended to 150 days. Any cases submitted after this extension can be submitted to the Irish Tax Authority for consideration on a case-by-case basis.
- The Irish Tax Authority have confirmed that where an individual cannot leave the country because of COVID-19, the Irish Tax Authority will consider this a 'force majeure' for the purposes of establishing an individual's tax residency position.
- The Irish Tax Authority will not seek to strictly enforce the 30 day notification requirement for payroll dispensation which is applicable to some short term business travelers.
- The Irish Tax Authority have indicated that where an employee is integral to the business and was required to return to deal with issues related to the COVID-19 crisis by his or her employer, the costs incurred are reasonable and the employee is not otherwise compensated (i.e., via an insurance policy); a BIK will not arise. This may include costs related to family members who were on holiday or due to go on holidays with the employee. The Irish Tax Authority have also issued clarity on the provision of employer provided vehicles to employees during COVID-19 and the calculation of a BIK on same.
- Legislation has been passed to introduce income tax relief measure for self-employed individuals who were profitable in tax year 2019 but, as a result of the COVID-19 pandemic, incur losses in 2020. The measure will give eligible taxpayers – individuals carrying on a trade or profession as sole traders or members of partnerships – a cash-flow boost from the early utilization of up to €25,000 worth of 2020 losses (and certain unused capital allowances) off-set against 2019 profits. Guidance has been issued from the Irish Authority on this matter.

VAT/GST and trade

- For SMEs, the application of interest on late payments has been suspended for January/February and March/April and May/June VAT for SMEs (see commentary for "Warehouse Deferred Tax Liability" for the position going forward).
- All debt enforcement activity is suspended until further notice.
- Irish Revenue have indicated that they will prioritize the approval of repayments, primarily for VAT and PSWT refunds, to taxpayers.
- A relief from Alcohol Products Tax will continue to apply to alcohol used in the production of a range of medicinal and other products (such as hand sanitizers). To benefit from this relief, producers must apply to the Irish Tax Authority to be authorized to receive alcohol for this purpose.
- Following a request from the Minister for Finance and Public Expenditure and Reform, the Irish Tax Authority will allow the application of the zero rate of VAT to the supply to the Irish Health Service Executive (HSE), hospitals, and other health care settings of personal protection and specified medical equipment for use in the treatment of patients with COVID-19.
  - The zero rate may only be applied to supplies to hospitals, nursing and care homes, GP practices and the like; supplies to any other operators even if they are intended for onward supply to a health care provider are liable at the standard rate.
- Goods imported by State organizations, State and Public bodies or other certain organizations approved by Irish Revenue can import goods to combat the effects of COVID-19 from outside the EU without payment of Customs Duty and VAT from 30 January 2020 to 31 July 2020. On 23 July 2020, the European Commission decided to prolong the temporary relief for customs duties and VAT on the import of medical devices and protective equipment from third countries until 31 October 2020. An application form is available on the Irish Revenue's website.
- The Government has passed legislation for a reduction of the standard rate of VAT from 23% to 21%. The reduction will apply for a six-month period from 1 September 2020 to 28 February 2021.

Business tax

- The Irish Tax Authority have indicated that they have suspended all audit interventions until further notice.
- The Irish Tax Authority have suggested that companies continue to file tax returns even if payment of resulting liabilities cannot be made. If key tax personal are unavailable to compute returns, Irish Revenue advise that the return should be submitted on a 'best estimate' basis.
- The Irish Tax Authority have indicated that the application of a surcharge for late Form CT1 Corporation Tax returns and iXBRL tagged financial statements (where applicable) for accounting periods ending June 2019 onward (i.e., due by 23 March 2020 onward) is suspended until further notice. The Irish Tax Authority have also confirmed that the restrictions imposed on the late filing of Form CT1 Corporation Tax returns (such as restrictions on loss relief and group relief) should not apply
- The Irish Tax Authority have indicated that they will prioritize the approval repayments, primarily for VAT and PSWT refunds, to taxpayers. Irish Revenue announced measures to assist SMEs experiencing cashflow difficulties.
- Businesses, other than SMEs, that are experiencing temporary cash flow/trading difficulties should contact Irish Revenue to arrange a payment. The advice of Irish Revenue is to contact them early if a company is running into, or facing into, difficulties in paying tax. Businesses can apply for a Phased Payment Arrangement online through ROS.
- For corporation tax purposes, Irish Revenue have indicated where an individual is present in Ireland and that presence is shown to result from travel restrictions related to COVID-19, Irish Revenue will be prepared to disregard such presence in Ireland for corporation tax purposes for a company in relation to which the individual is an employee, director, service provider or agent.
- Additionally, where relevant, if an individual is present in another jurisdiction as a result of COVID-19-related travel restrictions, and would otherwise been present in Ireland, the Irish Tax Authority will be prepared to disregard such presence outside Ireland for corporation tax purposes for a company in relation to which the individual is an employee, director, service provider or agent.
- In relation to the above two bullets, the individual and company should maintain a record of the facts and circumstances of the **bona fide** relevant presence in Ireland, or outside of Ireland, for production of evidence if requested.
- For SMEs, the application of interest on late payments is suspended for February, March, April, May and June (employers) payroll liabilities (see commentary for "Warehouse Deferred Tax Liability" for the position going forward).
- The Irish Tax Authority have confirmed that they will release the R&D tax credit that is due in 2020 before the statutory release date. Requests for Irish Tax Authority to expedite the payment of any 2020 instalments of excess R&D tax credits should be made through 'MyEnquiries'. To enable payment of the excess credits, the form CT1 for the company's accounting period ending in 2019 must, at the time of the request, be submitted. The processing of refunds will be prioritized in the absence, due to COVID-19, of tagged financial accounts (where applicable) as part of the tax return for accounting periods ending on or after March 2019, subject to appropriate checks in selected cases.
- Close Companies: In close company surcharge cases where the income is not distributed within 18 months from the end of the accounting period in which it arose, Irish Revenue – in response to COVID-19 circumstances affecting the company – will, on application, extend the 18-month period for distributions by a further nine months.
- Legislation has been passed to introduce loss relief measures — whereby the early carryback of trading losses will be allowed — to provide immediate cash flow support to previously profitable companies. The maximum amount of the expected current year loss which will qualify for early carryback will be 50%. The balance will qualify for carryback under the normal rules in due course. Guidance has been issued from the Irish Tax Authority on this matter.

Links and resources

Government materials

- https://www.revenue.ie/en/corporate/press-office/press-releases/2020/pr-130320-revenue-announce-measures-to-assist-smes-experiencing-cashflow-difficulties-arising-from-covid-19.aspx
- https://www.gov.ie/en/news/72ecf5-government-agrees-next-phase-of-irelands-covid-19-response/
- https://www.revenue.ie/en/corporate/communications/covid19/index.aspx
- https://www.gov.ie/en/press-release/a6d8fa-government-announced-new-covid-19-income-support-scheme/
- https://www.revenue.ie/en/corporate/communications/documents/temporary-zero-rating-of-supplies-of-ppe-ventilators-and-other-medical-products.pdf

Israel

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- Last updated: 10 June 2020

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Return to jurisdiction list

Overview

Stimulus package and government-backed and guaranteed loans

- In response to the rapid spread and impact of COVID-19, the Israeli Prime Minister announced on 30 March an NIS80 billion stimulus package.
- From this amount, it is expected that NIS8 billion will be extended as **government-backed and guaranteed loans to small-medium businesses, and that NIS6 billion will be extended as such loans to large businesses.**
- This SME program is designated for Israeli businesses with a maximal NIS400 million annual turnover. The loan amount that can be extended will be up to 16% of turnover for companies with an annual turnover of up to NIS25 million ,or 8% of turnover for companies with a higher annual turnover, and up to a maximal amount of NIS20 million.
- The large enterprises program is designated for Israeli businesses with an annual turnover higher than NIS200 million, to which the loan amount can be the higher of 8% of turnover and NIS100m, and for tech companies - the higher of 8% of turnover or expenses (excluding interest expenses), up to NIS100 million. The scheme requires a minimal employment of at least 100 employees in Israel and that at least 50% of the business' manufacturing assets or IP are registered/recorded in Israel. It also requires that the company did not receive a loan under the COVID-19 SMEs parallel scheme.
- The company should be able to present a causal link between the business flow difficulties and working capital needs and the outbreak of the virus.
- Loans will be extended at favorable terms (e.g., five-year loan, average interest rate of Prime+1.5% that will not be paid for the first year, twelve-month grace period on the principal, reduced 5% security deposit, etc.).
- **COVID-19 High-tech companies rescue plan**
- The IIA published a fast-track grants program for high-tech companies hit by the COVID-19 economic crisis, with a fast response and, as needed, a 50% down payment. The program is aimed at small start-ups and medium-sized companies with significant assets (IP, high value, fundraising, customer, etc.) that are in a flow crisis for the next 12 months. A budget of up to NIS 5 million can be submitted to a startup or up to NIS15 million to a medium-sized company. The grant rate is between 20%-50%, with additional 10% for certain areas.
- **Fixed costs: cash grants for small businesses and self-employed**
- The Israel Government announced that NIS5 billion will be extended as business aid grants for participation in fixed costs, that will be extended to dealers that their turnover in 2019 exceeded NIS 18,000 and did not exceed NIS 20 million (and for an individual dealer - his 2019 turnover exceeded NIS300,000 and did not exceed NIS 20 million), if the March to April 2020 turnover decreased by more than 25% compared to the same period last year (and if such decrease was caused by the economic damage due to the pandemic).
- The model divides small businesses into three groups (based on the 2019 turnover data), and sets a certain "allocation key" to determine the compensation rate to the business. The maximal compensation is NIS400K.
- **Other IIA grants and reporting leniencies**
- The IIA announced that it continues to operate and that companies can continue to file requests for grants.
- In addition, the IIA will allow certain temporary leniencies with respect to companies' reports, e.g., recognition of work performed by employees from home (rather than the company's site); leniencies regarding signatures on attendance reports and other official documents; changes and extensions to development periods, among others.
- **Self employed dedicated grants (second stage)**
- Under certain conditions, the Israeli Government will extend special grants to self-employed and controlling shareholders who are individuals if their taxable income did not exceed NIS1m in 2018 and if there was a 25% decrease in turnover during March-May compared to the same period in 2019 . Grants are expected to be up to 70% of the decrease in turnover, limited to NIS10,700.

Personal tax

Income tax and social security deadlines and extensions

- 2019 tax return filing deadlines are extended as follows:
  - E-filing tax returns for individuals are extended until 30 July 2020.
  - Tax returns for individuals that are not required to e-file their returns are extended until 30 June 2020.
- Income tax adjustment approvals that expired at the end of 2019 are extended until the payment date of the May 2020 salary but no later than 13 June 2020.
- The Israeli National Insurance Institute also published certain measurements including suspension of any enforcement actions including the avoidance of new foreclosures imposition and the deferral treatment of existing foreclosures.

VAT, GST and trade

- On 27 March 2020, the Israeli Government approved emergency regulations (the "Regulations") that define the period between 22 March to 31 May 2020 (the "Defined Period") as a period that will not be taken into account for the periods under the relevant tax sections listed in the Regulations, if the end of such periods falls within the Defined Period or two months thereafter. It is noted that most of the listed sections are defined by the ITA rather than by the taxpayer. The following is a non-exhaustive list relevant for decisions/announcements that should be made by the ITA rather than by the taxpayer. The following is a non-exhaustive list of the main VAT procedures that have been postponed:
  - VAT Statute of Limitation period (5 or 10 years from filing)
  - Filing of VAT appeal (generally, within 30 days from the day of the VAT assessment)
  - Response from the VAT authority Director on various registration requests (if response is not received within 90 days, it is considered that the Director denied the request)

Business tax

Income tax deadlines and extensions

The ITA published several letters regarding extensions of filing deadlines and certificates, as follows:

- The 2019 tax return filing deadlines for companies and non-profit organizations are extended until 20 July 2020.
- Registration certificates for computerized accounting system software that expired in the period starting from 1 March 2020 and ends on 30 June 2020, will be extended for a period of four months from the date of expiry.
- The ITA also opened the online system for early e-filing of the 2019 tax returns for companies and individuals by representatives and announced that the refund process for taxpayers and VAT dealers will be expedited.
- The following is a non-exhaustive list of the main income tax and withholding tax (WHT) procedures that have been postponed by the Regulations:
  - Income tax and WHT Statute of limitation period (should generally be four years from the end of the tax year in which the return was filed)
  - The ability of the ITA Director to re-open an income tax assessment

Business tax

- Filing of appeal on an income tax and WHT assessments received (should be filed within 30 days from the day of the income tax assessment/two weeks from the day of WHT assessment).
- The decision of the ITA Director on Transfer Pricing ruling (should be received within 120/180 days from the application date)
- The ITA's approval on a grant plan and/or a trustee for 102 Section grants (should be received within 90 days of filing).
- A decision that a merger plan meets the relevant conditions for a tax free reorganization.
- A decision on the denial of tax benefits of a merger (should be given within four years from the end of the tax year).

- In a new bill that is intended to replace the Regulations with a permanent law, certain extensions are expected to be introduced to the reporting deadlines under the Common Reporting Standard and FATCA regulations for financial institutions regarding foreign and US accounts.

In order to reduce the high unemployment rates caused by the COVID-19 crisis and to re-energize the economy, an employment incentive bill was proposed on 1 June 2020, and includes the following:

- For each employee who has been accepted for work or that has been returned from furlough that lasted at least 30 days, between 19 April and 31 May 2020, the employer will receive a grant of NIS 3,500 in four equal beats during June-September 2020 (i.e., NIS 875 per month).
- For each employee who has been accepted for work or that has been returned furlough that lasted at least 30 days, during June-September 2020, the employer will be awarded with a grant of NIS 7,500 in four equal beats during June-September 2020 (i.e., NIS 1,875 per month).
- These amounts will be granted for employees with a monthly salary higher than NIS 3,300.
- It should be emphasized that the reinstatement of an employee under the above conditions after the 15th day of the month will entitle the employer to a reduced amount of benefit, so that the first grant month is considered to be the full month following the employee's hire / return to work.
- The grant will be paid on the basis of the employer's online reporting by the ITA to the employer's bank account.

Links and resources

EY materials

- https://globaltaxnews.ey.com/news/2020--5423-israel-acts-in-response-to-covid-19

Government materials

- https://www.btl.gov.il/English%20Homepage/about/news/Pages/All-coronavirus-related.aspx
- https://www.gov.il/en/departments/news/press_16032020_b.
- https://www.btl.gov.il/English%20Homepage/about/news/Pages/All-coronavirus-related.aspx

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- Last updated: 5 June 2020

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Return to jurisdiction list

Overview

- On 19 May 2020, Italy's Law Decree n. 34, referred to as the "Relaunch Decree" (the Relaunch Decree or the Decree), was published in the Official Gazette and entered into force on the same day. While immediately in effect, the Decree will have to be converted (with potential changes) into Law within 60 days from its publication to remain in force. Some implementing measures will follow to allow part of the incentives to apply in practice.
- The Relaunch Decree introduces a third set of economic measures in response to the COVID-19 crisis, following Law Decree n. 18/2020 published in the Official Gazette on 17 March 2020 ("Heal Italy Decree") – converted into law by Law n. 27/2020 – and Law Decree n. 23/2020 published in the Official Gazette on 8 April 2020 ("Liquidity Decree") still subject to conversion (Previous Decrees).
- The Previous Decrees provided for a first response stimulus package including tax and other measures to support families and workers for a total of EUR 25 billion, as well as a set of public guarantees to allow enterprises access the banking system with the expectation to generate an injection of new liquidity for EUR 400 billion.
- The Relaunch Decree pledges an additional EUR 55 billion in stimulus measures to help relaunch the Italian economy, which is the largest budget ever presented in the history of the Italian Republic and corresponding to approximately double the amount of an ordinary Italian budget law.
- The Decree provides for a multitude of incentives to families, workers and businesses. Several measures have been introduced including income support to households and a few categories of workers not covered by the Previous Decrees, a boost to the existing wage support funds along with new procedures to streamline the execution of the respective payments. Holiday bonuses to boost tourism, bicycle bonuses to encourage alternatives to public transport and babysitter bonuses were also introduced. Free cash contributions and discounted electricity bills are provided for small businesses. Other measures aim at improving the Italian health system, simplifying the release of state guaranteed loans (mainly introduced by the Previous Decrees), speeding up the payment by the Public Administration of a significant backlog of payables toward Italian businesses, and supporting the reopening of the Italian schools with the hiring of extra teachers and the funding of sanitization and renovation works.
- Additional tax measures have been introduced such as partial tax cuts of the regional tax on productive activities (Imposta regionale sulle attivita' produttive or IRAP) and the municipal property tax (Imposta Municipale Unica, IMU), the exemption from Value-Added Tax (VAT) for medical devices and Personal Protective Equipment (PPE), new tax credits, including an extension of existing tax credits and the possibility to have them transferred to third parties, as well as new tax payment deferrals.
- The Decree also repeals the "VAT safeguard clauses" carried forward in the Italian budget laws since 2011 that would have brought higher VAT rates in the case of excess of public deficit and absent alternative funding options.

Personal tax

- **Tax payments**

  WHTs - Payments of WHT on employment income and payments of social security contributions originally due on the period between 8 and 31 March 2020 by self-employed with previous FY turnover up to EUR million is deferred to 31 May 2020 (in full or in four equal monthly instalments). Suspension of WHT on professionals: WHTs on income derived till 31 May by professionals with turnover up to EUR 400,000, with no employment expenses during the previous month, are replaced by self-assessed payments due by 16 September 2020 (in full or in four equal monthly instalments)

  Forecast method: income tax advance payments can be performed under the provisional method without penalties and interest for underpayments within a 20% range

  IRAP cuts: the self-employed with previous FY turnover not greater than EUR 250 million have been exempted from the FY 2019 IRAP balance and the FY 2020 IRAP first advance payment

  Collection deeds: payments originally due during the period between 8 March and 31 August 2020 arising from a variety of collection deeds such as tax bills, tax assessment notices, bills issued by Social Security Contribution Authorities etc. are postponed to 30 September 2020. Instalments due according to certain tax amnesty programs introduced in the past years may also be deferred

  Formal controls: tax payments due upon the tax authority's automated controls and formal controls falling between 8 March 2020 and 31 May 2020 are postponed, without penalties and interest, to 16 September 2020 (in full or in four monthly instalments as of the same date)

  Tax settlements: tax payments due from 9 March 2020 to 31 May 2020 related to several payment requests including deeds of settlement and alike are postponed – without penalties and interest – to 16 September 2020 (in full or in four monthly instalments starting from 16 September 2020)

Personal tax (continued)

- **Tax credits** - The self-employed may benefit from the following tax credits:
  - **Sanitation** - 60% of the cost for workspace and work instrument sanitation, as well as for the purchase of personal protection equipment (PPE) against the COVID-19 up to a maximum of EUR 60,000 (i.e., up for maximum EUR 30,000 tax credit)
  - **Rental** - 60% of the fees paid in March, April and May 2020 for the rental of a property used for business, professional or agricultural activities. The tax credit is equal to 30% if the rental is provided through mixed contracts or through the lease of a going concern. As a condition to benefit from such tax credit, taxpayers exercising an economic activity should have experienced a turnover reduction during March, April and May 2020 (April, May and June 2020 for the seasonal hoteling sector) of at least 50% in respect of the same months of 2019
  - **Workspace adaptation** - 60% of the COVID-19 adaptation costs (up to EUR 80,000) incurred in 2020 for work-spaces open to the public . The tax credit can be offset in FY 2021 against tax liabilities. The tax credit can also be transferred to third parties
  - **Building renovation** - 110% of qualified building renovation and energy efficiency costs incurred between 1 July 2020 and 31 December 2021 against their tax liabilities in 5 equal instalments (up to certain thresholds). Individuals can convert the preexisting tax credits connected with qualified building renovation and energy efficiency costs incurred during 2020 and 2021 into: (a) a transferable tax credit; or (b) a discount of the relevant cost applied by the service provider (in such case, the transferable tax credit is granted to the service provider). The tax credit can be neither asked for refund nor carried forward to subsequent financial years
  - **Capital contribution** - 20% of the capital contributed (up to EUR 2 million) between 20 May 2020 and 31 December 2020 in qualified Italian companies with a turnover between EUR 5 million and EUR 50 million (on a group consolidated basis), which experienced a turnover reduction during March and April 2020 of at least 33% in respect of the same months of 2019 (on a group consolidated basis). The above tax credit can be used starting from 2021 (in the 2020 tax return). A recapture mechanism applies in the case of: (a) transfer of the shares received upon the capital increase or (b) reserve distributions, made before 1 January 2024. The tax benefit, cumulated with other COVID-19 benefits, cannot exceed the overall amount of EUR 800,000
  - **Innovative SME** - 50% of investments (up to EUR 100,000) in capital increases of qualified innovative SMEs can be used against income tax. The measure applies also in the case of intermediation of UCI mainly investing in the capital of innovative SMEs. The investment has to be maintained for at least three years.
- **Tax credit monetization** - All COVID-19-related tax credits may be monetized by selling them to other taxpayers. In addition, tax credit refunds filed through 2020 are not subject to the offsetting mechanism with pending tax liabilities and, during FY 2020, the annual threshold for the offset of tax credits with tax liabilities is increased from EUR 700,000 to EUR 1 million.
- **Tax filings** - Filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020. Moreover, the terms for filing the compensation certificate (so called "certificazione unica") is postponed to 30 April 2020.
- **Suspension of tax litigations** - Tax court hearings are postponed to a date after 11 May 2020 and the terms for filing appeals before tax courts of first instance and other procedures are suspended until 11 May 2020.

Personal tax (continued)

- **Step-up of participations and land** - taxpayers may elect for a tax step-up of participations in unlisted Italian companies and land (both buildable and agricultural land) held as of 1 July 2020 through the payment of an 11% substitute tax. The substitute tax basis is represented by the value of the participation or land as of 1 July 2020, which should be certified by a sworn appraisal prepared no later than 30 September 2020. The substitute tax may be either paid in full by 30 September 2020 or through three annual instalments starting from 30 September 2020 (with the following ones due by 30 September 2021 and 30 September 2022) with an annual interest rate of 3% applicable only to the second and the third instalments.
- **Individual Saving Plans:** in addition to the ordinary Individual Saving Plan (Piano individuale di risparmio or PIR) – granting tax benefits for investments in SMEs – a new PIR has been introduced, which includes non-listed financial instruments (including loans and credits) acquired from Italian enterprises non-listed on the FTSE MIB, FTSE Mid Cap or equivalent index of regulated markets. Under the new PIR, it is not allowed to invest more than 20% of the assets in shares or bonds of the same company (or associated companies). The investment can be concluded also through AIF. The total investment is capped at EUR 1.5 million (EUR 150,000 for year).
- **Donations:** COVID-19-related donations made by individuals can be offset against the income tax due for an amount equal to 30% of the relevant expense up to EUR 30,000.

VAT, GST and trade

- **VAT payments** - The following VAT payments are postponed to 16 September 2020 (in full or in four instalments):
  - **Specific sectors** - Payments due up to 30 April 2020 for taxpayers operating in sectors particularly hit by the COVID-19 crisis (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit)
  - **Payments due in the period 8 March-31 March 2020** - For taxpayers with previous FY turnover up to EUR 2 million and who are established in Italy or have therein a fixed establishment (including, irrespective of any turnover, those located in Bergamo, Brescia, Cremona, Lodi and Piacenza provinces)
  - **Payments due in the period 1 April-31 May 2020 by:** (i) taxable persons with 2019 turnover not greater than EUR 50 million who experienced a March and April 2020 turnover reduction of at least 33% compared to March and April of 2019, (ii) taxable persons located in specific areas (e.g., Bergamo, Brescia, Cremona, Lodi and Piacenza provinces) even if their previous FY turnover was greater than EUR 50 million, (iii) taxable persons with a 2019 turnover higher than EUR 50 million that suffered in such months of a turnover reduction of at least 50% compared to March and April 2019; (iv) all taxable persons who started their activities after 31 March 2019.
- **Collection deeds** - Payments originally due during the period between 8 March and 31 August 2020 arising from a variety of collection deeds such as tax bills, tax assessment notices, bills issued by Social Security Contribution Authorities etc. are postponed to 30 September 2020. Instalments due according to certain Tax Amnesty Programs introduced in the past years may also be deferred
- **Formal controls** - Payments due upon the tax authority's automated controls and formal controls falling between 8 March 2020 and 31 May 2020 are postponed, without penalties and interest, to 16 September 2020 (in full or in four monthly instalments as of the same date)
- **Tax settlements** - Payments due from 9 March 2020 to 31 May 2020 related to several payment requests including deeds of settlement and alike are postponed – without penalties and interest – to 16 September 2020 (in full or in four monthly instalments starting from 16 September 2020)
- **VAT fulfillments**
  - Fulfillments due in the period 8 March - 31 May 2020 are postponed to 30 June 2020
  - Intrastat filings - are postponed, however the Italian tax authorities invites those able to provide to file them in order to ensure statistical data are up to date
  - The deadline for the filing of the Annual VAT return of 30 April 2020 is postponed to 30 June 2020
  - The Revenue Agency clarified that the deferral of filing of the Annual VAT Return applies also to non-established taxpayers with an Italian VAT since no discrimination can be made. The same principle should apply to all postponed VAT fulfillments
- **VAT credit refunds** – Refunds filed through 2020 are not subject to the offsetting mechanism with pending tax liabilities and, during FY 2020, the annual threshold for the offset of tax credits with tax liabilities is increased from EUR 700,000 to EUR 1 million
- **Electronic invoicing** - The payment of stamp duties linked to the electronic invoicing can be postponed without penalties and interest as follows: (i) the duty due for the first quarter of FY 2020 can be paid within the deadline referred to the second quarter if the tax due is lower than EUR 250, (ii) the stamp duty due for the first and second quarters of FY 2020 can be paid within the deadline referred to the third quarter if the cumulative tax due is lower than EUR 250

VAT, GST and trade (continued)

- **Gaming Tax -** The payment of the Gaming Tax (Prelievo erariale unico or "PREU") originally due by 30 April 2020 is postponed to 29 May 2020 and can be executed in equal monthly instalments plus legal interest (accruing on a daily basis). The first instalment was due by 29 May 2020 and the subsequent ones by the end of any following month, with the last one due by 18 December 2020.
- **Plastic and Sugar taxes -** The entry into force of both the plastic tax (specific indirect tax levied on plastic contained in non-recyclable packaging products) and sugar tax (a tax on certain sweetened soft drinks) has been postponed to 1 January 2021.
- **Custom duties -** Periodical and deferred custom duties due between 1 May 2020 and 31 July 2020 are postponed by 60 days (without interest and penalties). This measure applies to enterprises and the self-employed in the transport sector and those with previous FY turnover not greater than EUR 50 million who experienced a turnover reduction of at least 33% in March and April (compared to the same months in 2019). The same deferment applies to enterprises and the self-employed with previous FY turnover greater than EUR 50 million that experienced a turnover reduction of at least 50% in March and April (compared to the same months in 2019).
- **Excises -** Natural gas and electricity excise duties advance payments for May and September 2020 are calculated at 90% of the ordinary amount. The relevant balance payment is made in full (within 31 March 2021 for natural gas and 16 March 2021 for electricity) or in 10 equal monthly instalments starting from March 2021. Excise duties for energy products released for consumption in March (to be paid within 16 April 2020) are considered timely paid if paid within 16 May 2020. Monthly payments for excise duties for energy products released for consumption from April 2020 to August 2020 can be paid at 80% as advance payments. The deadline for all the related balance payments is 16 November 2020 (no interest applies).

Business tax

- **WHT payments -** The following WHT payments on employment income and social security contribution payments are postponed to 16 September 2020 (in full or in four instalments):
  - **Specific sectors -** Payments due up to 30 April 2020 for taxpayers operating in sectors particularly hit by the COVID-19 crisis (e.g. tourism, sport, entertainment, art, culture, education, transport, food, no-profit).
  - **Payments due in the period 8 March-31 March 2020 -** For taxpayers with previous FY turnover up to EUR 2 million and who are established in Italy.
  - **Payments due in the period 1 April-31 May 2020 -** By (i) taxable persons with 2019 turnover not greater than EUR 50 million who experienced a March and April 2020 turnover reduction of at least 33% compared to March and April of 2019, (ii) taxable persons with a 2019 turnover higher than EUR 50 million that suffered in such months of a turnover reduction of at least 50% compared to March and April 2019; (iii) all taxable persons who started their activities after 31 March 2019.
- **Enterprises up to EUR 400,000 turnover -** WHTs on income derived till 31 May by enterprises with turnover up to EUR 400,000, with no employment expenses during the previous month, are replaced by self-assessed payments due by 16 September 2020 (in full or in four equal monthly instalments).
- **Forecast method:** income tax advance payments can be performed under the provisional method without penalties and interest for underpayments within a 20% range.
- **IRAP cuts:** The self-employed with previous FY turnover not greater than EUR 250 million have been exempted from the FY 2019 IRAP balance and the FY 2020 IRAP first advance payment.
- **Collection deeds:** Payments originally due during the period between 8 March and 31 August 2020 arising from a variety of collection deeds such as tax bills, tax assessment notices, bills issued by Social Security Contribution Authorities etc. are postponed to 30 September 2020. Instalments due according to certain Tax Amnesty Programs introduced in the past years may also be deferred.
- **Formal controls:** Tax payments due upon the tax authority's automated controls and formal controls falling between 8 March 2020 and 31 May 2020 are postponed, without penalties and interest, to 16 September 2020 (in full or in four monthly instalments as of the same date).
- **Tax settlements:** Tax payments due from 9 March 2020 to 31 May 2020 related to several payment requests including deeds of settlement and alike are postponed – without penalties and interest – to 16 September 2020 (in full or in four monthly instalments starting from 16 September 2020).
- **Deferred filings:** Filings due between 8 March 2020 and 31 May 2020 are postponed to 30 June 2020.

Business tax (continued)

- Tax credits
  - **Conversion of DTAs** - Companies that dispose by 31 December 2020 of receivables due for more than 90 days, may claim under certain limits a conversion into a tax credit of the existing, although possibly unrecognized DTAs associated with Tax losses carried forward and Excess notional interest deduction carried forward (Tax Assets). Tax credits resulting from the above conversion can be: (a) offset without limit against tax payables; (b) assigned within the same group or to third parties; and (c) asked for refund. Tax Assets, on which convertible DTAs are computed, are eligible up to 20% of the face value of the receivables sold by 31 December 2020. A 1.5% fee may apply on the positive difference (if any) between (a) DTAs generated as of FY2008 and (b) taxes paid by the company as of FY2008.
  - **Sanitation** - 60% of the cost for workspace and work instrument sanitation, as well as for the purchase of personal protection equipment (PPE) against the COVID-19 up to a maximum of EUR 60,000 (i.e., up for maximum EUR 30,000 tax credit).
  - **Rental** - 60% of the fees paid in March, April and May 2020 for the rental of a property used for business, professional or agricultural activities. The tax credit is equal to 30% if the rental is provided through mixed contracts or through the lease of a going concern. As a condition to benefit from such tax credit, taxpayers exercising an economic activity should have experienced a turnover reduction during March, April and May 2020 (April, May and June 2020 for the seasonal hoteling sector) of at least 50% in respect of the same months of 2019.
  - **Workspace adaptation** - 60% of the COVID-19 adaptation costs (up to EUR 80,000) incurred in 2020 for work-spaces open to the public . The tax credit can be offset in FY 2021 against tax liabilities. The tax credit can also be transferred to third parties.
  - **Capital contribution** - 20% of the capital contributed (up to EUR 2 million) between 20 May 2020 and 31 December 2020 in qualified Italian companies with a turnover between EUR 5 million and EUR 50 million (on a group consolidated basis), which experienced a turnover reduction during March and April 2020 of at least 33% in respect of the same months of 2019 (on a group consolidated basis). In after the approval of the 2020 financial statements, the above-mentioned companies increasing their capital can benefit from a tax credit equal to 50% of any operating losses exceeding 10% of the net (up to 30% of the capital increase). The above tax credits can be used starting from 2021 (in the 2020 tax return). A recapture mechanism applies in the case of: (a) transfer of the shares received upon the capital increase or (b) reserve distributions, made before 1 January 2024. All of the above listed benefits (including those connected to other specific non-tax measures introduced by the Decree) cannot exceed the overall amount of EUR 800,000.
  - **Advertising expenses** - 50% of the incremental advertising expenses made in FY 2020 via press, television and radio broadcast. Such tax credit is recognized within a maximum limit to be determined by the Italian Government and is subject to the relevant EU limits.
  - **R&D tax credit** - Enterprises located in Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily regions, investing in R&D activities (including those linked to the COVID-19 crisis) can apply for the R&D tax credit with a higher ratio than the ordinary one. More in detail, the relevant ratio has been increased:
    - To 25% (instead of the ordinary 12%) for enterprises with at least 250 employees, with annual turnover of at least EUR 50 million or with a total balance sheet of at least EUR 43 million
    - To 35% (instead of the ordinary 12%) for enterprises with at least 50 employees, with annual turnover of at least EUR 10 million
    - To 45% (instead of the ordinary 12%) for enterprises with less than 50 employees, with annual turnover up to EUR 10 million or with a total balance sheet up to EUR 10 million.

Other measures

- Non-tax liquidity support measures:
  - Italian Export Credit Agency (SACE) Guarantees for Italian large companies (different from banks and credit institutions) and SMEs (including self-employed workers and professionals):
    - 90% of the amount with regard to beneficiaries with no more than 5 thousand employees in Italy and a turnover (also achieved outside Italy) up to EUR 1.5 billion
    - 80% of the amount with regard to beneficiaries with more than 5 thousand employees in Italy or a turnover (also achieved outside Italy) between EUR 1.5 billion and EUR 5 billion
    - 70% of the amount with regard to Beneficiaries with a turnover (also achieved outside Italy) over EUR 5 billion The aforesaid percentages may also be increased by a Ministry of Finance Decree
  - Central SMEs Guarantee Fund for SMEs, companies different from SMEs but having up to 499 employees and in certain limited cases individuals:
    - 100% for loans of up to EUR 25k
    - 90% for loans up to EUR 800k, for companies with revenues of up to EUR 3.2 million. Such percentage may also be increased up to 100% with the counter-guarantee of Confidi (Italian collective guarantee scheme)
    - In the other cases 90% of the loans with an overall amount up to EUR 5 million; the renegotiation of the debt of the beneficiary can also benefit from a direct guarantee of 80% or the reinsurance of 90%, provided that the new loan provides for the disbursement of additional credit of at least 10% of the residual debt amount
    - The renegotiation of the debt of the beneficiary can also benefit from a direct guarantee of 80% or the reinsurance of 90%, provided that the new loan provides for the disbursement of additional credit of at least 10% of the residual debt amount
    - Extension of the duration of the guarantee in the event of suspension of the amortization instalments/ extension of the maturity of the loan
    - Financing transactions already executed by the lender no later than 3 months after the date of submission of the request and, in any case, after 31 January 2020
  - **SME moratorium for current loans** - SME moratorium is granted up to 30 September 2020 in respect of loans expiring within such a date, and in respect of the entire instalment or the sole principal for each instalment due for payment within such a date.
  - **Liquidity support for SMEs and Mid-cap entities having suffered a material reduction in turnover and falling into specific business sector particularly affected by COVID-19.** Such liquidity support is provided by the bank system, supported by a guarantee to be provided by Cassa Depositi e Prestiti S.p.A. ("CDP") (up to 80%) and counter-guaranteed by the Italian Government (up to 80%). Such approach will boost the financing capacity, given that the credit risk is apportioned mainly at Government level, and residually at the bank and CDP level.

Other measures

- **Moratorium in respect of current SIMEST financing** - Financing granted by SIMEST (Fondo 394) may benefit of the suspension up to 12 months – until 31 December 2020 – in respect of bullet refund or periodical repayments.
- **Indirect Lending for SME and MID-Cap companies** - Liquidity : CDP provides liquidity to banks at low interest rates as a measure to encourage corporates to access credit. This program is called "Piattaforma Imprese" and consists of 3 ceilings aimed at financing CapeEx plans and Working Capital needs
- **Direct Lending for all companies** - CDP can directly finance (both direct lending and bonds), although not as sole-lender but only as co-lender with other banks (pool)
- **SACE for all companies** - guarantees/insurance policies (for Italian companies exporting abroad) : CDP can directly finance (both direct lending and bonds), although not as sole-lender but only as co-lender with other banks (pool)
- **SIMEST (support to internationalization and similar activities) for SMEs and large ones** - New resources to "Fondo 394" up to EUR 400 million to support Italian companies going abroad
- **SME Asset Fund** – A SME Asset Fund is established with the aim to subscribe by 31 December 2020 bonds or debt securities newly issued by SMEs with a turnover between EUR 10 and EUR 50 million and with less than 250 employees. The maximum amount that can be subscribed is equal to the lower of: a) 3 times the amount of the capital increase carried out; b) 12.5% of 2019 revenues; and c) EUR 800.000. The fund has a budget of EUR 4 billion for 2020
- **Relaunch Fund** – CDP will set up an assigned asset (Relaunch Fund, "Patrimonio Rilancio") whose assets and legal relationships will be used to subscribe convertible bonds, participate in capital increases or purchase shares listed on the secondary market in the event of strategic transactions. In the event of incapacity of the assigned asset, a State's guarantee of last resort is granted on the bonds of the target assets. The Italian government will contribute resources up to EUR 45 billion. The companies included in the Relaunch Fund's activity must have the following characteristics: (i) have a registered office in Italy;(ii) must not operate in the banking, financial or insurance sector;(iii) must have an annual turnover in excess of EUR 50 million.
- **Local aids** - local and regional bodies and chambers of commerce may grant aid in the following forms: (i) direct grants, repayable advances and tax concessions under Section 3.1 of the Temporary Framework; (ii) loan guarantees under section 3.2 of the Temporary Framework; (iii) facilitated loans, within the meaning of Section 3.3 of the Temporary Framework; (iv) aid for COVID-19 research and development under section 3.6 of the Temporary Framework; (v) investment aid for test and upscaling infrastructure under section 3.7 of the Temporary Framework; (vi) investment aid for the production of products relevant to the health emergency under section 3.8 of the Temporary Framework; (vii) subsidies for the payment of wages to employees to avoid redundancies during the COVID-19 pandemic, under section 3.10 of the Temporary Framework. Firms which were already in difficulty within the meaning of the General Block Exemption Regulations on 31 December 2019 are not eligible for this aid

Links and resources

Government materials

- https://www.gazzettaufficiale.it/do/atto/serie_generale/caricaPdf?cdimg=20G00034000000101100001&dgu=2020-03-17&art.dataPubblicazioneGazzetta=2020-03-17&art.codiceRedazionale=20G00034&art.num=1&art.tiposerie=SG
- https://www.agenziaentrate.gov.it/portale/documents/20143/2369964/Circolare_n5_20_03_2020.pdf/f42f586c-57ae-ebf3-e1a8-953c9799c113

EY materials

- https://www.ey.com/gl/en/services/tax/international-tax/alert--italy-enacts-heal-italy-decree-to-manage-covid-19
- https://globaltaxnews.ey.com/news/2020-5396-italian-npls-and-utps-conversion-into-tax-credits-of-deferred-tax-assets-associated-with-tax-losses-carried-forward-and-other-deferred-deductions

Ivory Coast

- Contact: Louis Marc Allali - Tax Policy

- Last updated: 2 April 2020

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Return to jurisdiction list

Overview

- On 31 March 2020 the Ivory Coast Government introduced tax measures in response to the COVID-19 pandemic.

Personal tax

- Suspension of tax audits for a period of three months
- Three month deferral of payment of taxes, levies and similar payments due to the State, as well as social charges.

VAT, GST and trade

- Suspension of tax audits for a period of three months
- Deferral for a period of three months of the payment of taxes, levies and similar payments due to the State, as well as social charges
- Exemption from import duties and taxes on 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.

Business tax

- Suspension of tax audits for a period of three months;
- Three months deferral for the payment of taxes, levies and similar payments due to the State as well as social charges.

Links and resources

Government materials

- http://www.presidence.ci/message-a-la-nation-de-s-e-m-alassane-ouattara-relatif-a-la-pandemie-de-la-maladie-a-coronavirus-2019-covid-19/
- http://www.gouv.ci/

Jamaica

- Contact: La-Tanya Edwards – Tax Desk
- Last updated: 4 August 2020

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Return to jurisdiction list

Overview

- The Government of Jamaica announced a J$25 billion fiscal stimulus package consisting of a $15 billion tax reduction and a J$10 billion spending program. Additionally, there would be a J$650 million compassionate grant.
- The fiscal stimulus package includes, temporary grants for laid off or terminated employees in the tourism and related sectors; grants to support the poor and vulnerable; the informally employed as well as micro and small businesses. Additionally, the Government announced the reallocation of expenditure to finance compassionate grants, to attend to the needs of the elderly, infirmed and the homeless and to support small farmers.
- The Government also announced the deferral of principal and interest payments on student loans for a three-month period from April to June 2020.

Personal tax

- There were no specific announcements regarding personal taxation. However, the Government announced their intention to introduce the "Supporting Employees with Transfer of Cash (SET Cash)" which involves the provision by the Government of temporary cash transfers to individuals (from any sector) who lost employment after 10 March 2020 (the date of first COVID-19 case in Jamaica) and before 30 June 2020.
- The provision of COVID-19 Grants to marginally self employed and informally employed.

VAT, GST and trade

- Waiver of Customs Duty on the importation of masks, gloves, hand sanitizers and liquid hand soap for a 90 day period.
- Waiver of Special Consumption Tax on approximately 100,000 liters of alcohol for use in making sanitizers for donation to the National Health Fund and the Ministry of Health.
- Introduction of the Business Employee Support and Transfer of Cash (Best Cash) that will provide temporary cash transfers to registered businesses operating in the hotel, tours, attraction companies, segments of the tourism industry who are licensed with the Jamaica Tourist Board based on the number of workers they keep employed who are under the income tax threshold of J$1.5 million.
- Provision of direct support to small businesses – small businesses with sales of J$50 million or less who file taxes in the 2019/20 financial year and who filed payroll returns indicating that they have employees, will be eligible for a one-time COVID-19 small business grant of J$100,000.
- The Government of Jamaica, in the National Budget Presentation on 10 March 2020, also announced certain tax measures that were aimed at stimulating economic growth and countering the anticipated down-size economic impact of the COVID-19 virus. These revenue measures include reduction in the General Consumption Tax (GCT) rate by 1.5% from 16.5% to 15%.

Business tax

- Facilitation by Tax Administration Jamaica, of one-off or single use Tax Compliance Certificates to businesses who may fall into non-compliance over the period to 30 June 2020, subsequently extended to 30 September 2020
- The Government of Jamaica' s March 2020 National Budget Presentation also announced the following revenue measures:
  - A reduction in the assets tax payable by financial institutions by 50% from 0.25% to 0.125%. However, the banking sector subsequently volunteered to forgo the asset tax reduction for one year. Therefore the 0.25% rate will continue to apply for income year 2021.
  - Easing of 50% of regulatory fees payable to certain public institutions.
  - Introduction of a tax credit of J$375,000 for companies with annual revenue/sales equal to or less than J$500 million.
- Taxpayers with outstanding interest and penalty charges, as a result of late payment and/or late filing of tax obligations due for the period 1 March 2020 to 30 June 2020, may qualify for the reversal of charges incurred during that period.

Links and resources

Japan

- Contact: Koichi Sekiya – Tax Policy
- Contact: Hiroki Ito - Tax Desk

- Last updated: 7 May 2020

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Return to jurisdiction list

Overview

- On 27 February 2020, in light of the COVID-19 pandemic, the National Tax Agency of Japan announced individual income tax and gift tax returns and payments extensions, and delayed individual consumption tax filing deadlines and payments.
- On 6 April 2020, the National Tax Agency of Japan announced further extensions of individual income tax, gift tax and individual consumption tax filing deadlines and payments.
- On 7 April 2020, the government announced an additional stimulus package which includes various tax measures to address the financial difficulties that businesses are facing.
- On 30 April 2020, a bill for the stimulus package was enacted, following its passage by the Japanese Diet.

Personal tax

- Flexible extension of the filing and payment of individual income tax and gift tax returns is available for those individuals affected by COVID-19.
- Individual business income tax payments can be deferred for up to a year without interest and collateral, if gross income decreases by 20% or more.
- Non-refundable tickets for certain canceled events are subject to deduction/tax credit.
- The conditions of the home mortgage tax credit is relaxed.

VAT, GST and trade

- The flexible extension of the filing and payment of consumption tax returns is available for those individuals affected by COVID-19.
- Consumption tax payments can be deferred for up to one year without interest and collateral if gross income decreases by 20% or more.
- A late election to be a voluntary taxpayer for consumption tax purposes is available, which is generally due by the end of the taxable period preceding the taxable period for which the election is made, if gross income decreases by 50% or more.
- Property tax and city planning tax for qualified SMEs are reduced by 50% if gross income decreases by 30% or more, and by 100% if gross income decreases by 50% or more.
- Investment in high-productivity buildings and structures are added to the scope of lower property tax.
- Duty suspension and accelerated, simplified import/export processes for donated relief goods.
- Flexible treatment may be permitted on a case-by-case basis with respect to various customs deadlines and requirements.

Business tax

- Corporate tax payments can be deferred for up to a year without interest and collateral if gross income decreases by 20% or more.
- Corporations with common capital of JPY1 billion (US$10 million) or less (except those controlled by another company with common capital of more than JPY1 billion (US$10 million)) are eligible for one year NOL carryback.
- Certain telework equipment introduced in accordance with certified investment plan is eligible for 7-10% tax credit or 100% accelerated depreciation.
- Stamp duty is not imposed on loan agreements if associated with COVID-19-related loans.

Links and resources

EY Materials

- Japan Enacts Tax Measures in Response To COVID-19

Jordan

- Contact: Ali Samara - Tax
- Contact: Asmaa Ali – Tax Desk

- Last updated: 6 May 2020

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Return to jurisdiction list

Overview

- Deferral of the general and special sales tax payments' due date.
- Voluntary deferral of certain components of the social security contribution.
- Changes to customs and import procedures.
- To ease cash flow constraints, a mechanism has been put in place by the Jordanian Council of Ministers to help with expediting the settlement of companies' open appeals with respect to disputed income tax, sales tax, and customs duty assessments.
- All court proceedings against social security defaulters have been suspended.
- The validity of trade licenses of all businesses in Jordan has been extended to 1 June 2020.
- Effective 17 March 2020, Jordan's National Defense Law No. 13 of 1992 (the "Defense Law") was passed by the Jordanian Prime Minister, putting in force military control over normal government operations and giving the Prime Minister the right to suspend the application of existing laws.
- On 30 March 2020, Defense Order No. 5 was released, which suspended the following due dates and periods, effective 18 March 2020:
  - All due dates and periods specified in effective Jordanian laws, including the terms of limitation to initiate legal proceedings.
  - All due dates and periods for taking any action at any governmental ministry or department, or any public or official institution in accordance with effective Jordanian laws, including the Social Security Corporation.
  - The dates for filing general and special sales tax returns that become due during the period that the Defense Law is in effect.
- The Order excludes the suspension of due dates related to payment of any financial obligations.
- On 30 April 2020, Defense Order No. 10 was released and stated that:
  - The income tax filing and payment deadline for the year ended 31 December 2019 are extended till 30 June 2020 for both corporations and individuals.
  - The due dates for remitting the withholding tax applicable to local services and imported services have also been extended to 30 June 2020.

Personal tax

- Personal income tax filing and payment due dates have been extended to 30 June 2020.

Jordan (continued)

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Return to jurisdiction list

VAT, GST and trade

- The payment of the general and special sales tax applicable to the sale of goods and/or services generally becomes due at different periods depending on the type of the sale. For the sale of services, the payment of the general and/or special sales tax is due at the earlier of the invoice date or payment date. For the sale of goods, the general and/or special sales tax is due at the earlier of the invoice date, payment date, or date of receipt of the goods.
- Effective 1 March 2020 and until further notice, the general and special sales tax payment deadline has been changed to become due when the payment for the good or service is actually made. The adjustment in the due date is applicable to all local sectors and foreign health, pharmaceutical, and food supply sectors.
- Companies listed on the Golden and Silver Importers List of the Jordanian Customs' Department and that have not previously committed any customs violations will be allowed to pay their customs duties in instalments, whereby 30% of the amount due may be paid upfront and the remaining 70% may be paid at a later date. Importers looking to apply this mechanism will not be required to submit a bank guarantee to assure that the money will be paid.
- Additional measures related to imports and customs include:
  - Easing the regulatory procedures related to the importation of goods, such as those conducted by the Food and Drug Administration and the Standards and Metrology Organization
  - Decreasing the inspection percentage of goods imported for local use
  - Limiting the controls related to transit goods
  - Adjusting the grace period fees and cooling charges due at the Aqaba Port
- On 30 March 2020, the dates for filing general and special sales tax returns that are due during the period that the Defense law is in effect has been suspended.

Business tax

- Corporate income tax filing and payment due dates have been extended till 30 June 2020.
- The due dates for remitting the 5% withholding tax applicable to local services and the 10% withholding tax applicable to imported services have been extended to 30 June 2020.

Links and resources

EY Materials

- https://globaltaxnews.ey.com/news/2020-5422-jordan-announces-economic-measures-to-reduce-the-impact-of-covid-19

Kazakhstan

- Contact: Sylwia Mogdal –Tax Desk
- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- The Government adopted Resolutions No. 126 of 20 March 2020 and No. 141 of 27 March 2020 for support of taxpayers during the state of emergency that was declared with respect to the COVID-19 pandemic
- Some tax relief measures are provided for retail, entertainment (cinemas, theaters, exhibitions), sport (fitness and sports facilities), tourism, foodservice, hotel services and agriculture
- The deadlines for submission of annual tax returns were extended from 31 March to 30 April 2020, if they are submitted electronically
- Deferral of payment of all taxes and social payments is provided to taxpayers classified as micro, small or medium-sized enterprises until 1 June 2020
- Taxpayers classified as micro, small or medium-sized enterprises (except for high-risk taxpayers) are entitled to:
  - Non-application of tax arrears collection measures and extension of the deadlines for replying to in-house control notifications of the tax authorities that occur during the state of emergency to 1 June 2020.
  - Suspension of the duration of tax inspections for the period of the state of emergency, with the suspension period not included in the inspection period.

Personal tax

- Personal income tax will be levied at 0% for 2020 for individual entrepreneurs subject to the general taxation regime

VAT, GST and trade

- The Ministry of National Economy will include cattle and pedigree chickens in the list of imported goods for which VAT is paid by the offset method.
- Until 1 October 2020, the VAT rate is set at 8% (instead of 12%) on sales and imports of goods included in the list of socially important food products.

Kazakhstan

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Return to jurisdiction list

Business tax

- Property tax is set at 0% for 2020 for legal entities and individual entrepreneurs with respect to:
  - large retail facilities, shopping and entertainment centers, cinemas, theaters, exhibitions, fitness and sports facilities;
  - taxable objects used for income generating activities in the fields of tourism, foodservice and hotel services.
- Land tax is set at 0% for 2020 on agricultural lands for manufacturers of agricultural products.
- With respect to all taxes for taxpayers mentioned above (except for those involved in the fields of tourism, foodservice and hotel services), relief is provided in the form of:
  - suspension until 15 August 2020 of interest accrual for late payment of taxes;
  - extension of tax return deadlines to the 3rd quarter of 2020.
- Exemption from excise duties on exported gasoline (except for aviation gasoline) and diesel fuel is provided for producers of excisable goods until 31 December 2020.
- There are also some other tax administration relief measures (e.g., extension of deadlines for tax returns, deferral of tax payments and suspension of tax audits) for some taxpayers.

Other measures

- Tax rate adjustment coefficient "0" has been established for the following taxes:
  - Social Tax
  - Obligatory Pension Fund Contributions
  - Obligatory Professional Pension Fund Contributions
  - Obligatory Social Insurance Contributions
  - Employees and Employers Obligatory Social Medical Insurance Contributions

Links and resources

Government materials

- https://primeminister.kz/ru/decisions/27032020-141
- https://primeminister.kz/ru/decisions/20032020-126

Kenya

- Contact: Brigitte Keirby-Smith – EY Africa Tax Desk

- Last updated: 23 April 2020

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Return to jurisdiction list

Overview

On 18 March 2020, the Central Bank of Kenya (CBK) announced a set of measures that commercial banks will undertake to alleviate the COVID-19 impact. The measures will apply to borrowers whose loan repayments were up to date at 2 March 2020:

- Banks will seek to provide relief on personal loans based on individual circumstances arising from the pandemic.
- Banks will review requests from borrowers for extension of their personal loans for a period of up to one year.
- SMEs and corporate borrowers can contact their banks for assessment and restructuring of loans based on their respective circumstances.
- Banks will meet all costs relating to the extension and restructuring of loans.
- To facilitate increased use of mobile digital platforms, banks will waive all fees for balance inquiries.
- All charges for transfers between mobile money wallets and bank accounts will be eliminated.

Personal tax

- Proposed extension of 100% tax relief to persons earning gross monthly income of up to KES24,000. This will provide additional disposable income of approximately KES1,600 per month to the most vulnerable group in the society.
- Proposed reduction of the highest personal income tax rate (Pay As You Earn) from 30% to 25%.

VAT, GST and trade

- A reduction in the main rate of VAT from 16% to 14%, has been approved by Kenya's Parliament and was effective 1 April 2020.
- The Kenya Revenue Authority (KRA) to expedite the payment of all verified VAT refund claims amounting to KES 10 Billion within three weeks.

Business tax

- A reduction in Corporate Income Tax (CIT) from 30% to 25% has been approved by Kenya's Parliament.
- Proposed reduction of Turnover Tax from 3% to 1% for all Micro, Small and Medium Enterprises (MSMEs).

Links and resources

Government materials

- WWW.Centralbank.go.ke President's Speech, 25 March 2020

Republic of Kosovo

- Contact: Milen Raikov – Tax Policy
- Last updated: 6 May 2020

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Return to jurisdiction list

Overview

- Emergency measures have been adopted in Kosovo to prevent and limit the spread of COVID-19.
- The government of Kosovo has declared a "state of public health emergency" and from 23 March 2020 has decided to restrict the movement of citizens as a measure to prevent the spread of COVID-19.
- The Government of Kosovo has introduced a financial aid package for the handling of the COVID-19 situation. The package contains 15 provisions and totals nearly €180 million.

Personal tax

- So far, no measures are yet public or approved on personal taxation.
- Pursuant to Law No.06/L-005 on Property Tax, the Minister of Finance and Transfers issued a decision on postponement of issuance of property tax bills, payment of first instalment for 2020 and postponement of deadline for filing of complaints on property tax bills and certificates of assessed values.

VAT, GST and trade

- Customs duty and VAT exemption has been granted to 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.

Business tax

- Minister of Finance and Transfers of the Republic of Kosovo, in order to implement Decision no. 01/07 and 01/09 of the Government of the Republic of Kosovo for taking additional measures for the situation created because of COVID-19, has decided to extend until 30June 2020 the deadline for payment of taxes as follows:
  - Third quarterly tax statement and contributions for large individual businesses
  - Third quarterly tax statement and contributions for small individual businesses
  - Third quarterly statement of advance payment for Large Corporations
  - Third quarterly statement of advance payment for Small Corporations.
- The deadline for declaration, reporting and payment of obligations is extended until 15 May 2020 for the following 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

Links and resources

Government materials

- https://mf.rks-gov.net/page.aspx?id=2,1

Republic of Kosovo (Continued)

Business tax (continued)

- 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 pandemics can apply for instalment payment agreements, and based on the evidence presented, the Tax Administration of Kosovo can enable such a form of payment for these types of taxes by reserving to itself the right to verify each case after the completion of the measures in force.
- Pursuant to Law No.06/L-005 on Property Tax, the Minister of Finance and Transfers issued a decision on postponement of issuance of property tax bills, payment of first instalment for 2020 and postponement of deadline for filing of complaints on property tax bills and certificates of assessed values.
- Are exempt from customs duties and VAT are 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.

Links and resources

Government materials

- https://mf.rks-gov.net/page.aspx?id=2,1

Kuwait

- Contact: Alok Chugh /**Ahmed Eldessouky**
- Contact: Asmaa Ali – Tax Desk

- Last updated: 8 July 2020

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Return to jurisdiction list

Overview

On 11 May 2020, the Kuwait Direct Investment Promotion Authority (KDIPA) introduced major amendments to further support the investors in this time of need. The amendments aim to support the local economy and ensure continuity of business operations in Kuwait by providing multiple incentives to the investors, including:

- Extension of the tax and customs incentives to all KDIPA registered entities.
- Revision of the mechanism for granting tax exemptions, with the following key amendments:
  - Definitions and related provisions for granting tax exemption
  - Social responsibility and environmental sustainability scheme
  - Deadline for submitting the tax exemption report
- Reduction in service fee by 50%
- On 14 June 2020, Kuwait's Ministry of Finance issued Ministerial Resolution no. 21 of 2020, providing for extension of the corporate tax filing and other due dates. Furthermore, the Kuwaiti's Ministry of Finance is currently expected to reopen on 21 June 2020.
- On 24 June 2020, Circular no. 3 of 2020 was released by Kuwait Ministry of Finance to announce procedures for Digital communication with the taxpayers and/or their tax a advisors in Kuwait in light of COVID-19 pandemic.
- The Kuwait MOF released circular no. 4 of 2020 dated 28 June 2020 to extend the tax filing deadline for fiscal years ended on 29 February, 31 March and 30 April 2020

VAT, GST and trade

- Extension of the customs incentives to KPIDA licensed and prospective investors for the fiscal year 2020 as per Decision No. 173 of 2020 (dated 4 May 2020).

Business tax

- Extension of the tax incentives to KPIDA licensed and prospective investors for the fiscal year 2020 as per Decision No. 173 of 2020 (dated 4 May 2020).
- Revision of the mechanism for granting tax exemptions as per Decision No. 180 of 2020 (dated 6 May 2020). This includes:
  - Defining National Labor and Training of National Labor, granting 20% annual exemption for the transfer and indigenization of technology
  - Amendment to the tax exemption granting mechanism for investors participating in corporate social responsibility (CSR) and environmental sustainability (ES) activities
  - Submission of the tax exemption report shall be no later than 31 December following the end of the taxable period for which it is submitted.
- Reduction of KDIPA fees for all its services by 50% until 31 December 2020 as per resolution No. 105 of 2020 (dated 6 May 2020).
- Deadline for Corporate Income tax, Zakat and National Labor Support Tax (NLST) returns for the years ended 31 December 2019 and 31 January 2020 has been extended for 60 days from the date of reopening of the Ministry of Finance (MOF).
- Deadline for Corporate Income tax, Zakat and National Labor Support Tax (NLST) returns for the years ended prior to 31 December 2019, where the filing was due during the disruption period (Period from 12 March 2020 to the date of reopening of MOF) has been extended for 30 days from the date of reopening of the MOF.
- Settlement of zakat and National Labor Support Tax (NLST) should be done in one lump sum on the same day of filing of the Zakat and NLST returns
- Settlement of instalments due up to the date of filing should be completed along with the tax filing. Subsequent instalments are expected to be settled on the existing due dates for settlement.
- The period of work disruption will be ignored for the purposes of computation of due dates for submission of objections and appeals by the taxpayers as well as the resolution of objections and appeals by the MOF. Accordingly, the computation of the deadline will stop on 12 March and resume from the reopening date.

Business tax (continued)

- The period of work disruption will be ignored for the purposes of computation of due dates for the settlement of taxes as per tax assessments and revised tax assessments.
- In case the computation of the deadline related to objections, appeals and tax as per assessments and revised assessments results in less than five working days being available from the reopening date, the deadline shall be extended by five working days from the reopening date.
- No delay penalty shall be imposed for any tax payment due during the disruption period but was paid by the taxpayer directly to the MOF's bank account in the Central bank of Kuwait.
- The tax filing deadline for returns due on 29 February 2020, shall be extended for 60 days from the date of reopening of the MOF i.e. 30 June 2020. Accordingly, the deadline will be 27 August 2020.
- The tax filing deadline for returns due on 31 March 2020 and 30 April 2020, shall be extended for 60 days from the date on which these returns were due i.e., 15 July 2020 and 15 August 2020. Accordingly, the extended deadline will be 13 September 2020 and 14 October 2020, respectively.
- For income taxes due under both Decree No. 3 of 1955 (as amended by Law No. 2 of 2008) and Law No. 23 of 1961, all the instalments which were due up to the date of filing (within the extended period) shall be paid on the date on which the tax return is filed and all subsequent tax payments should be made on the due dates prescribed in the law.
- The Zakat and NLST Laws do not provide for payments by instalments. Accordingly, the Circular provides that these amounts shall be paid as one lump sum on the date on which the return is filed. Since the MOF now accepts only electronic transfers, this necessitates the transfer of all taxes owing to the MOF's account with the Central Bank of Kuwait (CBK) with a value date before the date on which the tax returns are actually filed.

Other measures

On 24 June 2020, Circular no. 3 of 2020 was issued by Kuwait MoF to announce the following:

- Mode of official Communication between Kuwait Tax Authority (KTA) and taxpayers/authorized representatives must be submitted electronically.
- A notification of valid email address for correspondences with the Kuwait Tax Authority (KTA) is required by 12 July 2020.
- All the audit offices accredited by the MOF are required to promptly provide the KTA with a list of the names of the taxpayers, in their capacity as the authorized representatives thereof, along with a copy of the authorization letter.
- Taxpayer or the respective audit office is required to reply and acknowledge correspondences from the KTA.
- KTA mandates online payment of taxes and penalties through the MOF's tax account in the Central Bank of Kuwait (CBK).

Kyrgyz Republic

- Contact: Roman B Yurtayev / Doniyorbek S Zulunov - Tax

- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

- On 31 March 2020, as part of the plan for the provision of fiscal measures to support entrepreneurship, the Government of the Kyrgyz Republic decided the following:
  - To provide deferrals and instalments for the payment of tax and social insurance debts arising from the time of the imposition of the state of emergency (22 March 2020).
  - To not apply tax sanctions and penalties for overdue fulfillment of tax obligations, until 1 July 2020.
  - To extend the terms of the widespread implementation of components of the electronic system of fiscalization of tax procedures until 1 July 2020.
  - To extend the deadline for the submission of the Unified Tax Declaration for individuals and individual entrepreneurs until 1 April 2021.
  - To extend the deadlines for submission of tax and social insurance reports for business entities until 1 July 2020, upon condition of timely payments.
  - To extend the moratorium on inspections by state regulatory authorities until 1 January 2022.
  - To impose a restriction on field tax audits until 1 January 2021, except:
    - Scheduled inspections of business entities engaged in production and turnover of excisable goods groups.
    - Unscheduled inspections conducted in the case of a reorganization, liquidation or termination of activity of an individual entrepreneur.
    - Unscheduled inspections and counterchecks carried out in the case of receipt by the tax authorities of documented information testifying to the facts of an incorrect tax calculation by a taxpayers after the end of the state of emergency.

Personal tax

- The Government of the Kyrgyz Republic has extended the deadline for the submission of the Unified Tax Declaration for individuals to 1 April 2021 (from 1 April 2020).

VAT, GST and trade

Business tax

Links and resources

Laos

- Contact: Huong Vu - Tax Policy
- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

- Responding to COVID-19 spread and its impact on the Laotian economy (and in particular on the tourism and hospitality sector), the Prime Minister has issued Decision No.31/PM dated 2 April 2020 relating to policies and measures that will provide tax stimulus and support economic recovery.

Personal tax

- Exemption of Personal Income Tax (Payroll Tax) on the salaries of private sector employees and public sector officials who earn less than LAK 5,000,000 (approx. US $550) per month, for a period of 3 months (April, May and June 2020).
- Postponement of the payment of Social Security contributions for companies impacted by COVID-19 for a period of three months (April, May, June 2020).

GST, VAT and trade

- Exemption of customs duty and import taxes for goods imported for COVID-19 prevention and treatment purposes, such as face masks, hand sanitizers and medical equipment.
- Companies operating in tourism sector are provided with a tax filing postponement of there months, starting April;
- The deadline for filing 2019 financial statements submission has been postponed from 31 March to 30 April 2020.
- Payment of the road tax fee has been postponed from 31 March to 30 April 2020.

Business tax

- Exemption of Income Tax for micro-enterprises for a period of three months (April, May and June 2020).

Links and Resources

Government materials

- https://www.mof.gov.la/
- http://taxservice.mof.gov.la/

Latvia

- Contact: Ilona Butane - Tax Policy
- Last updated: 1 April 2020

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Return to jurisdiction list

Overview

- On 12 March 2020, the Government declared a state of emergency In Latvia until 14 April.
- On 19 March 2020, the Government examined a draft law on national risk prevention and management measures related to the spread of COVID-19.
- It aims to identify measures for the prevention and management of state threats and its effects, specific support mechanisms, as well as crisis costs directly related to the financing of COVID-19 containment.
- On 26 March 2020, the Government approved criteria for receiving an idle benefit and tax holiday for COVID-19 crisis-stricken companies.

Personal tax

- The taxpayer may not make the specified advance payment of the PIT from the income of economic activity. This condition applies to advance payments starting on 1 January 2020. These payments may be made on a voluntary basis.
- If the employer of COVID-19 crisis-stricken company does not employ employees or is idle, the idle allowance will be paid to the employee at 75% of the average monthly gross salary for the last six months preceding the emergency or corresponding to the employee's actual declared data over the last six months, but not more than EUR700 per calendar month.
- The period of idling shall be a period of time from 14 March to 14 May 2020, but not longer than the Government decision on the emergency situation shall be in force.
- The idle allowance shall not be subject to mandatory contributions from IIT and national social insurance.

VAT, GST and trade

- The SRS is expected to reimburse the amount of overpaid VAT in the course of tax administration measures within a shorter period (30 days) than the existing VAT Law.
- The possibility of increasing reserve capital for the national development financial institution Altum is envisaged, allowing crisis-stricken companies to use support instruments such as credit guarantees and loans.
- In 2020, municipalities have the right to set different deadlines for the payment of real estate tax, transferring it to a later date in the period of 2020.
- Merchants in sectors affected by the crisis are either exempt from rents or are given a reduction in rents.

Business tax

- The COVID-19 crisis-stricken company has the right to apply for an extension of the tax period. It may also be requested to grant an extension of the period of time for overdue tax payments for which the period of payment has been extended, if the time-limit has been delayed as a result of COVID-19.
- The Government has approved criteria for receiving an idle benefit and tax holiday for COVID-19 crisis-stricken companies, which can qualify for idle benefit and tax holidays for up to three years. The company shall qualify if the company's revenue from economic activity in March or April 2020, compared to the relevant month of 2019:
  - has decreased by at least 30%
  - or has decreased by 20%, if the company meet at least one of the following: (1) in 2019, the export volume of the company accounts for 10% of the total turnover or is not less than EUR500 000; (2) the average monthly gross wages paid by the company in 2019 shall be not less than EUR 800; (3) the long-term investment in fixed assets on 31 December 2019 is at least EUR500 000.
- A taxpayer shall submit a reasoned application not later than two months after the date of payment period or the coming into force of this Law (other deadlines are applicable for idle allowance).
- The tax administration has the right to split in time periods or to defer for a period of up to three years, counting from the date of submission of the application, the payment of overdue tax payments. For the overdue tax payment for which the extension of the tax period has been granted, the overdue payment shall not be calculated.
- The subjects of the Annual Reporting and Consolidated Years Review Law, as well as associations, foundations and religious organizations will be entitled to submit the annual accounts prepared for 2019 (as well as consolidated annual accounts, if any, to be prepared) later than the time period specified in regulatory enactments (three or four months respectively).

Links and resources

Government materials

- http://tap.mk.gov.lv/lv/mk/tap/?pid=40485176&mode=mk&date=2020-03-19
- http://tap.mk.gov.lv/lv/mk/tp/?dateFrom=2019-03-24&dateTo=2020-03-23&text=COVID-19&org=0&area=0&type=0
- https://mk.gov.lv/lv/aktualitates/valdiba-apstiprina-vienotu-likumu-visiem-pasakumiem-covid-19-izplatibas-ierobezosanai

Lebanon

- Contact: Romeo Gedeon - Tax
- Contact: Asmaa Ali - Tax Desk

- Last updated: 19 July 2020

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Return to jurisdiction list

Overview

- Extension of certain tax declarations and payment deadlines.
- Postponement of the compliance deadlines for all taxes and duties, that are not extended by other decisions, which fall during the period from 1 March 2020 until the date on which the Council of Ministers decides to seize the general mobilization decision.
- Submission of the taxpayers compliance documentation to different tax departments by email communication.
- Extension of the deadline to submit the online declaration and its related payment of Movable Capital Tax due on revenues earned abroad by tax residents in Lebanon till 30 April 2020.
- Extension of contributions settlement deadline and social security forms submission deadlines for 2019.
- Extension of the Quarterly Employees' Income tax declaration (R10) submission and its related payment for the first Quarter of 2020.
- Extension of the deadline to submit the Value Added Tax declaration, its related payment and refund request form for the first quarter of 2020.
- Extension of the deadline to submit the personal annual employees' income tax (Form R8) to 29 May 2020.
- Extension of the deadline for submitting annual tax declarations for the year 2019 and settling the related taxes for individuals, partnerships and tax-exempted organizations following the accrual basis to 29 May 2020.
- The Ministry of Finance issued a decision on 20 May 2020 suspending the tax deadlines which fall during the period from 18 October 2019 to 30 July 2020.
- A decision was issued on 8 July 2020 detailing the mechanism for the application of the law concerning the suspension of tax deadlines.

Personal tax

- On 11 March 2020, the Ministry of Finance issued a Decision related to the submission of the taxpayers' compliance documentation to different tax departments by email communication (a of emails were included in this Decision).
- On 18 March 2020, the Ministry of Finance released a Decision related to the extension of the annual employees' income tax declarations and payment (if any) related to the year 2019 till 31 March 2020.
- On 22 March 2020, a decision was released by the Ministry of Finance to hold any compliance deadline (not extended by other decisions) for all taxes and duties, that fall during the period 1 March 2020 until the date the Council of Ministers decides to seize the general mobilization decision.
- On 6 April 2020, the Social Security Authority issued an Informative Memorandum to extend the settlement deadline of the monthly (i.e., for the months of January to June 2020) and quarterly (i.e., the first and second quarters of the year 2020) contributions by six months beyond their original deadlines. Furthermore, the deadline for filing 2019 annual social security forms is extended until 30 September 2020.
- On 15 April 2020, a Decision was released by the MOF to extend to submit the Quarterly Employees' Income tax declaration (R10) and its related payment for the first quarter of 2020 till 15 May 2020.
- On 30 April 2020, a Decision was released by the MOF to extend the deadline to submit the personal annual employees' income tax (Form R8) to 29 May 2020.
- On 8 May 2020, a Law related to the suspension of legal, judicial and contractual deadlines, that fall during the period from 18 October 2019 until 30 July 2020 was released. Tax deadlines are also covered by this Law according to the Ministry of Finance's Decision issued on 20 May 2020.
- On 8 July 2020, the Ministry of Finance issued a decision detailing the mechanism of application of the Law (previously issued on 8 May 2020) related to the suspension of tax deadlines.

Lebanon (continued)

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Return to jurisdiction list

VAT, GST and trade

- On 11 March 2020, the Ministry of Finance released a Decision related to the submission of the taxpayers' compliance documentation to the department of Value Added Tax (VAT) by email;
- On 22 March 2020, a Decision was released by the Ministry of Finance to hold any compliance deadline (not extended by other decisions) for all taxes and duties, that fall during the period from 1 March 2020 until the date the Council of Ministers decide to seize the general mobilization decision.
- On 15 April 2020, a Decision was released by the MOF to extend the deadline to submit the Value Added Tax declaration, its related payment and refund request form for the first quarter of 2020 to 15 May 2020.
- On 8 May 2020, a Law related to the suspension of legal, judicial and contractual deadlines, that fall during the period from 18 October 2019 until 30 July 2020 was released. Tax deadlines are also covered by this Law according to the Ministry of Finance's Decision issued on 20 May 2020
- On 8 July 2020, the Ministry of Finance issued a decision detailing the mechanism of application of the Law (previously issued on 8 May 2020) related to the suspension of tax deadlines.

Business tax

- On 11 March 2020, the Ministry of Finance issued a Decision related to the submission of the taxpayers' compliance documentation to different tax departments by email communication (a list of emails were included in this Decision).
- On 20 March 2020, a decision was released by the Ministry of Finance to extend the deadline for submitting FY 2019 annual tax declarations and settling the related taxes for individuals, partnerships and tax-exempted organizations following the accrual basis till 30 April 2020;
- On 22 March 2020, a decision was released by the Ministry of Finance to hold any compliance deadline (not extended by other decisions) for all taxes and duties, that fall during the period from 1 March 2020 until the date the Council of Ministers decide to seize the general mobilization decision.
- On 31 March 2020, a decision was released by the MOF to extend the deadline to submit the online declaration and its related payment of Capital tax due on revenues earned abroad by tax residents in Lebanon till 30 April 2020.
- On 30 April 2020, a Decision was released by the MOF to extend the deadline for submitting annual tax declarations for the year 2019 and settling the related taxes for individuals, partnerships and tax-exempted organizations following the accrual basis to 29 May 2020.
- On 8 May 2020, a Law related to the suspension of legal, judicial and contractual deadlines, that fall during the period from 18 October 2019 30 July 2020 was released. Tax deadlines are also covered by this Law according to the Ministry of Finance's Decision issued on 20 May 2020.
- On 8 July 2020, the Ministry of Finance issued a decision detailing the mechanism of application of the Law (previously issued on 8 May 2020) related to the suspension of tax deadlines.

Links and resources

Lithuania

- Contact: Leonas Lingis - Tax Desk

- Last updated: 27 March 2020

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Return to jurisdiction list

Overview

- The government has announced the lockout of the non-food retail business and consumer services which is effective from 16 March, and has been recently extended to 13 April 2020.
- Along with the lockout the Government has announced a broad 5bn EUR support plan to the economy in relation to COVID-19.
- Government support will encompass health care sector, the businesses directly affected by a lockout as well as the business indirectly affected by a lockout.
- Support to business will be directed to retention of the workplaces where the government will co-finance salaries of the employees. Other type of support like loans with government guarantee, deferral of tax is part of the package

Personal tax

- Businesses directly affected by the lockout are relieved from payment of Personal tax until the end of the lockout plus two months after it. Alternatively, they may apply to the tax authorities for the interest-free tax loan for longer period. The list of the tax payers which are directly affected by the lockout was published by the tax authorities on 21 March 2020. This list might be updated on the ongoing basis.
- Other, indirectly affected businesses may apply to the tax authorities for the interest-free tax loan in a simplified manner.
- The filing deadline of the annual Personal tax return for residents and non-residents and respective payment deadline was postponed from 1 May 2020 to 1 July 2020.

VAT, GST and trade

- Businesses directly affected by the lockout are relieved from payment of VAT, excise under the same terms as applicable to Personal taxes.
- Other, indirectly affected businesses may apply to the tax authorities for the tax loan in a simplified manner.
- The government approved that entities:
  - Importing goods for purposes of fighting COVID-19 since 26 February 2020 (Article 74 of the EC Regulation 1186/2009), are exempt from customs duties.
  - Donating goods to health care sector for purposes of fighting COVID-19 since 26 February 2020, may deduct input VAT and no 'private use rule' applies.

Business tax

- Businesses directly affected by the lockout are relieved from payment of other taxes under the same terms as applicable to Personal taxes.
- Other, indirectly affected businesses may apply to the tax authorities for the tax loan in a simplified manner.
- The companies are reminded that they can change the method of their advance corporate income tax calculation, which may lead to zero advance payments.
- The term of submitting advance corporate income tax return and payment of this tax was moved from 15 to 30 March.

Links and resources

Government materials

- The Lithuanian tax authorities site: www.vmi.lt

EY materials

- EY tax news portal: www.vedlys.ey.com

Luxembourg

- Contact: Marc Schmitz – Tax Policy
- Contact: Alexandre J. Pouchard - Tax Desk

- Last updated: 25 June 2020

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Return to jurisdiction list

Overview

The Luxembourg government announced a set of tax and non-tax measures as further detailed:

Direct taxes:

- **For individuals:**
  - Cancellation upon request of personal income tax ("**PIT**") advances payments for the first two quarters of 2020;
  - Alternatively, reduction of the amount of the advances to be paid rather than a cancellation;
  - Postponement upon request of the PIT payments due on or after 1 March 2020 (without computation of interest for late payment);
  - Deadline for filing the 2019 income tax return is postponed to June 30, 2020 for individuals; and,
  - Suspension of days limitation for Belgian, French and German teleworkers to avoid taxation by country of residence.
- **For companies:**
  - Cancellation upon request of corporate income tax ("**CIT**") and municipal business tax ("**MBT**") advances payments (not for net worth tax ("**NWT**") for the first two quarters of 2020;
  - Alternatively, reduction of the amount of the advances to be paid rather than a cancellation;
  - Postponement upon request of the CIT, MBT and NWT payments due on or after 1 March 2020 (without computation of interest for late payment); and,
  - Deadline for filing the 2019 corporate tax returns is postponed to 30 June 2020 for companies.

Payroll/payroll taxes measures:

- Suspension of enforcement measures by Social Security Center for late filing/late payments;
- Short-term employment due to force majeure (80% of salaries paid by the State during unemployment);
- Suspension of trial period for employees on short time work due to force majeure; and,
- Advance on monetary compensation for the special leave for family reasons and sickness.

VAT measures:

- Delay for the payment of VAT upon request
- Accelerated refund of VAT credits not exceeding EUR 10,000; and,
- [No penalties for late filing of VAT returns] (revoked on12 May 2020): The forced collection of tax debts remains however disactivated for the moment.

Other business measures:

- Repayable advance up to EUR 500,000 to cover operating costs of enterprises financially impacted by COVID-19;
- Non-reimbursable cash grants of EUR 5,000;
- 85% state-backed guarantee for new bank loans to corporations up to maximum 6 years;
- "Special Anti-Crisis Financing" via companies' banks and SNCI;
- Suspension of payment terms for debts payables by Luxembourg businesses;
- Support to enterprises reorienting to the production of masks and hydro-alcoholic gel;
- Aid for industrial research and development of project helping to combat the COVID-19 pandemic;
- Emergency compensation for self-employed persons;
- General aid measures
- Companies exporting goods and services;
- Specific measures for companies with respect to shareholders' and board meetings;
- Suspension of the time limits in jurisdictional matters; and,
- Extension of filing deadline for publication to RCS of standalone and consolidated annual accounts

Personal tax

Direct tax and indirect tax measures for individuals:

- 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; and,
- 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 extended to 30 June 2020 as well.

Cross-border workers between Belgium and Luxembourg

- Further to the mutual agreement dated 19 May 2020 between the Belgian and Luxembourg tax authorities, days during which workers work remotely from home exclusively due to the measures addressing COVID-19 can be considered as carried out in the country where the professional activity would have been otherwise exercised. The mutual agreement was initially effective from 11 March to 30 June 2020. The application can be extended each month upon written agreement of both authorities at least 10 days prior to the beginning of the following month. The application of the agreement was extended until 31 August 2020 on 22 June 2020.

Cross-border workers between France and Luxembourg

- The French and Luxembourg authorities have agreed that the current coronavirus situation constitutes a case of force majeure for which no days are to be counted under the 29 days rule of tolerance for cross-border workers working outside of the country of exercise of their professional activity provided for by the Protocol final to the France-Luxembourg double tax treaty. As of Saturday 14 March 2020, days during which worker will work remotely from home, in particular to carry out telework, will not be taken into account in the calculation of the 29 days tolerance period. The application of the agreement was extended until 31 August 2020 on 24 June 2020.

Cross-border workers between Germany and Luxembourg

- On 3April 2020, the competent authorities of Luxembourg and Germany signed an agreement with respect to article 14, par. 1 of the Luxembourg-Germany double tax treaty: the days worked from home in Germany by a German cross-border worker should be considered as worked from Luxembourg if, absent the COVID-19 crisis, the person concerned would have exercised his activity in Luxembourg. This fiction only applies to employees working from home in the framework of the measures taken in order to avoid the spread of COVID-19. The employees whose labor contract foresees homework as a general rule are not covered. The agreement applies from 11 March to 30 April 2020. It will automatically be extended from month to month until it is denounced by one of the competent authorities.

VAT, GST and trade

Indirect tax measures:

- Delay for the payment of VAT upon request: Upon request, delays for the payment of VAT can be granted to taxable persons liable to VAT (legal persons and individuals) and to non-taxable legal persons identified for VAT purposes facing financial difficulties due to the COVID-19 crisis and wishing to benefit from the tax measures decided by the Luxembourg Government to face the spread of COVID-19;
- Accelerated refund of VAT credits not exceeding EUR 10,000: Starting from the week of Friday, 20 March 2020, the indirect tax administration will reimburse VAT credit balances below EUR 10,000; and,
- [No penalties for late filing of VAT returns] (**revoked on 12 May 2020**): VAT and subscription fee returns not filed on time due to COVID-19 have to be filed as briefly as possible by the taxpayers. The forced collection of tax debts remains however deactivated for the moment.

Business tax

Direct tax and indirect tax measures for companies:

- 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.
- 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 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; and,
- The deadline for filing the 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 extended to 30 June 2020 as well.

Payroll/Payroll Tax:

- Suspension of enforcement measures by Social Security Center for late filing/late payments:
  - The Social Security Center announced temporary measures starting as of 1 April 2020, consisting mainly in a suspension of enforcement measures (e.g., no interest computation for late payments, suspension of fines to be imposed on employers with delays in respect of declarations to be made with the Social Security Center).
- Short time work due to force majeure:
  - As per the Luxembourg Labor Code, businesses are entitled to rely on various types of short-time work in the event of force majeure under certain conditions. It applies in principle to all sectors of the economy if the causes invoked are directly related to COVID-19.
  - Upon approval of a monthly application for short term working, the Employment Fund (*Fonds pour l'Emploi*) refunds 80% of salaries to the employers by the State (up to 2.5 times the minimum salary for an unskilled employee) for a maximum of 1,022 hours per employee per year. The compensation paid by the employer to the employee who is covered by the short-time working scheme cannot be less than the minimum social salary for unskilled employees.
- Suspension of trial period for employees on short time work due to force majeure:
  - Trial period of employees on short time work arrangements is suspended during the state of crisis.
- Advance on monetary compensation for the special leave for family reasons and sickness:
  - Social Security Center will pay an advance on monetary compensation for the special leave for family reasons, granted to parents of children staying at home due to the closure of schools or childcare structures.
  - Direct payment by the Social Security Center of the salaries of employees on sick leave, removing the need to pre-finance by the employer and removing the remaining 20% cost liability.

Other measures

Repayable advance up to EUR 500,000 to cover operating costs of enterprises financially impacted by COVID-19

- The aid foreseen by the law dated 3 April 2020 is granted under the form of a recoverable cash advance and is subject to three conditions, being:
  - that an unforeseeable event has officially been recognized by the Council of government as having a detrimental impact on the economic activity of certain enterprises during a given period,
  - that the enterprise faces temporary financial problems, and
  - there is a casual link between these difficulties and the unforeseeable event at stake. The aid can amount up to 50% of the admissible expenses but cannot exceed EUR 500,000.
- Admissible expenses cover personnel and rental expenses (up to max: EUR 10.000 per month and for the whole group) for the months falling within the period of the unforeseeable event i.e., from 15 March to 15 May 2020.
- With respect to self-employed persons, the amended text assimilates to staff costs the income generated by a self-employed activity provided that the self-employed persons are affiliated as such according to the provisions of the Social Security Code with a cap set at 2.5 times the amount of the minimum social wage.
- Reimbursement starts at the earliest 12 months after the cash grant has been paid.

Non-reimbursable cash grants of EUR 5,000

- Enterprises and self-employed persons should fulfill the cumulative conditions hereafter: (i) valid business license issued before 18 March 2020 and whose total number of staff does not exceed 9 (in full-time positions); (ii) enterprises and self-employed persons which were obliged to stop their activities in accordance with grand-ducal regulation of 18 March 2020 and (iii) minimum annual turnover of EUR 15.000.
- Immediate and non-refundable financial aid of €5,000.
- 85% state-backed guarantee for new bank loans to corporations up to maximum six years
- Commercial, craft or industrial enterprises duly authorized to run a business in Luxembourg (excluding enterprises with the following activities: promotion, renting, etc, of real-estate, holding of participations), legal entity or person exercising a determined liberal profession and cooperative companies in the agricultural and winemaking sector may benefit from a State-backed guarantee for loans with maximum maturity of six years granted by credit institutions between 18 March 2020 and 31 December 2020 to qualifying enterprises in difficulty due to COVID-19.
- State guarantees up to 85% with a maximum cap of 25% of the 2019 enterprises' turnover.

"Special Anti-Crisis Financing" (SACF) via companies' banks and SNCI

- Luxembourg SMEs and large companies which have a business permit may benefit from indirect financing via the company's usual bank - the SNCI finances up to 60% of the required amount, provided that the bank finances 40%.
- Amount of SACF (financed by the SNCI) can vary between €12,500 and €10,000,000. Maximum SACF duration is five years with an initial grace period on the repayment of capital of maximum two years.

Suspension of payment terms for debts payables by Luxembourg businesses

- Suspension of payment terms for debts payables by Luxembourg businesses due between 31 March 2020 and 30 June 2020 for indirect and direct loans granted by SNCI and automatic prorogation by six months of such loans.

Other measures (continued)

Support to enterprises reorienting to the production of masks and hydro-alcoholic gel

- To meet the increasing need of protection masks and hydro-alcoholic gel, the General Directorate for Middle Classes has decided to support enterprises that reorient their productions lines to produce essential elements during the health crisis.
- 100% of the investment costs linked to the reorientation will be taken over by the General Directorate for Middle Classes through the "de minimis" aid.

Aid scheme to sustain both industrial research and experimental development projects and investment projects allowing the production and development of products helping to combat the COVID-19 pandemic

- Eligible R&D projects may for example be the research on and development of medical devices or focused on hospital equipment such as ventilators, protection equipment or disinfectants, as well as innovation of processes allowing a more efficient manufacturing of required products. Such a project may be sustained up to 80% of the costs, or even 100% if it is a fundamental research project.
- Eligible investment projects may concern the production of products relevant to combat COVID-19, medical devices, medical and hospital equipment. Such an investment project may benefit from an aid up to 80% of the investment cost. It may be increased by 15% if the investment project is entirely realized within two months. In the framework of this investment aid, the enterprise may also request a coverage of potential losses stemming from this investment. The amount of the coverage depends on the duration of the continuation of the production, it is however limited to 30% of the loss and a maximum amount of €500,000.

Emergency compensation for self-employed persons

- Self-employed persons, i.e., any person who mainly exercises for his or her own account a craft or intellectual activity (certain activities and professions are excluded), who holds more than of the interest in partnership or a private limited liability company with commercial, craft or intellectual activity and who holds a business license or who is director, general partner or executive of a public limited liability company, a partnership limited by shares or a cooperative company with commercial, craft or intellectual activity and who holds a business license, may be granted a one-time lump-sum and tax-exempt grant of €2,500.
- This aid cannot be cumulated with the non-reimbursable cash grants.
- The following conditions must be met:
  - The self-employed person must be affiliated as such on 15 March 2020.
  - He must hold the required authorizations for the activity carried out as self-employed person.
  - The professional income used for calculating social security contributions may not exceed 2.5 times the minimum salary.
  - Total number of employees does not exceed 10.
  - Direct causal link between the COVID-19 and the temporary financial problems.

General aid measures

- Investments in hygiene may be included in applications for the investment aid (available for small and medium-sized businesses only) from the Luxembourg government. Amount of the aid cannot exceed 20% of eligible costs for small enterprises and 10% of eligible costs for medium-sized enterprises.
- Enterprises investing in infrastructures aimed to set up a teleworking system can submit a request for financial aid in the context of the general investment aid scheme available to SMEs.
- Firms with cash-flow difficulties may contact one of the mutual companies for loan guarantees (*mutualités de cautionnement*) of the two professional associations (*Mutualité de Cautionnement and Mutualité des PME*), which guarantee part of the amount borrowed from approved credit institutions when the guarantees provided by the contractor prove to be insufficient. This activity, supported by Directorate-General for SMEs, guarantees the access to financing for SMEs.

Other measures (continued)

Companies exporting goods and services

- The Office du Ducroire continues to support Luxembourg companies in their efforts to prosper at the international level by means of financial support, even if the project is carried out in a country or region affected by COVID-19. Despite possible extended delivery times and possible cost increases, the costs of transporting exhibition material to such a region remain eligible, under the condition that the exhibition material is returned and not for sale.
- In the event of the cancellation or postponement of a fair, the promise of aid remains valid and the company is asked to notify, by email, the Office du Ducroire who will make the necessary adjustments. It should be specified that, in such a case, the costs of cancellation (hotels, travel, etc.) are excluded from the costs covered.
- The Office du Ducroire also continues to provide credit insurance solutions for exports to countries or regions affected by COVID-19. In addition, COVID-19 has no impact on existing coverages. Eligibility for compensation depends, among others, on the product of coverage and compliance with the compensation requirements.

Specific measures for companies with respect to shareholders' and board meetings:

- Companies may hold any shareholder meeting without physical presence and require its shareholders and all other participants in the meeting to exercise their rights by a vote in writing or an electronic vote (provided that the full text of the resolutions or decisions to be adopted has been published or has been duly communicated to the participants). This is to be achieved by appointing a special proxy designated by the company or by video conference or any other communication method allowing the identification of the participants.
- All other bodies of a company may hold their meetings and/or adopt their resolutions by way of written circular resolution or by video conference or any other communication method allowing the identification of the participants.
- In addition, companies are allowed to convene their annual general meeting (regardless of any contrary provision in their articles of association) at the later of the following dates: (i) any date within six months following the date of closing of the financial year or (ii) any date before 30 June 2020.

Suspension of the time limits in jurisdictional matters (in particular to introduce an appeal in matters of administrative litigation) and the adaptations of certain other procedural modalities

- The Government adopted on 25 March 2020 a Grand-Ducal regulation suspending the time limits in jurisdictional matters and the adaptations of certain other procedural modalities.
- In particular, the Grand-Ducal regulation provides for the suspension of the fixed time limits to introduce an appeal in matters of administrative litigation, e.g., the three-months period to introduce a formal appeal against a tax assessment issued by the Luxembourg tax authorities for a Luxembourg taxpayer as such as the two-months deadline to appeal against a court decision are suspended.
- The Grand-Ducal regulation also provides for the suspension of the procedural deadlines in bankruptcy proceedings, e.g., the one-month period within which the admission of bankruptcy must be made is suspended.

Extension of the filing deadline for the publication to the RCS of the standalone and consolidated annual accounts

- The Luxembourg government introduces two draft laws aiming to extend the deadline for the publication to the RCS of the standalone and consolidated annual accounts (and their related reports) by 3 months for companies which had to publish their annual accounts after 18 March 2020 and which had their financial year ("**FY**") ending at the latest on the last day of the *état de crise*. For a company having FY end on 31 December 2019, the deadlines for the publications are thus:
  - 31 October 2020 for the standalone annual accounts; and,
  - 31 November 2020 for the consolidated annual accounts.

Luxembourg (continued)

Links and resources

EY materials

- https://www.ey.com/en_lu/tax/ey-luxembourg-tax-library/luxembourg-announces-tax-and-financial-measures-in-response-to-c;
- https://www.ey.com/en_gl/tax-alerts/luxembourg-announces-economic-stabilization-and-stimulus-package;
- https://www.ey.com/gl/en/services/tax/international-tax/alert--luxembourg-announces-new-provisions-for-shareholders-and-board-meetings-in-response-to-covid-19;

Government materials

- https://meco.gouvernement.lu/en/dossiers/2020/coronoavirus-entreprises.html
- https://meco.gouvernement.lu/dam-assets/dossiers/SupportPackageEN.pdf
- https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl19052020.html
- http://www.aed.public.lu/actualites/2020/05/Covid19Toladminrev/index.html
- https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl06042020.html
- http://www.aed.public.lu/actualites/2020/04/Covid19delpaiement/index.html
- https://gouvernement.lu/de/actualites/toutes_actualites/communiques/2020/04-avril/02-heimarbeit.html
- http://www.aed.public.lu/actualites/2020/03/Covid19Toladmin/index.html
- http://mj.public.lu/actualites/2020/03/Suspension_Juridictionnelle/index.html
- https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2020/06-juin/24-accord-teletravail-france.html
- https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2020/06-juin/22-prorogation-accord-belgique.html
- https://gouvernement.lu/en/actualites/toutes_actualites/communiques/2020/03-mars/19-cotisations-sociales.html
- https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2020/03-mars/19-travailleurs-transfrontaliers.html
- https://gouvernement.lu/en/actualites/toutes_actualites/communiques/2020/03-mars/17-mesures-fiscales-covid19.html
- https://gouvernement.lu/fr/actualites/toutes_actualites/communiques/2020/03-mars/16-lux-be-teletravail.html
- https://guichet.public.lu/en/entreprises/sauvegarde-cessation-activite/sauvegarde-emploi/chomage-partiel-technique/force-majeure.html
- https://impotsdirects.public.lu/dam-assets/fr/conventions/conv/BELUaccordAmiableSigne19052020.pdf
- https://www.chd.lu/wps/portal/public/Accueil/TravailALaChambre/Recherche/RoleDesAffaires?action=doDocpaDetails&id=7559
- https://www.chd.lu/wps/portal/public/Accueil/TravailALaChambre/Recherche/RoleDesAffaires?action=doDocpaDetails&id=7555
- https://www.chd.lu/wps/portal/public/Accueil/TravailALaChambre/Recherche/RoleDesAffaires?action=doDocpaDetails&id=7545
- https://www.chd.lu/wps/portal/public/Accueil/TravailALaChambre/Recherche/RoleDesAffaires?action=doDocpaDetails&id=7544
- http://legilux.public.lu/eli/etat/leg/loi/2020/05/12/a385/jo

North Macedonia

- Contact: Milen Raikov – Tax Policy
- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

On 18 March 2020, the President of North Macedonia has declared state of emergency that was effective until 18 April. Later, the state of emergency was extended until 17 May 2020. The Government has adopted the economic measures for the business sector as a result of the impact of COVID-19 on 25 March, 4 April, 6 April, 7 April and 24 April 2020.

Financial support for salaries: Effective as of 7 April 2020, companies may apply for financial support for payment of salaries to their employees for April and May for an amount of up to MKD 14.500 per employee per month provided that the following conditions are met:

- The company should not distribute any dividends and provide any bonuses or other awards to its employees and members of the management and supervisory boards in the between 7 April 2020 until the date of payment of the salary for May 2020.
- The taxpayer's revenue for April or May is reduced for at least 30% in comparison with the average monthly revenue in the previous year.
- At most 10% of the employees of the company may have a net salary that exceeds the amount of MKD 120.000 per employee in the month financial aid is granted.
- The number of employees as it stands as at the date of enforcement of the regulation should not be reduced until July 2020.

Provided that the employer meets the criteria listed above, the financial support will not apply for the employees:

- That have received a monthly net salary exceeding the amount of MKD 39,900 for December 2019, January and February 2020.
- That are subsidized for social security contributions during the state of emergency
- Who are exempt from payment of personal income tax and social security contributions based on the Law of Employment and insurance against non-employment;
- For non-fully employed employees that are already fully employed with another employer.

Financial aid for social security contributions

Effective as of 6 April 2020, companies may apply for subsidy for the amount of 50% of the social security contributions payable for April, May and June 2020 but not more than 50% of the social security contributions payable on the employee average monthly gross salary, under the following conditions:

- The taxpayer's revenue is reduced for at least 30% in April, May or June in comparison with the average monthly revenue in the previous year
- The number of employees should not be reduced for April, May and June 2020 in comparison with the number of employees as at 31 March 2020 except in case of retirement or death of the employee
- The company should not distribute any dividends and provide any bonuses or other awards to its employees and members of the management and supervisory boards in the between 6 April 2020 until the date of submission of the annual accounts/financial statements for 2020
- This measure will not apply for any company that is granted with financial support for salary payment for April and May 2020 or the company is subsidized for the social security contributions as a result of increasing of the salary based on the Law for subsidizing of social security contributions.

Liquidity and financing: COVID-19 Liquidity loans for companies from certain sectors of business

- Direct financial support to micro, small and medium-sized companies that perform business activity in tourism, transport, hospitality sector, by the Development Bank of North Macedonia for a total amount of EUR 5.7 million in the form of 0% interest rate loans.
- The financing has maturity of 24 months with a six-month grace period.
- The incentive was open for applications until 25 April 2020.

North Macedonia (continued)

Overview

Liquidity and financing: COVID-19 Liquidity loans from the Commercial Banks

- The Development Bank of North Macedonia will provide EUR50 million as zero interest rate loans to the commercial banks. These loans will be provided to small and medium companies to support their financial liquidity with an interest rate of approx. 1,5%.
- The above is still not adopted.
- The Development Bank of North Macedonia will provide a direct financial support to micro, small and medium-sized companies for a total amount of EUR 8 million in the form of 0% interest rate loans.
- The financing has maturity of up to 36 months with a 12-month grace period. Each company, depending on its number of employees, can receive zero interest loans from EUR 3,000 to EUR 90,000.
- The application process opened on 29 April 2020.

Personal tax

Self-employed income taxpayers in tourism, transport and hospitality sector will be exempt from paying personal income income tax (PIT) advances for March – May 2020 under the following criteria:

- The tax payer should not reduce the number of employees, as it stands as at the date of entry into force of this regulation until three months after the expiry of its validity, except in cases of death, retirement or dismissal by employees.

In addition, self-employed income taxpayers that do not perform one of the above-mentioned business activities may be also exempt from paying advance PIT payments for March – May 2020, provided that:

- The taxpayer's total revenue is reduced for at least 40% in the current month compared to February 2020, or the total revenue for 2020 is reduced for at least 40% in comparison with the same period in the previous year, or
- The number of employees who do not work or do not contribute to the economic activity of the taxpayer-employer, shall be at least 25% lower than the total number of employees in February 2020, or
- The taxpayer has closed at least 50% of its points of sale (branches, retail facilities).

VAT, GST and trade

- Companies may issue and send electronical invoices (pdf format) without electronic signature during the State of Emergency.

North Macedonia (continued)

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Return to jurisdiction list

Business tax

- Companies that perform business activity in tourism, transport, hospitality sector and other companies affected by COVID-19 measures are exempt from paying corporate income tax (CIT) advances for a period of three months (April to June 2020) under certain conditions.
- Effective 4 April 2020, reduction of the instalments and rescheduling of lending provided by financial and leasing companies is envisaged.
- Decrease of the late penalty interest for public debts from 0.03% to 0.015% per day.
- Deadlines defined in the Law on Administrative procedure will be extended after the period of emergency expires.
- Public Revenue Office will not publish the list of the taxpayers that have unsettled debts.
- Banks will extend the deadlines for settling of loans granted to citizens and companies affected by the crisis for a period of three to six months.
- Effective as of 1 April 2020, the Enforcement Law is suspended until 30 June.
- Bankruptcy procedures should not be initiated during the period of the state of emergency and following the period of three months after the expiration of this period.
- As of 3 April 2020 the legal penalty interest rate is determined based on the reference interest rate published by the National Bank plus 5% (decreased from 10%) for legal entities or plus 4% (decreased from 8%) for individuals.

Other measures

- Bankruptcy procedures should not be initiated during the period of the state of emergency and following the period of three months after the expiration of this period.
- Deadlines defined in the Law on Administrative procedure will be extended after the period of emergency expires.
- Exemption from customs duties for importation of flour, sunflower oil, white sugar, soaps, detergents, medical gloves and other medical supplies and equipment.
- Public Revenue Office will not publish the list of the taxpayers that have unsettled tax debts.
- Banks will extend the deadlines for settling of loans granted to citizens and companies affected by the crisis for a period of three to six months.
- Effective as of 1 April 2020, the Enforcement Law is suspended until 30 June.
- The legal penalty interest rate will be determined based on the reference interest rate published by the National Bank plus 5% (decreased from 10%) for legal entities or plus 4% (decreased from 8%) for individuals. This measure is effective as of 3 April 2020.
- The legal penalty interest rate will be determined based on the reference interest rate published by the National Bank plus 5% (decreased from 10%) for legal entities or plus 4% (decreased from 8%) for individuals. If the debt is in foreign value the interest rate is determined as EURIBOR that has been determined for the last month, plus 5% for legal entities or plus 4% for individuals.

Links and resources

Government materials

- http://www.slvesnik.com.mk/Issues/7648c4c4c7f14c829d9ed7126203a391.pdf
- http://www.slvesnik.com.mk/Issues/52c3586ab1434cd7b159d3a7ab29cfae.pdf
- https://www.mbdp.com.mk/mk/vesti/635-1-covid2

Malaysia

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- Last updated: 15 July 2020

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Return to jurisdiction list

Overview

Economic stimulus measures

- On 27 February 2020, the Malaysian government announced a RM20bn (approx. US$4.75bn) stimulus package comprising tax and non-tax measures, anchored on three strategies ("First Economic Stimulus Package"):
  - Strategy 1: Mitigating impact of COVID-19 by easing cashflow, providing assistance to affected individuals, promoting human capital development and stimulating the tourism sector.
  - Strategy 2: Catalyzing Rakyat-centric (i.e., people-centric) economic growth
  - Strategy 3: Promoting quality investment
- On 19 March 2020, Malaysia's central bank cut its statutory reserve ratio by 100 basis points to 2%, releasing RM30 billion (approx. $6.81 billion) into the banking system
- On 27 March 2020, the Malaysian government announced a second economic stimulus package of RM230bn (approx. US$52.87bn), representing 17% of the country's GDP ("Second Economic Stimulus Package"). The Second Economic Stimulus Package focuses on protecting the welfare and well-being of Malaysians and alleviating cashflow pressure on businesses.
- On 6 April 2020, the Malaysian government announced an additional RM10bn (approx. US$2.32bn) stimulus package aimed predominantly at alleviating the cashflow burden of small and medium enterprises (SMEs) and to incentivize SMEs to retain employees during the MCO.
- On 5 June 2020, the Malaysian government announced a fourth economic stimulus package of RM35bn (approx. $8.2bn) to regenerate the national economy as it recovers from the impact of COVID-19

Movement Control Order and Tax Administrative Concessions

- On 16 March 2020, the Malaysian government announced a Movement Control Order (MCO), initially effective from 18 March 2020 to 31 March 2020. The MCO was subsequently extended four times, with certain restrictions applying until 9 June 2020.
- In response to the movement restrictions, the Malaysian Inland Revenue Board publishes a regularly updated Frequently Asked Questions (FAQ) document addressing a range of tax administrative concessions and other operational and tax administrative matters relevant during the MCO.

Overview (continued)

Other economic stimulus measures

- 30-day extension for submission of statutory documents to the Companies Commission of Malaysia (CCM).
- Three-month extension from the end of MCO for submission of financial statements to the CCM (for companies with financial year ending between 30 September 2019 and 31 December 2019.
- A wide range of cash allowances and disbursements for individuals including:
  - Special allowances and disbursements for certain categories of public servants, including doctors, nurses and other medical personnel involved in managing or containing the virus
  - Cash disbursements for certain groups (B40 and M40 household income group, students, e-hailing drivers
  - Cost of employee salaries of certain service contractors (e.g. cleaning services and cooked food supplies) will be borne by the Government;
  - RM25m allocation for food and shelter for the people in need (e.g. senior citizens, children in shelter homes, disabled persons, homeless, etc.)
- Free internet from 1 April 2020 until the end of the Movement Control Order (MCO) period (currently scheduled to end on 9 June 2020)
- RM8m fund established by insurance and takaful companies to cover the costs (of up to RM300) of COVID-19 screening tests for policyholders and medical takaful certificate holders who are instructed by the Ministry of Health to undergo testing at private hospitals or laboratories. It is also proposed that insurance and takaful companies offer contributors affected by COVID-19 a deferment of insurance premium contributions for three months.
- The foreign worker levy will be reduced by 25% for work permits that expire between 1 April 2020 and 31 December 2020. This will not apply to work permits for domestic helpers
- Tiered discounts of between 15% to 50% on electricity bills will be provided to businesses for monthly consumption of up to 600 kilowatts
- Employers under all 63 sub-sector categories (manufacturing, services, mining and quarrying sectors) affected by the COVID-19 pandemic will be exempt from paying the human resources development levy for a period of (6) six months effective from April 2020 to September 2020.
- Loan guarantee facilities of up to RM50b for working capital loans, under the under the Danajamin Prihatin Guarantee Scheme
- Loans, guarantee facilities and in certain cases loan moratoriums (deferment) for SMEs
- The Malaysia Central Bank (BNM) has announced that:
  - Banking institutions will grant an automatic six-month moratorium (deferment) on loan repayments on certain loans for individuals and SMEs effective 1 April 2020. Interest income or profits accrued by the banking institutions in relation to loan repayments deferred during the moratorium period will be taxed only when received.
  - Upon application, credit card balances with banking institutions can be converted into a three-year term loan with a reduced interest rate.
  - Banking institutions will also consider requests from corporations which are not SMEs to defer or restructure their loan repayments. It has been proposed that stamp duty exemptions be available for legal agreements used for such exercises.
  - Commencing 1 April 2020, BNM's six months moratorium will cover borrowings from TEKUN, MARA, co-operatives and government agencies providing financing to SMEs.
- Other stimulus measures also include:
  - Accelerated public sector investments in the National Fiberisation and Connectivity Plan and opening of bid quotas for 1,400 MW of solar power generation.
  - RM100m allocation to the Human Resources Development Fund (HRDF) for grants to train and upskill affected employees
  - RM500m allocation for travel vouchers, grants and tourism promotion
  - RM2bn allocated to federal, state and local governments for small infrastructure repair, maintenance and upgrading projects
  - An RM500m co-investment fund for investments alongside private investors in early-stage and growth-stage Malaysian companies
  - Other allocations: RM1bn (Purchase of medical equipment and services to combat COVID-19); RM1.16bn (food security); RM2bn (public infrastructure). RM25m allocation for food and shelter for the people in need (e.g. senior citizens, children in shelter homes, disabled persons, homeless, etc.)

Overview (continued)

Other economic stimulus measures (continued)

- Properties owned by the Federal Government: Six months rental exemption for all tenants. Properties owned by Government Linked Companies and other State Government-owned companies: rental exemptions or discounts for SME tenants.
- Partial stamp duty exemptions on sale and purchase agreements for certain purchases of residential homes signed between 1 June 2020 and 31 May 2021. Full stamp duty exemption for associated loan agreements.
- Financial incentives for employers who hire individuals that are currently unemployed
- Grants to co-fund place-and train and other upskilling programs supported by the Malaysian Human Resource Development Fund
- Grants for gig economy platform operators who contribute toward their workers' employment injury scheme and EPF's i-Saraan
- Childcare subsidies for working parents
- Health screenings, medical device assistance, cancer treatment incentives and subsidies for transportation relating to health, for low income (B-40) groups.

Personal tax

- Personal tax relief of up to RM1,000 on domestic tourism expenditures for calendar years 2020 and 2021.
- 2 month extended grace period for individuals to electronically file their 2019 income tax returns.
- Financial assistance for eligible private sector employees of RM600 per month for six months under the Social Security Organisation (SOCSO) Employee Retention Program.
- Pre-retirement Private Retirement Scheme withdrawals of up to RM1,500, without an 8% tax penalty, from 30 April 2020 to 31 December 2020.
- Contributions and donations (cash and in-kind) to a number of COVID-19 Fund will be allowed as tax deductions
- Property owners who rent their properties to SMEs with a reduced rent (of at least 30% of the original rental amount) from April 2020 to 30 September 2020 will be given a further deduction equivalent to the reduction in rental for the said period
- Minimum employee Employees Provident Fund (EPF) statutory contributions can be reduced from 11% to 7%.
- Real Property Gains Tax exemption on disposals of up to three residential homes per individual from 1 June 2020 to 31 December 2021
- Increased income tax relief for parents on childcare services costs, from RM2,000 to RM 3,000 for the Year of Assessment (YA) 2020 and YA2021

Business tax

- Tax incentives for companies relocating to Malaysia include a 15 year 0% tax rate for new manufacturing sector investments with capital investments above MYR500m (approx. US$117m)
- Wage Subsidy Program: Employers can apply for a staff wages subsidy of up to RM1,200 per month per employee for three months, depending on number of employees. Employees must be retained and not suffer pay cuts or be required to take non-salaried leave for at least six months from the beginning of the subsidy period. The subsidy is only available for employees with monthly salaries of less than RM4,000.
- Deferment of monthly income tax instalment payments for following:
  - Six-month deferment for businesses in the tourism sector (travel agencies, hotel operators and airline companies) : from 1 April 2020 to 31 December 2020
  - Three-month deferment for SMEs: from 1 April 2020 to 30 June 2020
- Option to accelerate tax depreciation (capital allowances) on purchases of machinery and equipment as well as information and communications technology from 1 March 2020 to 31 December 2021.
- Option to claim a tax deduction of up to RM300,000 on costs for renovating and refurbishing business premises, where such costs are incurred between 1 March 2020 and 31 December 2021.
- International shipping companies that establish regional operations in Malaysia can apply to claim a double deduction on pre-commencement expenditure
- Double tax deduction for hotel operators that incur expenditure on approved tourism related training courses for their employees.
- Property owners who rent their properties to SMEs with a reduced rent (of at least 30% of the original rental amount) from April 2020 to 30 September 2020 will be given a further deduction equivalent to the reduction in rental provided
- Contributions and donations (cash and in-kind) to a number of COVID-19 Fund will be allowed as tax deductions
- Proposed stamp duty exemption on loan restructuring and rescheduling agreements
- The EPF will work with employers to agree on restructured/rescheduled employer EPF contributions under the Employer Advisory Service program.
- Two to three-month automatic extended deadlines for companies to electronically file company tax returns, depending on accounting period.
- Further tax deduction for employers that implement Flexible Work Arrangements (FWAs) or undertake enhance existing FWAs effective 1 July 2020
- Annual income tax rebates of up to RM20,000 for three years of assessment for new SMEs established between 1 July 2020 to 31 December 2021. Stamp duty exemptions will also be available for SMEs on legal agreements used in any M&A activity between 1 July 2020 and 30 June 2021.

VAT, GST and trade

- Import duty and/or sales tax exemption will be granted on the import or domestic purchase of machinery and equipment to be used in port operations.
- The scope of value-added activities which can be performed within a Licensed Manufacturing Warehouse (LMW) will be expanded to include Supply Chain Management, Strategic Procurement Operation and Total Support Solutions effective 1 April 2020. The approval process for such value-added activities performed by manufacturers with LMW status will no longer require approval from the Ministry of Finance/Royal Malaysian Customs Department (RMCD) headquarters; approvals will be given at the RMCD State/Zone level. The RMCD has released a set of guidelines to provide further clarity on the type of activities that can be carried out, the respective prescribed conditions which are required to be fulfilled depending on the type of activity conducted, as well as the application process to obtain approval to conduct such activities.
- Operators of hotel premises will be exempted from charging 6% service tax on accommodation and other taxable services within those premises. This exemption also covers the sale of tobacco, alcohol and non-alcoholic beverages in hotel premises, and will take effect from 1 March 2020 30 June 2021.
- Effective 1 April 2020, the conditions for purchase of duty-free goods at international airports will be relaxed as follows:
  - Reduction of eligibility period for the purchase of duty-free goods from 72 to 48 hours
  - Increase in the allowable threshold from RM500 to RM1,000 for goods other than those already eligible for tax exemption under specified limits
- Exemption from payment of import duty and sales tax:
  - Face masks (Effective from 23 March 2020)
  - Medical equipment, lab equipment, personal protective equipment and consumable products for the purposes of handing COVID-19 which are donated to the Ministry of Health (Effective from 24 March 2020)
  - Exemption from payment of import duty, excise duty and sales tax on specific raw materials (i.e., undenatured ethyl alcohol and denatured ethyl) which are used for the manufacturing of hand sanitizer under the HS code 3808.94.9000, effective 30 March 2020. An application along with the relevant supporting documents are required to be submitted to the Ministry of Finance.
- A maximum price for face masks has been set, pursuant to the Price Control and Anti-Profiteering Act 2011.
- 50% remission of penalty for late payment of sales tax and service tax due and payable from 1 July 2020 to 30 September 2020
- Tourist tax exemption from 1 July 2020 to 30 June 2021
- 100% sales tax exemption on the sale of locally-assembled passenger cars from 15 June 2020 to 31 December 2020
- 50% sales tax exemption on imported passenger cars from 15 June 2020 to 31 December 2020

Links and resources

Government Materials

- First Economic Stimulus Package
- Second Economic Stimulus Package
- Third Economic Stimulus Package

EY Materials

- First Economic Stimulus Package 2020, alert dated 27 February 2020
- Second Economic Stimulus Package, alert dated 27 March 2020
- Third Economic Stimulus Package, alert dated 6 April 2020
- Updates on Economic Stimulus package proposals and IRB concessions, alert dated 16 April 2020

Malta

- Contact: Robert Attard - Tax Policy

- Last updated: 22 April 2020

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Return to jurisdiction list

Overview

- The Malta Development Bank launched the COVID-19 Guarantee Scheme (CGS). The CGS provides guarantees to commercial banks in order to enhance access to bank financing for the working capital requirements of businesses in Malta facing a sudden acute liquidity shortage as a result of the COVID-19 outbreak. This scheme was approved by the European Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak.
- A moratorium of six months on capital and interest repayments on credit facilities may be requested by eligible persons.
- Interest rate subsidies of up to a maximum of 2.5% will also be granted on working capital loans for up to two years.
- Malta Enterprise has made available a number of schemes, including:
  - Wage supplements providing for basic wage coverage for enterprises (including the self-employed) operating in certain sectors. The of wage supplement will vary depending on the particular sector but is capped at a monthly wage of €800.
  - A grant of €350 per employee is provided to businesses (including the self-employed) that had full-time employees on mandatory quarantine leave. The grant is also available to full time self-employed persons who had to undergo mandatory quarantine.
  - A cash grant is granted to employers investing in technology enabling teleworking. The grant is equal to 45% of the eligible cost, subject to capping €500 per teleworking agreement and €4,000 per undertaking.
- Social Security will provide the following:
  - Temporary increases in benefits paid to individuals whose full-time job has been terminated (including the self-employed).
  - Temporary benefits to persons with disabilities who opt to stay home for health and safety reasons.
  - Temporary benefits to persons who are parents working in the private sector, where one of the parents is required to stay at home to take care of school-aged children.
  - Temporary benefits to persons working in the private sector, where they have been ordered to remain at home and, due to them being unable to work from home, they are not being paid by their employer.
- The Government of Malta will also increase rent subsidies for individuals who have their job terminated.

Personal tax

- Provisional tax payments, employee taxes, maternity fund payments and social security contributions due to be paid in March and April 2020 by self-employed persons having suffered a significant downturn in their turnover can be postponed, without the levying of interest or penalties.
- These postponed taxes will be settled in four equal monthly instalments in the four month period between May and August 2020.

Malta (continued)

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Return to jurisdiction list

VAT, GST and trade

- VAT due to be paid in March and April 2020 by persons having suffered a significant downturn in their turnover can be postponed, without the levying of interest or penalties.
- These postponed VAT will be settled in two equal instalments with the quarterly returns immediately following the quarter whose dues would have been deferred.
- Beneficiaries of the scheme not having quarterly periods, should settle the deferred VAT in two equal instalments as follows:
  - for VAT due in March 2020, by 15 June 2020 and 15 September 2020.
  - for VAT due in April 2020, by 15 July 2020 and 15 October 2020.
- Duty on all excise goods and services payable on various dates during the month of:
  - April 2020 will become due 60 days later, but not later than 28 June 2020.
  - May 2020 will become due 60 days later, but not later than 26 July 2020.

Business tax

- Provisional tax payments, employee taxes, maternity fund payments and social security contributions due to be paid in March and April 2020 by companies having suffered a significant downturn in their turnover can be postponed, without the levying of interest or penalties.
- These postponed taxes will be settled in four equal monthly instalments in the four month period between May and August 2020.

Links and resources

Government materials

- COVID-19 Info Page: https://covid19malta.info/
- COVID-19 Fiscal Assistance – Postponement of Payment of Certain Taxes: https://cfr.gov.mt/en/News/Pages/2020/Fiscal-Assistance-Postponement-of-Payment-of-Certain-Taxes.aspx
- COVID-19 Business Assistance: http://covid19.maltaenterprise.com/

EY Materials

- Update 1: https://www.ey.com/en_mt/covid-19-emergency-measures-
- Update 2: https://www.ey.com/en_mt/covid-19-emergency-measures-2
- Update 3: https://www.ey.com/en_mt/covid-19-emergency-measures-21
- Update 4: https://www.ey.com/en_mt/covid-19-emergency-measures-211
- Update 5: https://www.ey.com/en_mt/covid-19-emergency-measures-2111

Mauritius

- Contact: Brigitte Keirby-Smith – EY Africa Tax Desk

- Last updated 29 May 2020

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Return to jurisdiction list

Overview

- On 13 March 2020, the Mauritian Ministry of Finance issued a Plan document that aimed to support economic operators across all sectors so as to minimize the adverse impact of COVID-19.
- Subsequent to issue of this Plan, the Mauritius Revenue Authority (MRA) has released various circulars setting out COVID-19 tax relief measures.
- On 15 May 2020, the Mauritian National Assembly passed the COVID-19 (Miscellaneous Provisions) Act 2020. This Act amends 56 legal provisions. Most of the changes to the Income Tax Act are effective as from 23 March 2020. The changes made to the Value-Added Tax Act are effective as from 24 March 2020.
- In addition to other financial support measures, the Monetary Policy Committee of the Bank of Mauritius announced a reduction of 0.5 percentage points in the Key Repo Rate from 3.35% to 2.85% effective 10 March 2020.

Personal tax

- It is proposed that all work permits expiring this year will be automatically extended to 31 December 2021.
- Contributions made to the COVID-19 Solidarity Fund during the fiscal years ending 30 June 2020 and 2021 qualify for deduction against the net income of an individual after deducting the Income Exemption Threshold, interest relief, medical or health insurance premium and deduction for household employees. The amount of the deduction to the COVID-19 Solidarity Fund is unlimited. Any excess deduction may be utilized against the net income of the individual for the subsequent two years.
- The MRA has advised that no interest and penalties will apply if non-submission of a tax return or non-payment of any tax is the result of the current curfew order.

VAT, GST and trade

- As from 24 March 2020, the following items are treated as zero-rated supplies for VAT:
  - Hand sanitizers
  - Protective masks against dust, odors and the like
  - Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters.
- The above goods were previously standard rated supplies for VAT purposes.
- The MRA has advised that no interest and penalties will apply if non-submission of a tax return or non-payment of any tax is the result of the current curfew order.

Links and resources

EY Materials

- https://taxnews.ey.com/news/2020-0889-mauritius-introduces-fiscal-incentives-in-response-to-covid-19
- https://taxnews.ey.com/news/2020-1358-mauritius-enacts-legislation-to-mitigate-impact-of-covid-19

Government materials

- http://mof.govmu.org/English/DOCUMENTS/PLAN%20DE%20SOUTIEN_13%20MARCH%202020.PDF
- http://www.mra.mu/download/Communique240320.pdf
- http://www.mra.mu/download/Communique010420.pdf

Business tax

- Enterprises affected by COVID-19 will be entitled to a double deduction on their investment in plant and machinery for the period from 1 March to 30 June 2020.
- Contributions made to the COVID-19 Solidarity Fund during the fiscal years ending 30 June 2020 and 2021 qualify for a tax deduction for companies. As a company may, however, have a financial year end other than 30 June, this may give rise to various interpretations. A strict application of the law would imply that the contribution that is deductible should be made during the years ending 30 June 2020 and 2021 only. It is expected that the law will be clarified regarding this provision. The contribution may be restricted if the company has exempt income. Hence, it cannot be assumed that any contribution during the qualifying period would be wholly deductible.
- Employers may benefit from an allowance under the Wage Assistance Scheme (WAS). An eligible employee is an employee employed on a part-time or full-time basis by an employer earning gross income from a business. Employees employed by a charitable institution, by the MRA or registered under the Registration of Associations Act, charitable trust or charitable foundation are also considered as eligible employees. The law specifically provides that any other categories of employees may be prescribed by way of regulations. The monthly basic salary for the months of March, April and May 2020 (or any other prescribed month), should not exceed Rs50,000. Where the main business activities of the employer occurs in Mauritius, the allowance is computed as a percentage of the basic salary or wage of the employee for the months of March, April and May 2020, and may not exceed a certain value. For any other prescribed month, the portion of the allowance and maximum amount will be defined in the regulations. The following categories of employees do not qualify for the WAS: an employee of a Ministry, a Government department, a local authority, a statutory body or the Rodrigues Regional assembly, or any employee employed by any prescribed employer or any such categories of employees that may be prescribed.
- An employer who has benefited from an allowance under the WAS may be subject to a levy. Depending on the level of its taxable profit, a company may have to effectively refund the aggregate amount of any WAS allowance through the levy. The levy is restricted to 15% of the taxable profit of the company. For the purpose of the levy, the taxable profit should exclude any tax loss brought forward. A company with a tax loss during the year is not required to pay the levy. The WAS allowance would be considered as a subsidy in those cases. To determine the tax loss for the relevant year, the WAS allowance should be considered in the first instance. The levy is payable at the time the company submits its annual tax return, though the WAS allowance may be granted for the months of March, April and May 2020 or any such other prescribed month. There are various provisions on the powers of the Mauritius Revenue Authority (MRA), including the application of the various anti-avoidance provisions on the levy.
- The MRA has advised that no interest and penalties will apply if non-submission of a tax return or non-payment of any tax is the result of the current curfew order.

Mexico

- Contact: Jorge Libreros – Tax Policy
- Contact: Luz A. Zapata – Tax Desk

- Last updated: 27 May 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The Tax and Federal Courts released an official to suspend labor activities in the Court from 18 March until 15 June 2020 due to COVID-19-related measures. This also means that the deadlines for the lawsuits will be extended for the same period of time.
- The Tax Administration Service has announced the suspension of deadlines from 4 to 29 May 2020 due to COVID-19. This measure applies to all procedures that cannot be made electronically, including administrative appeals, ongoing tax audits and permits. This suspension does not apply to the filing of tax returns, notices and reports, payment of taxes, levies and proceeds, tax refunds, administrative-law enforcement actions, customs procedures and assistance to taxpayers.
- The Bank of Mexico has implemented measures to an orderly behavior of financial markets, strengthen the credit channels and provide liquidity for the sound development of the financial system", by lowering the interbank interest rate by 50 basis points to 6%, and with liquidity and credit moves that will support the functioning of the financial system for up to 750 billion pesos (US$30.8 billion).
- The Ministry of Treasury and Public Credit has jointly with the National Insurance and Bonding Commission the possibility for insurance entities to extend deadlines for payment of insurance premiums for up to 60 days.

Personal tax

- The Federal Government announced on 22 April 2020 that it will be extending the deadline to file individual tax returns for FY2019 until 30 June 2020.

VAT, GST and trade

- As a result of feedback from the private sector, the government will now accelerate the payment of VAT refunds. The legal period for obtaining VAT refunds is 40 days. However, in the recent past, some taxpayers have found that this time period has been extended by the tax authorities. The President´s public statement did not address whether the 40-day time frame will be reduced, or if tax authorities will simply abide by that term.

Business tax

- Local incentives for state taxes such as relief or deadline extensions may be available in some States (18 out of 31). The range of measures has been diverse, from extensions to file and pay taxes, to waivers on certain state taxes such as wage tax, property tax, vehicle registration, hotel tax, among others.
- Possibility to defer social security payments for up to 48 months, prior agreement with the Mexican Institute for Social Security (IMSS), and upon a 20% upfront payment for the employer quota and 100% of the worker quota. No posting of a bond or other kind of guarantee is needed. The monthly interest rate ranges between 1.26% and 1.82%.
- The National Workers Housing Fund Institute (INFONAVIT) will give SME (up to 250 employees) an extension for the housing contributions corresponding to the second and third bimesters (i.e., period of two months) until September 2020.

Links and resources

Government materials

- https://www.gob.mx/imss/prensa/com-191-h-consejo-tecnico-del-imss-difunde-instrumentos-legales-y-administrativos-para-facilitar-pago-de-cuotas-obrero-patronales?idiom=es
- https://news.trust.org/item/20200421175707-1dig4/
- https://www.banxico.org.mx/publicaciones-y-prensa/miscelaneos/%7B1E8E5322-7086-9563-570C-412659ECB292%7D.pdf
- https://www.elfinanciero.com.mx/economia/sat-extiende-limite-para-presentar-declaracion-de-personas-fisicas-al-30-de-junio
- https://www.gob.mx/shcp/prensa/comunicado-no-041

Moldova

- Contact: Alex Milcev / Alex Sipitca - Tax Policy

- Last updated: 6 April 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- The Moldovan Parliament has declared a state of emergency until 15 May 2020.
- Several measures (including from fiscal point of view) have been implemented recently by the Moldovan Government for the purpose of supporting the economy and mitigating the negative impact caused by COVID-19 spread.
- A moratorium restricting the performance of tax audits by the authorities was introduced and is in place until 1 June 2020.

Personal tax

- The deadline for submitting and payment of the Personal Income Tax Return due by individuals for the fiscal year 2019 was extended from 30 April 2020 to 29 May 2020.
- During the state of emergency period, the Moldovan Government will refund payroll taxes, including Personal Income Tax, Social Security Contributions and Medical Insurance Contributions (under certain specific percentages and rules) for entities that had to cease their business activity, due to the anti-pandemic restrictions and continue to pay salary to the employees who were temporarily furloughed.

VAT, GST and trade

- With effect from 1 May 2020, the VAT rate for the HORECA industry (hotel, restaurants and café services) will be reduced from 20% to 15%.

Business tax

- The deadline for the advance payment of the Corporate Income Tax due for Quarter 1 2020 was extended to 25 June 2020.
- The deadline for submission and payment of tax, real estate tax, land tax and local taxes for 2019 by individual entrepreneurs and farmers which are not VAT payers and have up to three employees was extended to 25 April 2020
- The deadline for submission and payment of the Income Tax Return for the year 2019 by the small and medium-sized entities subjects to income tax applied on operational activity income was to 25 April 2020
- The deadline for submission of the standalone Financial Statements for 2019 year was extended to 29 May 2020.
- The mandatory external audit of the Financial Statements for 2019 of medium and large-sized entities was canceled.
- Local business entities have the right to deduct for Corporate Income Tax purposes any donations made during the year 2020 for the aim to fight with COVID-19 transferred to the bank accounts opened by the Ministry of Finance or to the public medical-sanitary institutions.

Links and resources

Government materials

- https://gov.md/ro/content/informatii-privind-coronavirus

Montenegro

- Contact: Ivan Rakić - Tax

- Last updated: 15 April 2020

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Return to jurisdiction list

Overview

- Postponement of repayment of loans at the request of citizens and economy for 90 days
- Postponement of payment of taxes and contributions on salaries as as obligations under the Law on Rescheduling of Tax Claims
- Creation of a new IRF credit line intended to improve the liquidity of entrepreneurs, micro, small medium-sized and large enterprises up to a maximum amount of EUR 3 million per beneficiary (by a simplified procedure, no approval fee and an interest rate of 1,5%);
- Postponement of payment of lease of state-owned real estate, also for a period of 90 days
- Advance payment of service providers and contractors on started capital projects with the provision of a bank guarantee.

Personal tax

- Subsidies for closed and vulnerable business activities from 50% to 100% of the minimum salary for each registered employee
- Payment of taxes and contributions on salaries is postponed for 90 days
- PIT return filing extended to 15 May 2020.

VAT, GST and trade

- VAT refund requested will be realized within a maximum of 45 days.
- Customs Administration will extend customs guarantee limit for deferred payment of customs debt from 30 to 60 days for the months of April and May, for the entities engaged in activities prohibited by the order of the Ministry of Health.
- VAT and customs duty are not payable upon the import of donated medical equipment.

Business tax

- FS and CIT return filing has been extended to 15 April 2020.

Links and resources

Government materials

- http://www.gov.me/en/News/223089/Government-adopts-new-economic-measures-Goal-is-to-make-life-easier-for-citizens-and-help-economy-during-coronavirus-pandemic.html
- http://www.poreskauprava.gov.me/vijesti/223115/SAOPsTENJE-Mjere-za-podrsku-privredi-odlaganje-placanja-poreskih-obaveza-po-osnovu-zarada-zaposlenima-i-po-osnovu-reprograma-do.html
- http://www.poreskauprava.gov.me/vijesti/222970/OBAVJEsTENJE-PRODUzEN-ROK-ZA-PODNOsENJE-FINANSIJSKIH-ISKAZA-I-PRIJAVA-POREZA-NA-DOBIT-DO-15-APRILA-2020-GODINE.html
- http://www.poreskauprava.gov.me/vijesti/223420/ROK-ZA-PODNOsENJE-GODIsNJE-PRIJAVE-POREZA-DOHODAK-FIZIcKIH-LICA-PRODUzEN-DO-15-MAJA-2020-GODINE.html
- http://www.gov.me/en/News/223687/PM-Markovic-presents-Government-s-new-package-of-economic-measures-to-recover-from-coronavirus-pandemic-Recovery-path-will-not-b.html

Morocco

- Contact: Nassym Hajoui – Tax Policy

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- On 15 March 2020, each employer affiliated to the Social Security Fund (CNSS) is entitled to request an indemnity to be paid to its employees amounted to MAD 2,000 per employee net of tax. For the month of March, the indemnity amounts to MAD 1,000 per employee.
- On 17 March 2020, the Moroccan Central Bank decided to reduce interest rates by 25 basis points to 2%.
- On 23 March 2020, a decree was issued to put the state of emergency in place until 20 April 2020. All legal deadlines whatsoever have been suspended for approx. 30 days corresponding to the duration of the state of emergency. This should cover any tax deadline, including tax filings, tax procedures, etc.
- Social security contributions deadline extension.
- On 30 March 2020, the Moroccan Banks Association announced the launch of new financing products to support companies facing cash issues due to the COVID-19 crisis, including short and mid-term loans, some of which could be guaranteed by the State.

Personal tax

- Deadline for filing individual income tax returns due before 1 April is extended until the end of the emergency state - practical aspects yet to be confirmed.
- On 15 March 2020, companies facing difficulties due to COVID-19 crisis are entitled to an extension of the deadline for paying social security contributions until 30 June 2020.

VAT, GST and trade

- Deadline for filing VAT returns due end of March is extended until the end of the emergency state - practical aspects yet to be confirmed as this is supposed to cover only taxpayers encountering difficulties due to the current crisis.

Business tax

- Deadline for CIT returns due 31 March 2020 is extended until the end of the emergency state - practical aspects yet to be confirmed as this is supposed to cover only taxpayers encountering difficulties due to the current crisis.

Links and resources

Mozambique

- Contact: Albena Todorova – Tax policy
- Contact: Brigitte Keirby-Smith – Tax desk

- Last updated: 1 May 2020

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Return to jurisdiction list

Overview

- The Government of Mozambique approved, following ratification of the State of Emergency, through Decree n.º23/2020 dated 27 April 2020, a number of fiscal and customs measures in support of economic agents and taxpayers, with the objective of mitigating the economic impact of COVID-19.

Personal tax measures

- Under the Decree n.º23/2020, taxpayers under Personal Income (PIT) who earn income from business and professional activities (2nd category of PIT) are released from the advance payment instalments obligations.
- These measures apply to taxpayers whose annual turnover in 2019 did not exceed the amount of 2.5 million meticais (approx. US$37,000) and do not have any outstanding tax issues. In order to benefit from the above measures, taxpayers must file an application with the Minister of Finance.
- The measures are valid until 31 December 2020.

VAT, GST and trade

- The Decree n.º 23/2020 also sets forth certain fiscal and customs measures, namely a speedier process with respect to the importation of certain goods and exceptional fiscal measures.

Customs measures

- The customs measures allow for goods used for the prevention and treatment of COVID-19 to be released from customs prior to the conclusion of the customs clearance process, by means of the presentation of a term of undertaking, confirmation of the domicile of the economic agent and the destination of the goods.

VAT measures

- Under VAT, the Decree sets forth the possibility of compensating outstanding taxes, fines and interest, with VAT credits that the taxpayer may have.
- These measures are also valid until 31 December 2020 and are subject to further regulations in order to establish the implementation procedures.

Business tax

- Under the Decree n.º23/2020, Corporate Income Tax (CIT) taxpayers are released from the payment of the advance payment instalments for the financial year that are due in the months of May, July and September.
- In addition, taxpayers have the prerogative to postpone the instalments of the special advance payment due in June, August and October to January, February and March of 2021.
- These measures apply to taxpayers annual turnover in 2019 did not exceed the amount of 2.5 million meticais (approx. US$37,000) and do not have outstanding tax issues. In order to benefit from the above measures, taxpayers file an application with the Minister of Finance.
- The measures are valid until 31 2020.

Links and resources

EY materials

- https://globaltaxnews.ey.com/news/2020-5657-mozambique-introduces-tax-and-customs-measures-to-mitigate-covid-19-impact

Myanmar

- Contac: Naing Naing San - Tax Policy

- Last updated: 6 April 2020

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Return to jurisdiction list

Overview

On 18 March 2020, the Ministry of Planning, Finance and Industry (MOPFI) issued Notification No. 1/2020 which provides a set of measures to mitigate the economic effects of COVID-19 as follows:

- Cutting-Making-Packaging (CMP) businesses, hotels and tourism companies and small and medium enterprises (SMEs) will be considered as priority sectors (i.e., being the businesses that are significantly affected as a result of COVID-19) for the remedial solutions among other sectors.
- Establishment of the COVID-19 Fund with the capital of MMK100 billion at the Myanmar Economic Bank (MEB) (i.e., the total of MMK50 billion from the National Revolving Fund approved by the Union Government and MMK50 billion from the Social Security Fund).
- CMP businesses, hotels and tourism companies and SMEs owned by Myanmar Nationals can borrow for a loan period of one year at a 1% interest rate from the COVID-19 Fund. The interest rate and loan period may be changed depending on the economic situation.
- The deadlines for quarterly advance corporate income tax and monthly commercial tax payments to be made by CMP businesses, hotels and tourism companies and SMEs are extended.
- An exemption of 2% advance corporate income tax on exportation of goods from Myanmar is provided.

Personal tax

- The payment deadline for Social Security Contributions of employees is extended from “within 15 days after the end of relevant month” to “within three months after the end of relevant month” with effect from 20 March 2020.
- Workers who are made redundant by a company registered with the Social Security Board (SSB) are entitled to the following benefits, subject to conditions prescribed under the Social Security Law 2012:
  - Extension of the period of health care "from six months to one year" from the date of unemployment; and
  - Extension of the period to cover the cost of medicines and transportation "from six months to one year" from the date of unemployment.

Myanmar (continued)

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Return to jurisdiction list

VAT, GST and trade

- There is no VAT/GST in Myanmar currently. Commercial Tax is similar to VAT/GST in Myanmar.
- The deadlines for monthly commercial tax payments to be made by CMP businesses, hotels and tourism companies and SMEs for the months of March 2020 to 31 August 2020 are extended from within 10 days after the end of relevant month to 30 September 2020.

Business tax

- The deadlines for quarterly advance corporate income tax payments to be made by CMP businesses, hotels and tourism companies and SMEs are extended as follows:
  - For the second quarter (i.e., 1 January 2020 to 31 March 2020) of the fiscal year 2019-2020 which is due on 10 April 2020, the deadline has been extended to 30 September 2020; and
  - For the third quarter (i.e., 1 April 2020 to 30 June 2020) of the fiscal year 2019-2020 which is due on 10 July 2020, the deadline has been extended to 30 September 2020.
- An exemption of 2% advance corporate income tax on exportation of goods from Myanmar until the end of the fiscal year 2019-2020 (i.e., 30 September 2020).

Links and resources

Government materials

- https://www.mopfi.gov.mm/en/blog/45/11281
- https://www.mol.gov.mm/mm/wp-content/uploads/downloads/2020/03/SSB-COVID19-Order-1Final.pdf
- https://www.mol.gov.mm/mm/wp-content/uploads/downloads/2020/03/SSB-COVID19-Order-2Final.pdf

Namibia

- Contact: Brigitte Keirby-Smith
- Last updated: 1 June 2020

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Return to jurisdiction list

Overview

- Namibia's Minister of Finance announced on 1 April 2020 the launch of an Economic Stimulus and Relief Package to mitigate the impacts of COVID-19.
- The Government in collaboration with stakeholders and development partners adopted a Stimulus and Relief Package amounting to N$8.1 billion (approx. USD $465 million) in total.
- The relief measures took effect immediately.
- On 27 April 2020 the Minister of Finance and the Social Security Commission (SSC) announced the launch of the National Employment and Salary Protection Scheme to mitigate the negative impact of the COVID-19 pandemic on employment in Namibia. The scheme consists of two programs, namely the Employer Wage Subsidy Program and the Affected Employees Program.

Personal Tax

- A one-time emergency income grant of N$750 to employees who have lost their jobs due to the pandemic, limited to a maximum of N$562 million across the program in total. Only Namibian citizens between the ages of 18 and 60 years of age, who do not receive any other social grants, qualify for this grant.
- The Affected Employees' Program aims to support low income earners exposed to loss of income due to the pandemic. Low income earners and employees in vulnerable employment can apply for a grant for three months: May, June and July 2020. The grant will be limited to 50% of the employee's monthly salary, subject to a minimum amount of N$1,000 per month. Any benefits to be received by the employee will be netted off against other grants received from the State (e.g., the emergency income grant). The employer is required to initiate the application process, but the grant will be paid directly to the employee. The submission of applications for the abovementioned grants commenced on 5 May 2020 for employees' meeting the following qualifying criteria:
  - The employee should have been registered with the SSC as at 1 February 2020;
  - The employee should be able to prove loss of income related to the COVID-19 pandemic; and
  - The employee should earn less than N$50,000 per annum, being the tax-exempt threshold for individuals in Namibia.
- Tax-back loan scheme for tax-registered and tax-paying employees and self-employed individuals who have lost income or part thereof equal to 1/12th of their tax payment in the previous tax year. The loans may be applied for at banks, will be guaranteed by the Government and will only be repayable after one year and will bear interest at the prime lending rate less 1%. The total guarantee will be capped at N$1.1 billion in total.

VAT, GST and Trade

- The accelerated repayment of overdue and undisputed VAT refunds to a total program amount of about N$3 billion.

Namibia (Continued)

Business tax

- Tax-back loan scheme for non-mining corporates of 1/12th of their tax payment in the previous tax year, capped in total at N$470 million. The loans, that may be applied for at banks, will be guaranteed by the Government. The loans will only be repayable after one year and will bear interest at the prime lending rate less 1%.
- The Employer Wage Subsidy Program aims to support employers in severely impacted industries. The support includes a wage subsidy and a social security contribution waiver.
- Employers in the aviation, construction and tourism and hospitality sectors may apply for a wage subsidy of 17% of their wage bill. Employers from these industries will be required to enter into an agreement with the State, and must meet the certain conditions to qualify for the wage subsidy, namely employers:
  - Must be registered with the SSC and be in good standing;
  - Should agree to not retrench staff for the three months May, June and July; and
  - Will not be permitted to reduce employee salaries by more than 50%.
- Any benefits to be received by the employer under the wage subsidy scheme will be netted against any claims the respective employer may have received from the State or other forms of compensation (International Federation of Consulting Engineers or insurance).
- Employers from the aviation, construction and tourism and hospitality sectors will also qualify for the social security contribution waiver for a period of three months: May, June and July 2020.
- Employers from selected additional sectors may apply for a social security contribution waiver for a period of three months: May, June and July 2020. The sectors include domestic and garden workers, entertainment, farming, manufacturing, retail (non-food), services and transport.
- Employers outside any of the above-mentioned sectors may also apply for the social security contribution waiver if the employer was affected by the COVID-19 pandemic and the employer can provide proof in this regard. Consideration of these applications will be based on merit.
- The relaxation of labor regulations to avoid major retrenchments and business closures by allowing employers to negotiate a temporary 20% reduction of salaries and wages during the crisis period (and a reduction of salaries of up to 40% for the worst-hit industries).
- The facilitation of a non-agricultural small business loan scheme of N$500 million to be provided by the Development Bank of Namibia and guaranteed by the Government.
- The facilitation of an agricultural business loan scheme for farmers and agricultural businesses of N$200 million to be provided by the Agricultural Bank of Namibia and guaranteed by the Government.
- Capital repayment moratorium on the principal amounts owing by borrowers to the Development Bank of Namibia and the Agricultural Bank of Namibia for a period ranging between six and 24 months, including the recapitalization of interest owing, lengthening of the repayment periods and the waiver of penalties.

Links and resources

EY Materials

- https://www.ey.com/en_gl/tax-alerts/namibia-announces-economic-stimulus-and-relief-package-to-mitigate-impact-of-covid-19
- https://www.ey.com/en_gl/tax-alerts/namibia-implements-measures-to-mitigate-impact-of-covid-19-on-tax-administration

The Netherlands

- Contact: Arjo van Eijsden – Tax Policy
- Contact: Simone Admiraal – Tax Desk

- Last updated: 30 June 2020

Find the most current version of this tracker on ey.com

Return to jurisdiction list

Overview

- Temporary deferral of tax payments
- Reduction of tax interest to 0.01% until 1 October 2020
- Reduction of collection interest to 0.01% until 1 October 2020 as of 1 June 2020 and 1 July 2020 for PIT
- Possibility of forming a€ Corona-reserve in determining the taxable profit for 2019
- Amendment of the preliminary tax assessment
- Temporary Emergency Bridging Measure for Sustained Employment (NOW); Emergency fund to compensate salary costs of March, April and May for businesses that expect a 20% or more decrease of turnover.
- The NOW is extended. The conditions for NOW 2 have been altered; one change is especially beneficial for businesses that rely on seasonal work. Businesses can apply for NOW 2 for the months June, July, August and September
- Compensation payment of EUR 4,000 to certain businesses in affected sectors (TOGS).
- Compensation fixed costs for Dutch SMEs (max 250 employees) that have suffered a turnover loss of more than 30%. The maximum amount is EUR 50.000
- Compensation self-employed professionals (entrepreneurs) to the social minimum (Tozo).
- Compensation flexible workforce (employees) (TOFA)
- Extension of various credit guarantees schemes by the government to tackle difficulties companies face with getting a loan (BMKB, GO, Go-C BL, KKC, Qredits, COL)
- Additional (flexible) Dutch Customs measures

Personal tax

- The Dutch tax authorities will grant deferral of tax payments for three months automatically after receiving the request for the payment deferral. Longer deferral is possible but additional information needs to be provided and additional conditions do apply
- Reduction of tax interest to 0.01% until 1 October 2020
- Reduction of collection interest to 0.01% until 1 October 2020 as of 1 June 2020 and 1 July 2020 for PIT
- For wage tax, the omission penalty for non/late payment will not be imposed or will be waived if deferral of tax payments is requested
- Relaxation of the 1225 hours criterion until 1 September for entrepreneurs claiming entrepreneurial facilities for the 2020 PIT return
- The customary wage (gebruikelijk loon) will temporarily (2020) be lowered for substantial shareholders of companies impacted by COVID-19
- The Dutch social security authorities confirmed working from home will not be taken into account for determining the multiple state workers' social security position
- When companies received and paid the preliminary tax assessment 2020 (PIT) and lower profits are expected in 2020 companies can amend the preliminary tax assessment and get a refund of the tax already paid
- Postponement implementation legislative proposal excessive borrowing from own company (Wetsvoorstel excessief lenen)
- Deduction of mortgage-interest in the PIT-return is still possible if payments for mortgage obligations are deferred

VAT, GST and trade (continued)

VAT

- The Dutch tax authorities will grant deferral of tax payments for 3 months automatically after receiving the request for the payment deferral. Longer deferral is possible but additional information needs to be provided and additional conditions do apply
- Reduction of tax interest to 0.01% until 1 October 2020
- Reduction of collection interest to 0.01% until 1 October 2020 as of 1 June 2020 and 1 July 2020 for PIT
- For VAT, the omission penalty for non/late payment will not be imposed or will be waived if extension of payment is requested.
- Until 1 September 2020, no VAT will be due on the supply of medical staff for designated medical facilities
- Effective from 25 May 2020, there will temporarily be no VAT due on medical and non-medical face masks
- Until 1 September 2020 no VAT will be due on the free supply of specific medical COVID-19 equipment/goods

For customs duty and other import taxes:

- For customs duty and other import taxes, no special payment extension scheme is available. Payment extension remains available based on the standard regulations. The collection interest will not be reduced, but non-compliance penalties may be waived based on individual circumstances
- Several measures relaxing the strict customs compliance requirements have been announced to be available on an individual basis

For Dutch Customs license holders:

- Individual exceptions for companies not meeting the standard requirements for denatured alcohol if used for medical disinfectant gels
- Reduction or full exemption of bank guarantees
- Extension of current license applications that cannot be completed
- Tailored treatment of urgent requests for licenses (based on individual circumstances)

The Netherlands (continued)

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Return to jurisdiction list

Business tax

- The Dutch tax authorities will grant deferral of tax payments for 3 months automatically after receiving the request for the payment deferral. Longer deferral is possible but additional information needs to be provided and additional conditions do apply
- Temporary Emergency Bridging Measure for Sustained Employment (NOW); Emergency fund to compensate salary costs of March, April and May for businesses that expect a 20% or more decrease of turnover
- The NOW is extended. The conditions for NOW 2 have been altered. Businesses can apply for NOW 2 for the months June, July, August and September 2020
- Possibility of forming a Corona reserve. In determining the taxable profit for 2019, companies will be able to take into account a loss they expect to incur in fiscal year 2020
- Reduction of tax interest to 0.01% until 1 October 2020
- Reduction of collection interest to 0.01% until 1 October 2020 as of 1 June 2020 and 1 July 2020 for PIT
- When companies received and paid the preliminary tax assessment 2020 (CIT) and lower profits are expected in 2020, companies can amend the preliminary tax assessment and get a refund of the paid taxes
- Compensation fixed costs for Dutch SMEs (max 250 employees) that have suffered a turnover loss of more than 30%. The maximum amount is €50,000 per 3 months
- The Work Related Cost Scheme yearly budget is expanded from 1.7% to 3.0% of the total annual wages-to (for example) give untaxed benefits to employees. Also certain IT related equipment may be provided to employees tax free (including an allowance for internet costs) as long as the equipment is required to perform the job, i.e. the 'necessity criterion'

Links and resources

Government materials

- Government: Dutch government adopts package of new measures designed to save jobs and the economy
- Government: Overview the coronavirus and your company
- Government: The coronavirus FAQ for entrepreneurs
- Government: Companies receiving government support must abandon undesirable tax avoidance practices

EY materials

- COVID-19: EY Government Support Package The Netherlands (June 3th)
- Tax Alert Dutch Government updated tax legislative measures in response of COVID-19 (April 1st)
- Tax Alert: Dutch Government extends and expands emergency measures in response to COVID-19 (May 28th)
- Tax Alert: Dutch Government announces new tax measures (April 24th)
- Tax Alert tax measures payment extension and reduced tax and collection interest rates (June 25th)

New Zealand

- Contact: Paul Dunne – Tax Policy

- Last updated: 25 August 2020

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Return to jurisdiction list

Overview

- **A wage subsidy scheme** with a 12-week duration was introduced 17 March 2020. The scheme underwent a number of amendments since it was first introduced. Applications for the 12-week scheme closed on 9 June 2020. One of the main criteria under the scheme was a 30% decline in revenue due to COVID-19, month-on-month for any month between January and June 2020 (compared to last year).
- On 14 May 2020, the Government announced an extended wage subsidy scheme. The extended scheme is open from 10 June 2020 until 1 September 2020. Under the scheme, a further eight weeks of payments is generally available for businesses that have experienced a decline in revenue, related to COVID-19, of at least 40% for a continuous 30-day period. This period needs to be in the 40 days before application (but no earlier than 10 May 2020) and must be compared to the closest period last year.
- Other criteria for the extended wage subsidy scheme is largely the same as for the original 12-week scheme, including that businesses are expected to haven taken active steps to mitigate the financial impact of COVID-19 and must use best endeavours to continue to pay subsidised staff at 80% of their wages. The rates of the extended wage subsidy are the same as they were for the 12-week subsidy (a lump sum payment of $585/week for full-time employees and $350/week for part-time employees), but the subsidy period is 8 weeks as opposed to 12 weeks. The subsidy amount is not taxable, nor deductible to the business. Amounts paid as wages are subject to usual withholding and reporting requirements. The subsidy is administered by the Ministry of Social Development. The same measures are available for those who are self-employed and working as contractors.
- A further "resurgence wage subsidy" is open for applications from 21 August 2020 until 3 September 2020. This resurgence wage subsidy is available for businesses that have suffered, or expect to suffer, a revenue drop of at least 40% because of COVID-19 over any consecutive 14-day period between 12 August to 10 September 2020 compared to a similar period in 2019. The resurgence wage subsidy largely has the same requirements as the other wage subsidies discussed above, although the subsidy period is only 2-weeks. A business cannot receive the resurgence wage subsidy for an employee if it is already receiving other COVID-19 payments for that employee (i.e. the 12-week wage subsidy, extended wage subsidy or leave support scheme).
- A **leave support scheme** supports workers unable to work from home who are at greater risk from COVID-19 and those who need to self-isolate (have had close contact with or contracted COVID-19), providing a payment equivalent to the wage subsidy for eligible workers. The scheme has been extensively modified since it was first introduced.
- **Two loan schemes** provide additional funding for struggling businesses. The Business Finance Guarantee Scheme announced on 24 March 2020 (note the scheme has been modified since it was first announced), targeted at medium and larger businesses (turnover up to $200m pa) with up to $5m provided through retail banks; and a Small Business Cashflow Loan scheme announced 1 May 2020 for Small and Medium business (employing less than 50 staff full time and eligible for wage subsidy) providing up to $100,000 in Government loans.
- **The Government has released the 2020 Budget** which announces a $50b COVID-19 Response and Recovery Fund. Most of this $50 billion has now been spent or allocated, with the remainder set aside for any future response.

New Zealand (continued)

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Return to jurisdiction list

Personal tax

- The provisional tax threshold, which determines the requirement to pre-pay taxes, has been raised from $2,500 RIT to $5,000. The change will take effect for the 2020/21 income year and is expected to result in 95,000 fewer taxpayers needing to pre-pay their taxes.
- Inland Revenue has clarified that employers can provide employees with a $15 a week tax free allowance for business related costs, and can reimburse employees up to $400 for business related furniture, on a tax-exempt basis. This Determination is temporary and applies to payments made from 17 March 2020 to 17 March 2021 (extended from the originally announced expiry date of 17 September 2020).
- The Government has announced a COVID-19 Income Relief Payment providing up to 12-weeks of financial support to New Zealand residents and citizens who lose their job or business due to COVID-19. Eligible applicants will receive a weekly, tax free sum for each week between 8 June and 13 November 2020 dependant on working hours ($490/week for a full-time worker, or $250/week for a part-time worker).

VAT, GST and trade

- Taxpayers that have difficulty paying outstanding taxes may set up an instalment arrangement, obtain deferrals or get debts written-off due to serious hardship.
- New Zealand Customs Authority has payment deferral options available in some cases, and penalties and interest applicable to late paid duties arising on or after 25 March 2020, can be remitted if payment is constrained due to COVID-19 for up to two years.
- Extensions generally cannot be granted for GST and PAYE returns, but any penalties for late filing may be relieved. Under limited circumstances penalties for late payments incurred due to the effects of COVID-19 may also be relieved.
- The law has been clarified that GST does not apply on the wage subsidies discussed above.
- The Commissioner of Inland Revenue has used her new discretion (detailed under "business tax") to issue a variation enabling a taxpayer's election to change GST taxable periods to take effect earlier in certain circumstances. This variation applies from 6 June 2020 to 30 June 2020.
- The Commissioner has also exercised her discretion to issue a variation (COV 20/09) applicable to GST registered taxpayers with a taxable activity of supplying accommodation who, between 14 February and 31 October 2020, change to making exempt supplies of accommodation, leaving them with no taxable activity.
- Inland Revenue has extended the date by which taxpayers must inform the Commissioner of their election to use the GST ratio method for provisional tax for the 2021 year. Taxpayers unable to notify their election within the required timeframe as a result of COVID-19 have until 19 August 2020, or the day before the start of their 2021 income year (whichever is later) to make the election.

Business tax

- **Re-introduction of depreciation on commercial buildings:** Depreciation deductions at 2% diminishing value or 1.5% straight line have been reintroduced for new and existing industrial and commercial buildings, including hotels and motels. The impact of these additional deductions will have the effect of reducing taxes payable for the 2020-21 income year with a reciprocal impact on provisional taxes payable immediately. There are also deferred tax accounting implications of the reintroduction.
- **UOMI write off:** There is a new process to remit Use of Money Interest (UOMI) payable on or after 14 February for impacted businesses. The new process will be in place for two years. Businesses and individuals will need to show an inability to pay tax by the due date as a result of being significantly adversely affected by the COVID-19 pandemic. Additional changes have been announced to provide the Commissioner of Inland Revenue the discretion to remit UOMI on certain provisional taxpayer's terminal tax for the 2020/21 year accrued up to their terminal tax date subject to certain conditions (previously the Commissioner could only remit interest accrued after a taxpayer's terminal tax date).
- **Low value assets:** The current $500 low-value asset threshold has been changed to $5,000 to allow businesses to deduct upfront the cost of assets purchased rather than depreciate. The threshold increase applies from 17 March 2020, but will reduce to $1,000 from 17 March 2021.
- **R&D measures:** The rules that allow R&D tax credit refunds have been made more accessible for businesses. This allows a claim for refundable credits for eligible businesses from the 2019/20 year. (note: the New Zealand tax year runs 1 April to 31 March). In addition, Budget 2020 allocates $150 million to a new short-term loan scheme (applications are open until 31 March 2021) to incentivise businesses to continue R&D projects which might otherwise be shut down due to COVID-19. Changes proposed to take effect from 1 July 2020 clarify that expenditure funded by this loan scheme is deductible for tax purposes and will not be ineligible expenditure for the purposes of the R&D tax credit regime.
- **Tax loss carry-back scheme:** New rules have been enacted to allow taxpayers expecting a loss during the 2019/20 or 2020/21 years to obtain a refund of prior year taxes paid by carrying back the loss to the immediately preceding profit year. Carry-back and offset can be based on estimated loss for the current year, but any over-estimate (resulting in taxes that need to be repaid) will result in use of money interest. This scheme is intended to be temporary, with a permanent loss carry-back mechanism to be introduced later in 2020. On 15 June 2020, Inland Revenue released an Interpretation Statement outlining the Commissioner's understanding of new anti-avoidance provisions that apply to the recently enacted loss-carry back regime.
- **Loss continuity rules:** Changes have been announced to relax the rules that allow for carry forward of tax losses, by introducing a "same or similar" business test from the 2020/21 income year, the legislation for this is expected to be introduced later in 2020.
- **A new discretionary power** allows the Commissioner of Inland Revenue greater flexibility to modify timeframes or procedural requirements for taxpayers who are impacted by COVID-19. This power is not tax-type limited, and applies to all taxpayers impacted by COVID-19. The power is time limited and will expire on 30 September 2021. Key instances where the Commissioner has exercised her discretion to date include extensions to the timeframes applicable to:
  - When tax transfers can be made from a tax pool for the 2019 income year.
  - A taxpayer's ability to obtain a tax deduction for a bad debt in the 2020 income year.
  - When a company can elect to be a "look-through company" for the 2019 income year.
- Inland Revenue has released a public ruling (BR Pub 20/06) on whether certain income tax and GST provisions relating to a director's liability for tax of a company will apply to a director that has been affected by COVID-19 that relies on the safe harbour in the Companies Act (see "Other measures – Regulatory relief" for details of the safe harbour). The ruling concludes that, of itself, reliance on the safe harbour by a director, and the company continuing to trade or carry on business or incur new obligations on ordinary commercial business terms, will not result in a director's liability for tax under those income tax and GST provisions.

Other measures

Financial relief:

- Mortgages and business loans are eligible for **repayment holidays** from 26 March 2020 until 31 March 2021.
- The **Business Finance Guarantee scheme** was announced on 24 March 2020 and has since undergone modifications. The scheme currently provides for loans up to $5 million for firms with a turnover of up to $200 million per annum. The loans are for a maximum of five ~~three~~ years and are expected to be provided by the banks at competitive, transparent rates. The Government will carry 80% of the credit risk, with the other 20% to be carried by the banks. The scheme is open for applications until 31 December 2020. The criteria for borrowing has been extended from liquidity support/bridging finance to enable general purpose borrowing, including for capital investment, for businesses affected by COVID-19. In addition, loans made under the scheme can be used to re-finance up to 20% of a borrower's existing indebtedness.
- From 12 May 2020 to 31 December 2020, Inland Revenue can provide loans of up to $100,000, to eligible organisations, who satisfy the strict terms and conditions of the **Small Business Cashflow Loan Scheme**. Eligibility criteria include: that organisations must be eligible for the wage subsidy scheme; must have 50 or fewer FTE employees; must be a viable business and must use the funds only for operating costs. Loans are interest free if repaid within one year, otherwise are subject to 3% interest, with a maximum term of five years.

Regulatory relief:

- Legislative changes retrospectively provide a 'safe harbour' from insolvency duties under the Companies Act, to provide relief to Directors from the risks of trading while insolvent. These changes will expire on 30 September 2020, unless extended.
- Changes allow businesses to place existing debts into hibernation, until they are able to start trading normally again. Subject to certain conditions. There is currently no deadline for relief under these rules.
- Changes have been made to relieve businesses of certain regulatory requirements and Companies Office filings. Most of these changes apply until either 23 September 2020 or 30 November 2020, unless extended.
- Changes have also been made to provide relief for commercial tenants, through extensions of lease cancellation periods, which can require landlords to negotiate with tenants on rent reductions.

Links and resources

Government materials

- https://www.beehive.govt.nz/release/121-billion-support-new-zealanders-and-business
- https://www.beehive.govt.nz/release/urgent-tax-measures-economic-recovery
- https://www.beehive.govt.nz/release/government-backs-business-through-covid-19
- https://taxpolicy.ird.govt.nz/bills/52-237
- https://taxpolicy.ird.govt.nz/bills/52-240
- https://www.beehive.govt.nz/release/government-boosts-cashflow-support-small-businesses
- https://www.ird.govt.nz/covid-19/business-and-organisations/small-business-cash-flow-loan
- https://budget.govt.nz/budget/2020/wellbeing/index.htm
- https://www.taxtechnical.ird.govt.nz/whats-new?publication_type={0D1B2DE5-D058-453E-AB57-F0C91766D5A1}
- https://www.taxtechnical.ird.govt.nz/interpretation-statements/is-20-03
- https://www.taxtechnical.ird.govt.nz/rulings/public/br-pub-20-06
- https://www.ird.govt.nz/updates/news-folder/covid-19-extended-period-to-make-election-for-gst-ratio-method-for-calculating-provisional-tax
- https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_99779/covid-19-response-further-management-measures-legislation
- https://www.taxtechnical.ird.govt.nz/determinations/miscellaneous/ee002a
- https://www.rbnz.govt.nz/news/2020/08/reserve-bank-extending-mortgage-deferral-scheme
- https://www.beehive.govt.nz/release/business-finance-guarantee-simplified-and-expanded-support-covid-19-recovery
- https://www.beehive.govt.nz/release/new-wage-subsidy-open-protect-jobs-support-businesses

Nigeria

- Contact: Brigitte Keirby-Smith
- Last updated: 13 July 2020

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Return to jurisdiction list

Overview

- The Federal Inland Revenue Service (FIRS) has issued various press releases and public notices to notify the public of the measures it has put in place to support taxpayers in managing their tax obligations amidst the COVID-19 pandemic.
- The Nigeria Immigration Service also announced the waiver of fees for visa extensions to visitors and migrants impacted by the COVID-19-related travel restrictions.

Personal tax

- Extension of Personal Income Tax filing due date for Foreign Affairs, Non-Residents, Military and Police from 31 March 2020 to 30 June 2020.

VAT, GST and trade

- Extension of Value-Added Tax filing due date from the 21st of the month following the month of transaction to the last day of such month.
- Interest and penalties due on outstanding tax debts have been waived.
- The waiver is applicable to taxpayers to the extent that such tax debts arise from:
  - tax audit investigation and desk review assessments
  - approved instalment payment plans under the voluntary asset and income declaration scheme (VAIDS) that have not been fully complied with.
- The waiver was initially applicable to tax debts that are settled by 31 May 2020. On 2 June 2020, the FIRS announced an extension of the deadline for the waiver from 31 May 2020 to 30 June 2020. On 7 July 2020, FIRS again extended the waiver until 31 August 2020, noting that this would be the final extension.

Business tax

- Extension of filing deadlines for Withholding Tax (WHT) to the last working day of the month following the month of deduction.
- Extension of the due date for filing Companies Income Tax (CIT) returns by one month.
- Submission of CIT returns can be completed without Audited Financial Statements (AFS). However, the AFS must be submitted within two months after the revised due date of filing.
- Interest and penalties due on outstanding tax debts have been waived.
- The waiver is applicable to taxpayers to the extent that such tax debts arise from:
  - Self-assessment filing
  - Tax audit investigation and desk review assessments
  - Approved instalment payment plans under VAIDS that have not been fully complied with
- The waiver was initially applicable to tax debts that are settled by 31 May 2020. On 2 June 2020, the FIRS announced an extension of the deadline for the waiver from 31 May 2020 to 30 June 2020. On 7 July 2020, FIRS again extended the waiver until 31 August 2020, noting that this would be the final extension.
- Introduction of a user friendly e-filing process as an alternative for physical visits to tax offices. As such, submission of tax returns can be done via the e-filing platform (for registered taxpayers) or through alternative platforms provided by the various FIRS tax offices.
- Waiver of Late Returns Penalty for taxpayers who settle their tax liabilities early but file the respective returns at a later date. The supporting documents for such payments can be sent via the designated email addresses of the relevant tax offices, or submitted physically at a later date for those that are unable to access the email facility.
- Concession for taxpayers with transactions denominated in foreign currency (forex) to settle their tax liabilities in Naira where there are difficulties in sourcing forex to settle such liabilities.
- Suspension of tax field audits, investigation and monitoring visits. A phased resumption of audits and visits commenced from 30 June 2020.

Links and resources

Government materials

- https://www.firs.gov.ng/SiteApplication/Home/Home.aspx

Norway

- Contact: Anna Berna Scapa Passalacqua - International Tax and Transaction Services
- Last updated: 3July 2020

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Return to jurisdiction list

Overview

- To mitigate the liquidity losses and difficulties due to the outbreak, loan and guarantee schemes are implemented, as well as temporary changes to the Norwegian direct and indirect tax legislations, labor legislation and rules related to government benefits.
- A cash compensation scheme to provide cash to businesses that have experienced significantly reduces revenue due to COVID-19 was launched on 17 April 2020. Companies that have experienced significantly reduced revenue due to COVID-19 are eligible for a compensation of up to 90% of "unavoidable" expenses and fixed costs.
- The Government has introduced temporary relief to the petroleum tax regime, including increased depreciation rates and uplift for new investments.
- In addition, temporal measures are implemented in order to mitigate the employers' costs derived from the work force reduction.

VAT, GST and Trade

- The current low VAT rate of 12% (applicable on passenger transport, cultural events etc.) has been reduced to 6% from 1 April to 31 October 2020.
- For VAT due for the first VAT term (January/February 2020), the payment due date from 14 April 2020 has been extended to 10 June 2020. The extension will apply for all entities registered in the VAT registry. The VAT filing due date is not extended.
- Deadline for payment/reporting extended from 18 April until 18 June for the following excise duties: road tax on petrol, unmarked mineral oil, bioethanol, biodiesel, natural gas and LPG imported into/produced in Norway, the basic fee on mineral oil etc., the CO2-excise duty on mineral products, sulphur excise duty, excise duty on alcohol, (incl. tech. ethanol), excise duty on non-alcoholic beverages etc., excise duty on beverage packaging: environmental tax and basic tax.
- From 1 April 2020, natural gas and LPG used for chemical reduction/electrolysis and metallurgical and mineralogical processes will be exempted from CO2 taxes. The Ministry is aiming for a gradual escalation of the CO2 taxes from 2021.
- Relevant for the airline industry:
  - Air passenger duties are suspended for the period 1 January to 31 October 2020
  - Airport duties were suspended until 30 June 2020

Personal Tax

- Individuals owning shares or a business are subject to net worth tax on their assets. If the company or business is loss-making in 2020, the individual may defer the payment of the wealth tax due in 2021 by one year.
- The deadline for the first and second advance payment of income tax (self-employed persons) corresponding to 2020 were due on 15 March and 15 May 2020 respectively. These deadlines are extended until 1 May and 15 July 2020 respectively. The proposal does not grant access to claim back any taxes already paid.
- The Government has proposed changes to the taxation of share options granted to employees.

Business tax

- For companies reporting tax losses in the tax year 2020, losses are automatically carried back against taxable profits incurred in 2019 and/or 2018 up to NOK30 million. Companies should take this into consideration when determining the group contributions for the year 2019. If no loss is to be carried back, companies need to specifically claim this in the corporate income tax return.
- For companies, the 2019 corporate income tax liability is due on 15 February 2020 and 15 April 2020. This is extended to 1 September 2020. No interest shall accrue due to the extension. The penalty interest rate on past due tax payments is reduced to 8%. For the tax already paid, companies should contact their local Norwegian tax authorities. The due date for filing corporate income tax returns has been postponed until 31 August 2020.
- Employers' social security rate is reduced by 4 percentage points for two months (May and June 2020).
- The deadline for the employer social security payment for the 2nd term 2020 (due 15 May 2020) is extended to 15 August 2020. The deadline for the employer social security payment for the 3rd term 2020 (due on 15 July 2020) is also extended to 15 October 2020.

Norway (continued)

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Return to jurisdiction list

Business tax (continued)

On 12 June 2020, temporarily tax stimulus measures for oil and gas companies were enacted. The main features are:

- Oil and gas companies can depreciate 100 % of investments against special tax basis (56%) of investments in 2020 and 2021.
- The uplift is increased from 20.8% (5.2% for four years) to 24% in the year of investment.
- Companies generating tax losses may receive a cash refund of the tax value for their losses in 2020-21.
- The temporarily measures are applicable for investments made in 2020 (after 12 May) and 2021, including investments for projects where a plan (PDO* or PIO**), plan exemption application or application for significant amendment of already approved plan, is submitted by the end of 2022 and sanctioned by the end of 2023, until the year of planned production start-up.

* - PDO: Plan for Development and Operation of petroleum deposits.

** - PIO: Plan for Installation and Operation.

Links and resources

EY materials

- Norway takes additional measures in connection with COVID-19
- Norwegian government proposes temporal measures in relation to COVID-19
- Norwegian Government implements compensation scheme for businesses experiencing severe loss of income
- Norway proposes Revised Fiscal Budget 2020
- Responding to COVID-19
- The most important labor law issues in the Nordic counties

Oman

- Contact: Alkesh Joshi/**Ahmed Eldessouky**
- Contact: Asmaa Ali – Tax Desk

- Last updated: 8 July 2020

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Return to jurisdiction list

Overview

- A stimulus package to support the economy has been announced by the central bank of Oman, amounting to US$ 20 Billion On 31 March 2020, the Government of Oman introduced a stimulus package of RO 8 billion to mitigate the effect of the COVID-19 global pandemic crisis.
- On 31 March 2020, the Oman Tax Authority announced a set of relief measures for taxpayers affected by COVID-19:
  - Extension of tax return filing and tax payments deadline.
  - Tax payments may be made in instalments.
  - Extension of deadline for submission of Objections against Tax Assessments
  - Extension of time for submitting information to support Objections.
  - Tax-deductibility of contributions for fight against COVID-19.
  - On 7 July 2020, the Tax Authority announced a set of facilities and incentives related to the payment of the tax due within the year 2020.

Business tax

On 31 March 2020, the Oman Tax Authority announced the below set of relief measures for taxpayers affected by COVID-19:

- Deadline for submitting tax returns/settlement of tax due with the tax return, is extended by three months from the due date of submission / payment prescribed under the Income Tax Law (ITL).
- Delay fines/administrative penalties applicable under the ITL for non- submission of tax returns and delay in payment of taxes, would be waived for taxpayers affected by the situation.
- Tax payments can be done in instalments for taxpayers if it is proven that the staggered payment request is as a result of the COVID-19 pandemic. In these cases, there shall be no delay fines of 1% per month of delay.
- The Tax Authority can accept objections on tax assessments that are submitted by taxpayers after the original deadline (45 days from the date of notification of the assessment) provided the deadline falls within the pandemic period and it is proven that the delay was a result of the COVID-19 pandemic.
- Extension of time to submit supporting documents and clarifications for ongoing objection proceedings.
- Any donations or contributions made by taxpayers for the purpose of dealing with COVID-19 in Oman will be tax deductible.
- On 7 July 2020, the Tax Authority announced a set of facilities and incentives related to the payment of the tax due within the year 2020 as follows:
  - Suspension the validity of the additional tax resulting from non-payment of the income tax due and payable for the tax year ended 31 December 2019 for a period not exceeding the end of September 2020.
  - Suspension of fines and penalties for non-submission of returns and accounts for the tax year 2019 for a maximum period of the end of September 2020.
  - Suspension of the additional tax due on the original taxes payable for the years prior to 2019 during the period from 1 January 2020 until the end of September 2020,
  - Allowing the payment of the tax due for the tax year 2019 in instalments, and allowing the rescheduling of the tax payment instalments for the previous tax years.
  - Opening the door for submitting requests to postpone the payment of the disputed tax at the objection stage until a decision is issued on the objection.
  - Providing the taxpayers with the opportunity to request an additional deadline for submitting the required documents and clarifications, whether for the purposes of completing tax assessment work or supporting objection's views on the assessment.

Links and resources

Pakistan

- Contact: Haider Ali Patel
- Contact: Asmaa Ali – Tax Desk

- Last updated: 30 July 2020

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Return to jurisdiction list

Overview

- On 30 March 2020, the Economic Coordination Committee (ECC) finalized an Rs1.2-trillion package, including a Rs100 billion supplementary grant, for an Emergency Relief Fund to combat the virus.
- The Federal Board of Revenue (FBR) has appealed to taxpayers to pay their taxes on time to increase Government revenue and provide support to those who have been affected by COVID-19.
- The State Bank of Pakistan (SBP) also took a number of other measures in recent weeks to mitigate the impact of COVID-19 on the economy, including an extension in repayment of loan principal amounts by one year, concessional financing for hospitals to procure equipment to combat COVID-19 as well as other measures.
- Further, a brief summary of changes introduced via various statutory regulatory orders issued by the Federal Board of Revenue concerning waiver of withholding tax on commission received from Ehsaas Emergency Program, removal of brand specification in respect of certain goods being imported for prevention and treatment of COVID-19, and rules for recovery of tax from persons holding money on behalf of taxpayer have been provided.
- On 9 June 2020, various regulatory measures have been introduced by the SBP to counter economic challenges posed by COVID-19, and SBP has launched a dedicated portal/webpage to announce a number of policy measures for the banking sector.

VAT, GST and trade

- The Government has exempted various items from the application of sales tax, customs duty, regulatory duty and tax at import stage for various medical and other related items regarding COVID-19 outbreak.
- The exemption period, which was due to expire on 20 June 2020, from customs duties on import of goods including edible oils and oil seeds covered under COVID-19 relief package has been extended.
- Exemption from sales tax on health related items to be extended for a period of three months from 19 June 2020.
- Approval of funds has been granted for payback of income tax and sales tax refunds, duty drawbacks and customs duties which has been due for the last 10 years.

Business tax

- The Federal Board of Revenue (FBR) has announced various exemptions under different provisions of the Income Tax Ordinance, 2001 to help businesses and workers mitigate the impact of COVID-19 on the economy.
- Various reliefs have been introduced via statutory regulatory orders issued by the Federal Board of Revenue concerning waiver of withholding tax on commission received from Ehsaas Emergency Program, removal of brand specification in respect of certain goods being imported for prevention and treatment of COVID-19, and rules for recovery of tax from persons holding money on behalf of taxpayer etc.
- In the wake of COVID-19 outbreak and the surge in cases, the FBR has granted condonation of limitation for the finalization of proceedings in certain cases.
- Special provisions relating to builders and developers have been introduced to promote Government's efforts to support low-cost housing projects for the masses in urban areas.
- Effective 1 May 2020, builders and developers are proposed to be included in the ambit of an 'industrial undertaking' for the purpose of import of plant and machinery for building and development activity.
- A tax exemption to any amount paid as donation to the Prime Minister's COVID-19 Pandemic Relief Fund-2020 has been introduced.
- Exemption from application of Minimum Turnover Tax to the following has been introduced: (1) The Prime Minister's COVID-19 Pandemic Relief Fund-2020; and (2) the Federal Government Employees Housing Authority for the tax year 2020 and the following four tax years.
- Exemption from application of withholding tax/advance tax to the Prime Minister's COVID-19 Pandemic Relief Fund-2020 under various provisions of the law has been introduced.
- No tax is required to be deducted under Section 236P of the Ordinance in respect of banking transactions otherwise than through cash at the time of transfer of any sum to the Prime Minister's COVID-19 Pandemic Relief Fund 2020.

Pakistan (continued)

Other measures

- Various regulatory measures have been introduced by the State Bank of Pakistan to counter economic challenges posed by COVID-19.
- The SBP has launched a dedicated portal/webpage to announce a number policy measures for the banking sector.
- The SBP took a number of other measures in recent weeks to mitigate the impact of COVID-19 on the economy, including an extension in repayment of loan, principal amounts by one year, concessional financing for hospitals to procure equipment to combat COVID-19 as well as other measures.
- The SBP has extended the Rozgar Scheme for Supporting Employment for another three months and widened its scope in collaboration with Government of Pakistan.
- The SBP enhanced its refinance limits to finance up to 100% of wages and salaries of businesses with average three-month wage bill of up to Rs500 million.
- On 6 May 2020, the Federal Government allocated Rs30 billion under a credit risk sharing facility for the banks spread over four years to share the burden of losses due to any bad loans in future.
- The SBP has reduced the policy rate by a cumulative 625 basis points since 17 March 2020.

Links and resources

Government materials

- http://download1.fbr.gov.pk/Docs/20204118439341372020-04-01(EXTENSIONINPAYMENTDATEOFJAN).pdf
- https://www.thenews.com.pk/print/637287-ecc-approves-rs-1-2tr-relief-package
- http://www.finance.gov.pk/press_releases.html
- http://www.sbp.org.pk/
- http://www.sbp.org.pk/corona.asp

Palestinian Authority

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- Last updated: 8 July 2020

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Return to jurisdiction list

Overview

On 24 March 2020, a stimulus package was introduced, which included:

- An extension of the expiry date of all VAT clearance letters.
- The suspension of all tax cases
- Deferral of the collection of professions practicing license fees during the contingency period
- New procedures for clearing invoices.
- New procedures for obtaining deduction at source certificates and clearance letters.
- A waiver of CIT, withholding taxes, payroll taxes and VAT penalties, and the extension of filing deadlines.
- The submission of electronic VAT and payroll tax reports.

Personal tax

- Waiver of penalties on the late filing of payroll taxes.
- The Ministry of Finance (MoF) is permitting taxpayers to submit their monthly payroll taxes reports in electronic form without the need to submit hardcopy files.

VAT, GST and trade

- The Ministry of Finance issued instructions to extend the VAT clearance letters which expired on 1 March 2020, to 15 April 2020.
- Cases followed up by the VAT court or customs police will be suspended during the contingency period.
- The Ministry of Finance extended the time available to taxpayers to settle their invoices to two months, and up to three months for large taxpayers.
- The waiver of penalties on the late filing of VAT monthly reports during the contingency period has been instigated.
- The MoF allowed the tax payers to submit their monthly VAT reports in electronic form without the need to submit hardcopy files.

Business tax

- Cases followed up by the income tax appeal court will be suspended during the contingency period.
- The Ministry of Finance approved to provide committed taxpayers their needs from clearing invoices up to two months and up to three months for large taxpayers.
- Issuance of deduction at source certificates for taxpayers which is valid for not less than three months and tax clearance letters valid for not less than two months.
- The MoF issued instructions to waive penalties on the late filling of income tax returns and withholding tax. The deadline to submit the income tax returns has been extended till 30 June 2020.
- On 23 June 2020, the Ministry of Finance amended the deadline to submit the income tax returns from 30 June 2020, to 31 July 2020.

Links and resources

Panama

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- Last updated: 14 April 2020

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Overview

- On 13 March 2020 the Cabinet of Ministers of Panama has issued Cabinet Resolution No. 11 of 13 March 2020, which declares a "National State of Emergency."
- On 20 March 2020, Panama published, in Official Gazette No. 28985-C, Law 134 of 20 March 2020, which extends the tax amnesty from 29 February 2020 to 30 June 2020 due to COVID-19.
- On 24 March 2020, Panama published , in Official Gazette No. 28987-A, Executive Decree No. 251 of 24 March 2020, which adopted tax measures to relief the economic impact resulting from the State of National Emergency.

VAT, GST and trade

- The term for the payment of taxes that are caused or must be paid during the period declared as a State of National Emergency without entailing fines, interest and surcharges is extended for a period of 120 calendar days, that is, until 17 July 2020.
- Extension of the deadlines to file the income tax return of fiscal period 2019 until 30 May 2020.
- Taxpayers may determine the estimated tax to be paid in an amount not less than 70% of the tax caused in their statements for the 2019 fiscal period, without said estimate being subject to verification from Tax authorities.
- Estimated income tax payment term on 30 September and 31 December 2020.
- One-year exemption extension for AMPYME registered companies.
- Tax amnesty term on interest and penalties guaranteed by Law 99 of 2019 is extended until 30 June 2020. Late payments automatically benefit from the amnesty.
- Payments derived from Payment Arrangements are extended until 31 December 2020.

Business tax

- Forms and reports that taxpayers had to file by 29 February 2020 may now be filed on or before 30 June 2020. Such forms and reports are: 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.
- A final deadline is granted for the filing of the income tax return corresponding to the fiscal period 2019 of individuals and legal persons, until 30 May 2020.
- Suspension of the administrative deadlines of the Ministry of Economy and Finance - General Directorate of Revenue, until the statement of National State of Emergency is lifted.
- Extension of the deadline to file certain reports, until 31 May 2020. Such reports are: Report of payments made to third parties; Report of donation received corresponding to tax period 2019.
- Exemption on the use of fiscal equipment for taxpayers that cannot use said fiscal equipment due to the closure of their commercial establishments as a consequence of the COVID-19 pandemic.
- The Tax Authority authorize taxpayers to electronically file their applications and/or documentation until the State of National Emergency is lifted. Excepting the filing of appeals for reconsideration.
- Extension of the terms for the payment of taxes (including national direct and indirect taxes) that are caused or must be paid during a period declared as a National State of Emergency, until 17 July 2020. This, without entailing fines, interest, surcharges.

Links and resources

Government materials

- https://www.gacetaoficial.gob.pa/pdfTemp/28979_B/77812.pdf
- https://www.gacetaoficial.gob.pa/pdfTemp/28985_C/GacetaNo_28985c_20200320.pdf
- https://www.gacetaoficial.gob.pa/pdfTemp/28987_A/77997.pdf
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- https://www.gacetaoficial.gob.pa/pdfTemp/28992_A/78056.pdf
- https://www.gacetaoficial.gob.pa/pdfTemp/28997_A/78134.pdf
- https://www.gacetaoficial.gob.pa/pdfTemp/28997/78122.pdf

Paraguay

- Contact: Gustavo Colman – Tax Desk
- Last updated: 6 August 2020

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Return to jurisdiction list

Overview

- The Paraguayan Authorities have enacted laws, decrees and resolutions in the framework of the pandemic by COVID-19.
- Decree No. 3442/2020 "provides the implementation of preventive actions against the risk of expansion of the COVID-19 to the national territory" dated 9 March 2020.
- Decree No. 3456/2020 "declaration of a State of Sanitary Emergency throughout the national territory to control compliance with the sanitary measures set forth in the implementation of preventive actions against the risk of expansion of the COVID-19" dated 16 March 2020.
- Law Nº 6524 dated 26 March 2020, establishes new administrative, fiscal and financial measures. Some of the financial measures include the creation of a trust to support MSMEs, an economic compensation of 25% of the current legal minimum wage to independent workers, and an economic compensation to active social security workers affected by the suspension of it is labor activities.
- Decree Nº 3490/2020 enacted on 28 March 2020, extends the compulsory social isolation throughout Paraguay until 12 April 2020.
- Some Tax Resolutions issued by the Ministry of Finance (SET) establishes, among others: suspension of activities with the public on the taxpayer attention platforms, several applications in SET will be received, analyzed and approved electronically and via call center, presentation of the external tax audit opinions is exceptionally extended until November 2020, the tax compliance certificates issued from the date until 30 June 2020 will be valid for ninety calendar days, and exceptionally extends deadlines for the submission of determinative and informative Tax Returns and the payment of the tax obligations.
- Decree Nº 3.817 dated 13 July 2020, maintains the Legal Minimum Wage at PYG 2.192.839 and the Minimum Daily Wage at PYG 84.340.
- Paraguay is currently carrying out the gradual lifting plan of the general preventive isolation, which means the reactivation of the economic sector by Phases through an "Intelligent Quarantine". The plan is about the reactivation of the economy, under strict health protocols. The plan to gradually lift the quarantine and advance from one phase to a new one will always depend on the report of the Ministry of Health. Therefore, new rules or measures could be implemented around COVID-19 at any time. Currently, Paraguay is in Phase four of the Intelligent Quarantine, excluding Asunción, Central and Alto Paraná Departments, which are still in Phase three, according to the Decree No. 3835/2020.

Personal tax

- Decree Nº 3.457/2020 establishes an exceptional regime of payment facilities for Personal Income Tax (IRP, for its acronym in Spanish) and provides a period of regularization for the fulfillment of obligations of a formal nature:
  - The payment facilities of the IRP until 30 April 2020 consist of: minimum payment equivalent to 20% of the debt, annual interest rates of 0% and up to five monthly payments. Failure to make these payments will generate the respective interest.
  - No penalties will be applicable for contravention until 30 June 2020.
- Resolution Nº 55 dated 11 June 2020, exceptionally establishes that taxpayers of personal income tax, simple business income tax and value added tax must prepare their sales/income and purchase/expenses books for fiscal year 2020, in the format of the tax authority's electronic form. These models shall not be applicable to those taxpayers who are required to file their books through the "Hechauka" System.

  In addition, the regularization of the presentation of books in the "Hechauka" System is established for taxpayers with a 0-9 termination, according to the following schedule:

Fiscal Period	Filing Month
March 2020	July/2020
April and May 2020	August 2020
June and July 2020	September 2020
August 2020	October 2020

- Decree Nº 3.667 dated 5 June 2020, postpones the following obligations until 1 January 2021:
  - Personal Income Tax (IRP, for its acronym in Spanish) withholding on income from prizes and gambling.
  - Provisions related to the withholding obligation of the Non-Resident Income Tax (INR) and VAT perceptions, to be made by banks, financial institutions, cooperatives, payment processors or similar, with respect to the intermediation in the provision of digital services performed by foreign suppliers.

Paraguay

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- Last updated: 6 August 2020

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Return to jurisdiction list

VAT, GST and trade

- Decree Nº 3.477/ 2020, provides for a special VAT regime on certain sensitive products (sodium, facemask fabric and supplies and surgical supplies. The new tax rate for this products goes from 10% to 5%.) in the framework of the sanitary emergency.
- Resolution Nº 49 enacted by SET dated 31 March 2020, exceptionally extends the deadline of VAT, Excise General Tax and Excise Fuel payment to those whose Tax ID ends in 7, 8 or 9 until May 4, 5 or 6 respectively.
- Decree Nº 3528 dated 13 April 2020 establishes that the Current National Tariff (ANV) is temporarily modified for certain products listed in the Annex of Decree Nº 6655 of December 30, 2015
- Decree Nº 3529 dated 13 April 2020 extends the list of certain sensitive products established in the Decree Nº 3477, in the framework of the epidemiological emergency.
- Decree Nº 3.541 dated 20 April 2020, which postpones until 1 July 2020, the entry into force of the Excise Tax for the importation of Virgin Fuel that will be liquidated and paid at the National Customs Directorate, based on the customs value expressed in foreign currency as determined by the customs valuation service.
- Decree Nº 3583 dated 6 May 2020, establishes an exceptional instalment agreement regime applicable to VAT taxpayers.
- Decree Nº 3.735 dated 19 June 2020, temporarily modifies, until 31 December 2020, the tax rate on the Excise Tax (ISC) for certain products included in Law No. 6.380/19 of "Modernization and Simplification of the National Tax System" such as alcoholic beverages, electronic products, among others.
- Decree Nº 3.742 dated 24 June 2020, expands the customs warehousing regime and establishes the "Commercial Private Customs Warehouse Regime for Tourism".
- Decree Nº 3.781 amends the tourism regime dated 6 July 2020, and establishes:
  - Exceptionally, until 31 December 2020, the VAT taxable base on importation will be 10% on the equivalent amount in guaranies of the customs value expressed in foreign currency, plus customs duties.
  - Exceptionally authorizes operations for the disposal of goods under the tourism regime to non-resident foreign individuals, via physical, electronic or technological means.
- Decree Nº 3.881 dated 28 July 2020, stipulates an exceptional and temporary VAT regime applicable to the provision of accommodation services in hotels, restaurants and suppliers of the local markets, as well as to the sale of tourist packages with destination inside the country. Through this measure, the tax will be liquidated by applying the rate of 10% on 50% of the amount of the operation, from 1 August 2020 until 30 June 2021.

Business tax

- Decree Nº 3.480/ 2020, established:
  - Payment facilities of the Corporate Income Tax (IRACIS, for its acronym in Spanish) and the Agricultural Income Tax (IRAGRO, for its acronym in Spanish) that consist of:
    - Minimum payment equivalent to 20% of the debt, annual interest rates of 0% and up to 5 monthly payments. Failure to make these payments will generate the respective interest.
    - Extends until July 2020 the deadline of the first advance payment of the Business Income Tax (IRE, for its acronym in Spanish), that corresponds to the Fiscal Year 2020.
- Law Nº 6524/ 2020 established:
  - Possibility to refinancing the Social Security payment. The payment may be refinanced up 18 months.
  - New applications for refund of tax credits are suspended during the sanitary emergency.
- Resolution No. 45 dated 16 March 2020, determines that the Certificates of Tax Compliance issued until 30 June 2020, will have a duration of 90 calendar days. The presentation of Purchase and Sales Books in the "Hechauka" system has also been postponed, and the SET must reschedule the presentation calendar for June 2020.
- Resolution No. 46 dated 20 March 2020, establishes the postponement of the deadline for the filing of the Determinative and Informative Tax Returns. The expiration of the payment facilities, as well as the third and fourth advance payments of the IRACIS, which were due between 23 and 25 March 2020, is extended to 1 April 2020.
- Resolution No. 47 dated 23 March 2020, establishes at ₲150.000.000, the amount above which the presentation of the Certificate of Tax Compliance, Compliance in Controversy and Non-Tax Payer will be mandatory for financial intermediation entities, in order to obtain and renew loans. It also extends up to six months and/or 180 calendar days of delay in unpaid quotas, in order to render the payment facilities without effect. Article 15.c of Resolution No. 9/07, and its amendments are also suspended, so that new payment facilities may be requested. In addition, the issuance of debt certificates for the collection of tax debts that are process and the generation of new processes are suspended.
- Resolution No. 48 dated 30 March 2020, extends until 12 April 2020 the dispositions in the General Resolution Nº 43/2020.

Business tax (continued)

- General Resolution Nº 49 enacted by SET exceptionally extends the payment deadline for Presumed IRE and Maquila Unique Tribute, to those whose tax ID ends in 7, 8 or 9 until 4, 5, or 6 May respectively.
- Entities Generating Dividends, Profits or Gains (EGDUR, for its acronym in Spanish) that have the obligation to hold a meeting and have decided to distribute dividends, profits or income in fiscal year 2020, generate the IDU withholding receipt from 1 August to 31 August 2020. Consequently, the IDU must be paid in the month of September 2020.
- Resolution No. 50 dated 7 April 2020, establishes a simplified procedure of registration in the Taxpayer Registry (RUC, for its acronym in Spanish) for Micro and Small Businesses in the Business Income Tax (IRE, for its acronym in Spanish) under the Simplified Regime for Small Business (RESIMPLE, for its acronym in Spanish).
- Resolution Nº 51 enacted by SET dated 13 April 2020, establishes:
  - The extension of the period of the special administrative measures established by General Resolutions No. 43 and 48 until the end of the general isolation.
  - The exceptional extension of the deadline of the IRACIS and IRAGRO Financial Statements submissions for those taxpayers who pay the tax under the General Regime, until July 2020.
  - The presentation of the inventory of agrochemical products in stock as of 31 December 2019, as provided for in General Resolution No. 24/2019, shall be made exceptionally in July 2020.
- Resolution Nº 52 dated 4 May 2020, establishes that:
  - The procedures at tax authority offices will be carried out by previously scheduled appointments.
  - Some processes may be carried out electronically.
  - Deadlines suspended in the application of sanctions and administrative summaries will resume on 6 May 2020.
  - The periods of prescription and expiration of tax credits in favor of the taxpayer will be from 27 March to 31 December 2020. With respect to ongoing proceedings, if there are to be returned to the taxpayer, the accreditation will be made as of 1 January 2021 onwards.
- Resolution Nº 53 dated 22 May 2020, updates in PYG 9.201.143.662, the amount above which taxpayers are required to have an External Tax Audit Report. This provision shall be applicable for the fiscal years 2020.
- Resolution Nº 54 dated 27 May 2020, establishes that:
  - From 1 March to 31 August 2020, transactions supported by invoices sent electronically in pdf format will be considered valid as support of the VAT Tax Credit and as expenses and costs in Income Taxes. The original documents must be presented to clients by 31 December 2020.
  - Temporarily, until 31 December 2020, the presentation of the External Tax Audit Report will be mandatory as of the fourth Amended Tax Return, corresponding to the same obligation and period.
- Decree Nº 3.698 dated 10 June 2020, updates the quantitative parameters of the annual invoicing amount for the purposes of micro, small and medium enterprise categorization.
- Decree Nº 3.740 dated 23 June 2020, establishes:
  - Exceptional and transitory regime of payment facilities corresponding to Fiscal Year 2019 for taxpayers of the Corporate Income Tax (IRACIS, for its acronym in Spanish) and the Agricultural Income Tax (IRAGRO, for its acronym in Spanish), which consists of: minimum initial payment of 20%, interest rate of 0% and up to four monthly payments, until 31 July 2020.
  - The application of penalties for failure to comply with formal duties is extended until 31 October 2020.
  - Exceptionally, from 1 November until 31 December 2020, the penalty for failure to comply with formal obligations will be PYG 50,000.
- Decree Nº 3.785 dated 6 July 2020, modifies dispositions which regulate the Excise Tax (ISC), referring to Virgin Naphtha and other fuels derived from petroleum.
- Resolution Nº 56 dated 1 July 2020, provides until 31 December 2020 that:
  - The Certificate of Tax Compliance, Tax Compliance in Dispute or Non-Taxpayer to financial intermediation entities to obtain or renew loans.
  - Exceptionally, up to six unpaid instalments may be accumulated and/or 180 consecutive days in arrears to automatically render the payment facilities ineffective.

Paraguay (continued)

Business tax (continued)

- The suspension of the issuance of debt from tax debt collection processes that are underway and the generation of new processes.

- Update Resolution Nº 6 dated 6 July 2020, establishes the revaluation coefficients of fixed assets for the Fiscal Year ended on 30 June 2020.
- Resolution Nº 57 dated 17 July 2020, updates the list of electronic billers authorized for the "Voluntary Membership" phase of the Integrated National Electronic Invoicing System (SIFEN).
- Resolution Nº 59 dated 24 July 2020, establishes the requirements and procedure for the suspension of the third and fourth advanced payments to be paid in Fiscal Year 2020 for the Business Income Tax General Regime and Simple Regime.
- Resolution Nº 60 dated 27 July 2020, establishes measures for the presentation of External Tax Audit Reports by taxpayers who are suppliers to the State.

Links and resources

Government materials

- http://www.gacetaoficial.gov.py/index/buscarContenidos
- https://www.set.gov.py/portal/PARAGUAY-SET/Home/Normativas?folder-id=repository:collaboration:/sites/PARAGUAY-SET/categories/SET/Normativas/decretos/2020
- https://www.set.gov.py/portal/PARAGUAY-SET/Home/Normativas?folder-id=repository:collaboration:/sites/PARAGUAY-SET/categories/SET/Normativas/resoluciones/2020

Peru

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- Last updated: 28 July 2020

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Return to jurisdiction list

Overview

- A Declaration of State National Emergency due to the spread of COVID-19 has been put in place. It establishes the suspension of various work activities and limited public transportation. All deadlines for tax procedures initiated before 15 March 2020 are suspended until 10 June 2020 (Urgent Decree No. 026-2020; Supreme Decree No. 076-2020 and Supreme Decree No. 087-2020).
- For payments in instalments granted before 15 March 2020, the instalments to be paid between March and June must be paid no later than 31 July 2020 if no penalties or other consequences are to apply. These new deadlines do not apply to instalments granted in 2017 and 2019 due to the Declaration of National Emergency for Natural Disasters, that have been lost. (Peruvian Tax Authority Resolution No 058-2020/SUNAT, No 065-2020/SUNAT and Peruvian Tax Authority Resolution No. 096-2020/SUNAT).
- The Peruvian tax authority will not impose tax penalties at its sole discretion for infractions committed or detected until 30 June 2020. (Peruvian Tax Authority Resolution No 008-2020-SUNAT/700000; No 011-2020-SUNAT/700000).
- Beginning 1 April 2020, the interest rates for tax debts in national currency is decreased from 1.2% to 1% monthly, and in foreign currency from 0.6% to 0.5% monthly. The return interest rates for refund of payments in excess in national currency is decreased from 0.50% to 0.42% monthly and in foreign currency from 0.30% to 0.25% per month. (Peruvian Tax Authority Resolution No. 066-2020/SUNAT).
- New deferral and instalment regime. Pending payments of previous deferrals/instalments of tax debts; advance income tax payments; fines and any other tax debt could be paid in instalments if the taxpayers file a request to the Tax Authority before 31 August 2020 and the request is approved. This regime applies even when the Tax Authority has sent an order of payment to the taxpayer or issued a resolution with fines; or debts are currently under a collection process or are being challenged by the taxpayers. (Legislative Decree 1487).
- Peruvian Tax Authority created a virtual platform aiming to facilitate the submission of documents and the monitoring of tax procedures by taxpayers. (Peruvian Tax Authority Resolution No. 077-2020/SUNAT).

Personal tax

- Taxpayers who obtained income up to 5,000 Tax Units (approx. US $6,000,000) during fiscal year 2019, have the possibility to postpone the filing of the 2019 annual income tax return and its payment until June and July 2020 (originally, the deadline was late March or early April 2020). (Peruvian Tax Authority Resolution No. 061-2020/SUNAT).
- Peruvian Tax Authority will return ex officio the payment in excess of the labor income tax before the previously established date, considering the information it has regarding the use of additional deductions for personal expenses allowed for the annual determination of the labor income tax (Urgent Decree No. 031-2020).

VAT, GST and trade

- 0% Customs duties on the importation of certain medicines, medical equipment and devices during the 90 calendar days counted as from 12 March 2020. The list of medicines, medical equipment and devices have been extended. At the end of that period, the rate will go back to 6% and 11%, as appropriate. (Supreme Decrees No. 051-2020-EF; 059-2020-EF).
- Taxpayers with income up to 2,300 Tax Units (approx. US $2,841,176) during fiscal year 2019, have the option to postpone the filing of VAT returns for the month of February 2020 until the first days of June. (Peruvian Tax Authority Resolutions No. 054-2020/SUNAT, 055-2020/SUNAT, 061-2020/SUNAT and 065-2020/SUNAT).
- Taxpayers with income up to 5,000 Tax Units (approx. US$6,000,000) during fiscal year 2019, have the option to postpone the filing of the VAT tax for the month of March and April until June. (Peruvian Tax Authority Resolutions No. 061-2020/SUNAT and 065-2020/SUNAT). The application of the VAT anticipated recovery regime to promote the acquisition of capital goods was extended from 31 December 2020 to 31 December 2023. Exceptionally, due to the COVID-19 pandemic, taxpayers with income between 300 Tax Units (approx. US $368,700.00) and 2300 Tax Units (approx. US $2,826,700) can use this regime until 31 December 2021. Previously, the regime was available for taxpayers with income up to 300 Tax Units (approx. (Legislative Decree No. 1463).
- The Peruvian tax authority will not impose tax penalties at its sole discretion until 30 June 2020, for customs infractions committed or detected during the State of National Emergency. (Peruvian Tax Authority Resolution No. 0008-2020-SUNAT/300000).

Business tax

- Taxpayers with income up to 2,300 Tax Units (approx. US$2,841,176) during fiscal year 2019 have the option to postpone the filing of the following: i) The monthly advance payments of income tax for the month of February until the first days of June 2020; ii) the returns and monthly payments of payroll tax for the month of February until the first days of May 2020. iii) The filing of the electronic sales register and the electronic income register and the electronic purchase register for the month of February until the first days of June; iv) The annual return of operations with third parties until 29 May 2020 (Peruvian Tax Authority Resolutions No. 054-2020/SUNAT, 055-2020/SUNAT, 061-2020/SUNAT, 065-2020/SUNAT and 069-2020/SUNAT).
- Taxpayers with income up to 5,000 Tax Units (approx. US $6,000,000) during fiscal year 2019, have the option to postpone the filing of the following: i) The monthly advance payments of income tax for the month of March and April until June; ii) The returns and monthly payments of payroll tax for the month of March and April until May 2020; iii) The filing of the electronic sales register and the electronic income register and the electronic purchase register for the month of March and April until June; iv) The filing of the 2019 annual income tax return and its payment until June and July (originally, the deadline was late March or early April 2020) (Peruvian Tax Authority Resolutions No. 061-2020/SUNAT, 065-2020/SUNAT and 069-2020/SUNAT).
- Taxpayers with income between 2,300 and 5,000 Tax Units (approx. US $6,000,000) during fiscal year 2019 have the option to postpone the recording of accounting registers related to tax matters for the month of April and May is extended until 4 June 2020. Additionally, for Taxpayers with income between 2,300 and 5,000 Tax Units (approx. US $6,000,000), that were not designated as Principal taxpayers, have the option to postpone the filing on the following: i) the filing and payment of the 2019 annual income tax return until July and August 2020; ii) the filing and payment of monthly tax obligations for the months from February to June until July 2020. (Peruvian Tax Authority Resolution No. 065-2020/SUNAT and Peruvian Tax Authority Resolution No. 099-2020/SUNAT).
- Taxpayers have the possibility to modify or suspend the monthly advance payments of Income Tax of April, May, June and July 2020 by comparing the gross revenue of the mentioned months in 2019 and 2020, obtaining less or equal to 30% of the gross revenue of 2020, respectively (Legislative Decree No.1471).
- The report for the destruction of any kind of wasted goods made between 22 April and 31 July 2020 should be communicated to the Tax Authority two days business before the destruction by email. The report is a requirement for deducting wasted goods.
- Taxpayers that have already destroyed wasted goods and did not follow the procedure because of the COVID-19 national emergency can support the destruction with a report filled within five business days counted from 1 August 2020 (Supreme Decree No. 086-2020).
- Losses incurred during fiscal year 2020 may be carried forward to offset 100% of profits obtained in the following five years instead of four years as established in the general rule, counted from tax year 2021 (Legislative Decree 1481).
- New Special Depreciation System applied as from 2021 with the following rates:
  - Buildings and construction at 20%, if construction started on or after 1 January 2020, and at least 80% of the construction is completed as of 31 December 2022. The 20% depreciation also may apply to assets acquired by taxpayers in tax years 2020, 2021 and 2022, provided the assets meet some requirements and they have not been totally or partially built before 1 January 2020.
  - Data processing equipment 50%.
  - Machinery and equipment 20%.
  - Ground transportation vehicles (except railways) with EURO IV/Tier II/EPA 2007 technology 33.30%.
  - Hybrid or electric ground transportation vehicles (except railways) 50%.
  - (Legislative Decree 1488).

Business tax (continued)

- New depreciation regime for hotels, travel and tourism agencies, restaurants and related at the following rates for tax years 2021 and 2022:
  - 20% depreciation for buildings and construction that as of 31 December 2020 had not been depreciated at all.
  - 33.3% for ground transportation vehicles (except railways) that as of 31 December 2020 had not been depreciated at all. (Legislative Decree 1488).
- Companies in the Financial Services sector have the option to postpone the filing of the Common Reporting Standard of 2018 and 2019 until 27 August 2020. (Peruvian Tax Authority Resolution No. 082-2020/SUNAT, No. 120-2020/SUNAT).
- Companies in the Financial Services sector may report up to 31 August 2020 to the Peruvian Tax Authority the following financial information: a) pre-existing high value accounts of individuals from 2018; and b) the 2019 information that had to be declared up to 31 May, 2020. (Supreme Decree No. 088-2020-EF, 190-2020-EF)
- IFRS 16 - Leases (COVID-19-related rent reductions) is officialized. (Accounting Policy Board Resolution No. 001-2020-EF/30)

Links and resources

Government materials

- https://busquedas.elperuano.pe/normaslegales/aplican-la-facultad-discrecional-en-la-administracion-de-san-resolucion-n-008-2020-sunat700000-1865065-1/
- https://busquedas.elperuano.pe/normaslegales/disponen-medidas-adicionales-para-favorecer-la-disponibilida-resolucion-n-058-2020sunat-1865067-1/
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Philippines

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- Last updated: 24 August 2020

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Overview

On 16 March 2020, the Philippines announced a Php27.1 billion (US$542 million) fiscal support package:

- Providing funds to directly contribute to efforts to stop the spread of COVID-19.
- Providing wage subsidy/financial support and unemployment benefits to affected businesses and displaced workers.
- Scholarship programs for the upskilling and reskilling of displaced workers.
- Programs and projects to support the tourism industry.
- Loans and a one-year moratorium for small farmers and fisherfolks.
- Microfinancing special loan package for affected micro entrepreneurs / micro, small and medium enterprises (MSME+).
- Ongoing assistance to find new supply sources and non-traditional markets for industries affected by supply chain disruptions.

Additional support mechanisms include:

- Mobilizing funds from Government Owned and Controlled Corporations to assist airlines and the broader tourism industry.
- Offering low-interest loans and loan amortization restructuring programs in all banks or quasi-banks or other financial institutions, public or private.
- Granting of temporary regulatory and liquidity relief measures for financial institutions as approved by the Monetary Board.

On 25 March 2020, the following measures were authorized, among others:

- Ensure the availability of credit through measures such as lowering the effective lending rates of interest and reserve requirements of lending institutions.
- Liberalize the grant of incentives for the manufacture or importation of health equipment or supplies needed to fight COVID-19, including exemption from import duties, taxes and other fees.
- Require businesses to prioritize and accept contracts for materials and services necessary to respond to the crisis.
- Authorize alternative working arrangements for employees.
- Move statutory deadlines and timelines for the filing and submission of any document and the payment of taxes, fees and other charges.
- Implement a minimum of 30-day grace period for the payment of all loans (principal and/or interest) falling due within the Enhanced Community Quarantine (ECQ) period without imposition of interests, penalties, fees, or other charges.
- Provide a minimum of 30-day grace period for the payment of residential and commercial rents, without imposition of interests, penalties, fees, or other charges.

On 18 June 2020, the Philippines Board of Investments (BOI) included the "renovation of tourism facilities covered under Tourism in compliance with health emergency protocols or to enhance health and safety systems and procedures" among the modernization projects that may be entitled to 3 years income tax holiday and other incentives under the general policies and specific guidelines of the 2017 Investment Priorities Plan (IPP).

Philippines (continued)

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Overview (continued)

- **Pending legislation**
- House Bill No. 6765, otherwise known as the "Digital Economy Taxation Act of 2020" (Digital Tax) seeks to collect tax on digital services and is expected to raise an estimated PhP29 billion (US$580 million) annual revenue. The bill proposes to make network orchestrators as withholding agents for income tax and value-added tax (VAT), and subject digital advertising and subscription-based services to VAT, among others. Nonresidents providing digital services or acting as network orchestrators or as e-commerce platforms must have a representative office or a resident agent in the Philippines.
- On 22 May 2020, amendments to the Corporate Income Tax and Incentives Reform Act (CITIRA) bill were proposed. The enhanced bill, now referred to as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) bill, aims to, among others:
  - Reduce the corporate income tax (CIT) rate from 30% to 25% effective beginning 1 July 2020, followed by a 1% annual reduction beginning 1 January 2023 until the CIT rate is reduced to 20% beginning 1 January 2027.
  - Extend the net operating loss carryover from 3 years to 5 years for losses incurred in 2020 by non-large taxpayers.
  - Extend the transition period of 4 to 9 years for registered businesses currently receiving the 5% gross income earned incentive instead of 2 to 7 years. Alternatively, existing registered projects or activities that will qualify for registration under the new Strategic Investment Priority Plan may opt to shift to the new tax incentives regime.
  - Empower the President with additional flexibility to modify the mix, period or manner of the granting of incentives for highly desirable projects or specific industrial activities with the total period granted not exceeding 40 years.

  The proposed amendments are urged to be deliberated when the Philippine Congress resumes session on 27 July 2020.
- House Bill No. 6815, otherwise known as the "Accelerated Recovery and Investments Stimulus for the Economy of the Philippines" (ARISE Philippines Act) earmarks Php1.3 trillion (US$26 billion) for mass COVID-19 testing, socio-economic programs such as countryside developments, and programs and policies supporting economic recovery through:
  - Wage subsidies; assistance to displaced workers, technical and vocational learners; educational subsidy to students; healthcare contribution relief to Overseas Filipino Workers (OFWs); loan term extensions or restructuring; regulatory relief for businesses; and regularization of MSME+;
  - Broadening and increasing of financial and credit access such as credit mediation and restructuring service, loans, and loan guarantees;
  - Assistance to specific sectors such as MSME+; tourism; transportation; manufacturers, importers, exporters and service sectors; agri-fishery; and creation of a national emergency investment vehicle; and
  - Interventions through institutionalized mechanisms such as the enhanced "Build, Build, Build" (infrastructure) program, and coordination of monetary and fiscal policies.
- Senate Bill No. 1564, otherwise known as the "Bayanihan to Recover As One Act" (Bayanihan 2) outlines a PhP140 billion (US$2.8 billion)-worth of economic recovery interventions. Bayanihan 2 bill serves to supplement Republic Act No. 11469 (Bayanihan to Heal As One Act) which will expire on 25 June 2020 and is proposed to be in full force until 30 September 2020.
- House Bill No. 6816, otherwise known as the "Financial Institutions Strategic Transfer (FIST) Act" aims to provide incentives to banks and financial institutions to sell their non-performing assets (NPAs) to asset management companies or FIST corporations that specialize in the resolution of distressed assets. Under the FIST bill, the transfer of NPAs would be exempt from documentary stamp tax, capital gains tax, creditable withholding tax on the transfer of land and/or buildings treated as ordinary assets, and VAT or gross receipts tax (i.e. percentage tax).
- House Bill No. 6920, otherwise known as the "COVID-19 Unemployment Reduction Economic Stimulus (CURES) Act of 2020" establishes a PhP1.5 trillion (US$30 billion) Special Fund to be released over 3 years for job creation through infrastructure projects. Priority areas include health, education, agriculture, local roads, infrastructure, livelihood, including information and communication technology, and tourism.
- **These pending bills will have to go through the legislative process and are not yet in effect.**

Philippines (continued)

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Personal tax

- Filing and payment of the Annual Income Tax Return for Individuals (BIR Forms 1700, 1701, and 1701A) for calendar year ending 31 December 2019 and required attachments are further extended until 14 June 2020 without interest and penalties.
- Submission of required attachments to the e-filed Annual Income Tax Return is further extended until 30 June 2020.

VAT, GST and trade

- Filing and payment of BIR Forms 2550M and 1600WP for the months of February, March and April 2020 are extended until 19 May 2020, 4 June 2020, and 19 June 2020, respectively , without interest and penalties.
- Filing and payment of BIR Form 2550Q for the quarters ending 29 February 2020, 31 March 2020 and 30 April 2020 are extended until 24 May 2020, 9 June 2020, and 24 June 2020, respectively, without interest and penalties.
- Filing and payment of BIR Form 2551Q - in general - for the quarter ending 31 March 2020 and 30 April 2020 are extended until 9 June 2020 and 24 June 2020, respectively , without interest and penalties.
- Filing and payment of BIR Forms 1600 and 2200M for the months of March and April 2020 are extended until 9 June 2020 without interest and penalties.
- Filing and payment of BIR Forms 2000, and 2000-OT for the months of March and April 2020 are extended until 4 June 2020 without interest and penalties.
- Filing and payment of ONETT transaction returns (BIR Forms 1606, 1706, 1707, 1800, and 1801) falling due within the emergency period from 16 March 2020 is extended for 30 days from the lifting of the quarantine.
- Filing of VAT refund applications for the quarters ending 31 March 2018, 30 April 2018, 31 May 2018, and 30 June 2018 are extended until 15 July 2020, 31 July 2020, 15 August 2020, and 31 August 2020, respectively~~, or~~. For areas not yet declared to be in a state of general community quarantine (GCQ), the deadline is 30 days from the lifting of the enhanced community quarantine (ECQ) or modified ECQ, or the extended deadline above, whichever comes later. The 90-day period for the processing of VAT refund claims is suspended in areas where ECQ or modified ECQ is still in force.
- Importation of critical healthcare equipment or supplies and production input materials (provided the importing manufacturer is in the Master List), shall be exempt from VAT, excise tax and other fees. Importation thereof shall not be subject to the issuance of Authority to Release Imported Goods (ATRIG) subject to post investigation/audit. Donations of such imported articles to or for the use of the Philippine Government are exempt from donor's tax and can be fully deductible, subject to conditions. These rules shall be effective only during the three month effectivity of R.A. No. 11469 or until 25 June 2020, unless extended or withdrawn.
- Filing of application for new Authority to Print (ATP) receipts/invoice for expiring receipts/invoices with expiration dates falling within the ECQ period is extended until 13 May 2020 or for 30 calendar days after the lifting of the ECQ (if extended), whichever comes later, without imposition of penalties.
- Imported crude petroleum oil and refined petroleum products will be subject to a temporary additional import duty of 10%, on top of their existing Most Favored Nation (MFN) and preferential import duties. The modified import duty rates will revert to 0% when international oil prices increase.

Business tax

- Filing and payment of the Annual Income Tax Return (AITR) for Corporations (BIR Forms 1702RT, 1702MX, 1702EX) for the years ending 31 December 2019 and 31 January 2020 are extended until 14 June 2020 without interest and penalties. For the year ending 29 February 2020, the deadline is extended until 15 July 2020 without interest and penalties.
- Submission of the audited financial statements and BIR Form 2307 to the e-filed Annual Income Tax Return for the years ending 30 November 2019, 31 December 2019, 31 January 2020, and 29 February 2020 are extended until 29 May 2020, 30 June 2020, 15 July 2020, and 30 July 2020, respectively.
- Filing and/or payment of BIR Forms 1702Q for the quarter ending 31 January 2020, 1604E, 1604CF, 2316 and other submissions falling due within the emergency period from 16 March 2020 are further extended until 30 May 2020 without interest and penalties. Filing and/or payment of BIR Forms 1702Q for the quarter ending 29 February 2020 and 31 March 2020 are extended until 13 June 2020 and 29 June 2020, respectively, without interest and penalties.
- Filing and/or payment of BIR Forms 1601C, 0619-E , and 0619-F for the months of March and April 2020 are extended until 9 June 2020 without interest and penalties.
- Filing and/or payment of BIR Forms 1601EQ, 1601FQ, 1602Q and 1603Q for the quarter ending 31 March 2020 are extended until 14 June 2020 without interest and penalties.
- Filing of applications for tax credits/refunds for erroneous tax payments made from 17 March 2018 to 30 April 2018, and from 1 May 2018 to 31 May 2018 are extended until 14 June 2020 and 30 June 2020, respectively.
- Filing of protest letters etc. on tax audits with deadlines falling during the period starting on 16 March 2020 and within 30 days from the date of lifting of the ECQ is extended until 30 days from the date of the lifting of the quarantine. The running of the period within which to file the protest letters etc. shall be suspended.
- Submission of the Certificate of Residence for Tax Treaty Relief (CORTT) Form for withholding tax on dividends, interest and royalties for the months of February, March and April 2020 with FWT paid and remitted in March, April and May 2020 respectively are extended for 30 days from the lifting of the quarantine.
- Filing of applications for tax amnesty on delinquencies is further extended until 31 December 2020.
- Running of the statute of limitations for the assessment and collection of taxes during the emergency period starting on 16 March 2020 is suspended until 60 days after the lifting of the quarantine.
- Documentary stamp tax (DST) exemption of all extension or renewal of loans, including credit extension and credit restructuring, and micro-lending, falling due within the ECQ period, subject to reporting requirements.
- Tax returns filed within the original deadline or before the extended deadlines can be amended and the additional tax, if any, be paid on or before the extended due date without interest and penalties. Overpaid taxes on the amended returns can be credited to succeeding periods or refunded.
- The defined extended due dates under Sec. 2 of Revenue Regulations No. 11-2020 shall remain in effect regardless of any extension or modification of quarantine.
- Donations in cash or in kind to certain recipients for purposes of combatting COVID-19 during the state of national emergency are fully deductible from the donor's taxable income subject to specific documentation.
- All persons doing business and engaged in digital transactions through the use of any electronic platforms and media, and other digital means, are required to register their businesses and ensure tax compliance. This also covers partner sellers/merchants, payment gateways, delivery channels, internet service providers and other facilitators.
- Filed 2019 AITR and its required attachments may be submitted through the Revenue Collection Officer nearest to the taxpayer, regardless of Revenue District Office jurisdiction, or online through the electronic Audit Financial Statements (eAFS) System. The eAFS will also be available for the submission of attachments to the ITRs of taxpayers with fiscal-year accounting period, as well as attachments to the quarterly income tax returns.
- The Philippines has issued a circular clarifying the rules on permanent establishment (PE) and tax residency of individuals affected by travel restrictions due to COVID-19 for tax treaty relief application purposes. The rules highlight (1) when income from employment exercised in the Philippines may be taxed in the Philippines, (2) when tax residency rules will not be strictly applied, (3) when creation of PE through a home office, construction and dependent agent may be considered inadvertent, and (4) the supporting documents to be submitted to prove that the extended presence in the Philippines was due to COVID-19-related travel restrictions.

Business tax (continued)

Income from employment

The income of nonresident individuals from employment exercised in the Philippines will not be subject to income tax in the Philippines if the following conditions concur:

- The employee has not been present in the Philippines for more than 183 days (more than 120 days for residents of Poland, at least 90 days for residents of the United States of America) in aggregate in the year of income, fiscal year, calendar year, or any twelve-month period depending on the applicable tax treaty;
- His/her remuneration is paid to him/her by, or on behalf of an employer that is not a resident of the Philippines; and
- His/her remuneration is not deductible against the profits of a permanent establishment which the foreign employer has in the Philippines.

Special tax residency rules

Where an individual is prevented from leaving the Philippines on his or her scheduled day of departure as a result of the travel restrictions imposed by the government as a safety measure to contain COVID-19, the individual will not be regarded as being present in the Philippines for tax residence purposes for the period after the scheduled day of departure. This will be considered a "force majeure" for purposes of establishing such individual's tax residence, provided that he or she leaves the Philippines as soon as the circumstances would permit, such as when the travel restrictions and/or quarantine measures have been lifted. Each case will be assessed and evaluated independently based on factual and unaltered evidence.

Inadvertent creation of PE

1. Home Office PE

Work from home arrangements in compliance with the Philippine government's imposition of strict home quarantine measures due to COVID-19 and not pursuant to the enterprise's requirement would not create a PE of the foreign enterprise in the Philippines because the conduct of business activities thereat lacks a certain degree of permanency and the home office is not at the disposal of the foreign enterprise.

Temporary interruptions of construction activities due to the COVID-19 pandemic should be included in computing the duration of a site and in determining whether such construction site constitutes a PE.

3. Dependent Agent PE

For income tax purposes, the extended period of stay in the Philippines of an employee, partner or agent of a non-resident foreign corporation due to travel restrictions related to COVID-19 will be disregarded in counting the taxable presence of the non-resident foreign corporation in the Philippines on whose behalf the employee, partner or agent is acting.

In summary, the effects of COVID-19 will not result in the creation of a PE if the following requirements are met:

- The non-resident foreign company did not have a permanent establishment in the Philippines before the effects of COVID-19.
- There are no other changes in the company's circumstances save for the extended stay of its employee, partner or agent in the Philippines because of travel restrictions; and
- The employee, partner or agent should leave the country as soon as the circumstances would permit.

A different approach will be applied, however, if the employee, partner or agent was habitually concluding contracts on behalf of enterprise in the Philippines before the COVID-19 crisis.

➢ In all cases where restrictions imposed by COVID-19 affect the applicability of Philippine tax laws and tax treaties on a taxpayer's tax position, records shall be maintained outlining the circumstances and submitted to the Bureau in support of the taxpayer's application for relief from double taxation.

Other measures

- Implementation of a minimum of 30-day grace period for the payment of all loans (principal and/or interest) falling due within the Enhanced Community Quarantine (ECQ) period without imposition of interests, penalties, fees, or other charges.
- Provision of wage subsidy/financial support and unemployment benefits to affected businesses and displaced workers through various programs including the Covid-19 Adjustment Measures Program (CAMP) or the Small Business Wage Subsidy Program (SBWS).
- Implementation of a minimum of 30-day grace period for the payment of residential and commercial rents without imposition of interests, penalties, fees, or other charges.
- Access to loans and financing programs such as low-interest loans under a simplified application procedure through the Development Bank of the Philippines' Rehabilitation Support Program on Severe Events (RESPONSE), restructured loan amortizations with longer tenor and grace periods, with option of a fixed interest rate under the Landbank of the Philippines' Calamity Rehabilitation Support (LBP CARES), and Pondo sa Pagbabago at Pag-asenso (P3) Program of the Small Business Corporation microfinancing special loan packages for MSME+.
- Implementation of regulatory and operational relief measures to encourage banks and financial institutions to lend to businesses and other investments. Rules applicable to foreign exchange transactions (i.e. investments and borrowings) were also relaxed.
- On 23 March 2020, the Bangko Sentral ng Pilipinas (BSP/ Philippine Central Bank) was authorized to purchase government securities from the Bureau of Treasury under a repurchase agreement in the amount of Php300 billion (US$6 billion) with a maximum repayment period of six months.
- On 24 March 2020, the Monetary Board cut the reserve requirement ratios (RRR) of universal and commercial banks by 200 basis points (Bps) effective 3 April 2020 to boost domestic liquidity.
- On 8 April 2020, the BSP eased the expanded foreign currency deposit unit/foreign currency deposit unit (E/FCDU) asset cover requirement until 30 September 2020 and allowed the reclassification of debt securities from categories measured at fair value to the amortized category, between 1 March to 30 September 2020, subject to conditions.
- On 1 April 2020, the BSP eased the valid ID requirement for customers onboarding and transactions during the ECQ period and until 30 June 2020. BSP also relaxed the Know Your Customer (KYC) requirements to facilitate access to financial services and introduced control measures to guard against money laundering and terrorism financing risks.
- On 10 April 2020, the BSP announced extraordinary measures to support domestic liquidity including purchase of government securities in the secondary market, reduction in the overnight reverse repurchase volume offering and repurchase agreement with the national government. These measures complement earlier actions of the BSP, including (i) the timely suspension of the term deposit facility auctions for certain tenors; (ii) the temporary reduction in the term spread on the peso rediscounting loans relative to the overnight lending rate to zero; and (iii) various time-bound relaxation of various regulations pertaining to compliance reporting, calculation of penalties on required reserves, and single borrower limits.
- On 28 April 2020, the BSP waived fees on applications to provide electronic payment and financial services (EPFS) as an additional relief to BSP-supervised financial institutions. The relief is effective for a period of six months from 8 March 2020.
- On 5 May 2020, the BSP adopted relief measures to support MSME+ including (i) temporary reduction in credit risk weights of loans granted to MSME+ that are current in status; (ii) assignment of a lower risk weight for MSME exposures that are covered by guarantees; (iii) deferred implementation of the revised risk-based capital adequacy framework to 1 January 2023; and (iv) extended period of relief on the reporting of past due and non-performing loans of borrowers affected by COVID-19 to 31 December 2021, subject to reporting to BSP. The BSP also earlier recognized MSME loans as alternative compliance with bank reserve requirements and relaxed KYC requirements for retail clients.
- On 25 June 2020, the Monetary Board cut the interest rate on the overnight reverse repurchase (RRP) facility by 50 Bps to 2.25%, effective 26 June 2020. The interest rates on the overnight deposit and lending facilities were reduced to 1.75% and 2.75%, respectively. This is the fourth monetary policy rate cut this year with a cumulative 175 Bps reduction since February 2020.

Links and resources

Government materials

- Government economic team rolls out P27.1b package
- RMC No. 27-2020
- BSP No. M-2020-008
- Republic Act No. 11469
- RMC No. 33-2020
- RR No. 5-2020
- RMC No. 34-2020
- RR No. 6-2020
- RMO No. 10-2020
- CAO No. 07-2020
- DOF-DTI JMC No. 2020-02
- RR No. 7-2020
- RR No. 8-2020
- RMC No. 35-2020
- RMC No. 36-2020
- RMC No.37-2020
- BSP No. M-2020-011
- BSP No. M-2020-017
- BSP No. M-2020-018 (FAQs I)
- BSP No. M-2020-028 (FAQs II)
- BSP No. M-2020-042 (FAQs III)
- BSP No. M-2020-045 (FAQs IV)
- BSP issues operational relief measures for foreign exchange (FX) transactions
- BSP Circular No. 1080 S. 2020
- BSP Circular No. 1082 S. 2020
- Monetary Board cuts policy rate by 50 Bps
- Monetary Board approves additional Php300 billion support to the National Government to fight COVID-19
- BSP rediscount rates effective 20 March 2020
- BSP cuts RRR by 200 Bps
- BSP relaxes KYC requirements to facilitate access to financial services
- BSP No. M-2020-015
- DOLE DO No. 209 (CAMP)
- DOLE LA No. 12-2020 (CAMP)
- DTI MC No. 20-12
- RR No. 9-2020
- RMC No. 41-2020
- RMC No. 38-2020
- RMC No. 39-2020
- RR No. 10-2020
- Small Business Wage Subsidy Program
- BSP No. M-2020-023
- BSP No. M-2020-024
- BSP No. M-2020-025
- BSP No. M-2020-029
- BSP announces extraordinary measures to support domestic liquidity
- Monetary Board cuts policy rate by 50 Bps, approves package of measures to support MSMEs
- BSP Circular No. 1083 S. 2020
- BSP No. M-2020-32
- BSP waives fees to offer digital financial services
- BSP No. M-2020-033
- BSP No. M-2020-034
- BSP adopts relief measures in support of the MSME sector
- RR No 11-2020
- BSP No. M-2020-043
- BSP Circular No. 1084 S. 2020
- BSP Circular No. 1087 S. 2020
- BSP M No. 2020-046
- RR No. 12-2020
- BSP No. M-2020-049
- RMC No. 60-2020
- RMC No. 61-2020
- EO No. 113
- House Bill No. 6765 (Digital Tax Bill)
- Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Bill)
- House Bill No. 6815 (ARISE Bill)
- Senate Bill No. 1564 (Bayanihan to Recover as One Act)
- House Bill No. 6816 (FIST Bill)
- House Bill No. 6920 (CURES Bill)
- Monetary Board cuts policy rate by 50 Bps
- RR No. 16-2020
- BOI MC No. 2020-004
- RMC No. 49-2020
- RMC No. 82-2020
- RMC No. 74-2020
- RMC No. 77-2020
- RMC No. 83-2020

Links and resources (continued)

EY materials

- PH Stimulus package reports
- Tax alert: Philippines-proposes-law-for-taxation-of-the-digital-economy, alert dated 17 June 2020
- Tax alert: Philippines enhances proposal for corporate tax reform to promote investment, alert dated 17 June 2020

Poland

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- Last updated: 25 June 2020

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Return to jurisdiction list

Overview

- The first stimulus package was signed by President in Poland on 1 April 2020. The second anti-crisis shield package was signed by President in Poland on 17 April 2020. The third anti-crisis shield package was introduced on 23 May 2020. The fourth anti-crisis shield package was introduced on 23 June
- The stimulus package covers five key pillars and its value amounts to approx. PLN 212 billion (approx. USD 56 bn)
  - Pillar 1 - activities related to the protection of jobs and employment
  - Pillar 2 - activities related to the protection of enterprises
  - Pillar 3 - activities related to supporting health care
  - Pillar 4 - activities related to the functioning of the financial system (deposits)
  - Pillar 5 - activities related to public investment support
- Entrepreneurs are able to obtain support in funding employees' salaries during the period of economic downturn if they experience a decrease in sales (several conditions apply).

  The aid measures is available for large entrepreneurs without *de minimis* limitation – so there is possibility to obtain subsidy up to **500 EUR per employee per month** (final amount of subsidy might differ as it is dependent on solution and nominal amount of wages).

  There is no maximum threshold on the total amount of possible funding per employer (it depends on a number of employees and other conditions). Applications can be submitted as of 1 April 2020.
- The deadline for preparing 2019 financial statements is deferred.
- Financial institutions do not include loans granted to entities affected by COVID-19 in the tax base.
- Temporary residence, if it expires during emergency/pandemic, is extended to 30th day after the date of cancellation.
- Elimination of the extension fee (Article 57 OP) in decisions to postpone tax payment / payment in instalments, deferment or payment in instalments of tax arrears with interest (67a).
- The deadline for tax authorities to complete tax inspections is suspended. Tax authorities may request from a tax payer an action under specific circumstances.
- The deadline for submitting applications to the Central Register of Real Beneficiaries is postponed until 13 July 2020;
- The deadline for the tax authorities to issue individual tax rulings is extended for additional three months (in addition to the statutory three months).
- The Polish Government introduced public aid programs for all-sized entrepreneurs in a form of subsidies, preferential loans, capital instruments (certain conditions should be met depending on the funds and type of the enterprise).
- Polish Government processes introducing (upon received accept from the European Commission) public aid programs for all-sized entrepreneurs in a form of subsidies, preferential loans, capital instruments.
- Legislation that suspended, inter alia, judicial, administrative, tax and penal fiscal control deadlines was repealed. Suspended deadlines will start running further or will start running within 7 days from the date of entry into force of the third anti-crisis shield (i.e. May 23, 2020)
- An additional fee was imposed on entities providing on-demand audiovisual media services (VOD) to the Polish Film Institute. The fee is to amount to 1.5% of the revenue obtained from fees for access to VOD or revenue obtained from commercial transmissions (if this revenue is higher in a given accounting period)
- Extension of validity of foreign certificates of tax residence.
- The deadline for reporting of "domestic" tax arrangements (MDR) has been postponed until the 30th day following the date of cancellation of the pandemic and the state of emergency declared in connection with COVID-19. For "cross-border" tax arrangements the deadline for reporting is suspended no later than 30 June 2020.
- The government will subsidize credit interest on loans granted by banks to provide financial liquidity to entrepreneurs who have suffered a negative economic consequence due to COVID-19.

Poland (continued)

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Return to jurisdiction list

Personal tax

- Guarantee support and interest subsidies on loans exempt from Personal Income Tax
- Deduction of donations for the fight against COVID-19 from the tax base.
- Ability to elect out of the simplified form of Personal Income Tax advance payments for March to December 2020 (for so called small taxpayers).
- The parking benefit received under the COVID-19 Act is exempt from income tax.
- The deadline for personal income tax remitters to pay advance payments on salaries for March and April to the tax office is postponed until 1 June 2020.
- Accommodation and meals (special circumstances) exempt from PIT and are not included in the basis for calculating contributions due on salaries.
- Social security and some other contributions due from the remitter employing up to 49 persons might be subject to exemptions (50% or 100% of contributions depending on the number of employees).
- The Minister of Finance issued a decree to waive in whole the collection of interest on late payment of the solidarity levy not paid after 1 June 2020.
- The deadline for the transfer to the tax office of the salaries and wages collected in March and April from work, contracts of mandate and contracts for specific work, as well as from copyright and related rights: tax advances and lump-sum income tax was extended. The obligation to transfer these funds to the tax office is subject to execution with regard to advances and lump-sum income tax collected in March, April and May:
  - March - by 20 August 2020
  - April - by 20 October 2020
  - May - by 20 December 2020
- Exemption from the minimum tax on leased buildings due for for the period from 1 March 2020 to 31 December 2020.
- Creditors who have suffered a negative economic consequence due to COVID-19 will be able to take advantage of the bad debt relief after 30 days from the expiry of the agreed payment period.

VAT/GST and trade

- The deadline for reporting payments that were not made to an account of a recipient indicated in the official White List register was extended to 14 days (reporting of such payments prevents from CIT and VAT sanctions).
- The deadline to file new JPK_V7 forms (SAF-T that is to replace monthly value-added tax returns) is postponed until 1 October 2020.
- The date of becoming effective of the retail tax was postponed from 1 July 2020 to 1 January 2021.

Business tax

- The deadline for submitting:
  - the corporate income tax return (CIT-8) is postponed until 31 May 2020.
  - ORD-U forms (compliance regarding agreements with non-Polish residents) is postponed until the fifth month following the tax year for which they are submitted;
  - IFT-2R (WHT compliance) is postponed until 31 July 2020;
- Taxpayers have the possibility to settle current losses using past profits (under certain conditions).
- Guarantee support and interest subsidies on loans exempt from Corporate Income Tax.
- Deduction allowed for donations for the fight against COVID-19 from the tax base.
- Ability to elect out of the simplified form of CIT payment for March-December 2020 (for so-called small taxpayers).
- Donations to specific organizations involved in actions to mitigate the effects of COVID-19 will be tax deductible (donations made between 1 January and 30 April 2020 – 200%; in May 2020 – 150%; between 1 June and 30 September 2020 – 100%).
- Perpetual usufruct ("użytkowanie wieczyste") fee - payment date: 31 January 2021.
- Real Estate Tax - The commune council may by resolution introduce an exemption from Real Estate Tax for part of 2020.
- Accommodation and meals (special circumstances) exempt from CIT and are not included in the basis for calculating contributions due on salaries.
- Temporary residence, if it expires during emergency/pandemic, is extended to 30th day after the date of cancellation.
- Elimination of the extension fee (Article 57 OP) in decisions to postpone tax payment / payment in instalments, deferment or payment in instalments of tax arrears with interest (67a).
- "Bad debt relief," which obliged debtors to treat as taxable revenues the liabilities which they first recognized as deductible but did not settle within a given period of time, is suspended.
- For the Tax Capital Group – the minimum 2% income in revenues ratio is deemed maintained if a taxpayer situation worsened due to the COVID-19
- Sale or exchange of a cryptocurrency is exempt from the Transaction Tax (stamp duty)
- Exemption from the "minimum tax" on leased buildings due for the period from 1 March 2020 to 31 December 2020.
- Creditors who have suffered a negative economic consequence due to COVID-19 will be able to take advantage of the „bad debt relief" after 30 days from the expiry of the agreed payment period.
- Extension of deadline for preparing local and group transfer pricing documentation as well as for the submission of a statement on preparation of the transfer pricing documentation.
- Contractual penalties and damages resulting from COVID-19 can be considered tax deductible under meeting certain requirements.

Links and resources

Government resources

Official publication of the Act dated 31 March 2020 on COVID-19-related measures:

- http://prawo.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20200000568

Official publication of the Act dated 16 April 2020 on COVID-19-related measures:

- http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20200000695/O/D20200695.pdf

Portugal

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- Last updated: 14 August 2020

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Return to jurisdiction list

Overview

The Portuguese Government announced the creation of the specific credit lines with an overall amount of 6,200m euro, to be made available by Portuguese financial institutions and guaranteed by the State:

- A specific credit line amounting to 600m euro (of which 270m euro are exclusive to Micro and SMEs) to support companies operating in the food and beverages sector;
- A specific credit line amounting to 200m euro (of which 75m euro are exclusive to Micro and SMEs) to support companies operating in the tourism sector;
- A specific credit line amounting to 900m euro (of which 300m euro are exclusive to Micro and SMEs) to support companies operating in the lodging sector;
- A specific credit line amounting to 4,500m euro (of which 1,700m euro are exclusive to Micro and SMEs) to support companies operating in the industry sector.

Besides the specific credit lines above, available to micro-companies in the tourism sector is a 60m euro credit line, established in Legislative Order n.º 4/2020.

The credit lines set out specific conditions for the eligibility of beneficiaries and credit operations. There are several limits on the maximum amounts available per company.

Further to the financial and tax measures adopted, the Portuguese Government has introduced measures aiming at:

- Accelerating the payment and the actual availability of incentives by the State;
- Eligibility for the application of incentives under the program Portugal 2020 (a program providing a set of incentives for companies operating in various sectors) of expenses incurred with international events canceled due to the virus;
- Accelerating payments overdue by public entities toward private companies;

The President of Portugal also declared the state of emergency, which was already endorsed by Parliament.

On March 24, the Order n.º 121/2020-XXII of the Secretary of State for Tax Affairs enacted the following measures related to Stamp Duty compliance obligations:

- Deferral of the entering into force of the Monthly Stamp Duty Declaration to 1 January 2021 onward;
- Reinstated the prior regime revoked by the introduction of the Monthly Stamp Duty Declaration for the year of 2020, i.e., filing of the multi-taxes form will include Stamp Duty;
- Until 20 January 2021, the taxpayer may perform the compensation of the tax that was assessed and paid up to the limit of the following assessments, if after the assessment of the tax to be paid the underlying transaction is canceled or its tax basis is reduced as a consequence of error or nullity (also applicable to calculation error)
- Stamp Duty compliance obligations that have arisen from January 2020 until March 2020 may be paid until 20 April 2020, without penalties. From April 2020 onward, Stamp Duty shall be paid until the 20th day of the next month in relation to the month when the taxable event has occurred.

In addition, the Order n.º 153/2020-XXII deferred the deadline to pay the Stamp Duty for April until 25 May 2020, and for May until 25 June 2020.

On 26 March 2020, the Decree-Law n.º 10-J/2020 enacted a debt moratorium to protected credits granted by financial institutions to private entities:

- It is forbidden to revoke, partially or totally, credit lines and loans granted before the enactment of this decree, during the period of time the measures foreseen in this Decree-Law are in force.
- Deferral, for a period equal to length of time this Decree-Law is in force, for credits which entail capital payment at the end of the contract. This provision also includes interest and collaterals, including those collaterals set In insurance contracts and promissory notes ("títulos de crédito").
- Suspension of the partial payment of credits, including capital, rents and interest, for which instalments are due during the time this regime is in force. The provisions of the contract related to the reimbursement plan are automatically modified in order to extend the reimbursements plan in order to, after the period of suspension is over, allow for the reimbursement to take place at a length of time equal to the suspension period.

On 11 August 2020, Decree-Law n.º 53/2020, transposing EU Directive 2020/876 with respect to the deferral of reporting deadlines within the MDR, was officially published, and entered into force from 12 August 2020. The Decree-Law provides for an extension of the MDR reporting deadlines for six months, in line with the EU Directive.

Overview (continued)

- In the case of mortgage loans the said deferral is only possible for loans related to the acquisition of permanent housing.

The measures established above are disregarded as motives to allege breach of contract, regardless of contractual provisions. In order to take advantage from these measures, the beneficiary is required to met the following requirements:

- Statutory residency and economic activity in Portugal;
- The beneficiary has met its obligations before the financial institutions and is not involved in insolvency proceedings, i.e., (i) has not defaulted any instalment or (ii) instalments are due and not paid;
- The obligations before the Portuguese tax authorities are settled.

On 30 July 2020, the Council of Ministers approved the decree-law which transposes EU Directive 2020/876 with respect to the deferral of reporting deadlines within the Mandatory Disclosure Regime. More details are expected to be communicated shortly.

Personal tax

On 20 March 2020 a Resolution of the Ministers Council establishing an exceptional and temporary regime for complying with tax obligations, social contributions and granting mutual guarantee, within the scope of COVID-19 was enacted.

In this context, the Government has enacted the Decree-Law n.º 10-F/2020 dated 26 March 2020, based on which it was decided to make the payment of taxes and social contributions more flexible, as well as to determine the suspension, until 30 June 2020, of tax enforcement proceedings in progress.

The payment to the State of personal and corporate withholding taxes may be fulfilled in one of the following ways:

- Immediate payment, under general terms,
- Payment in instalments in three or six monthly instalments without penalties,

However, only companies whose turnover is up to Eur 10m in 2018 or (i) whose economic activity was shut down due to the declaration of the state of emergency or (ii) whose activity started after 1 January 2019, may qualify for these payments.

In addition, the Order n.º 153/2020-XXII has deferred the deadline to pay personal withholding tax for April until 25 May 2020, and for May – until 25 June 2020.

Social Security:

Measures to support the continuity of employment contracts

Companies facing a business crisis situation (including situations of complete stop of business activity due to interruption of supply chain or cancelation of purchase orders, as well as situations of sudden reduction of at least 40% of turnover when compared with previous FY) are entitled to a financial aid, per employee, aimed to support the payment of wages and the continuity of the employment contracts.

The main features of this regime are the following:

- Employee remuneration: Employees are entitled to a remuneration corresponding to 2/3 of the employee's gross salary, capped at 1,905 euro (equivalent to three times the national minimum wage).
- Term: one month, extendable for additional months, up to six months.

Companies/employers benefitting from the measures above are also entitled to receive an extraordinary financial incentive, per employee, to support the resume of the business activity.

Finally, the Government has announced (i) suspension of the payment date of the Single Social Fee of 20 March, and (ii) reduction of social contributions due in March, April and May with two-thirds of any remaining payment to be paid in either a three- or six- month instalment plan, starting in the second half of 2020.

Personal tax (continued)

Deferral of Social Security Contributions:

The Decree-Law n.º 10-F/2020 dated 26 March 2020 foresees the deferral of Social Security contributions for employers complying with the following requirements:

- The total number of employees is less than 50;
- The total number of employees is between 50 up to 249, if a sudden reduction of least 20% of turnover occurs in March, April and May 2020 compared with same months of 2019. Such reduction should be confirmed by electronic invoices (e-fatura) provided to Portuguese tax authorities during the relevant months. For companies conducting business activities for less than 12 months, the reduction of turnover is computed as an average from the start of operational activity and as of the present time.
- The total number of employees is 250 or more, if the business activity (i) was shut down to enforce a legal provision, or (ii) fits in the aviation or tourist sector provided that a reduction of at least 20% of turnover occurs in March, April and May 2020 compared with same months of 2019. For companies conducting business activities for less than 12 months, the reduction of turnover is computed as an average from the start of operational activity and as of the present time. As stated above, the evidence of turnover reduction are the electronic invoices submitted to Portuguese tax authorities throughout the relevant months. Companies falling under this requirement should also qualify for an additional set of conditions in terms of, inter alia, activity sector (e.g., hospitality or aviation)

VAT, GST and trade

- For taxpayers who apply the quarterly VAT reporting the payment of VAT for Q2 can be done as follows: (i) via full payment, (ii) three-monthly payments without interest charge, or (iii) six-monthly payments, including late interest on the final three instalments. The option applies automatically for business below the threshold, but businesses whose turnover exceeds the threshold can also request to apply for an instalment plan.
- The monthly VAT returns for the period of February and March 2020, as well as of the quarterly VAT return for Q1, may be computed based on the data provided in electronic invoices (e-fatura) submitted to Portuguese tax authorities, without any additional documents and penalties. However, the proper filing, (i.e., including all the relevant documentation) of the monthly VAT return for the period of February 2020 must occur until July 2020, and for the period of March 2020 until August 2020.
- In order to benefit from these regimes, companies must meet one of the following conditions:
  - Have turnover of up to 10m euro in FY 2019
  - Commence of business activities in January 2020
  - Restarted business activities in January 2020 and with no reported turnover in FY 2019
- Further, the Order n.º 153/2020-XXII established the deadline for the filing of the monthly VAT return for the period of March and April 2020, until 18 May and 18 June, respectively. The filing of the VAT return for Q1 of 2020 (i.e., January until March) should be completed no later than 22 May 2020. The payment of the tax due may be performed until the 25th day of each month, nevertheless the taxpayer may opt for settlement in instalments.
- On 7 May 2020, Law n.º 13/2020 established the following measures:
  - VAT exemption from 30 January 2020 to 31 July 2020, for the transfers and intra-EU Community acquisitions by the state, other public institutions and non-profit organizations, of certain goods required to address the COVID-19 outbreak (including medicine and protective gear). This exemption is further extended until 31 October 2020 based on the EU Commission Decision 2020/1101 of 23 July 2020.
  - Temporary reduction of VAT rate on imports, transfers and intra-EU acquisitions of protective face masks and skin sanitizers, varying according to the place of supply, as follows:
    - 6% for continental Portugal.
    - 4% for Azores Autonomous Region.
    - 5% for Madeira Autonomous Region.

Business tax

General tax measures include:

- Reinforcement of the information available on the utilization of electronic services by the taxpayers in alternative of physical visits to the tax offices;
- The infection or prophylactic isolation of taxpayers or certified accountants, confirmed by health authorities represents a sufficient condition to justify the incapacity of the taxpayer/company to comply with tax obligations;
- If treasury shortages do not allow the full settlement of the CIT/PIT due for FY 2019, taxpayers are allowed to request that the tax due is paid by instalments, without having to wait for a tax enforcement procedure (this request is subject to approval by the Minister of Finance).

CIT measures:

On 11 March 2020, the Portuguese Government announced the following measures (foreseen in the Order n.º 104/2020-XXII) mainly related with the deferral of CIT fillings and payment:

- Deferral of the deadline for the 1st instalment of the Special Payment on Account ("Pagamento Especial por Conta"), when due, from 31 March 2020 to 30 June 2020;
- Extension of the deadline to file the CIT return (Modelo 22) regarding FY 2019, from 31 May 2020 to 31 July 2020 (which, ultimately, has been extended to 3 August 2020);
- Deferral of the deadline for the 1st instalments of the Payment on Account ("Pagamento por Conta") and Additional Payment on Account of the CIT ("Pagamento Adicional por Conta"), from 31 July 2020 to 31 August 2020;

For entities whose FY is different from the civil year, it is not known yet how this measures will apply. Nevertheless, further clarifications are expected to be issued soon.

With effect from 3 June 2020, Law n.º 16/2020 revoked the suspension of the deadlines for court and administrative procedures, and only certain (i) insolvency and foreclosure procedures related to immovables used for residential purposes, and (ii) eviction procedures against specially vulnerable persons remain suspended. The Law encourages the appropriate due diligence to be performed by telematic means. However, if those means are not suitable to the specific case at hand, diligence might be performed in person. In this case, social distancing measures and recommendations from the public health authorities must be followed.

In addition, deadlines applicable to administrative entities, previously suspended until 26 May 2020, are considered due on the following dates:

- Deadlines for the due date occurring during the suspension period are considered due on the 20th business day following the entering into force of this Law, i.e., 3 June 2020. Accordingly, the due date for administrative deadlines is 1 July 2020
- Deadlines for the due date occurring during the 20 business day from 3 June 2020 are due on the 20th business day
- On the original due date for deadlines for the due date occurring after the 20th business day from 3 June 2020

Recently-approved Order 137/2020-XXII establishes certain benefits with respect to the costs for the companies making qualifying donations in order to support necessary treatment of the people affected by COVID-19. To be considered qualifying such donations should be made to:

- the shared services of the Ministry of Health (*SPMS – Serviços Partilhados do Ministério da Saúde, EPE*), and
- hospitals under the EPE (*Entidade Pública Empresarial*) legal framework.

If the above conditions are met, then the donations referred to the entities above (i) are considered deductible expenses for CIT purposes at 140% of the total amount donated during the current FY, and (ii) are not subject to Stamp Duty. These benefits will be In force until 31 July 2020, despite the ending of the State of Emergency in Portugal as of 3 May 2020.

Order n.º 153/2020-XXII established the following measures in relation to deadlines:

- Extension of the deadline to file the Annual Tax and Accounting Return ("Informação Empresarial Simplificada/Declaração Anual de Informação Contabilística e Fiscal") for 2019 until 7 August 2020.
- Deferral of the deadline to prepare and file the documentation adopted to comply with the transfer pricing rules until 31 August 2020.
- Extension of the deadline to pay the corporate withholding tax for April until 25 May 2020, and for May until June 2020.

Business tax (continued)

The Supplementary State Budget Law introduced by the Law 27-A/2020, of 24 July 2020 provides for the following measures:

- Payments on account for enterprises:
  - For entities with a decrease of profits of more than 20% in the first semester of 2020, the payment on account should be limited by up to 50%.
  - For entities with a decrease of profits of more than 40% in the first semester of 2020 and in the hospitality and restaurant sectors, the payment on account is limited by up to 100% (provided some conditions are met). For micro, small or medium entities, the first and second payments on account are waived.
- Tax losses carried forward:
  - Disregards FY's of 2020 and 2021 for the purposes of calculation of the period for utilizing of tax losses incurred from 1 January 2020
  - Extends the period of carry forward of tax losses incurred in 2020 and 2021 from 5 years to 12 years
  - Taxpayers may utilize up to 80% of tax losses, instead of 70%, if the difference (i.e., 10%) is due to tax losses incurred in the FY 2020 and 2021.
- Financial incentives for corporate restructuring:
  - The deadlines for utilization of tax losses by surviving entities as a result of M&A performed by SMEs during FY 2020 are disregarded, if (i) the surviving entity does not distribute dividends for three years. (ii) none of the entities involved were demerged in the previous three years, (iii) the entities pursue an identical primary activity, (iv) the entities have been active for longer than 12 months, (v) the entities are not regarded as related entities for tax purposes and (vi) their tax obligations are up-to-date before the Portuguese tax authorities. In addition, if those requirements are met, the municipal charge is not to be levied during that period, if applicable.
  - The assignment of tax losses due to the acquisition of shares of SMEs considered as companies in difficult economic positions in 2020, may be used by the surviving entity if (i) the latter does not distribute dividends for three years, and (ii) maintains in force all employment contracts for three years.
- Extraordinary tax deduction of investment expenses:
  - An extraordinary tax deduction of investment expenses has been reinstated, allowing for an additional 20% deduction of expenses on goods allocated to exploration (i.e., tangible fixed assets or biological assets, the latter if those assets do not have a consumption nature. In either case, the assets shall be acquired new and should be used or utilized until the end of the financial year beginning at, or after 1 January 2021) incurred between 1 July 2020 and 30 June 2021 for the purposes of calculation of CIT base, up to a cap of 70%. The extra-deduction is capped at 5m euro and it should be used across a maximum period of five financial years, subject to maintaining of employment contracts during the period the benefit is granted, with a minimum of three years.
- Exclusion of offshore entities from tax benefits:
  - Any State support foreseen by provisions intended to provide relief from the COVID-19 pandemic are not applicable to:
    - Entities resident in tax haven jurisdictions, listed in the Ordinance n. 150/2004, and
    - Dominated entities whose dominant entity is resident in a tax haven jurisdiction listed in the abovementioned ordinance, including fiduciary structures regardless of its nature, or whose beneficial owner is resident in such tax haven jurisdictions

On 31 July 2020, Law 29/2020 was published approving the following tax incentives for micro, small and medium-sized companies:

- Exemption from payment on account of CIT
- Entitlement to the early full reimbursement of the part of the special payment on account that was not deducted until 2019
- The maximum time limit for the refund of CIT, PIT and VAT is established as 15 days after the taxpayer submits the respective tax declaration.

Portugal (continued)

Links and resources

Government materials

- Compiled COVID-19 legislation, as available in the Official Gazette https://dre.pt/legislacao-covid-19-por-data-de-publicacao
- Government website dedicated to COVID-19 https://covid19estamoson.gov.pt/

Puerto Rico

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- Last updated: 23 March 2020

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Return to jurisdiction list

Overview

- On 12 March 2020, the Governor of Puerto Rico (PR) declared a state of emergency in response to the impact of COVID-19. Subsequently, on 15 March 2020, the Governor issued an executive order establishing additional measures to prevent the prevent the spread of COVID-19 in PR.
- The executive order mandates a lockdown of basically all non-essential governmental services and functions, as well as of businesses in general with certain exceptions. Businesses dedicated among other, to retail food sale (only by drive-thru, carry out or deliver), pharma drugs or medical equipment, pharmacies, gas stations, supermarkets, financial institutions. The lockdown is effective starting 15 March 2020 at 6pm through 30 March 2020.

Personal tax

- Puerto Rico Treasury Department (PRTD) announced the extension of the filing of the Puerto Rico Individual Income Tax Return from 15 April 2020 to 15 May 2020.
- Additional extension was announced on 23 March 2020 by the PR Governor, through 15 July 2020. Pending official guidance from the PRTD for further details.

VAT, GST and trade

- PRTD announced in Administrative Determination (AD) 20-05 the extension of the monthly Sales and Use tax (SUT) returns that are due between 15 March 2020 and 31 May 2020 for one month.
- The February monthly state and municipal SUT returns that would be due on 20 March 2020 are extended through 20 April 2020.
- Tax on Imports Monthly Return due on 10 April 2020 is extended for one month.
- SUT bi-monthly payment due on 16 March 2020 and 31 March 2020 are not extended but no penalty would be assessed it balance is paid with monthly SUT return by 20 April 2020.
- Additional extension for the bi-monthly payment was announced on 23 March 2020 by PR Governor. Pending guidance from PRTD for further details.
- Internal revenue licenses – notice of alert about risk of suspension of license and imposition of penalties in cases businesses do not comply with lockdown rules decreed by the Puerto Rico Governor.
- PR Department of State: Annual Report and Annual fee extended until 15 May 2020.
- Director of Finance Municipalities: Municipal license tax payment extended until 22 May 2020.

Business tax

- The Puerto Rico Treasury Department (PRTD) announced in AD 20-05 a one-month extension for the filing of returns that are due between 15 March 2020 and 15 April 2020*.
- PR Income Tax Return for Pass-through entities that is generally due on 15 March 2020 is extended through 15 April 2020.
- PR Corporate Income Tax Return that is generally due on 15 April 2020 is extended through 15 May 2020.
- All other taxpayers with a fiscal year end, tax return or extension due in 15 March 2020 is extended through 15 April 2020.
- Estimated tax payments due in March are extended to 15 April 2020.
- Estimated tax payments due in April 15 are extended to 15 May 2020
- Informative returns originally due on 28 February 2020 (and previously extended through 15 March 2020) are extended further until 15 April 2020.

Links and resources

Government materials

- http://www.hacienda.gobierno.pr/sobre-hacienda/publicaciones/area-de-rentas-internas-y-area-de-politica-contributiva/publicaciones-oficiales

* Income tax returns and payments may be postponed further until July 15, 2020 as announced by PR Governor. Furthermore, such extension could impact the above due dates. However, no publication or guidance from the PRTD has been issued at this time yet.

Qatar

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- Last updated: 9 July 2020

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Return to jurisdiction list

Overview

- The Qatar Government will provide financial and economic incentives to the private sector to the amount of QAR 75 billion.
- Government announces injection in the capital markets through Qatar Exchange as a confidence booster to investors in the small and medium enterprises with the amount of QAR10 billion.
- Exemptions in payment of customs duties for imports in the Food and Medical Industries for six months.
- Rental holidays for Warehousing and Logistics Companies for six months.
- Select sectors exempted from paying electricity and water charges for months. These include hospitality, tourism and logistic sectors.
- Qatar Development Bank announces postponement of loan instalments for six months.
- The government announced two months extension to tax filing deadline.
- On 29 March 2020, the government allocated QAR 3 billion as loan guarantees to local banks as a part of the overall soft loan package in order to support businesses in Qatar.
- On 30 March 2020, a notice was issued by the Director of Tax of the Qatar Financial Centre (QFC) to update the rates for calculating the late payment charges in respect of tax paid late and the compensation for overpaid tax.
- General Authority of Customs introduced some customs relief measures.
- Qatar State General Tax Authority (GTA) extends the 2019 Tax Return submission deadline by a further two months to 30 August 2020.
- Qatar Financial Centre (QFC) extends the statutory compliance requirements related to the completion of audit procedures, and submission of Financial Statements to the QFC Companies Registration Office.

VAT, GST and trade

- On 24 March 2020, Qatar's General Authority of Customs exempted 905 items from customs duties for a period of six months. Exempted items include basic food items and a number of medical equipment and tools for protection and personal and home hygiene.

Business tax

- The GTA (General Tax Authority) issued a circular to extend the deadline of filing tax returns for the State Income Tax Regime with two months from 30 April until 30 June 2020.
- QFC notice was issued to reduce the interest rate on the tax due late payment from five percent (5%) to zero percent (0 %) on tax due from 1 March 2020 until 31 August 2020. The rate will revert to 5% from 1 September 2020 until further notice.
- QFC notice was issued to reduce the interest rate on repayment of overpaid tax from one percent (1%) to zero percent (0%) from 1 March 2020 until 31 August 2020. The rate will revert to 1% from 1 September 2020 until further notice.
- On 21 June 2020, Qatar State General Tax Authority (GTA) extended the 2019 Tax Return submission deadline by a further two months to 30 August 2020.

Other measures

- On 24 June 2020, Qatar Financial Centre (QFC) extended the statutory compliance requirements related to the completion of audit procedures, and submission of Financial Statements to the QFC Companies Registration Office as follows:
  - For financial year ends between 1 October 2019 and 31 May 2020 – further extended until 31 July 2020
  - For financial year ends between 1 June 2020 and 31 July 2020 – new two months extension (from four months to six months)

Links and resources

Romania

- Contact: Mihaela Mitroi/Alex Milcev
- Last updated: 29 June 2020

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Return to jurisdiction list

Overview

- After the state of emergency ended, the Romanian authorities issued various acts regulating tax measures designed to support taxpayers. The main acts are the following:
  - GEO no. 48/2020, published on 16 April 2020, which completed a series of normative acts applicable on the Romanian territory in order to continue the series of measures adopted as a result of the termination of the state of emergency. The main measures concern enforcement measures, prescription terms in tax matters, the VAT reimbursement mechanism and payment rescheduling
  - GEO no. 69/2020 published on 14 May 2020, for the amendment and completion of the Romanian Tax Code, as well as for the establishment of tax measures. The main amendments concerned:
    - The extension of payment and declarative terms until 30 June 2020, the procedure for registration for VAT purposes of taxable persons based in Romania
    - The procedure of granting of bonuses for tax obligations for 2019 and the establishment of bonuses/incentives for employees carrying out activities that involve direct contact with citizens and are at risk of infection with COVID-19
    - The procedure of tax credits and contributions paid until 30 June 2020
    - The new provisions of tax amnesty for tax accessories
    - GEO no. 90/2020 published on 29 May 2020, which brings certain changes regarding the tax facility of restructuring the main and accessory budgetary obligations provided by Ordinance no. 6/2019 on the establishment of tax facilities, in the sense of extending the scope of application and the terms according to which the tax obligations that may be subject to restructuring were determined.
    - GEO no. 90/2020 introduced also the extension of some deadlines regarding the tax measures adopted by GEO no. 29/2020 and GEO no. 48/2020, until 25 June 2020, including:
      - The term until when a subsequent tax inspection will be performed for the VAT refund through the returns submitted within the legal submission period is made
      - The term until no interest and penalties are calculated for the late payment of instalments in the unpaid rescheduling schedules
      - The term until the suspension of the conditions for maintaining the validity of the payment instalments granted according to the law, of the measures of forced execution of the budget receivables operates and;
      - The term until the prescription terms of the right of the tax body to establish tax receivables and to request the forced execution, as well as that of the taxpayer/payer to request the restitution of the tax receivables are suspended or do not start to run

Overview (continued)

- **Payment of tax obligations**: No late payment interest and penalties will be computed for tax obligations due after the date of entry into force of GEO 29/21.03.2020 for the entire period of the state of emergency (i.e., currently 15 May 2020) and an additional 30 days thereafter. These tax obligations will not be considered as overdue. Thus, it is understood that tax clearance certificates without any outstanding liabilities may still be obtained by taxpayers participating in auctions. However, the deadline for submission of tax returns has not been postponed. Furthermore, GEO 48/2020 stipulates that for the late payment of instalments related to rescheduled tax liabilities, no late payment interest and penalties shall be computed until the expiration of the 30 days term after the end of the state of emergency on 15 May 2020.
- **Suspension of forced execution**: Forced execution for budgetary receivables by garnishment, other than forced executions that are applied for the recovery of the budgetary receivables established by court decisions in criminal matters, arising from the commitment of offenses will be suspended or will not be started. No additional procedures are required from the tax authorities.
- **Beneficial owner statement**: The deadline for submission of the beneficial owner statement will be extended for three months after the termination of the state of emergency. During the state of emergency, requirements for submission of the statement are suspended.
- **Postponement of payment of utilities and rent:** Small and medium-sized enterprises (SMEs) that interrupted wholly or partially their business activity based on the decisions of the public authorities during the state of emergency and that hold a state of emergency certificate issued by the Ministry of Economy, Energy and Business Environment, will benefit from deferred payment for utility services - electricity, natural gas, water, telephone and internet services - and deferred payment of rent for the building used as a registered office and/or secondary office.
- **Invoking force majeure clause:** In the case of the contracts concluded by SMEs, other than for utilities or renting of spaces, the force majeure clause can be invoked only after demonstrating an attempt to renegotiate the contractual clauses taking into account the exceptional conditions generated by the state of emergency. With respect to commercial contracts concluded by SMEs, as well as with respect to other contracts, it is important to analyze to what extent the COVID-19 pandemic can be considered a force majeure situation such that this clause can be invoked, taking into account the particularities of each case.
- **Public authority contracts:** During the state of emergency the penalties provided for in contracts concluded by SMEs with the public authorities will not be due.
- **Granting guarantees for SME loans:** Through the program for supporting SMEs, IMM INVEST ROMANIA, state guarantees can be granted in favor of each beneficiary participating in the program for one or more loans for investments in/financing of working capital.

  For SMEs, the value of a guarantee can represent a maximum of 80% of the financing value, excluding interest, commissions and bank charges related to the credit guaranteed. The maximum value of the state- guaranteed financing that can be granted to a beneficiary for investments is RON 10,000,000, and for financing the working capital cannot exceed the average of the expenses related to the working capital in the last two fiscal years and are subject to a cap of RON 5,000,000.

  At the same time, guarantees can be granted for loans for financing of working capital, up to a maximum of 90% of the value of the financing, excluding interests, commissions and bank charges related to the credit guaranteed, subject to a cap of RON 500,000 for micro-enterprises (which are maximum RON 1,000,000 sized enterprises.
- **Suspension of certain payments due under credit and leasing agreements:** Debtors (both individuals and certain categories of professionals and legal entities, except for credit institutions) may request creditors, by 14 May 2020, to suspend credit instalments, interests and fees due under credit and leasing agreements concluded before 30 March 2020. The suspension period may vary between one month and nine months, but it will not extend past 31 December 2020. Interest on outstanding amounts is capitalized in the credit balance as of the end of the suspension period, except for retail mortgage loans, where the ancillary interest for the suspension period represents a distinct and independent claim (guaranteed by the Romanian state). The creditors (banks, non-banking financial institutions and their foreign branches operating in Romania) will review such requests in accordance with the conditions provided by the new emergency ordinance and the implementing rules that will be adopted - for example, loans must not be accelerated, any arrears must be paid before the request for suspension, and the debtors' income must have been directly or indirectly affected by the current situation - for debtors that are not individuals, this may be evidenced by emergency certificates issued by the competent authorities.

Personal tax

- **Technical unemployment:** During the state of emergency, the technical unemployment allowances can be reimbursed from the unemployment social security budget, up to 75% of the average gross salary (RON 5,429), for employers who reduce or cease temporary their business activity, totally or partially. The allowance to be paid by the employer should be at the level of 75% of the base salary corresponding to the work place and will be subject to salary taxes.

  Refund files are submitted in the current month, for payment of the previous month's indemnity. Payment from the unemployment insurance budget of the technical unemployment benefits will be made within 15 days from the submission of the documents. At the same time, the payment of the allowance to the employees will be done within a maximum of 3 working days after the employer receives the amounts.

  This allowance of up to 75% of the gross average wage, supported by the consolidated state budget, can also be granted to sportsmen, coaches, referees and generally persons who contribute to sports activities. These allowances are subject to income tax and social contributions.

  Other types of employers than those mentioned above (e.g., foundations, NGOs) also will benefit from this allowance for employees with an employment contract.

  Other professionals regulated by the Civil code that are not employers or individuals and that have other types of contracts provided by the law, as well as individuals earning solely income from property rights, that cease their business activity totally or partially during the state of emergency will benefit from an indemnity equal to 75% of the average gross national salary for the year 2020 (i.e., RON 5429). The indemnity will be subject to income tax, social security contribution and health fund contribution.

- **Granting free days to parents**: Parents can be granted free days for the supervision of children, in the situation of temporary closure of the educational units, for all working days during the state of emergency, except for the days during the school holidays (e.g., spring school holidays from 5 to 21 April 2020). For each free day granted, parents will receive an allowance of 75% of their gross monthly salary, but not more than 75% of the average gross monthly salary at the national level. The net indemnities will be reimbursed from the state budget, following the completion of certain procedures.

VAT, GST and trade

- **Importers of testing kits, medicines and protection equipment related to COVID-19 are no longer required to pay import VAT:** VAT payers that import testing kits for COVID-19, protection equipment and cleaning agents, medical equipment and medicines necessary for treating people who have been infected with the virus will benefit from deferral of payment of the import VAT under the provisions of EO 33/2020. The tariff codes for the products that benefit from the VAT deferral are provided in the appendix to the emergency ordinance. The customs authorities will not ask for payment of the import VAT for such products during the entire duration of the state of emergency through 30 days after its termination. The VAT related to these imports will be booked as both input and output VAT at the end of the taxable period.

- **VAT refunds:** By GEO 48/2020, dated 9 April 2020, a new VAT reimbursement mechanism was adopted. In this respect, the VAT requested for reimbursement through negative amount returns, submitted within the legal submission deadline, is reimbursed by the central tax body with subsequent tax inspection, subject to certain conditions. This mechanism was applicabile until 25 June 2020, according to GEO no. 90/2020.

Romania (continued)

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Return to jurisdiction list

Business tax

- **Discount for early payment of the corporate income tax/micro-enterprise income tax:** Taxpayers that pay the corporate income tax for the first quarter of 2020 by 25 April will receive a discount of 5% (large taxpayers) / 10% (small and medium taxpayers) of the tax due. Taxpayers will pay the corporate income tax remaining after applying the discount. This also applies to taxpayers that use the advance payment system for the corporate income tax.
- Taxpayers that pay the micro-enterprise income tax for the first quarter of 2020 by 25 April will receive a 10% discount of the income tax due for that quarter.
- This also applies to taxpayers that have a different fiscal year if the taxpayers pay the tax due for that respective quarter by the due date (if such date falls between 25 April and 25 June 2020).
- **Local taxes:** The payment term for the building tax, land tax, means of transportation tax, as well as the term for granting the discount related to the advance payment, will be postponed from 31 March 2020 to 30 June 2020.
- **Corporate income tax advance payments:** Taxpayers that apply the system of declaration and payment of annual corporate income tax with quarterly advance payments for 2020 will be able to make quarterly payments based on the result obtained from the calculation of the current quarterly corporate income tax. This computation method can also be applied by taxpayers that apply a modified fiscal year for the quarters of the calendar year 2020. The option chosen for the methodology of calculating the corporate income tax will remain the same for the entire fiscal year of 2020.

Links and resources

EY materials

- https://www.eyromania.ro/tax-alert/?lang=EN
- https://www.eyromania.ro/tax-alert/reglementarea-unor-msuri-in-contextul-situaiei-epidemiologice-determinate-de-rspandirea-coronavirusului-sars-cov-2/
- https://www.eyromania.ro/tax-alert/modificrile-introduse-de-oug-nr-902020/
- https://www.eyromania.ro/tax-alert/ordonana-de-urgen-nr-482020/

Government materials

- https://lege5.ro/MonitorOficial/mongq3danzygiyq/monitorul-oficial-partea-i-nr-230-21-03-2020
- https://www.mfinante.gov.ro/pagina.html?pagina=acasa
- https://static.anaf.ro/static/10/Anaf/legislatie/OUG_90_2020.pdf
- http://legislatie.just.ro/Public/DetaliiDocument/225588
- https://static.anaf.ro/static/10/Anaf/legislatie/OUG_48_2020.pdf

Russia

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- Contact: Kirill Lukyanets - Tax Desk

- Last updated: 10 June 2020

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Return to jurisdiction list

Overview

- Russia is to implement broad measures to support business and facilitate negative impact of COVID-19 expansion. On 17 March 2020 the Government issued the respective plan.
- The government will form an anti-crisis fund in the amount of 300 billion RUR.
- In recent days more than 23 billion RUR were transferred to medical industry.
- Credit payments deferral to be adopted soon.
- Temporary suspension on bankruptcy claims for six months.
- Implemented special procedures for registration of pharmaceuticals;
- Online trade of pharmaceutical is allowed under certain conditions
- April is a non-business month.
- 23 bln RUB – direct money transfer to support air carriage has also been announced
- Announced: the Government of Russia develops the national plan to recover the economy in three stages. The documents contains more than 500 steps to be taken, but has not yet been published.
- 200 bln RUB – direct money transfer to regional budgets;
- Separate support programs for basic economy industries;
- Direct money transfer for SMEs in the amount of minimum salary (12 130 RUB) per each employee in May and June;
- Loyal credits and credit securing program for loans to pay salaries
- Additional tax support measures are being prepared by the Government.
- Additional measures for development industry are being prepared (assisted mortgages, loyal credits)
- End of non-business days starting from 12 May 2020
- Additional one-time payment for families with children
- Increased maternity-leave provision for two times
- New loyal credit program. The debt may be written off in full should the company save at least 90% of personnel employment, or in part (50%) should the company save at least 80% of employment

Personal tax

- A 13% personal income tax has been imposed on interest derived from deposits/loan securities, if the value of such instruments exceeds 1 million RUB (from 2021)
- PIT salary exemption for medicals engaged in COVID-19 response
- Tax refund for 2019 for self-employed;
- Social contributions deductions for self-employed and highly impacted by COVID-19, in the amount of 1 MROT
- Draft law on non-taxation of material benefit resulting from credit write-off related to COVID-19 response
- Draft law on non-taxation of payments for medical employees engaged in COVID-19 response
- Draft law to decrease pension fund contributions for individual entrepreneurs (20 318 RUB for 2020)

VAT, GST and trade

- The Russian Prime Minister has instructed the expansion of the so-called 'green channel' on certain types of socially significant goods. In practice it means that customs clearance of such imported goods will be performed faster with no or minimum of customs inspections at the border.
- The Board of the Eurasian Economic Commission established a list of goods for prevention of spread of COVID-19 that are exempted from import customs duties. This list includes, for example, disinfectants, respirators and masks, systems for collecting and transfusing blood, etc. On 3 April 2020 this list was supplemented by new items, e.g., laboratory thermobags, containers for the collection and disposal of medical waste, etc. The above exemption is granted for the listed goods with regard to which the customs declaration is registered before 30 September 2020.
- The Board of the Eurasian Economic Commission approved the list of goods of critical import, with regard to which an exemption from payment of the import customs duty is granted. The list includes some food products, including food for children, as well as certain pharmaceuticals and materials for their and medical devices. The specified exemption is granted for goods on which the customs declaration is registered before 30 June 2020. The decision entered into force on 7 April 2020 and is applied to imported goods from 1 April 2020.
- The Board of the Eurasian Economic Commission established a temporary ban on export of certain types of food products from the countries of the Eurasian Economic Union. The export ban will apply until 30 June 2020 to onions, garlic, turnips, rye, rice, buckwheat, millet, cereals, coarse flour and grains from cereals, crumbled buckwheat, prepared buckwheat food products, crushed/not crushed soybeans and sunflower seeds. Wheat, meslin, rye, barley and corn (excluding seeds) can be exported only by quota 30 June 2020.
- The Russian Government supplemented the List of goods that are not subject to VAT upon importation with goods for preventing the spread of COVID-19. These goods include COVID-19 test-systems, masks, ventilation devices, etc. However, to apply for the exemption, it is necessary to provide a document confirming that such goods will be transferred free of charge to non-profit organizations.
- The Board of the Eurasian Economic Commission allowed to provide an electronic or paper copy of the certificate of origin instead of the original with regard to goods from developing and least developed countries. The original document must be submitted no later than six months from the date of of the customs declaration. However, the importer must provide a written commitment to timely present the original certificate.
- The Russian Government included retail of non-food goods into the list of economic sectors which the most from COVID-19 pandemic. The spectrum of the retail business that will be supported by the Government covers trade of cars, motorcycles, communication equipment, household goods, textile, clothes, shoes, and other non-food products.
- Euroasian Economic Union imposed cereals embargo for the period from 12 April 2020 to 30 June 2020. Member states stop export of onion, garlic, buckwheat, corn, rice, soybeans, sunflower seeds and other similar products to prevent supply shortfalls during the COVID-19 pandemic.

VAT, GST and trade (continued)

- Licenses for retail sale of alcoholic and alcohol-containing products will be extended for 12 months if their term expires during the period from 15 March 2020 to 31 December 2020
- The Board of the Eurasian Economic Commission established temporary terms of import of medical products for prevention of the spread of COVID-19. Such products are listed in the Decision of the Board of the Eurasian Economic Commission of 16 March 2020 N 21. The certificate of state registration and/or confirmation of compliance with technical regulation measures (if applicable) do not have to be provided with regard to listed products until 30 September 2020. However, the importer must provide a confirmation of the designated purpose of the goods. Such goods can circulate only on the territory of the Eurasian Economic Union member state to which they were imported. The safety assessment of such products must be carried out prior to their use. The decision applies to goods imported since 3 April 2020.
- The World Customs Organization jointly with the World Health Organization issued an HS classification reference for medical supplies for combating COVID-19 to help countries speed up the cross-border movement of these products. The listed supplies include, i.e, products for diagnostic purposes, protective garments, disinfectants and sterilizers, oxygen therapy equipment, mobile radiological vehicles and wheelchairs. This list is indicative and has no legal status. For classification at domestic level (seven or more digits), consultation with the relevant Customs administration is recommended.
- The Russian Federal Customs Service informed that due to COVID-19 the statistical forms on goods transferred between the countries of the Eurasian Economic Union can be submitted within eight working days after the non-working days and holidays. All business days in April were proclaimed non-working days in Russia.

Business tax

- A decrease of the social contributions rate from 30% to 15% of payroll applies for small and medium enterprises.
- The Government is considering a review of some double tax treaties to impose a 15% tax on cash outflows (primarily in the form of dividends and possibly also interest) from Russia
- The following measure has been announced but not enacted: non-taxation of income received free of charge and devoted to COVID-19 response; deductibility of expenses related to COVID-19 response.
- Draft law: all taxes (excluding VAT) are written off for 2Q2020 for SMEs
- Draft law on deductibility of various expenses related to COVID-19 response
- Draft law on exclusion from profits tax related to standardized projects of developers

Links and resources

Government materials

- http://government.ru/en/news/39172/
- http://government.ru/en/news/39221/
- http://www.eurasiancommission.org/en/nae/news/Pages/16-03-2020-5.aspx
- http://government.ru/news/39235/
- http://government.ru/orders/selection/401/39230/
- https://www.nalog.ru/rn77/about_fts/docs_fts/9685945/
- https://ria.ru/20200323/1568997015.html?rcmd_alg=collaboration2&rcmd_id=1568994671
- https://sozd.duma.gov.ru/download/D1A6A37A-0AAB-40A4-AEA9-49EBC429D942
- http://kremlin.ru/events/president/news/63061
- https://docs.eaeunion.org/docs/ru-ru/01425280/err_02042020_43

(Available only in Russian)

- http://static.government.ru/media/files/uPySAqzA9AV39jD1h71za3OR9eslxlDj.pdf

(Available only in Russian)

- https://docs.eaeunion.org/docs/ru-ru/01425269/err_27032020_47

(Available only in Russian)

- https://www.ey.com/en_ru/tax/tax-alert/2020/04/ey-draft-regulations-of-the-russian-government-on-measures-2-april-2020-tax-eng

Decree of the Government of Moscow dated 31 March 2020 No. 273-PP
Letter of the Ministry of Finance dated 15 July 2015 No. 03-11-10/40730, article 2 of the Law of the City of Moscow No. 62 dated 17 December 2014
Federal law dated 1 April 2020 No. 98-FZ 'Amendments to several legislative acts of the Russian Federation concerning prevention and of emergency situations'
Decree of the Government of the Russian Federation dated 3 April 2020 No. 439
Information of the Bank of Russia as of 27 March 2020 'Bank of Russia declared additional measures for the support of individuals, economy and financial sector in the context of the COVID-19 pandemic,

- https://cbr.ru/press/pr/?file=27032020_152031dkp2020-03-27T15_20_11.htm

Rwanda

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- Last updated: 24 March 2020

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Return to jurisdiction list

Overview

- On 20 March 2020, and in consideration of the current global COVID-19 pandemic, the Commissioner General for the Rwanda Revenue Authority issued a public notice highlighting the short-term measures to be implemented in support of taxpayer compliance.

Personal tax

VAT, GST and trade

Business tax

- Extension of the period required for taxpayers to submit their certified annual year 2019 financial statements from 31 March 2020 to 31 May 2020.
- The deadline for submitting the year 2019 corporate income tax declarations and paying the corresponding tax balance due remains as of 31 March 2020.
- A one-month suspension of physical comprehensive tax and post clearance audits with effect from 18 March 2020. However, desk audits will not be affected by this suspension.
- A one-month suspension of the requirement for taxpayers under amicable settlement (alternate dispute resolution) to pay a down payment of 25% of the outstanding tax admissible. This suspension will be effective from 23 March 2020 and will require a taxpayer to submit an online request.

Links and resources

Kingdom of Saudi Arabia

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- Contact: Asmaa Ali – Tax Desk

- Last updated: 20 August 2020

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Return to jurisdiction list

Overview

- Saudi Arabian Monetary Authority (SAMA) announced the introduction of Private Sector Financing Support Program with a total value of SAR 50bn as follows:
- Supporting Small and Medium Enterprises (SMEs) sector by:
  - Deferred Payment Program, where the Government will deposit SAR 30 Billion in banks and financial institutions to delay the dues from the SMEs for a period of six months.
  - Funding for Lending Program, where the Government will provide concessional finance of about SAR 13.2b to the SMEs to support business continuity and sector growth.
  - Loan Guarantee Program, where the Government will deposit SAR 6 Billion in banks and financial institutions to relieve the SMEs from the burden of KAFLA Program's finance costs.
- Supporting the Point of sale (POS) and e-Commerce service providers by supporting the payment fees of all the stores and entities in the private sector for three months, and it amounts to SAR 800m.
- Supporting the institutions in Makah and Madina, affected by the precautionary measures, by coordinating with the banks and finance companies to facilitate finance repayments.
- Zakat, Income Tax and VAT payment and filing obligations have been delayed by three months.
- Postponement of customs Duty collection on imports.
- Saudi Arabian Government to bear private sector Saudi national employees' 60% salaries for three months with a total of SAR 9bn.
- Saudi Arabia's General Organization for Social Insurance (GOSI) has exempted employers from delay fines for February and March 2020.
- Cost of living allowance will be suspended as of 1 June 2020.
- Temporarily waiver of penalties for amending prior filing positions and additional filing relief
- Suspending the cost of living allowance, and raising VAT to mitigate economic impact of COVID-19 crisis.
- On 22 May 2020, the General Authority of Zakat and Tax (GAZT) has published a guidebook on the transitional provisions and Frequently Asked Questions(FAQ) for the increase of VAT rate from 5% to 15% which will effectively apply as of 1 July 2020.
- Saudi Arabia increases customs duty rates on imports which will effectively apply as of 10 June 2020
- On 2 July 2020, Saudi Arabia extended the period for benefiting from the economic relief initiatives.
- Saudi Arabia exempts investment of oil and hydrocarbon producing companies into Saudi-listed companies.
- On 6 July 2020, Saudi Arabia's General Authority of Zakat and Tax (GAZT) published a guide, regarding electronic filing of contract information.
- On 9 August 2020, the GAZT extended the economic relief initiatives that were first announced on 20 March 2020 for another three months. The initiatives will expire on 30 September 2020.

Kingdom of Saudi Arabia (continued)

VAT, GST and trade

- The deadline for submitting VAT and excise tax returns and settling resulting due tax is extended by three months to 30 September 2020 for returns which fall due between 18 March 2020 and 30 June 2020.
- Postponement of the payment of due VAT to be paid by registered persons to Customs Authority for imports related to their business activity, while allowing them to pay it through the VAT return of the import period.
- Postponement of the due Excise tax payments, to be paid by registered persons to Customs Authority for all taxable items that are not subject to tax suspension according to applicable procedures for persons who have obtained a tax warehouse license.
- Saudi Customs has postponed the collection of customs duties on imports for a period of 30 days against the submission of a bank guarantee, for the next three months and is setting the necessary criteria for extending the postponement period for the most affected activities as needed.
- Saudi Arabia has temporarily waived penalties for amending prior filing positions and offers additional filing relief.
- VAT will be increased to 15% from 5% as of 1 July 2020 as per statement of the Ministry of Finance.
- On 22 May 2020, the General Authority of Zakat and Tax (GAZT) has published a guidebook on the transitional provisions and Frequently Asked Questions(FAQ) for the increase of VAT rate from 5% to 15% which will effectively apply as of 1 July 2020.
- On 28 April 2020, Saudi Arabia enacted Cabinet Decision No. 559, to amend the Harmonized Tariff Schedule (HTS) and increase various customs duty rates. The changes take effect from 10 June 2020 and certain rates are increased up to 25%.
- On 2 July 2020, Saudi Arabia extended the period for benefiting from the economic relief initiatives. This includes:
- GAZT will defer the suspension of services and freezing of funds for Zakat and tax defaulters until 31 August 2020
- Suspending VAT payment on imports through customs and accept the payment through VAT returns until 30 September 2020.
- Expediting the VAT refund applications, and their audit will be conducted later.
- On 9 August 2020, the GAZT extended the economic relief initiatives that were first announced on 20 March 2020 for another three months. The initiatives will expire on 30 September 2020 and include:
  - Waiver of penalties arising from the late filing of a return or amending a declaration previously submitted, provided the taxpayer files the return or amended declaration within the relief period and pays the tax liability in full by 30 September 2020. This will permit taxpayers to address prior tax filing positions without penalties.
  - Waiver of penalties resulting from a taxpayer's failure to register with the GAZT before 18 March 2020 will be waived if: (i) the registration is undertaken during the period from 18 March 2020 through 30 September 2020; (ii) all necessary returns are submitted; and (iii) taxes are paid in full by 30 September 2020.
  - If a taxpayer is unable to meet the 30 September 2020 payment deadline, the taxpayer may choose to pay the taxes in installments by filing an application and agreeing to a payment schedule with the GAZT. The application must be submitted by 30 September 2020. No fines will be imposed on liabilities from the due date until 30 September 2020. However, fines would accrue from 1 October 2020, until the agreed upon payment date.

Kingdom of Saudi Arabia (continued)

Business tax

- The deadline for submitting the Zakat returns, Income Tax returns, and Withholding Tax returns: and settling due zakat and tax is extended by three months for returns which fall due between 18 March 2020 to 30 June 2020.
- Fines for late payments of instalments, amendment of declarations, non-cooperation of taxpayers, and examination fines have been suspended until 30 June 2020.
- The procedure to stop services of taxpayers and seizing funds has been suspended until 30 June 2020.
- Issuing the Zakat certificates without restrictions for the year 2019.
- Acceptance of instalment applications without an advance payment until 30 June 2020.
- Expediting the refund payment requests claimed by taxpayers.
- Suspension of the special requirements to submit bank guarantee until 30 June 2020.
- Saudi Arabia has temporarily waived penalties for amending prior filing positions and has offered additional filing relief.
- On 2 July 2020, Saudi Arabia extended the period for benefiting from the economic relief initiatives. This includes:
- GAZT deferring the suspension of services and freezing of funds for Zakat and tax defaulters until 31 August 2020.
  - GAZT continuing to accept requests for settlement of tax/zakat dues in instalments without the need for an upfront payment of first instalment until 30 September 2020.
  - On 26 June 2020, the Saudi Arabian Government issued Royal Decree No. M/153 (RD M/153). The Decree exempts the direct and indirect investment of oil and hydrocarbon producing companies into Saudi-listed companies from income tax. Oil and hydrocarbon companies with investments in Saudi-listed companies should assess the impact of the change for financial and tax reporting purposes.
  - On 6 July 2020, Saudi Arabia's General Authority of Zakat and Tax (GAZT) published a guide, regarding electronic filing of contract information. Contract reporting is mandatory for commercial contracts worth SAR100,000 (US$26,667) or more. Taxpayers are now required to file the necessary information on the GAZT's online portal.
- On 9 August 2020, the GAZT extended the economic relief initiatives that were first announced on 20 March 2020 for another three months. The initiatives will expire on 30 September 2020 and include:
  - Waiver of penalties arising from the late filing of a return or amending a declaration previously submitted, provided the taxpayer files the return or amended declaration within the relief period and pays the tax liability in full by 30 September 2020. This will permit taxpayers to address prior tax filing positions without penalties.

Kingdom of Saudi Arabia (continued)

Business tax (continued)

- Waiver of penalties resulting from a taxpayer's failure to register with the GAZT before 18 March 2020 will be waived if: (i) the registration is during the period from 18 March 2020 through 30 September 2020; (ii) all necessary returns are submitted; and (iii) taxes are paid in full by 30 September 2020.
- If a taxpayer is unable to meet the 30 September 2020 payment deadline, the taxpayer may choose to pay the taxes in installments by filing an application and agreeing to a payment schedule with the GAZT. The application must be submitted by 30 September 2020. No fines will be imposed on liabilities from the due date until 30 September 2020. However, fines would accrue from 1 October 2020, until the agreed upon payment date.

Other measures

- Supporting Saudi employees in private sectors through SANED. General Organization for Social Insurance (GOSI) will be publishing the details of extension and eligibility conditions soon.

Links and resources

Government materials

- http://www.sama.gov.sa/en-US/News/Pages/news-514.aspx
- https://gazt.gov.sa/ar/MediaCenter/News/Pages/News_309.aspx
- https://gosi.gov.sa/GOSIOnline/news51&locale=ar_SA
- https://gosi.gov.sa/GOSIOnline/news49&locale=ar_SA
- https://gazt.gov.sa/ar/RulesRegulations/UnderConsultations/Documents/GAZT%20-%20Initiatives%20EN.pdf
- https://gazt.gov.sa/ar/HelpCenter/guidelines/Documents/%D8%B2%D9%8A%D8%A7%D8%AF%D8%A9%20%D8%B6%D8%B1%D9%8A%D8%A8%D8%A9%20%D8%A7%D9%84%D9%82%D9%8A%D9%85%D8%A9%20%D8%A7%D9%84%D9%85%D8%B6%D8%A7%D9%81%D8%A9%20.pdf
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EY materials

- https://www.ey.com/en_gl/tax-alerts/saudi-arabia-temporarily-waives-penalties-for-amending-prior-filing-positions-and-offers-additional-filing-relief
- https://www.ey.com/en_gl/tax-alerts/saudi-arabia-increases-customs-duty-rates-on-imports
- https://www.ey.com/en_gl/tax-alerts/saudi-arabia-exempts-investment-of-oil-and-hydrocarbon-producing
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Senegal

- Contact: Olga Akakpovi

- Last updated: 29 April 2020

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Overview

- Several tax measures have been implemented in order to support companies affected by the COVID-19 pandemic. These include postponement of tax filings and remission of tax liabilities for taxpayers impacted by the COVID-19 pandemic. All on-site tax audits have also been suspended and prohibited until further notice.

Personal tax

- Postponement of the deadline until 15 July 2020 for filing and payment of PIT withheld on salaries paid to staff has been made available to eligible SMEs on the period running from March until June 2020.
- Taxpayers who undertake to keep their workers in employment or pay 70% of the salary of employees who were temporarily laid off for the duration of the pandemic, will be granted a subvention equal to the amount of PIT withheld from employees.
- Partial remission of tax liabilities incurred by taxpayers by 31 December 2019 for a total amount of XOF 200 billion. The conditions for the application of this measure will be defined by Decree of Minister of Finances.

VAT, GST and Trade

- A postponement to the deadline for filing and payment of VAT due from eligible SMEs in the period running from March until June 2020 has been put in place. The deadline is now 15 July 2020.
- Extension of the deadline for payment of the VAT which payment has been suspended under the Investment Code, from 12 to 24 months. This measure concerns the balance of VAT which payment has been suspended in virtue of an investment program approved under the Investment Code.
- The timeframe for reimbursement of VAT credits has been shortened. The 60 day period provided by the General Tax Code, which is rarely observed in practice, has been reduced to 14 days.
- Partial remission of tax liabilities incurred by taxpayers by 31 December 2019 for a total amount of XOF 200 billion, under conditions to be defined by Decree of Minister of Finances.

Business tax

- Postponement of the deadline filing requirements and payment of Corporate Income Tax (CIT) and other direct taxes until 15 July 2020 has been made available to eligible small and medium-sized enterprises, which includes hotel, catering trade, transport, culture, communication (press), education and farming industries that realized a turnover lower or equal to XOF 100 millions during.
- Deductibility of the donations granted to "FORCE COVID-19" from the Corporate income tax base due for the year ended on 31 December 2020.
- Postponement of the deadline filing of FY2019 annual financial statements until 30 June 2020.
- Partial remission of tax liabilities incurred by taxpayers by 31 December 2019 for a total amount of XOF 200 billion, under conditions to be defined by Decree of Minister of Finances.

Links and resources

- Service note n°290/MFB/DGID/DRS dated 26 March 2020 relating to the execution of tax audits within the context of the COVID-19 pandemic.
- Circular n°017/MFB/DGID from Minister of finances dated 17 April 2020 relating to the deadline for payment of suspended VAT.
- Circular n°018/MFB/DGID from Minister of finances dated 17 April 2020 relating to the processing of application files for VAT refund.
- Presidential Order n°002-2020 dated 23 April 2020 implementing supporting tax measures for companies affected by the COVID-19 pandemic.

Serbia

- Contact: Ivan Rakic - Tax

- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- The following economic measures during the state of emergency have been adopted by Serbian Minister of Finance:
  - State aid for small, medium and large enterprises - include payments equal to the minimum wage, for each employee. Large enterprises will receive only 50% of minimum wage and only for employees who stopped working for reasons of reduced business volume or complete suspension of work (payments to large enterprises for April and May will be granted only for the employees that have not been working for at least 15 days in April and May).
  - Salary related tax and social security contributions may be postponed for tax period March - May (or April - June), so that these are due in January 2021, with a payment period of up to 24 months, without interest.
  - A loan granting program for maintaining liquidity and working capital is available for entities such as entrepreneurs, micro, small and medium-sized enterprises.
  - Guarantee schemes for loans granted by domestic commercial banks to companies from above-mentioned segments are also available.
  - Until the end of FY 2020, companies, using Government stimulus measures, other than the ones publicly owned, will not be able to pay dividends
  - All adult citizens will be entitled to one-off aid in the amount of EUR 100 in RSD equivalent after ending the state of emergency.
  - State aid and loan granting program with beneficial interest rates is available for agricultural households.
- Postponement of repayment of loans at the request of citizens and economy for 90 days.
- Interest on all late tax payments, is reduced to the National Bank of Serbia reference rate currently 1.75%
- Deadlines in administrative proceedings before state authorities during the state of emergency have been delayed in a manner that parties to such proceeding will not bear any consequences of their failure to act within the prescribed deadlines during the period of state of emergency.
- Deferred payment of tax agreements shall not be jeopardized during the state of emergency.
- Government issued bylaw that regulates simplified procedure for issuance of corporate bonds.

Personal tax

- As part of tax measures implemented during the state of emergency, it will be possible for salary-related tax and social security contributions, payable during the state of emergency in private sector, i.e., for tax period March - May (or April - June), are deferred so that such taxes are due in January 2021, with a payment period of up to 24 months, without interest.
- Deadline for filing the tax return for self-employment income tax for taxpayers that are keeping business books (i.e., pay tax on taxable income) will be postponed to 90 days from the date of termination of the state of emergency.
- Interest on all late tax payments, is reduced to the National Bank of Serbia reference rate currently 1.75%.

VAT, GST and trade

- VAT is not to be paid on donations to health and other institutions that are engaged in combating the effects of the pandemic
- Interest on all late tax payments, is reduced to the National Bank of Serbia reference rate currently 1.75%.

Serbia (continued)

Business tax

- State aid for small, medium and large enterprises - include payments equal to the minimum wage for entrepreneurs, micro, small and medium-sized enterprises, for each employee. Large enterprises will receive only 50% of minimum wage and only for employees who stopped working for reasons of reduced business volume or complete suspension of work. General condition for receiving state aid is maintaining the number of employees i.e., not reducing the number of employees more than 10% in comparison to the pre-emergency state of affairs.
- Employers will be able to defer payment of salary related tax and social security contributions for tax period March - May (or April - June), so that such taxes are due in January 2021, with a payment period of up to 24 months without interest.
- Monthly advance payments of corporate income tax due in the second quarter of 2020 (April to June) will be deferred.
- Deadline for filing the tax return for corporate income tax will be postponed to 90 days from the date of termination of the state of emergency.
- Interest on all late tax payments, is reduced to the National Bank of Serbia reference rate currently 1.75% .

Other measures

- Interest on all late tax payments has been reduced.
- Loan granting programs and guarantee schemes for loans as measures for maintaining liquidity.
- Deferred deadlines in administrative proceedings before state authorities during the state of emergency.
- Deferred payment of tax agreements shall not be jeopardized during the state of emergency.

Links and resources

Government materials

- http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2020/38/2/reg
- http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2020/41/2/reg
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Singapore

- Contac: Siew Moon Sim – EY Asia-Pacific Tax Policy & Controversy
- Contact: Clement Lim – Tax Desk

- Last updated: 17 August 2020

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Return to jurisdiction list

Overview

- On 18 February 2020, against the backdrop of uncertain times and COVID-19 outbreak, Singapore's Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat, delivered the 2020 Budget. To deal with the immediate challenges and COVID-19, S$6.4 billion was committed toward the Stabilisation and Support Package, the Care and Support Package, and to support our frontline agencies.
- The Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat, delivered on 26 March 2020 a 2020 Supplementary Budget (known as the Resilience Budget), as both the global economy and COVID-19 outbreak had worsened since the first package was announced.
- Measures worth over S$48 billion were introduced in this Resilience Budget which focuses on:
  - First, save jobs, support workers, and protect livelihoods.
  - Second, help enterprises overcome immediate challenges.
  - Third, strengthen economic and social resilience.
- Singapore eased its monetary policy on 30 March 2020. The COVID-19 (Temporary Measures) Act was gazetted on 7 April 2020 to offer temporary relief to individuals and businesses who are unable to fulfil their contractual obligations because of COVID-19.
- Minister Heng Swee Keat announced an unprecedented third round of support measures in his Solidarity Budget speech on 6 April 2020. An additional support of S$5.1 billion will be mobilised to save jobs, protect the livelihood of the people, preserve capacity and capabilities, and provide immediate cash in hand for households to tide Singapore through its significantly stricter pre-emptive measures which will kick in from 7 April until 4 May 2020 (circuit breaker period).
- Singapore announced an extension of the circuit breaker period till 1 June 2020 (from 4 May 2020) and put in place tighter measures during the circuit breaker period. The Government will also continue to support businesses and people through building on the measures introduced in the earlier Budgets. The added support measures will amount to S$3.8 billion.
- On 2 May 2020, it was announced that circuit breaker measures will be progressively eased over the coming weeks. As restrictions will be cautiously lifted over the coming weeks, new safeguards may be put in place to ensure the safe and gradual resumption of economic and community activities.
- On 26 May 2020, Minister Heng Swee Keat announced a fourth round of support measures in his Fortitude Budget speech; an additional S$33 billion will be used to give more support to businesses which are not yet ready to re-open, and to workers who are still unable to resume work. The Budget will continue to support workers and businesses who remain affected by border closures and safe distancing measures. Additional support is also provided to households and community to cope with the disruptions, and seize new opportunities in adversity. Funding is also provided to frontline agencies, to boost clinical management of cases, and swabbing and testing capabilities.
- On 17 August 2020, Minister Heng Swee Keat announced a further round of support measures in his Ministerial Statement on Continued Support for Workers and Jobs. Although Singapore's COVID-19 situation is now under control, the global economy remains very weak. As some of the measures announced previously will be ending soon, the new round of measures worth S$8 billion seeks to advance strategies in three areas:
  - First, continued support for jobs and create new ones.
  - Second, provide further support for sectors which are hit the hardest.
  - Third, position Singapore to seize growth opportunities in a post-COVID-19 world.

Singapore (continued)

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Return to jurisdiction list

Personal tax

- Self-employed persons will be granted an automatic deferment of their income tax payments due in May, June and July 2020. If they are paying in instalments, the income tax deduction will resume in August, September or October 2020 and the end-date of their instalment plan will be extended by three months. For one-time income tax payments due in May, June and July 2020, such payment will be extended by three months.
- Similar scheme for employees except that it is by way of an option.
- If taxpayers are facing financial difficulties and need help with their tax payment as a result of the COVID-19 outbreak, they may apply for a longer instalment payment arrangement.
- Automatic extension for filing of individual income tax returns (including sole proprietorship and partnerships) to 31 May 2020 (originally due on 18 April 2020 for e-filing and 15 April 2020 for paper filing)

VAT, GST and trade

- As no Goods and Services Tax rate increase was announced, the rate will remain at 7% in 2021; it is expected to increase to 9% sometime between 2022 and 2025.
- Automatic extension for filing of GST returns for accounting period ending March 2020 to 11 May 2020 (originally due on 30 April 2020).
- The payment due date will also be extended to 11 May 2020. For those on GIRO, the deduction date remains as 15 May 2020.
- The filing and payment due date for GST returns due in May 2020 is extended to 11 June 2020. For those on GIRO, the deduction date remains as 15 June 2020.

Business tax

- Granting a Corporate Income Tax rebate of 25% of tax payable, capped at S$15,000 (US$10,700) for the year of assessment (YA) 2020
- Automatic extension of interest-free instalments of two months for payment of CIT on Estimated Chargeable Income (ECI)
- All companies with Corporate Income Tax (CIT) payments due in the months of April, May and June 2020 will be granted an automatic three-month deferment of these payments. The CIT payments that are deferred from April, May and June 2020 will be collected in July, August and September 2020 respectively.
- Extended payment is also granted to companies whose CIT payments are due in the months of April, May and June 2020 and are not on instalment arrangement.
- Companies with financial year ending in January 2020 and February 2020 will be granted an automatic extension till 30 June 2020 to file their YA 2021 ECI.
- Automatic one-month extension to 15 May 2020 will be provided for submission of Section 45 Withholding Tax Forms due 15 April 2020.
- For companies regarded as Singapore tax resident in YA 2020, the tax authorities are prepared to consider the company as Singapore tax resident for YA 2021 even though the Board meetings are held outside Singapore or held via electronic means due to COVID-19. This is provided that there is no change in the economic circumstances of the company. Conversely, where a company is not Singapore tax resident in YA 2020, the IRAS will regard the company as non-resident for YA 2021 provided that there is no change in the economic circumstances of the company and Board meetings are held in Singapore due to COVID-19.

Singapore (continued)

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Return to jurisdiction list

Business tax

- The tax authorities will not treat a foreign company as having a permanent establishment (PE) in Singapore as a result of the unplanned presence of their employees due to COVID-19 provided the company does not have a PE in Singapore for YA 2020, there are no other changes to the economic circumstances of the company, the physical presence of such employees is temporary and the activities performed by such employees would not have been performed in Singapore if not for the travel restrictions.
- Granting of rebate of 100%/60%/30% for property tax payable for the period 1 January to 31 December 2020 for qualifying commercial and other non residential properties
- Enhancing the carryback relief scheme to allow qualifying deductions for YA 2020 to be carried back up to the three immediate preceding YAs (it is currently allowed for only the immediate preceding YA), capped at S$100,000 (US$71,400) of qualifying deductions and subject to conditions
- Providing an option to accelerate the tax depreciation claim for plant and machinery acquired for YA 2021 over two years i.e., of the cost in YA 2021 and remaining 25% in YA 2022
- Providing an option to accelerate the deduction of qualifying expenditures incurred on renovation and refurbishment for YA 2021 in one YA instead of over three consecutive YAs as currently allowed, subject to an expenditure cap of S$300,000 (US$214,200)
- The timeline for S-REITs to distribute at least 90% of their taxable income derived during FY2020 in order to qualify for tax transparency has been extended from three months to 12 months (after the end of FY 2020). The timelines for S-REITs to distribute their taxable income derived in FY2020 and FY2021 was recently further extended; for taxable income derived in the ending in 2020, S-REITs will have until 31 December 2021 to distribute them;. For taxable income derived in the FY ending in 2021, they will have until 31 December 2021 or three months after the end of FY2021, whichever is later, to distribute them.
- Consistent with the announcement by the US Internal Revenue Service and in light of the COVID-19 situation, IRAS is extending the FATCA filing deadline for Reporting Year 2019 to 31 Aug 2020 (from 31 May 2020).
- Consistent with international practices to help financial institutions in light of the COVID-19 situation, IRAS is automatically extending the CRS filing deadline for Reporting Year 2019 to 31 Aug 2020 (from 31 May 2020).
- A new bill to mandate that landlords contribute by granting a rental waiver to their SME tenants. Also a cash grant given by the government to offset the rental costs of SME tenants, to be disbursed through property owners from the end of July.

Links and resources

EY materials

- https://www.ey.com/en_sg/tax/ singapore-budget-2020- synopsis
- https://www.ey.com/en_sg/tax/ tax-alerts/budget-highlights-for- the-c-suite
- https://www.ey.com/en_sg/tax/tax-alerts/highlights-of-singapore-s-resilience-budget-2020
- https://www.ey.com/en_sg/tax/tax-alerts/highlights-of-singapore-s-solidarity-budget-2020

Government materials

- https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexa1
- https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexb2
- https://www.singaporebudget.gov.sg/docs/default-source/budget_2020/download/pdf/annexc1
- https://www.singaporebudget.gov. https://www.singaporebudget.gov.sg/budget_2020/resilience-budget

Sint Maarten

- Contact: Rose Boeve - International Tax and Transaction Services
- Last updated: 30 April 2020

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Return to jurisdiction list

Overview

- Extended payment arrangements for businesses experiencing liquidity issues. Arrangements will be handled on an individual basis and evidence of hardship will be required.
- Business liquidity support loans.
- Increased support to rent committee.
- Encourage landlords not to evict tenants and to grant possible suspension of payments or reduced payments.
- Moratorium on bank loan for three to six months - no capital repayments nor interest.
- Special working capital to corporate clients by several banks (case-by-case basis).
- Other relief measures related to utility bills, fuel prices, telecommunication bills and student loans

Personal tax

- Postponement of filing of 2019 income tax return to 31 August 2020
- Suspension of audits.
- Postponement to 4 May 2020 has been granted for filing of monthly tax and premium declarations due on 15 April 2020
- Employers who wish to apply for the Payroll Support will had to have filed monthly tax and premium declarations not later than 24 April 2020. Payment is due not later than 4 May 2020.
- Payroll Support Plan: Government will pay a maximum of 80% of the payroll of qualifying businesses for a period of maximum three months. Employers must have an active account for the SZV Employer Portal.
- Lockdown Payroll Support Plan: employers that are not qualifying for the Payroll Support Plan but have a decline of revenue of more than 20% in the month of April 2020 as a result of the Lockdown are eligible for this support. In principle, the same conditions and requirements as for the Payroll Support Plan apply.
- It is proposed to provide income support to sole proprietors, vendor license holders, bus and independent taxi and tour drivers who are facing revenue losses due to COVID-19. The Government is proposing to pay up to ANG 1,150 per month for the three months.
- The Unemployment Program will pay ANG 1,150 to qualifying individuals for the months of April, May and June 2020.

VAT, GST and trade

- Update of maximum price list which includes canned foods, rice, vegetables, baking products, baby products, sanitary products, personal hygiene products, water, etc. and increased enforcement of the maximum list.
- Suspension of audits.

Business tax

- Postponement of filing and payment of the 2019 provisional profit tax return until 30 June 2020
- Extension of filing of final profit tax return
- Suspension of tax audits
- Postponement has been granted for filing the monthly tax and premium declarations due on 15 April 2020, to 4 May 2020. Employers who want to apply for the Payroll Support will have to file monthly tax and premium declarations not later than 24 April 2020. Payment is due not later than 4 May 2020.

Links and resources

Government materials

- www.sintmaartengov.org

Slovakia

- Contact: Peter Feiler – Tax Policy
- Last updated: 17 April 2020

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Return to jurisdiction list

Overview

- Due to the COVID-19 pandemic several tax relief measures have been implemented, mainly focusing on postponement of payments and filing deadlines.
- All tax audits may be postponed based on the request and the statute of limitations for tax purposes has been put on hold.
- Further, deadlines for preparing financial statements and annual reports have been postponed until the end of the third month following the end of the pandemic, as defined by the Government.
- Alongside tax measures, the Government approved other measures, the most relevant being Government support toward employee wages.
- Contributions will be provided to (i) companies which had to close their business (up to EUR 1,100 per employee, per month) and (ii) to companies which did not have to close – these companies have two options:
  - Contribution of up to EUR 880 per employee if they are not able to assign work for their employees, or
  - Flat contribution based on the decrease in revenue. The contribution is scaled based on the decrease, with maximum of EUR 540 per employee in case of more than 80% decrease.
- Previous limitations on support were lifted so the range of the support expanded to businesses of all sizes.
- The Government also plans to issue bank guarantees up to 500m per month.

Personal tax

- Personal income tax returns for 2019 may be filed and related tax paid by the end of the month the pandemic ends, as defined by the Government.
- Payment of employer's part of social and health security contributions for March 2020 is postponed until 31 July 2020 in cases where company revenues decreased by more than 40%.
- In case of mandatory closures for at least 15 days in April 2020, the 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.

VAT, GST and trade

- Generally, no material legislative measures were introduced in the VAT area yet.
- VAT returns must still be submitted within the existing deadlines and VAT must be paid accordingly.
- Inability to fulfil these obligations will not result in the taxpayer's details being published in the list of tax debtors.
- Some restrictions on the accelerated refund of excess VAT have been lifted.

Business tax

- 2019 corporate income tax returns may be filed and related tax 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.
- Unused tax losses from the 2015-2018 tax years can be used in the 2019 tax return, to a limit of EUR 1m.
- In the case of a decrease in revenues of more than 40% when compared to the prior year, taxpayers are not obliged to make tax prepayments. This applies from May 2020.
- Tax overpayments will be released by tax authorities within 40 days following the month in which the tax return was submitted.

Links and resources

Government materials

- https://www.pomahameludom.sk/
- http://spr.ly/60481xasY
- http://spr.ly/60471IiWD

Slovenia

- Contact: Matej Kovačič - Tax Desk
- Contact: Lucijan Klemenčič - Tax Policy

- Last updated: 28 July 2020

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Return to jurisdiction list

Overview

- On 2 April 2020, the Slovenian Parliament enacted the Act on emergency measures to contain the COVID-19 pandemic and mitigate its consequences for citizens and the economy (»Mega Act«). It will be in effect until 31 May 2020, and may be extended by an additional 30 days if the pandemic is not deemed passed by the government by 15 May 2020; some of the measures have retroactive effect. On 28 April 2020, Slovenian Parliament confirmed amendments of the abovementioned Act as well as the Act on provisional measures for judicial, administrative and other public matters to cope with the of COVID-19.
- On 29 May 2020, the Slovenian Parliament confirmed new Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 pandemic (Mega Act 3). The Act is in force as of 31 May 2020. Furthermore, on 9 July 2020, new Act Determining the Intervention Measures to Mitigate Second Wave of COVID-19 (Mega Act 4) was adopted and is in force from 11 July 2020.
- Mega Act and Mega Act 2 ceased to be in force at the end of May, hence Mega Act 3 and Mega Act 4 in force as of June 2020.
- The total value of the package is estimated to be EUR 3 billion.
- **Workers on temporary leave ("waiting for work")** Workers who are waiting for work are entitled to a salary compensation of 80 percent of the individuals average monthly full-time salary for the past three months in accordance with the Employment Relationship Act (ERA). Such payment shall not be lower than the minimum salary of Republic of Slovenia. Employers are entitled to a partial refund of the paid salary compensation in the amount of 80% of the wage compensation and is limited by the amount of the maximum amount of cash unemployment benefit set out in the law governing the labor market. 80% of the amount of compensation covered by the Republic of Slovenia includes salary compensation and contributions for all social security insurance. The employer itself covers the difference up to full salary compensation - 20% of salary compensation and social security contributions.
- Workers that are not working due to force majeure are entitled to salary compensation in accordance with employment Relationship Act to 50% of their salary, the cost is fully born by employer.
- The employer will exercise the partial right for reimbursement of compensation payments by filing an application with the Government's Employment Services department within eight days of when workers are posted to wait for work. Measures in this area are not available to employers who are direct or indirect budget consumers and those pursuing activities under the standard classification of activity K (financial or insurance) and have more than 10 employees on 12 March 2020.
- The Mega Act 4 extends the period in which employers are entitled to partial reimbursement of compensation to workers that are assigned to wait for work from home. An employer may assign an individual employee on a temporary waiting for work from home until 31 July 2020 at the latest, however the Government of the Republic of Slovenia may extend this restriction with a decision but not more than twice for a period of one month and not longer than 30 September 2020.
- On 23 July 2020, a Decision on the extension of the measures of partial reimbursement of salary compensation for workers on temporary waiting for work was adopted, extending the partial reimbursement of compensation to workers that are assigned to wait for work from home until 31 August 2020. As per Mega Act 4 the Government can extend this measure one more time, before the end of September 2020.
- **Partial subsidies for reducing full time work:** Mega Act 3 introduces the possibility of ordering part-work to full time employees while sending them to temporary wait for work. The subsidy could be awarded to employers based on an application filed with the Employment Service of Republic of Slovenia (ES) on a monthly basis (for the previous month). The employer have to give consent for the public disclosure of the data on the recipients of the subsidy and agree not to violate the prohibition of dismissal of worker during the period of receiving the subsidy and for one month after. An employer, who received approved subsidy from the ES and provides workers with work for at least part-time work is able to claim a partial refund of the compensation for waiting for work for such employees. Employers who are eligible for this measure are:

  1. Legal or natural person who was entered in the Business Register of Slovenia before 13 March 2020 and employs employees on the basis of a full-time employment contract and;
  2. According to the employer's estimate, at least 10% of employees cannot be provided at least 90% of work per month.

Overview (continued)

- Before ordering part-time work for employees or any change in this regard, the employer must consult with the trade union before the start or change. In case there is no trade union the employer should consult with works council. If there is neither one nor the other body at the employer, the employer must inform the employees in advance in the usual manner prescribed by the employer. The law provides for a time limit for the said measure, namely from 1 June to 31 December 2020.
- The employer must inform the employee in writing about the reduced working hours, while the employee reserves the right to: (i) remuneration for work when actually working; (ii) for the difference up to full-time work, the employee receives salary compensation in accordance with the Employment Relationships Act (i.e. 80% of the average salary for the previous three months); (iii) to perform full-time work at the request of the employer. The employee may register in the register of jobseekers during the ordered part-time work and may also be included in the measures provided by the Employment Service to registered jobseekers.
- **Salary compensation for workers absent due to ordered quarantine:** The employers that are entitled to reimbursement of salary compensation are those who declare that they cannot organize work from home for the worker(s) that are quarantined. The time limit for salary compensation entitlement is limited to the duration of the quarantine period. Reimbursements of salary compensations for employer due to the ordered quarantine is time limited to a maximum up to 30 September 2020. The law provides for two types of salary compensation in the event of a quarantine ordered to a worker:
  - **Quarantine is ordered to a worker at a border crossing:** In this case, the worker is entitled to a salary compensation in the amount determined by the Employment Relationship Act for the force majeure cases, i.e., 50% of regular salary, but not less than 70% of the Slovenian minimum wage.
  - **The worker was quarantined due to contact with infected individual:** In this case, the salary compensation is set as when employer has temporary inability to provide work for business reasons to worker as per Employment Relationship Act. The salary compensation salary would amount to 80 percent of the full-time monthly salary from the last three months or last three months before the start of the absence.

  Worker must inform employer about the order quarantine within three days from received Decree. The employer should apply for reimbursement of salary compensation via electronic application at the Employment Service of the Republic of Slovenia within 30 days from the beginning of the absence of employees due to ordered quarantine. Reimbursements are paid to the employer on a monthly basis, in pro-rated or full amount on the last day of the month which follows the month in which the salary compensation according to this Act was paid.
- **Payment of tax advances (for legal entities and sole-entrepreneur)** The Act stipulates that advance payments of personal income tax for natural persons engaged in business activity (self-entrepreneur) and advance payments of corporate income tax, which will be due after the adoption of the Act, and up to and including 31 May 2020, are not required to be paid. At the same time, these advances are not considered to be accounted for, and thus the unpaid instalments of the tax are not deducted from the advance payment of personal income tax from the activity for 2020 or from the personal income tax calculated for 2020 (the expected payment of personal income tax in 2021 for 2020).

Overview (continued)

- **Tax relief on donations:** Companies and sole entrepreneurs that donate their funds for the purpose of eliminating the effects of the COVID-19 pandemic paid to the specially opened transaction bank account of the Republic of Slovenia or other EU Member States, are eligible for the additional tax relief. Taxpayers who have income from business activity may, in addition to decreasing tax base in accordance with Article 59 of the Corporate Income Tax Act ("ZDDPO-2") or Article 66 of the Personal Income Tax Act ("ZDoh-2"), further reduce the tax base for the entire amount of donations made to address the effects of the COVID-19 pandemic. The amount of donations includes all payments made after 13 March 2020 and up to the decision of the Government of the Republic of Slovenia to close a specially dedicated transaction bank account for the purpose of eliminating the consequences of the COVID-19 pandemic. In order to claim the relief, the companies should follow the rules of provisions provided by the ZDDPO-2 and ZDoh-2.
- **Temporary VAT exemption on supplies:** The Mega Act also provide for exemption from payment of import duties and payment of VAT for the supply of protective and medical equipment from 13 March 2020 to 31 July 2020. The exemption applies only to goods that are intended for distribution free of charge to persons affected by the pandemic or goods given to free use by entities engaged in health care, provided that the goods remain the property of the authorities (including governmental bodies and local authorities) or charitable organizations. Besides, the goods need to be primarily delivered to a government body or organization, a local authority or other organization that is considered a charitable organization.
- **Refund of received state aid:** Recipients of state aid that are in fact not entitled, will have to repay the received funds to the State. Namely, the companies which will distribute a profit (dividend), purchase their own shares or their own business share, or pay the reward and part of the salary for business performance to management in 2020 or later for 2020, are obliged to inform the Tax Authorities. The Tax Authorities will then issue a Decree regarding the refund of received state aid with penalty interest. Penalty interest would be calculated for period from when the state aid was given to the company and up to the time the state aid is returned.
- **Foreclosures:** Workers who have court or tax foreclosure will not be required to pay them in the period when the said Act is in force – which is expected to be up to 31 May or 30 June 2020. Foreclosures on March salaries will not therefore be executed on part of the compensation for waiting for work). For April and May, no foreclosures will be executed on salaries irrespective of type of payment. This does not, however, apply to deduction for child support payments, which must continue to be properly accounted for and deducted.
- **Payment deadlines** - Payment deadlines when the creditor is a public authority is extended to 60 days. That deadline will remain in force for one year after the end of the COVID-19 pandemic.
- **Submission and publication of annual reports for insurance companies:** Insurance agencies must submit an annual report and an auditor's report on the auditing of the annual report to the Insurance Supervision Agency no later than five months after the end of the calendar year
- **Cadastral income:** Due to the anticipated loss of production of basic agricultural and forestry products, the Act stipulates that for 2020 the tax base from potential market income for products from land shall be determined at 50% of cadastral income determined on 30 June 2020 and the tax base from potential market income for hive production of 35% of the flat rate per hive established on 30 June 2020
- The deadline for submission of assessments, extension of deadlines for submission of Corporate Income Tax Returns and annual reports is extended
- The tax authorities may allow the deferral of tax payments for individuals and legal entities for a maximum of 24 months or payment in 24 instalments for reasons arising from COVID-19 without any (late) interest becoming due.
- The Government may further amend the proposed deadlines, should the COVID-19 pandemic escalate further.

Slovenia (continued)

Personal tax

- The law extends the deadline for issuance of informative tax calculation for personal income tax for 2019 to 30 June 2020. The issuance of informative calculations by the Financial Administration of Republic of Slovenia, is thus moved from 31 March 2020 to 31 May 2020.
- In accordance with the aforementioned measure, all resident taxpayers who will not be served with the 2019 informative tax calculation by 15 July 2020 will have their tax filing deadline moved to 31 August 2020.

VAT, GST and trade

- Subject to certain conditions, supplies of goods intended for persons affected by the pandemic are temporarily exempted from VAT.

Business tax

- The deadline for submission of the corporate income tax return and tax return for tax advance payment for income from activity (for 2019), are extended from 31 March 2020 to 31 May 2020.
- The deadline for submission of annual reports to the Agency of the Republic of Slovenia for Public Legal Records and Related Services (for 2019) is also extended from 31 March 2020 to 31 May 2020.
- Companies and entrepreneurs may apply for a decrease of advance payments of corporate income tax or professional and business tax when an estimated decrease of revenues in 2020 can be proven.

Links and resources

Government materials

- https://www.gov.si/novice/2020-03-20-drzavni-zbor-sprejel-vladne-predloge-na-davcnem-in-kreditnem-podrocju/

South Africa

- Contact: Brigitte Keirby-Smith
- Last updated: 11 May 2020

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Return to jurisdiction list

Overview

- On 1 April 2020, National Treasury and the South Africa Revenue Service (SARS) published the 2020 Draft Disaster Management Tax Relief Bill and the 2020 Draft Disaster Management Tax Relief Administration Bill (the Draft Bills).
- On 23 April 2020, National Treasury released a Media Statement detailing further tax measures to combat COVID-19. These additional tax measures were incorporated into the Draft Bills on 1 May 2020.

Personal tax

- For individual taxpayers, the tax-deductible limit for donations will be increased from 10% to 20% of taxable income for Solidarity Fund donations during the 2020/21 tax year. This applies to donations actually paid or transferred to the Solidarity Fund by the end of the year of assessment of the donor. The proposed amendment is deemed to have come into operation on 1 April 2020 and applies until 28 February 2021.
- For the period 1 April 2020 to 30 September 2020, employers can factor in Solidarity Fund donations made on behalf of an employee of 33.3% (for three months) or 16.66% (for six months) of an employee's monthly salary when calculating employees' tax.
- A COVID-19 Temporary Employer-Employee Relief Scheme (COVID-19 TERS) has been introduced to pay employees a portion of their salary during the temporary closure of their employer's businesses. This will be facilitated by the Unemployment Insurance Fund. Employees may receive a salary benefit up to a maximum of R17 712 per month, based on an income replacement scale ranging from 38% to 60%.
- The TERS relief also allows access to an illness benefit for employees who either self-quarantine without a medical certificate or who quarantine upon consultation with a medical practitioner.
- To access the TERS relief, the employer must be registered for Unemployment Insurance Fund (UIF) and the employer's closure must be directly linked to the COVID-19 pandemic.

VAT, GST and trade

- The importation of "essential goods" (as defined in Regulation R.398 in Government Gazette No 43148 of 25 March 2020) will qualify for a VAT exemption on importation during the COVID-19 pandemic.
- A full rebate of customs is also available where ITAC has approved the rebate for the goods concerned.
- There are specific requirements to be met in order to qualify for this relief.
- On 26 March 2020 SARS published Binding General Ruling 52 whereby the following time periods are extended:
  - To levy VAT at the zero rate on the export of goods, these goods must generally be exported within 90 days of issuing an invoice or receiving any payment, whichever is the earlier. This time period has been extended by three months.
  - To qualify for a VAT refund from the VAT Refund Administrator, goods generally be exported within 90 days from the tax invoice and the refund application must be submitted within 90 days from the date of export. This time period has been extended by three months.
- From May 2020, smaller VAT vendors in a net refund position will be temporarily permitted to file VAT returns monthly, instead of once every two months, thereby unlocking input tax refunds more rapidly.
- Excise duty payments due in May 2020 and June 2020 on alcoholic beverages and tobacco products will be deferred by 90 days for excise-compliant businesses.

South Africa

- Contact: Brigitte Keirby-Smith

- Last updated: 11 May 2020

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Return to jurisdiction list

Business tax

- From 1 April 2020 to 31 July 2020, tax-compliant Small, Micro and Medium-Size Enterprise (SMME – a business with gross income not exceeding R100 million) will be able to defer 35% of their employees' tax liabilities. The deferred liability must be settled over six months (from 1 August 2020 to 31 January 2021).
- From 1 April 2020 to 31 March 2021, tax-compliant SMMEs will be able to defer a portion of their first and second provisional tax payments. A first provisional tax payment due from 1 April 2020 to 30 September 2020 will be based on 15% of the estimated total tax liability, while a second provisional tax payment due from 1 April 2020 to 31 March 2021 will be based on 65% of the estimated total tax liability.
- To avoid interest, deferred payments will need to be paid as part of the SMME's third "top up" provisional tax payment.
- Businesses with a gross income of less than R100 million can apply for additional payment deferrals without incurring penalties.
- Businesses with a gross income exceeding R100 million that can show they are incapable of making payments due to COVID-19, may apply directly to SARS to defer tax payments without incurring penalties.
- A four-month holiday for Skills Development Levy contributions by employers (1% of total salaries), beginning 1 May 2020 and ending on 31 August 2020. This is a suspension (not a deferral), and as a result, employers will not become liable for these amounts after 31 August 2020.
- The Employment Tax Incentive (ETI) is expanded for tax-compliant employers from 1 April 2020 until 31 July 2020, by increasing the maximum monthly ETI claim (by R750) for eligible employees and also extending the ETI to employees that would not otherwise qualify (due to time or age) where those employees earn less than R6,500 a month. SARS will also increase the schedule of Employment Tax Incentive (ETI) reimbursements payments from twice per year to monthly.
- A three-month delay in the filing and payment of Carbon Tax from 31 July 2020 to 31 October 2020.
- The 2020 Budget tax proposals to restrict the net interest expense deduction to 30% of earnings and to limit an assessed loss carried forward to 80% of taxable income, were to be effective for tax years commencing on or after 1 January 2021. These measures will be postponed to 1 January 2022.
- A COVID-19 disaster relief organization will (on application and approval by SARS) be deemed to be a public benefit organization (PBO). The approval will only apply for a period of four months (1 April 2020 to 31 July 2020). These PBOs qualify for tax-exempt status. Donations made to a COVID-19 disaster relief organization during the period 1 April 2020 to 31 July 2020 will be tax deductible to the donor (limited to 10% of taxable income). Donations made to or by these PBOs will be exempt from Donations Tax.
- In addition, any amounts received or accrued from a COVID-19 disaster relief organization will not be subject to employees' tax (for the period 1 April 2020 to 31 July 2020). Such payments will, however, be subject to tax in the hands of the employee on assessment.
- For corporates, the tax-deductible limit for donations made to the Solidarity Fund will be increased from 10% to 20% of taxable income. This applies to donations paid or transferred to the Solidarity Fund by the end of the donor's year of assessment. With regard to companies, the proposed amendments are deemed to have come into operation on 1 April 2020 and apply until the year of assessment ending on or after 1 January 2021.

Links and resources

Government materials

- https://www.sars.gov.za/AllDocs/LegalDoclib/Drafts/LAPD-LPrep-Draft-2020-26%20-%20Revised%20Draft%20Disaster%20Management%20Tax%20Relief%20Bill%20-%201%20May%202020.pdf
- https://www.sars.gov.za/AllDocs/LegalDoclib/Drafts/LAPD-LPrep-Draft-2020-27%20-%20Revised%20Draft%20Disaster%20Management%20Tax%20Relief%20Administration%20Bill%20-%201%20May%202020.pdf
- https://www.sars.gov.za/AllDocs/LegalDoclib/Drafts/LAPD-LPrep-Draft-2020-28%20-%20Draft%20EM%20on%20the%20Revised%20Draft%20Disaster%20Management%20Tax%20Relief%20Bill%20-%201%20May%202020.pdf

South Korea

- Contact: Seung Yeop Woo - Tax Policy
- Contact: Young Ju Song – Tax Desk

- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

- On 27 February 2020, the Korean National Tax Service announced that it will allow a 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.
- On 17 March 2020, the Korean National Assembly Strategy and Finance Committee passed various tax relief measures in response to COVID-19.
- On 2 April 2020, the Tax Service announced the extension of VAT filing and payment for 1st quarter of 2020.

Personal tax

- Increased income tax deductions on individual spending between 1 March - 30 June 2020 to: (i) credit card spending 15% -> 30%, (ii) cash receipts/debit cards 30% -> 60%, (iii) traditional market/public transport 40% -> 80%.

VAT, GST and trade

- Extension of payment due date of customs duties up to 12 months for companies in designated COVID-19 disaster zones (e.g., Daegu).
- Increase of VAT exemption threshold for simplified VAT registrants (KRW 30 million to KRW 48 million) until the end of 2020.
- The VAT return due date may be extended by 1 month for those in the special disaster zone and 3 months for those directly affected by COVID-19. Further, application for extension up to 3 months can be made for those affected by COVID-19.
- The first quarter VAT payment due 24 April 2020 will be deferred to 27 July 2020 for SMEs and sole proprietors and those in the special disaster zone.
- 70% reduction of special consumption tax on automobile purchased between 1 March – 30 June 2020
- Temporary VAT reduction for small size sole proprietor
- Extension of 1st quarter VAT filing and payment for up to three months

Business tax

- The deadline for the submission of corporate tax returns for 2019 is extended for one month to 4 May 2020 for the fiscal year ended 31 December 2019.
- One-off corporate income tax reduction (limitation of KRW 200M) for small and medium enterprises located in designated COVID-19 disaster zones (e.g. Daegu). A small enterprise for up to 60%, while medium enterprise for up to 30%.
- One-off increase of the limitation tax deductibility of meals and entertainment expenditures.
- 50% tax credit on the discounted rental lease amount between 1 January – 30 June 2020.

Links and resources

Government materials

- National Tax Service
- Ministry of Economy and Finance

Spain

- Contact: Javier Seijo Perez - Tax Policy
- Contact: Jano Bustos - Tax Desk

- Last updated: 9 September 2020

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Return to jurisdiction list

Overview

- On 14 March 2020, the Spanish Government issued Royal Decree 463/2020 declaring a State of Alarm for Spain. The State of Alarm finalized on 21 June 2020.
- Effective 13 March 2020, the Government introduced a set of measures to mitigate the economic effects of COVID-19, through several Royal Decrees and Royal Decree-Laws.
- The main tax measures are as follows:
  - Deadlines have been extended until 30 May.
  - Extensions apply to the payment of tax liabilities derived from tax assessments made by the tax authorities and to tax liabilities where the deferral or instalment payments have already been approved. The extensions also apply to tax processes that are currently underway in relation to the application of taxes, penalties, audits.
  - Extensions do NOT apply to taxes that are self-assessed and fall due on a periodic basis, (i.e. CIT/VAT/WHT).
  - Deferrals with no guarantee for SMEs and self-employed workers are more flexible: payment may be deferred up to six months for tax liabilities of under EUR 30,000 in the period running from 13 March to 30 May. In such cases, interim payments, WHT and VAT may also be deferred, and late interest does not accrue during those first three months.

Personal tax

- The term of administrative and court procedures are suspended and deadlines are "interrupted" (including tax and penalty procedures).
- 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.
- Royal Decree 465/2020 clarifies that deadlines to file periodic returns (as the Personal Income Tax return) are not suspended.
- 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; and
  - Deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- 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.
- This extension was effective until 30 May 2020.

VAT, GST and trade

- The term of administrative and court procedures are suspended and deadlines are "interrupted" (including tax and penalty procedures).
- 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.
- Royal Decree 465/2020 clarifies that deadlines to file periodic returns (such as the VAT returns) are not suspended.
- 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; and
  - Deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- 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.
- This extension was effective until 30 May 2020.
- With effect from 23 April 2020, the VAT rate for healthcare materials is reduced to 0% until 31 October 2020 and the VAT rate for electronic books, newspapers and magazines is indefinitely reduced to 4%.

Spain (continued)

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Return to jurisdiction list

Business tax

- The term of administrative and court procedures are suspended and deadlines are "interrupted" (including tax and penalty procedures).
- 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.
- Royal Decree 465/2020 clarifies that deadlines to file periodic returns (such as the CIT return) are not suspended.
- 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; and
  - Deadlines for the formalities of tax procedures as, sanction or *ex officio* review (information requirements or seizures, allegations).
- 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.
- This extension was effective until 30 May 2020.
- The deadline for submitting the 2019 Corporate Income Tax (CIT) return has not been modified, but given that the deadline to finalize and approve the 2019 Annual Accounts has been extended as an extraordinary COVID-19 measure, CIT payers are allowed to submit amending returns up to 30 November 2020. No surcharges (only interest for late payment) in case the final result of the year differs from the one reported through the Corporate Income Tax return due on 25 July 2020.

Links and resources

EY materials

- https://taxnews.ey.com/news/2020-0575-spain-declares-state-of-alarm-immediate-tax-implications

Sri Lanka

- Contact: Duminda Hulangamuwa - Tax

- Last updated: 18 April 2020

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Return to jurisdiction list

Overview

- The Cabinet of Ministers of the newly appointed Government of Sri Lanka proposed many changes to tax policy in fulfillment of the election pledge under the Economic Revival Initiative. Tax policy reforms under this initiative were proposed prior to COVID-19 pandemic and are still in the process of implementation.
- There have not been any significant tax policy changes or administrative measures adopted in response to COVID-19 yet. However, plans are developing for measures to mitigate the impact of COVID-19 and the island-wide lockdown on the statutory and other obligations of taxpayers.

Personal tax

- There are have not been any policy changes proposed or implemented in relation to Personal Tax.
- However, a mechanism for payment of tax on employment income through the employer was reintroduced and the authorities are currently in the process of issuing the required regulations and guidelines in this regard.

GST, VAT and Trade

- No policy changes have been made in relation to VAT, but deferral of the deadlines for filing of VAT Returns and payment of VAT has been implemented administratively.
- Payment of VAT including VAT on Financial Services for the month of February (which was due on 20 March 2020) and payment for the month of March (which is due on 20 April 2020 have both been deferred until 30 April 2020.
- In addition, the deadline for filing a VAT Return for the month of February which was due on 31 March 2020 has been deferred until 30 April 2020.

Business tax

- There have not been any specific policy changes or any tax relief for Business Tax proposed or implemented.
- However, the Government is contemplating providing relief concessions to businesses, especially to Small and Medium Enterprises post COVID-19 and such proposals may include tax benefits.

Links and Resources

Government resources

- http://www.ird.gov.lk/en/sitepages/News%20and%20Notices.aspx
- http://www.treasury.gov.lk/web/guest/news-room
- https://www.cbsl.gov.lk/#

St. Kitts & Nevis

- Contact: La-Tanya Edwards – Tax Desk

- Last updated: 04 May 2020

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Overview

- Postponement of the payment of Property Tax from June to September 2020.
- Waiver of payments for consumption of water for the period April to June 2020 for individuals who have been laid off by businesses or experience a reduction in earnings as a consequence of COVID-19.
- Waiver of payments for the consumption of water by farmers for six months (April to September 2020).
- The Development Bank of St. Kitts and Nevis will facilitate a loan repayment moratorium for six months and the waiver of all applicable late fees and charges to support customers who are impacted by the loss of income due to COVID-19
- The St. Kitts Electricity Company and the Nevis Electricity Company will implement a moratorium on payments for electricity services for affected businesses and individuals for a three-month period, April to June 2020.
- The Government will reprioritize and accelerate the pace of implementation of approved Capital Projects that could have a direct positive impact on the economy.

VAT, GST and Trade

- Removal of VAT and Import Duty for a period of six months on the following hygiene items:
  - Hand sanitizers
  - Hand sanitizer dispensing machine
  - Disinfecting wipes
  - Rubbing alcohol
  - Gloves
  - Masks
  - Protective gowns
- Removal of Import Duty and Customs Service Charge for six months on the following:
  - Vegetables
  - Fruits
  - Fruit juices
  - Cough and cold preparations
  - Vitamins

Business tax

- Reduction of the Corporate income tax rate from 33% to 25% for the period April to June 2020 for businesses that retain at least 75 percent of their employees.
- Reduction of the Unincorporated Business Tax rate by 50% from 4% to 2% for the period April to June 2020.

Links and resources

St. Lucia

- Contact: La-Tanya Edwards – Tax Desk
- Last updated: 13 April 2020

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Return to jurisdiction list

Overview

- The Government is in discussion with Insurance companies to provide assistance to persons affected by COVID-19.
- The assistance being considered is in the form of premium insurance certificates, whereby individuals would receive a moratorium on the payment of their insurance premiums, however they would still be provided with insurance coverage.
- The Government has ordered a suspension of all rental payments for six months for Small, Medium and Micro-sized Enterprises (SMMEs) renting from Government who demonstrate loss of business due to COVID-19.
- Moratorium on bank loan repayments (principal and interest) for six months
- Displaced workers and businesses adversely affected by the COVID-19 pandemic will obtain relief from the commercial banks from April to September 2020. Government is working toward similar relief with Credit Unions.
- The Government is working closely with the Saint Lucia Bankers Association, the Eastern Caribbean Central Bank, the Caribbean Development Bank, the World Bank, and the other international development partners to seek financial assistance which includes a moratorium on debt payments, grant funding, policy based loans and budgetary support.

Personal tax

- **Extension of time for filing of Income Tax Returns by one month:** This pertains to all individuals, enterprises, companies and other entities. Persons and entities are all encouraged to use the Inland Revenue Department's Electronic Filing Platform to file their tax returns and make payments online, as it is a convenient, safe and reliable medium.
- **Waiver of Interest and Penalties for March 2020:** All payment due dates for the months of April to September will be extended by one month.

VAT, GST and trade

- **Waiver of Interest and Penalties on all Tax types for March 2020:** All payment due dates for the months of April to September will be extended by one month. Value Added Tax (VAT) payments due on 21 April 2020 will now be due on 21 May 2020.
- **Commencement of Duty Free Barrel Concessions:** Duty free concessions on the importation of barrels is proposed to begin in June 2020.
- **Concessions to Companies that produce Sanitation and health care products:** These products include face masks and hand sanitizer. The Government also encourages local entrepreneurs to produce alternatives to Vitamin C supplements for local consumption.
- **Incentives to support the manufacturing of Household Cleaning Items such as b**leach, soap powders, disinfectants and liquid soap.

St. Lucia (continued)

Business tax

- **Extension of time for tax payments: a**n extension of time will be granted for corporate income tax instalment payments due on 31 March, 30 June and 30 September 2020. The extension of time is for one month in each instance.
- **Extension of time for filing of Income Tax Returns by 1 month:** This pertains to all individuals, enterprises, companies and other entities. Persons and entities are all encouraged to use the Inland Revenue Department's Electronic Filing Platform to file their tax returns and make payments online, as it is a convenient, safe and reliable medium.
- **Waiver of Interest and Penalties on all Tax types for March 2020:** All payment due dates for the months of April to September will be extended by one month.
- **Tax Credit to Companies and other entities which retain at least 30% of their staff: t**he tax credit will be tiered, based on the number of employees that are retained by the entity. The company will be required to obtain a tax clearance certificate to show that they are current in their payment of taxes.

Links and resources

Suriname

- Contact: **Bryan Irausquin – Tax Policy**
- **Contact: Fong-Mang Cheong – Tax Desk**

- Last updated: 30 July 2020

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Return to jurisdiction list

Overview

- On 9 April 2020 the Suriname Minister of Finance issued an announcement with tax measures to alleviate the cash flow challenges faced by corporations and individuals because of the COVID-19 pandemic. On 12 July 2020 additional tax measures were announced.

Personal tax

- The ultimate filing date for the preliminary tax return for the year 2020 has been further extended from 15 June to 30 July 2020 after an initial extension from the statutory due date of 15 April to 15 June 2020 as announced by the Minister of Finance on 9 April 2020.
- The ultimate filing date for the final personal income tax return for the year 2019 has been extended from 30 June to 15 August 2020.
- Based on the applicable Suriname tax legislation, any amount due and payable upon filing of the preliminary tax returns for the year 2020, could be paid in four equal instalments on 15 April, 15 July, 15 October and 31 December 2020. Initially, the timing of the quarterly payments remained in force except for the revised payment date of the first instalment which was extended from 15 April to 15 June 2020. Based on the newly announced measures, the first two quarterly payments should ultimately be paid on 30 July 2020 with the payment dates for the subsequent two instalments remaining 15 October and 31 December 2020 respectively.

Business tax

- Taxpayers who are experiencing cash flow challenges because of COVID-19 can submit a substantiated request to the Tax Collector of Direct Taxes to qualify for a deferred payment arrangement.
- Postponement of free assistance by the tax authorities with the drafting and filing of corporate tax returns.

VAT, GST and trade

- The tax authorities will be lenient with the filing and payment dates for turnover tax for the taxable periods of March, April, May and June 2020, provided the taxpayer submits a request for the postponement of the filing of the returns and payment of any turnover tax due on these returns.

Suriname (continued)

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Return to jurisdiction list

Business tax

- The ultimate filing date for the preliminary tax return for the year 2020 has been further extended from 15 June to 30 July 2020 after an initial extension from the statutory due date of 15 April to 15 June 2020 as announced by the Minister of Finance on 9 April 2020.
- The ultimate filing date for the final corporate income tax return for the year 2019 has been extended from 30 June to 15 August 2020.
- Based on the applicable Suriname tax legislation, any amount due and payable upon filing of the preliminary tax returns for the year 2020, could be paid in four equal instalments on 15 April, 15 July, 15 October and 31 December 2020. Initially, the timing of the quarterly payments remained in force except for the revised payment date of the first instalment which was extended from 15 April to 15 June 2020. Based on the newly announced measures, the first two quarterly payments should ultimately be paid on 30 July 2020 with the payment dates for the subsequent 2 instalments remaining 15 October and 31 December 2020 respectively.
- Taxpayers who are experiencing cash flow challenges because of COVID-19 can submit a substantiated request to the Tax Collector of Direct Taxes to qualify for a deferred payment arrangement.
- Postponement of free assistance by the tax authorities with the drafting and filing of corporate tax returns.
- The tax authorities will be lenient with the filing and payment dates for wage taxes for the taxable periods of March, April, May and June 2020, provided the taxpayer submits a request for the postponement of the filing of the returns and payment of any wage tax due on these returns.

Links and resources

EY materials

- https://www.ey.com/en_gl/tax-alerts/suriname-announces-tax-measures-to-mitigate-impact-of-covid-19

Sweden

- Contact: Per Holstad – Tax Policy
- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- The Government has introduced a set of measures to mitigate the economic effects of COVID-19.
- As regards tax related measures, some tax payments may be postponed and in some cases even repaid. Employers' social security contributions may be reduced definitively for March-June 2020 for a maximum of 30 employees.
- There are also several non-tax related measures:
- To avoid layoffs as an effect of the general downturn in demand, new rules on short-time work with state aid have been introduced. The rules allow for the employer's salary costs to be reduced by up to half while the employee receives more than 90 percent of his or her salary, applying to salaries up to 44,000 SEK/month. The rules have entered into force on April 7, 2020, but have retroactive effect from 16 March 2020. On 14 April 2020 the Government announced that the maximum reduction of the salary cost will from 1 May 2020 be increased to 72% while the employee receives 88% of the salary (at 80% work time reduction).
- Cashflow support is granted in different ways. For instance, the State takes 70% of the risks on new credit facilities to companies and expands lending and credit guarantees to companies from several state owned bodies.
- Further, the State will pay half of reductions up to 50% of fixed rental costs for certain industries particularly affected by the economic effects of the COVID-19 offered by landlords, i.e., a maximum subsidy of 25% of the rent. Applies 1 April to 30 June 2020.
- The state will temporarily take over the responsibility for employers' compensation for employees' sick leave during the first fourteen days of sickness absence. This will have effect during April and May 2020.
- Changes in the unemployment insurance have been introduced, lowering the requirements for being eligible for compensation and raising compensation levels.
- Law proposal on state funded support for companies with an annual turnover exceeding SEK 250k facing an income reduction of at least 30% in March and April 2020 compared to March and April 2019 due to COVID-19. The size of the support will be dependent on the size of income reduction, but can vary between 22.5-75% of the company's fixed costs, excluding salary costs, up to an amount of SEK 150m per company. Aim is to enforce the law proposal as of 1 July 2020.

Personal tax

- Tax returns for individuals prepared by accounting or book keeping firms may be filed later than usually, i.e., 15 June 2020, instead of 18 May 2020.
- For individuals commuting between Sweden and Denmark, the new restrictions due to COVID-19 will not lead to a change in social security coverage according to an agreement between the States respective responsible authorities.

Sweden (continued)

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Return to jurisdiction list

VAT, GST and trade

- Temporary rules on the deferral VAT payments will be in effect from 30 March 2020, but with retroactive effect from 1 January 2020, meaning that VAT already paid may be reclaimed. VAT payments relating to a maximum of three months during the period January to September 2020 may be deferred for up to a year. Deferral will be denied only for special reasons. There will be an annual interest cost of 1.25% and 0.3% monthly fee, which are non-deductible. The cost will be reduced: For the first six months only 1.25% interest is charged, Thereafter, a 0.2% monthly fee will also apply.

Business tax

- Temporary rules on deferral of payments of employers' social security contributions and preliminary taxes withheld from employees' salaries in effect from 30 March 2020. Tax payments relating to a maximum of three months during January-September 2020 may be deferred for up to a year. Taxes paid may be reclaimed. Deferral will be denied only for special reasons. Cost: 1,25% annual interest + 0,3% monthly fee, non-deductible. The cost will be reduced: For the first six months only 1.25% interest is charged, Thereafter, a 0.2% monthly fee will also apply.
- Reduction of employers' social security contributions on salary payments during March-June 2020. The reduction is capped to 30 employees/company and to a salary of 25,000 SEK/month.
- For sole proprietors and individuals owning shares in partnerships, social security fees are reduced from 28.97% to 10,21% for business income up to 100,000 SEK for 2019. Also new rules for allocating 100% of taxable income for 2020 to tax allocation reserve.

Other measures

- Changes to the unemployment insurance and payment of sick pay also for first sick day (qualifying day).

Links and resources

Government materials

- https://www.government.se/government-policy/the-governments-work-in-response-to-the-virus-responsible-for-covid-19/

EY materials

- Responding to COVID-19
- https://assets.ey.com/content/dam/ey-sites/ey-com/sv_se/topics/tax/pdf/ey-government-support-package-sweden.pdf
- Corona virus (COVID-19), The most important labor law issues in the Nordic counties (UPDATED)
- https://skattenatet.ey.se/2020/03/25/social-security-coverage-for-commuters-in-the-oresund-region-during-covid-19/
- https://skattenatet.se.ey/

Switzerland

- Contact: Roger Krapf – Tax Policy
- Contact: Conradin Mosimann – Tax Desk

- Last updated: 23 June 2020

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Return to jurisdiction list

Overview

- The Federal Council has decided to establish a guarantee program for business bridge loans of SMEs in the amount of CHF 50bn which is expected to be increased up to CHF 60bn in May. According to this measure, the Confederation provides guarantees for credit facilities of SMEs as follows: 100% guarantee for loans up to CHF 0.5m with 0% interest; 85% guarantee for loans from CHF 0.5m to CHF 20m with 0.5% interest, loans above CHF 20m require a case-by-case decision.
- Up to CHF 8bn can be claimed for short-time working compensation from the unemployment insurance fund. On 20 May 2020 the Federal Council has decided to add CHF 14.2m to the unemployment insurance fund and to stepwise phase out measures against unemployment.
- Compensation of 80% of income to a maximum of CHF 196 per day for loss of earnings for self-employed persons for the following cases: i) school closures, ii) medically prescribed quarantine, iii) closure of an independently managed publicly accessible business, and iv) the regulation also applies to freelance artists.
- Compensation for loss of earnings for employees in the maximum amount of CHF 196 per day are available for parents who need to take care of their children due to school closures (limitation to 10 daily allowances for persons undergoing quarantine measures).
- Emergency aid and compensation of approx. CHF 400m is available for cultural sector, sports organizations and tourism sector.
- Up to CHF 4.5m can be applied for defaults in connection with (trade fair) activities of the official export promoter S-GE.

Personal tax

- Several cantons have extended the deadlines for handing in Personal tax declarations for 2019. The deadlines vary between the Cantons.
- Payment conditions for already issued tax bills are said to be handled accommodative in several cantons.
- For Federal tax bills due between 31 March 2020 and 31 December 2020, no interest on late payments will be charged.
- Cross-border employees/commuters clauses in double tax treaties with France and Germany have been amended in order to reflect travel and work restrictions due to COVID-19.
- Cross-border employees/commuters clauses in double tax treaties with France, Italy and Germany have been amended in order to reflect travel and work restrictions due to COVID-19.

VAT, GST and trade

- Late payment interest been reduced to 0% between 21 March 2020 and 31 December 2020.
- The existing deadlines therefore remain legally binding, however with the deferral granted, no penalties and interest are assessed.
- Taxpayers hence may be able to defer their VAT payments without triggering any late payment interest until the end of 2020.
- It is understood that the Swiss Federal Tax Administration (SFTA) intends to conduct daily operations in a normal manner – as far as possible.
- Customs duty on the import of important medical supplies are suspended from 10 April 2020 to 9 October 2020.

Business tax

Direct federal tax

- No late payment interest is levied for the time from 1 March 2020 to 31 December 2020for payments that become due during this period.
- instalment plans and deferrals are possible upon application – procedures vary by canton/state

Direct cantonal tax

- Cantons are publishing tax measures on an ongoing basis; after the Federal Council's communication of 20 March 2020, many will follow through with theirs in the upcoming days.
- Potential measures include extended filing deadlines, 0% late payment interest, dunning stops, additional debt enforcement holidays to the Federal ones and similar are being considered or have – in single instances – been decided (e.g., Berne)

Other measures

Berne:

- Aggregate value of measures implemented by the Federal Council amounts to CHF 50bn (potential increase up to CHF 60bn).
- Liquidity assistance for SMEs (guarantee program worth CHF 30bn (increase from CHF 20bn to CHF 30bn was approved on 4/8/2020) for liquidity shortfalls; extended payment deadlines for suppliers; legal standstill).
- Extension and simplification of short-time working.
- Compensation for loss of earnings for self-employed persons.
- Compensation for loss of earnings for employees.
- Sector-specific support (cultural, sports, tourism).

Schaffhausen:

- Incoming vendor invoices are immediately checked by the cantonal administration and payments are processed as quickly as possible.
- For existing customer invoices, a dunning stop is in force until 19 April 2020.
- The payment deadlines for invoices from the canton are extended to 120 days.
- Municipalities and public-law institutions as well as companies organized under private law are requested to do the same.
- Employee support program: Enterprises, self-employed persons or private law institutions can compensation for damage caused by a case of negligence.
- They must suffer losses of income due to the COVID-19 and their disadvantages may not be cushioned or not sufficiently cushioned in any other way, namely by federal measures. Applications must be submitted to the Department of Economic Affairs.
- Loans or loan guarantee program: The canton is providing CHF 30 million as a guarantee framework. The guarantees are subsidiary and supplement the federal liquidity support. The canton provides 85% coverage for bank loans up to a maximum of CHF 500,000. The interest rate is based on the federal requirements. Credit applications must be submitted to the bank. The bank applies to the Department of Economic Affairs for a cantonal guarantee
- Other: Financial assistance of up to CHF 5 million is available to support cultural enterprises, creative artists or cultural associations in the lay sector as well as sports organizations. These serve to mitigate the financial loss caused by the cancellation or postponement of events or the closure of cultural institutions. The Confederation only partially covers these damages and requires the cantons to contribute to the same extent.

Switzerland

Other measures (continued)

Solothurn:

- Bridging assistance for self-employed
- Aggregate value of measures implemented by the Federal Council amounts to CHF 50bn (potential increase up to CHF 60bn)
- Liquidity assistance for SMEs (guarantee program worth CHF 30bn (increase from CHF 20bn to CHF 30bn was approved on 4/8/2020) for liquidity shortfalls; extended payment deadlines for suppliers; legal standstill)
- Extension and simplification of short-time working
- Compensation for loss of earnings for self-employed persons
- Compensation for loss of earnings for employees
- Sector specific support (cultural, sports, tourism)

Appenzell Ausserrhoden

- Additional loans on favorable terms available to companies affected by COVID-19.

Appenzell Innerrhoden

- Additional loans on favorable terms available to companies affected by COVID-19.

Links and resources

Government materials

- https://www.admin.ch/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id-78572.html
- https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen/bundesrat.msg-id-78573.html
- https://www.newrealityblog.com/2020/03/25/covid-19-swiss-relief-measures-around-tax-payments-and-deadlines/
- https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen/bundesrat.msg-id-78515.html
- https://www.bag.admin.ch/bag/de/home/das-bag/aktuell/medienmitteilungen.msg-id-78437.html
- https://www.newrealityblog.com/2020/03/20/covid-19-the-cross-border-movement-impact-key-observations
- https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-78684.html

Syria

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- Last updated: 23 July 2020

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Return to jurisdiction list

Overview

- On 15 March 2020, the government introduced set of precautionary measures to protect and companies from the impact of COVID-19.
- On 18 March 2020, the Central Bank of Syria (CBS) issued a decision to suspend requesting cash coverage in Syrian pounds (SYP) for imports, to ensure importing the necessary goods without any delay. The suspension is valid until 25 June 2020.
- On 23 March 2020, the Syrian Commission of Financial Markets and Securities issued a decree to extend the disclosure of 2019 financial statements until 23 April 2020.
- On 24 March 2020, the Prime Minister issued a decision to limit the trading in Damascus Securities Exchange (DSE) to one day per week.
- On 26 March 2020, the Central Bank of Syria (CBS) issued decision No. 592 to unify the exchange rate of the Banking and Exchange Bulletin issued by CBS, which is currently 700 Syrian pounds per US dollar to all transactions in foreign currency, except for imports of basic commodities according to the contracts concluded with both the Syrian Trade Company and the General Foreign Trade Corporation which is still using the exchange rate of 438 Syrian pounds per US dollar.
- On 26 March 2020, the Monetary and Credit Board issued decision No. 25 which allows operating banks and after studying the cash flows for clients affected by the consequences of the spread of COVID-19, to postpone all instalments due to customers for a period of 3 months and for one time, without affecting the customer's credit rating and without any interests or penalties.
- On 6 April 2020, the Syrian Commission of Financial Markets and Securities issued circulation No.18, considering COVID-19 is a subsequent event to 2019 FS date that does not require modification but rather requires disclosure in accordance with the requirements of IAS 10. A disclosure of the subsequent events in the final FS for the year 2019 should be added to illustrate the potential impact of COVID-19 on the company's activity and its future financial statements.
- On 6 April 2020, the Minister of Finance issued decision No. 222, regarding tourist facilities, which stated that the tourist facilities that have previously signed agreements related to consensual business numbers, have been terminated due to the suspension of their activities as of Tuesday 7 April 2020. The decision also included authorizing the managers in the provinces to make the required amendments to the minutes of meeting signed with the taxpayers whose activities have ceased completely or partially.
- On 9 April 2020, suspending the classification of bank accounts as static.
- On 15 April 2020, the Council of Ministers agreed to start electronic payments and pay electricity, communication and transportation bills through accredited banks accounts.
- On 20 April 2020, the 2019 financial statements disclosure deadline was extended.
- On 17 May 2020, the Ministry of Finance issued a circulation in which real profit taxpayers with tax return submission deadline ending on 31 May 2020 were granted an extension for 30 days till 30 June 2020.
- On 17 May 2020, a decision was taken to reopen the trading at DSE throughout the week.
- On 18 May 2020, the Syrian Commission of Financial Markets and Securities issued Circulation No. 22, concerning the approval of publishing the invitation to attend the general assembly meetings publishing the annual financial statements in the e-newsletter of local newspapers, effective for two months from the issuance date of this decision.
- The President issued Legislative Decree No. 14 of 2020 dated 13 July 2020, exempting production requirements and raw materials entering the human pharmaceutical industry from customs duties and from all taxes and other fees imposed on import, for a period of one year from the beginning of August 2020.

Syria (continued)

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Return to jurisdiction list

Personal tax

VAT, GST and trade

- On 23 March 2020, the Minister of Finance issued a decision which grants taxpayers, with deadline that will expires on 31 March 2020, with an additional period of 60 days to be ended on 30 May 2020.
- Tax returns with a deadline on 31 May 2020 are granted an extension for 30 days which will end on 30 June 2020.
- Exemption of production requirements and raw materials entering the human pharmaceutical industry from customs duties and from all taxes and other fees imposed on import for a period of one year from the beginning August 2020.

Business tax

- On 23 March 2020, the Minister of Finance issued a decision which grants taxpayers, with deadline that will expires on 31 March 2020, with an additional period of 60 days to be ended on 30 May 2020.
- Tax returns with a deadline on 31 May 2020 are granted an extension for 30 days which will end on 30 June 2020.
- Exemption of production requirements and raw materials entering the human pharmaceutical industry from customs duties and from all taxes and other fees imposed on import for a period of one year from the beginning August 2020.

Links and resources

Government materials

- http://www.dse.sy/news/view/4461

Taiwan

- Contact: Yishian Lin – Tax Policy
- Contact: Jerry Tang – Tax Desk

- Last updated: 1 September 2020

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Return to jurisdiction list

Overview

- On 25 February 2020, Taiwan's Legislative Yuan passed the statute for prevention and rehabilitation of severe infectious pneumonia (the Statute). The Statute, which was subsequently signed by the President and enacted accordingly, is in response to the recent COVID-19 outbreak and aims to alleviate its impact on the domestic economy and society. The budget approved connected with the statute is NT$210 billion (approximately US$7 billion).
- The Statute came into effect retrospectively from 15 January 2020 and applies until 30 June 2021 (subject to any extension granted by the Legislative Yuan).
- The government released several non-tax measures to support business enterprises, including interest subsidies, loan guarantees, technology upgrade assistance including cash grant, employee education subsidy or free training courses on smart machinery and digital transformation, etc.

Personal tax

- Individual tax filing and payment deadline of 1 June 2020 is extended to 30 June 2020. If taxpayer has still been placed in quarantine by the end of extension, another 20 days (counted from the end of quarantine) of extension could be granted.
- Individual who uses e-filing or files paper return before 11 May 2020 can receive tax refund by 30 June 2020, instead of by 31 July 2020.
- Individual who has difficulty in settling tax payments due to the impact of COVID-19 may file an application for an extension to pay not exceeding one year or instalment payment plan not exceeding 36 months in accordance with Article 26 of Tax Collection Act.
- Government subsidies, grants, allowances, rewards and compensations received by the COVID-19 affected individual under the Statute are exempt from personal income tax.

VAT, GST and trade

- VAT filing and payment deadlines 15 March, 15 April and 15 May 2020 may be extended to 31 March, 30 April and 1 June 2020, respectively if the original filing and payment due date cannot be fulfilled due to the impact of COVID-19.
- Custom duty on import of medicinal alcohol raw materials (HS 2207.10.90) is reduced to 10% from 27 August 2020 to 26 November 2020.
- Import permit issued by Taiwan Food and Drug Administration is not required for medical/surgical masks imported for self-use, prior to or on 30 June 2020.
- An enterprise that has difficulty in settling tax payments due to the impact of COVID-19 may file an application for an extension to pay not exceeding one year or instalment payment plan not exceeding 36 months in accordance with Article 26 of Tax Collection Act.
- The Ministry of Finance (MOF) has published an Operational Directions connected with refund of overpaid VAT (i.e., input VAT credit). Business entities that are impacted by COVID-19 can claim for a refund of overpaid VAT. The applicable period for such refund claim is from 15 January 2020 to 30 June 2021, and the cumulative amount of refund cannot exceed NT$300,000 (approximately US$10,000).
- From 1 June 2020, the export restriction on surgical/health masks has been lifted.

Business tax

- An enterprise may claim a 200% tax deduction for expenses incurred in the tax year on salaries and wages paid to employees who take leave for the one of more in-scope reasons related to COVID-19 infection.
- Corporate income tax filing and payment deadline of 1 June 2020 is extended to 30 June 2020. Companies that use another fiscal year end, rather than calendar year, may be allowed 30 days filing and tax payment extension, if their fiscal year end is prior to 1 June 2020.
- An enterprise who has difficulty in settling tax payments due to impact of COVID-19 can file an application for an extension to pay not exceeding one year or instalment payment plan not exceeding 36 months in accordance with Article 26 of Tax Collection Act.
- Government subsidies, grants, allowances, rewards and compensations received by the COVID-19 affected enterprises under the Statute are exempt from corporate income tax.
- Enterprises, which incur losses during the first quarter of fiscal year 2020 can reduce tax base of 2018 unremitted earnings tax by the estimated six-month loss. The estimated six-month loss is calculated based on the first quarter's actual loss extrapolated for another three months
- Enterprises, whose 2018 unremitted earnings is adjusted upward (the "additional earnings") due to adoption of new IFRS standards or amendment, can reduce tax base of 2018 unremitted earnings tax by distributing the additional earnings during the period from 15 January 2020 to 30 June 2021.

Taiwan (continued)

Links and resources

Government materials

- https://law.moj.gov.tw/News/NewsDetail.aspx?msgid=153844
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=0d2f70d1ecbd41b4b0bc7aa3440a5040
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=3f079639bf5841e6901141ed9bc681ab
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=deed065032994534bbc28ab29af1347a
- https://www.moea.gov.tw/Mns/covid-19/home/Home.aspx
- https://web.customs.gov.tw/News_Content.aspx?n=F55943A3BAA86A6A&sms=1095B63D0846032B&s=41B0B0DF5093DC24
- https://law.dot.gov.tw/law-ch/home.jsp?id=18&parentpath=0,7&mcustomize=newlaw_view.jsp&dataserno=202005040002
- https://law.dot.gov.tw/law-ch/home.jsp?id=18&parentpath=0,7&mcustomize=newlaw_view.jsp&dataserno=202005040001
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=11c6fbedbda44364ab1db9d825375d1c
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=11c6fbedbda44364ab1db9d825375d1c
- https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=8ba05428d0b342cfa84faf51b8ae209b

Thailand

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- Contact: Chinumar Huk-han – Tax Desk

- Last updated: 13 August 2020

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Return to jurisdiction list

Overview

- On 10 March 2020, the Thai Cabinet approved 5 tax measures to stimulate the economy, as summarized:
  - Reduction of withholding tax rates
  - A deduction of one and a half times actual interest expenses allowed for SMEs with soft loans
  - A deduction of three times wage expenses for SMEs
  - Acceleration of VAT refunds for domestic business operators
  - Tax deductions for donations made to resolve COVID-19 issues in 2019
- On 24 March 2020, the Cabinet approved additional stimulus measures to relieve the of the COVID-19 pandemic, as summarized:
  - Tax return filing extensions
  - Tax measure related to health insurance premiums deduction increased to THB 25,000
  - Tax allowances for donations of money
  - Tax exemption on risk payments for medical workers
  - Import duty exemption for products related to the prevention and treatment of COVID-19
  - Tax relief measure for debt restructuring
- On 8 April 2020, the Excise Department published an Excise Notification to extend excise tax filing and payment by beverage and automobile producers for taxable months from 1 April 2020 to 31 May 2020 to 15 July 2020.
- On 10 April 2020, the Ministry of Finance announced that the duty exemption shall apply to imported machinery to encourage domestic investment.
- On 12 May 2020, the Revenue Department extended the deadlines for online filing and payment of certain types of direct and indirect tax returns, which fall between March and August 2020.
- Please refer to EY Tax Alert and associated regulations for details of these measures.

Personal tax

- The personal income tax filing deadline and payment for the tax year 2019 has been extended, from 30 June 2020 (previously extended from 31 March 2020) to 31 August 2020.
- Increase the allowable deduction of health insurance premium for personal income tax purpose, from THB 15,000 to THB 25,000, applicable from the tax year 2020 onward . However, the deduction for this premium together with the life insurance premiums and bank deposit deposits with life insurance riders paid cannot exceed THB 100,000 in total.
- Provide tax allowances for donations of money for personal income tax calculation purposes, when combined with other donation expenses, shall not exceed 10% of net income. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021.
- Provide exemption of personal income tax on risk payments for medical workers in 2020.

VAT, GST and trade

- Provide exemption of VAT for donations made in assets
- Expedite VAT refunds for domestic business operators. The VAT refund procedure for the Good Exporters shall be expedited to return within 15 days for e-filing and 45 days for paper filing.
- Extend monthly indirect tax (VAT, specific business tax) filing and payment from 1 March 2020 to 30 April 2020 to 1 June 2020, from 1 May 2020 to 31 May 2020 to 30 June 2020, from 1 June 2020 to 30 June 2020 to 31 July 2020, from 1 July 2020 to 31 July 2020 to 31 August 2020, from 1 August 2020 to 31 August 2020 to 30 September 2020 (for e-filing) .
- Extend monthly stamp duty filing and payment from 1 April 2020 to 15 May 2020 to 15 May 2020.
- Extend excise tax filing and payment by service providers for taxable months from 1 March 2020 to 31 May 2020 to 15 July 2020.
- Extend excise tax filing and payment by oil and petroleum product manufactures for taxable months from 1 April 2020 to 30 June 2020 to 15th of the following month.
- Exemption of import duty for product related to the prevention and treatment of COVID-19 up to 30 June 2020.
- Extend excise tax payment by beverage and automobile producers for taxable months from 1 April 2020 to 31 May 2020 to 15 July 2020.

Business tax

- Tax deductible expenses for donations of assets or money for corporate income tax calculation purposes, when combined with other public charity expenses, shall not exceed 2% of net profit. Donations shall be made via the e-Donation system between 5 March 2020 and 5 March 2021.
- A deduction of one and a half times the actual interest expenses allowed for SMEs with soft loans. SMEs, who have single books of account and participate in the soft loan scheme of the government, can deduct one and a half times interest expenses paid from 1 April 2020 to 31 December 2020.
- A deduction of three times the wages expense for SMEs. SMEs can deduct three times the actual wages payment for the months of April 2020 to July 2020, which are made under the prescribed conditions.
- Reduction of withholding tax rate. WHT rate reduction for service fees under this measure shall be applicable to both individual and company or juristic partnership as follows:
  - From 3% to 1.5% from April 2020 to September 2020
  - From 3% to 2% from October 2020 to December 2021 (only filing via e-withholding tax system)
- Extension of annual corporate income tax filing and payment for companies or juristic partnerships that are not listed on the Stock Exchange of Thailand from May 2020 to 31 August 2020.
- Extension of half-year corporate income tax filing and payment for companies or juristic partnerships that are not listed on the Stock Exchange of Thailand from August 2020 to 30 September 2020.
- Exemption of import duty for machinery imports to encourage domestic investment from 14 April 2020 until 31 December 2020.
- Extension of monthly withholding tax filing and payment from 1 March 2020 to 30 April 2020 to 1 June 2020, from 1 May 2020 to 31 May 2020 to 30 June 2020, from 1 June 2020 to 30 June 2020 to 31 July 2020, from 1 July 2020 to 31 July 2020 to 31 August 2020, from 1 August 2020 to 31 August 2020 to 30 September 2020 (for e-filing).
- Across all tax types: Tax relief measure for debt restructuring, applying to transactions that occur between 1 January 2020 and 31 December 2020, which includes:
  - Exemption from personal income tax and corporate income tax for debtors on income derived from debts forgiveness by creditors
  - Exemption from personal income tax, corporate income tax, value added tax, special business tax and stamp duty on income received from transfer of properties, sale of goods, provision of services, and execution of instruments due to debt restructuring.
  - Exemption from personal income tax, corporate income tax, special business tax and stamp duty to debtors for income received from transfer of mortgaged property to a third party, provided that the exempted portion must not exceed the debt amount owed to the mortgagee.
  - Write-offs of bad debts related to debt restructuring can be treated as deductible expenses for tax purposes, regardless of whether they meet the criteria in the current regulations of the Revenue Department dealing with bad debt write-offs.
- Reduction of transfer fees for the transfer of immovable property due to a prescribed debt restructuring from 2% to 0.01%, effective from the publication date in the Royal Gazette to 31 December 2021.

Thailand (continued)

Links and resources

Government materials

- https://bit.ly/2JnkQGP
- http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/030/T_0006.PDF
- https://www.dbd.go.th/download/PDF_law/dbdlaw_acc_balance63_ex_forcovid19_630325.pdf
- https://www.rd.go.th/publish/fileadmin/user_upload/kormor/newlaw/mfexcit2.pdf

EY materials

- https://sites.ey.com/sites/THTaxNewsletter/Documents/Flash%20News/Flash%20News%20200313%20EN.pdf
- https://sites.ey.com/sites/THTaxNewsletter/Documents/Flash%20News/Flash%20News%20200327%20EN.pdf
- https://sites.ey.com/sites/THTaxNewsletter/Documents/Tax%20Alert/Tax%20Alert%20200512%20EN.pdf
- https://sites.ey.com/sites/THTaxNewsletter/Documents/Tax%20Alert/Tax%20Alert%20200424%20EN.pdf
- https://portalone.ey.net/gui2/Document.aspx?d=/docs2/ey-uk/keeping-you-informed/2020/20200389_1000415386.pdf&sc=ITShttp
- s://sites.ey.com/sites/THTaxNewsletter/Documents/Flash%20News/Flash%20News%20200515%20EN.pdf
- https://sites.ey.com/sites/THTaxNewsletter/Documents/Tax%20Alert/Tax%20Alert%20200417%20EN.pdf
- https://www.ey.com/en_gl/tax-alerts/thailand-announces-additional-excise-and-customs-duty-related-measures-to-support-businesses-during-covid-19-and-duty-exemption-to-encourage-investment

Trinidad & Tobago

- Contact: La-Tanya Edwards - Tax Desk
- Last updated: 4 May 2020

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Return to jurisdiction list

Overview

- Reduction in the reserve requirement for Financial Institutions from 17% to 14%.
- The repurchase agreement (REPO) rate will be reduced from 5% to 3.5%.
- Citizens who lose their jobs as a result of the measures being put in place to curb the spread of COVID-19 will be able to access a Salary Relief Grant of TT$1,500 per month for the next three months to be administered by the National Insurance Board.
- Commercial Banks and other lending institutions have been encouraged to offer interest rate reductions and payment moratoriums to their customers.
- The availability of foreign exchange will be increased for pharmaceuticals, food and manufacturing.
- All borders are now closed for passenger travel. Air travel is allowed only in the case of emergencies.

Personal tax

- Cash refunds of TT$20,000 or less will be paid from the week of 31 March 2020.

VAT, GST and trade

- Cash payments of VAT refunds of TT$250,000 or less will be made from the week of 31 March 2020.
- Based on government cash flow, cash refunds of TT$500,000 or less may be made from the week of 31 March.
- A TT$3 billion bond will be issued by 31 March 2020 to partially pay the VAT refunds in excess of TT$500,000

Business tax

Links and resources

Tunisia

- Contact: Omar Rekik – Tax Policy
- Last updated: 13 May 2020

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Overview

For the purpose of addressing the COVID-19 exceptional circumstances, the Tunisian government has adopted special measures to respond to the pandemic. In this regard, several decrees have been issued providing for tax, financial and social reforms in order to limit the economic and social repercussions of COVID-19.

The key measures adopted are set out as follows:

Social measures:

- General total confinement started from 20 March 2020 and progressive lifting of confinement starting from 4 May 2020 that concerns essentially public institutions, a number of liberal professions, and financial sector institutions subject to a specific official authorizations.
- Adopting the work from home mode for most private business.
- Suspending the enforcement of a number of articles of the Tunisian Labor Code particularly those providing for:
  - The option of terminating a fixed-term or open-ended employment contract in the event of an impediment to execution resulting either from a fortuitous event of force majeure occurring before or during the execution of the contract.
  - Excluding the case of force majeure, the legal classification as abusive, the redundancy or lay-off occurring without the prior opinion of the regional commission or the central redundancy control commission.
  - The period during which the vacation leave is granted, which is from 1 June to 31 October of each year.
  - The period of two months to recover hours lost as a result of a collective labor disruption in an establishment, or part of an establishment (due to the COVID-19 measures, the period is now within six months of the labor disruption).
- Suspension of limitation periods, and tax audit procedures deadlines from 23 March 2020 until the 15th day that follows the official date of confinement lifting decision.
- Suspension of recovery penalties from 1 April 2020, until the 15th day that follows the official date of confinement lifting decision.
- Suspension of late payment penalties from 1 April 2020 to 30 June 2020 for most affected companies (definition of most affected companies will be provided for by governmental decree).
- Wholly exporting companies operating in the food and health sectors are allowed to sell 100% instead of 30% of their goods on the local market.
- For the other wholly exporting companies, authorization to sell 50% instead of 30% of their goods on the local market.

Financial measures:

- Managing and operating bank credits granted from 23 March 2020 to 31 December 2020 to most affected companies over a period of seven years with two years of grace (A guarantee line of 500 MD).
- Allocation for refinancing debt rescheduling credits granted to SMEs for the period from 23 March 2020 to 31 December 2020 (are excluded enterprises operating the real estate development, financial sector, retailing, oil and gas and telecom operators) as well as telecom operators.

Personal tax

- Postponement of the monthly tax return date.
- Suspension of late payment penalties.

Tunisia (continued)

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VAT, GST and trade

- Facilitation of the VAT credit refund procedures.
- Amnesty for customs fines.
- Exemption from delay penalties in executing public contracts.
- Tax free statutory revaluation of built and non-built real estate properties.
- Exemption from VAT for drug distribution companies at the retail and wholesale stages.

Business tax

- Extension of the deadlines until 31 May 2020, to file the annual tax return for CIT purpose, branch tax purpose and advance due by tax-transparent companies excluding companies subject to 35% CIT.
- Suspension of limitation periods, and tax audit procedures deadlines from 23 March 2020 until the 15th day that follows the official date of confinement lifting decision.
- Suspension of recovery penalties from 1 April 2020, until the 15th day that follows the official date of confinement lifting decision.
- Suspension of late payment penalties from 1 April 2020 to 30 June 2020 for most affected companies (definition of most affected companies will be provided for by governmental decree).
- Wholly exporting companies operating in the food and health sectors are allowed to sell 100% instead of 30% of their goods the local market.
- For the other wholly exporting companies, authorization to sell 50% instead of 30% of their goods on the local market.
- Bank credit granted to most affected companies.
- Introduction of temporary exceptional contribution of one working day in April 2020 for employees.
- Deferral of social security charges.
- Exceptional indemnity granted to affected companies.

Other measures

- Introduction of measures related to breaching competition and price rules.
- Suspension of a number of articles of the labor code.
- Introduction of measures to support SMEs companies
- Other Miscellaneous measures.

Links

Government materials

- http://www.iort.gov.tn/WD120AWP/WD120Awp.exe/CTX_47388-57-YCYjKyGrUH/AfficheJORT/SYNC_178590942
- http://www.iort.gov.tn/WD120AWP/WD120Awp.exe/CTX_40828-34-TdpVQvBLlP/RechercheTexte/SYNC_70342692
- http://www.iort.gov.tn/WD120AWP/WD120Awp.exe/CTX_40596-122-QZUgMjklyG/RechercheTexte/SYNC_67953520
- http://www.finances.gov.tn/sites/default/files/2020-03/com_coronavirus_01.pdf
- http://www.iort.gov.tn/WD120AWP/WD120Awp.exe/CTX_47388-57-YCYjKyGrUH/AfficheJORT/SYNC_178590942

Turkey

- Contact: Erdal Çalıkoglu - Tax Policy
- Ates Konca – International Tax and Transaction Services

- Last updated: 11 May 2020

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Return to jurisdiction list

Overview

- On 18 March 2020, Turkey announced a TL 100 billion (Approx. US $15.4 billion) economic package titled the "Economic Stability Shield" designed to support the economy and reduce the impact of COVID-19.
- Turkey postpones debt payments and reduces the tax burden on various sectors as part of the package, with additional fiscal help.
- On 19 March 2020, Turkey unveiled measures for citizens involving online tax practices to keep them away from crowded places unless there is a specific requirement to visit a tax office.
- On 24 March 2020, the Turkish Ministry of Finance and Treasury published a General Communiqué No. 518 in the Turkish Official Gazette. Only taxpayers and taxpayer groups listed in the General Communiqué can benefit from the force majeure tax practice.
- The list of taxpayers within the scope of force majeure tax practice include; retail trade and shopping centers, iron, steel and metal industries, automotive, logistics-transportation, cinema and theater activities, accommodation, food and beverage services, textile and apparel activities, event and organization, health services, furniture manufacturing, mining and quarrying, construction, industrial kitchen equipment, car rental, printed publishing and printing and all income taxpayers.
- The Internet Tax Office has made a service available through which it can be established whether force majeure provisions are applicable for tax purposes.
- On 26 March 2020, the Law Regarding Amendments to Certain Laws no.7226 entered into force.
- On 17 April 2020, Turkey introduced new Law no. 7244 due to) COVID-19.

Personal tax

- The filing date of the annual income tax return for individuals and the first instalment payment date of the same have been extended to 30 April 2020. Due date of the second instalment payment is set as 31 July 2020.
- Non-Turkish citizens will be able to make their Tax ID requests through the web application (ivd.gib.gov.tr).
- For taxpayers above the age of 65 who are in curfew, the period between the beginning of the curfew and the date when it ends will be considered as a force majeure; the declaration and payment period for in consideration will be extended until the end of the 15th day following the date of prohibition.
- Turkey has a implemented short-time working payment system.
- The legal amendments which provide significant advantages in the existing criteria to benefit from short-time working allowance has been released the Law No. 7226.

VAT, GST and trade

- The VAT rate for domestic flights lowered from 18% to 1% for the period between 1 April 2020 - 30 June 2020 (including these dates).
- The due dates for the declaration and payment of the VAT Tax return for the 2020/February and 2020/March period have been extended to 28 April 2020.
- The due date of the "Form Ba" and "Form Bs" notifications for the 2020/February period to be submitted by 31 March 2020, has been extended until 30 April 2020.
- The due dates for VAT return filings and Ba-Bs form notifications to be made by April, May and June have been extended to 27 July 2020 for taxpayers within the scope of force majeure. The due date of tax payments relating to VAT of taxpayers who are accepted to be under force majeure have been deferred for six months.
- Partial reverse charge VAT will not apply to taxpayers within the scope of force majeure situation.
- Principles and procedures regarding VAT refund application for force majeure period have been introduced.

Business tax

- The levying of accommodation tax is suspended until 1 January 2021 by Law No. 7226.
- The due dates for filing and payment of the Corporate Income Tax returns for the financial year, both originally 30 April 2020, are extended to 1 June 2020.
- On March 30, 2020, the President launched an aid campaign, and stated that donations can be deducted from the declared income/corporate income, provided that it is displayed separately in income and corporation tax returns.
- The period of the creation and signing of the Electronic Ledgers and the upload of the Electronic Book Statements to be made by 30 April 2020 have been extended to 1 June 2020.
- The registration period of Bookkeeping Declaration System for taxpayers subject to simple entry for the period January-February-March 2020 period has been extended until 31 July 2020.
- Due dates of WHT filings, Ba-Bs form notifications and the creation and signing of the Electronic Ledgers and the upload of the Electronic Book Statements to be made by April, May and June have been extended to 27 July 2020 for taxpayers within the scope of force majeure.
- The due date of tax payments relating to these withholding tax returns and social security premium of taxpayers who are accepted to be under force majeure have been deferred for six months.

Other measures

- Some of the significant amendments made under Law no. 7244 are as follows:
  - A partial temporary ban on dividend distribution (distribution allowed only up to 25% of the net profit for the period of 2019 until 30 September 2020). The president is authorized to extend this date.
  - If decided by the Ministry of Technology, without loosing the incentives, R&D activities can be performed outside of the respective R&D centers, for a limited period of four months from 11 March 2020.
  - Workers taking unpaid leave are granted cash wage support from the Unemployment Insurance Fund.
  - The portion of the annual announcement and advertisement taxes and annual environmental cleaning taxes, corresponding to the periods when the activities are stopped or unable to operate, will not be collected.
  - The termination of all kinds of employment contracts by the employer (except for cases that do not comply with the rules of ethics and goodwill and similar reasons) is prohibited for three months.
- Any kind of petition to the tax office that must be submitted by 10 April 2020 must be submitted electronically via the website (ivd.gib.gov.tr), mobile application (GIB Mobil).
- Debts of up to 50.000 TL of majority of the taxes including annual income tax, withholding tax and corporation tax will be payable through the Internet Tax Office with credit cards.
- On 30 April 2020, a cessation duration was introduced to prevent loss of judicial rights. The duration is the period between 1 May 2020 and 15 June 2020 (including these dates, subject to further amendment if the outbreak ends sooner than expected). Accordingly lapse of time regarding use of or ending of rights such as litigation, warning, objection, complaint and application will continue at the end of the cessation duration.

Links and resources

Government materials

- https://www.gib.gov.tr/31-mart-2020-gunu-sonuna-kadar-verilmesi-gereken-2019-takvim-yilina-ait-yillik-gelir-vergisi
- https://www.gib.gov.tr/yeni-korona-virus-hastaligi-kovid-19-ile-etkin-mucadele-kapsaminda-alinan-bazi-tedbirler-hakkinda
- https://www.gib.gov.tr/muhtasar-ve-katma-deger-vergisi-odemelerinin-6-ay-ertelenmesine-yonelik-aciklama
- https://www.gib.gov.tr/node/143122
- https://www.gib.gov.tr/mal-ve-hizmetlere-uygulanacak-katma-deger-vergisi-oranlarinin-tespitine-iliskin-kararda-degisikli-17
- https://www.gib.gov.tr/katma-deger-vergisi-beyannamelerinin-verilme-ve-odeme-sureleri-ile-form-ba-bs-bildirimlerinin-0
- https://www.vergidegundem.com/sgk-sirkuler-detay?circularId=4873475
- https://www.gib.gov.tr/koronavirus-salginindan-etkilenmeleri-nedeniyle-beyanlari-uzatilarak-odemeleri-ertelenen-mukellefler
- https://www.gib.gov.tr/node/143134
- https://gib.gov.tr/518-sira-nolu-vuk-genel-tebligi-kapsaminda-mucbir-sebep-durum-sorgusu-interaktif-vergi-dairesinden
- https://www.vergidegundem.com/vergi-sirkuler-detay?circularId=4878966
- https://gib.gov.tr/kredi-kartiyla-odenebilen-vergi-turlerinin-kapsami-genisletilmistir
- https://www.gib.gov.tr/node/143223
- https://www.gib.gov.tr/node/143229
- https://www.resmigazete.gov.tr/eskiler/2020/04/20200417-2.htm
- https://www.resmigazete.gov.tr/eskiler/2020/04/20200430-1.pdf

Uganda

- Contact: Brigitte Keirby-Smith
- Last updated: 12 June 2020

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Return to jurisdiction list

Overview

- In recognition of the current situation regarding the impact of COVID-19 on the business community, and to support taxpayers in meeting their obligations, the Uganda Revenue Authority (URA) has made changes to the way its services are offered.
- On 4 June 2020, the government issued supplementary bills introducing additional measures to address the economic impact of COVID-19. The measures will take effect on 1 July 2020.

Personal tax

- Deferral of payment of Pay As You Earn (PAYE) tax by those sectors which are most affected until September 2020.

VAT, GST and trade

- Taxpayers whose monthly returns (VAT, Excise Duty) were due on 15 April 2020 but were unable to file by the due date were granted an extension to file by 30 April 2020 and subsequently extended to 31 May 2020.
- Penalties for late filing of monthly returns (VAT and Excise Duty) for February 2020, that were due on 15 March 2020, were remitted for those returns that are filed on or before 31 March 2020.
- Payment of outstanding VAT refunds has been expedited.
- The supply of specified medical goods used in the prevention of the spread and the treatment of COVID-19 pandemic will be exempted from VAT. The eligible goods include disposable medical face masks; medical boots; medical impermeable aprons/coverall suits; cap surgical, bouffant, non-woven; goggles, protective, indirect side ventilation; infra-red thermometers; motorized fumigation pumps; oxygen cylinders; body bags; biohazard bags; container, used sharps, leak proof; disinfectants; medical plastics or rubber gloves; gas masks with mechanical parts; disposable hair nets; and paper bedsheets.
- The supply of raw materials and inputs for the manufacture of the following will be exempted from VAT: disposable medical face masks; medical boots; medical impermeable aprons/coverall suits; cap surgical, bouffant, non-woven; goggles, protective, indirect side ventilation; Infra-red thermometers; motorized fumigation pumps; oxygen cylinders; body bags; biohazard bags; container, used sharps, leak proof; disinfectants; medical plastics or rubber gloves; gas masks with mechanical parts; disposable hair nets; and paper bed-sheets.

Business tax

- Taxpayers with an accounting period ending on 30 September and required to file corporate income tax returns by 31 March 2020 were granted an extension to 31 May 2020 to file these returns. penalties related to late submission of these returns shall be remitted if the returns are filed on or before 31 May 2020.
- Taxpayers with accounting periods ending on 31 October who were unable to file corporate tax returns by 30 April 2020 were granted an extension until 31 May 2020. Penalties and interest for late submission were waived if filed by the extended date.
- Corporations including small medium sized enterprises may delay payment of corporation tax or presumptive tax for taxes due between April and June 2020 and for tourism, manufacturing, horticulture and floriculture to defer until September 2020.
  - A person registered as a taxpayer under section 4(1) of the Income Tax Act and who was liable to pay tax on or after 1 April 2020 and before 30 June 2020 shall have his or her liability to pay the tax deferred until 30 September 2020. The deferral apply only to a person who:
    - is a registered taxpayer involved in the business of tourism, manufacturing, horticulture or floriculture, with a turnover of less than five hundred million shillings per annum; or
    - is liable to a tax chargeable on employment income.
  - No interest or penalty shall accumulate on the outstanding amount of tax during the period.
  - Interest on tax arrears that are unpaid by 30 June by a taxpayer who voluntarily complies with their tax obligations shall be waived.

Ukraine

- Contact: Vladimir Kontenko – Tax Policy
- Last updated: 9 April 2020

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Return to jurisdiction list

Overview

On 12 March 2020, the Cabinet of Ministers introduced quarantine. The quarantine is considered as force-majeure circumstance as approved by the law on 17 March. The quarantine:

- Restricted crossing of the Ukrainian border.
- Prohibited scheduled audits of business entities.
- Postponed deadlines for holding annual shareholders' meetings for 2019 for legal entities that are issuers of securities.
- Released from liability for breaches of disclosure deadlines for FY 2019 financial statements if such statements are disclosed during the quarantine or within 90 calendar days following the day of the end quarantine, but no later than 31 December 2020.
- Extended deadlines for the publication of annual financial statements.
- Extended statutory terms for accrual of penalties for late performance, submission of claims arising from delivery of goods of poor quality, execution of a pre-emptive right to purchase a share in joint shared property and warranty period.
- Extended procedural deadlines in court proceedings.
- Increased state control over prices for medical supplies.
- Suspended privatization of the large-scale privatization objects.
- Banned raising interest rates on loans during the quarantine period. Penalties for late payments under consumer loans abolished.
- Introduced the simplified procedure for public procurement of some categories of goods.
- Introduced administrative and criminal liability for quarantine violations.
- Prohibited operations of businesses of a service sector and passenger transport, except for groceries, pharmacies, medical, banking, insurance institutions and pawnshops and transportation of the core industries workers.

Personal tax

- **Personal income tax.** Extension of the deadline for 2019 annual tax return filing to 1 July 2020, and the deadline for tax payment on such tax returns - till 1 October 2020.
- **Unified Social Tax fines.** Relief from fines for violation of the UST rules committed between 1 March and 31 May 2020.
- **Unified Social Tax.** Relief from UST self-payments for private entrepreneurs and self-employed individuals for the period from 1 March till 31 May 2020. For the same period – relief from basic fines and penalty, and a moratorium on tax audits related to UST.
- **Tax credit.** The amount of funds or the value of medications, medical equipment or other medical goods donated to public or municipal health care institutions or other state or local health care authorities during the quarantine may be fully included into the individual tax discount for 2020 tax year.

VAT, GST and trade

- **VAT.** Relief from import duty and VAT for import of listed medicines, medical products and equipment aimed at combating COVID-19 - until the last day of the month ending quarantine. Customs clearance of such goods is prioritized.
- Relief from VAT to domestic supplies of these goods, with the right to a tax credit.
- Exclusion of the above import and domestic supplies and of provision of charity aid from calculation of the threshold for mandatory VAT registration by non-governmental organizations and charitable organizations.
- Extension to 31 December 2022 of the existing VAT relief for import and supplies of listed medicines and medical products based on contracts with specialized organizations ensuring public procurement under agreements between the Ministry of Health of Ukraine and such specialized organizations.
- Relief to 31 December 2022 from VAT for import and qualifying supplies of listed medicines, medical products and supporting goods, which are purchased at the cost of the state revenue by entity authorized for health care procurement.
- **Excise tax.** Excise tax rate is UAH 0 per liter of 100% ethyl alcohol used for production of disinfectants until 31 May 2020.
- Temporary simplification of requirements to the production of disinfectants and shipment of ethyl alcohol for their production.
- Extension till 15 August 2020 (inclusive) of maturity dates of tax bills issued by manufacturers or importers of jet engine and/or gasoline fuels, which occur in March-May 2020. Established procedure for their redemption and protest and penalty for failure to confirm designated use by 15 August 2020.

Ukraine (continued)

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Business tax

- **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, rental payments, etc.).
- **Penalty.** Relief from penalties from 1 March till 31 May 2020.
- **Tax audits.** Moratorium on documental and factual tax audits from 18 March till 31 May 2020 (except for VAT refund and some other tax audits), and suspension of ongoing tax audits till 31 May 2020. Extension of the timing for desk audits of tax returns (excluding VAT returns) and of adjustments submitted during March - May 2020 to 60 calendar days after the submission deadline and, if filed later, after the day of actual submission.
- **Statute of limitations.** Suspended for the period from 18 March till 31 May 2020.
- **Corporate Income Tax.** During quarantine period the increasing adjustment does not apply to amount of funds or value of listed goods exceeding 4% of the previous year's taxable income, which are donated for prevention of COVID-19 spread to public associations, charitable organizations, public authorities, public/municipal health care institutions, person authorized for health care procurement.
- Decreasing adjustment should apply to income from receipt of such funds or goods and increasing adjustment should apply to expenses related to use of such funds or goods.
- **Land fee and real estate tax.** Relief from land fee for land used in business activities of individuals and legal entities and from real estate tax on non-residential property for March 2020.
- Special term for payment of these taxes for April 2020 is 30 June 2020, without fines and penalties.
- **Terms for administrative appeal procedure.** Suspended until 31 May 2020 (inclusive) terms for administrative appeal procedure on taxpayers' complaints (except for complaints on legality of VAT refund and/or negative VAT balance), which are received till 31 May 2020 and/or which are not considered as of 18 March 2020.
- **Cash registers. three**-month postponement for the new rules.

Links and resources

Government materials

- https://zakon.rada.gov.ua/laws/show/540-IX
- https://zakon.rada.gov.ua/laws/show/530-20
- https://zakon.rada.gov.ua/laws/show/533-20
- https://zakon.rada.gov.ua/laws/show/211-2020-%D0%BF
- https://www.kmu.gov.ua/npas/pro-zatverdzhennya-pereliku-likarskih-zasobiv-medichnih-virobiv-taabo-224200320
- http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&pf3511=68403&pf35401=524433
- https://zakon.rada.gov.ua/laws/show/533-IX

United Arab Emirates

- Contact: David Stevens - Tax
- Contact: Asmaa Ali – Tax Desk

- Last updated: 16 July 2020

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Overview

- The government announced cuts in business fees, customs duties and reduction on utility costs for the next three months.
- 50% reduction in municipal fees paid by hotels and market fees.
- 10% reduction in water and power bills.
- Allowing business licenses to be paid in instalments without the usual 25% upfront payment.
- Custom Duties Relief Measures.
- Excise tax filing and payment extension.
- VAT return filing extension for the period ending 31 March 2020.
- On 11 July 2020, Dubai released a 3rd stimulus package worth AED1.5 billion, increasing the total worth of all packages to AED 6.3 billion, which aims to reinforce the liquidity of companies, support business continuity and reduce the cost of doing business.

VAT, GST and trade

- Dubai Customs will refund 1% of customs duties imposed on imported goods sold locally in the UAE markets, which are subject to customs duty rate of 5% and have been processed under Import Declarations during the period from 15 March 2020 to 30 June 2020.
- Cancellation of the Dh50,000 bank guarantee or cash required to undertake customs clearance activity. Bank guarantee or cash paid by existing customs clearance companies will be refunded.
- Extension of the tax period for businesses registered for Excise Tax, which commenced on 1 March 2020 for one month on an exceptional basis, to end on 30 April 2020. The tax period shall cover the months of March 2020 and April 2020. Registered taxpayers are required to file separate excise tax returns for March and April 2020 and pay their related taxes no later than 17 May 2020.
- VAT monthly or quarterly returns due to be filed and paid by 28 April 2020 are deferred for one month until no later than 28 May 2020.

Other measures

- On 11 July 2020, a new economic stimulus package of Dh1.5 billion was approved for the business sector. It includes:
  - Hotel establishments and restaurants will be refunded 50% of the municipality fee on sales, which stands at 7% between July and December, 2020. Hotel establishments and restaurants will be refunded 50% of the 'Tourism Dirham Fee' until the end of December 2020.
  - Waiver of penalties for private schools and to allow the renewal of their commercial and educational licenses without charge until the end of December 2020.
  - The authorities have directed expedited financial dues payments to contractors, as well as the return of all financial guarantees for construction and building activities related to the commercial licenses deposited, replacing it with a new system that guarantees all rights of the contracting parties.

United Kingdom

- Contact: Chris Sanger – Tax Policy
- Contact: Matthew Williams – Tax Desk

- Last updated: 28 July 2020

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Return to jurisdiction list

Overview

- On 11 March 2020, the Bank of England reduced interest rates to 0.25% and subsequently on 19 March cut the rate to 0.1% and further increased its holdings of U.K. government bonds and sterling non-financial investment-grade corporate bonds by £200 billion to a total of £645 billion.
- There have been a number of further announcements since March 2020 to boost the economy and get the country through the COVID-19 covering the employed and self-employed, employers, as well as businesses of all sizes.
- Supporting businesses and employment:
  - Coronavirus Job Retention Scheme (CJRS): providing taxable grants to employers of up to 80% of previous salary (grant capped at £2,500 per month) for employees who are "furloughed" rather than laid-off. The CJRS will continue in some form until the end of October although it closed to new entrants after 10 June 2020.
  - Business rates in England will be abolished for firms in the retail, leisure and hospitality sectors. Similar business rates relief measures have also been introduced in Scotland, Wales and Northern Ireland.
  - Future Fund scheme, a £500 million investment fund for high-growth companies facing financing difficulties.
  - Cash grants for smaller businesses, and for small and medium-sized businesses focusing on research and development.
  - Self-employment Income Support Scheme: Two taxable grants to the self-employed who were trading in 2019/20 for those with trading profits of less than £50,000 pa in 2018/19 or less than £50,000 on average in the three years to 2018/19. The initial grant allowed a claim for a taxable grant worth 80% of average monthly trading profits, paid out in a single instalment covering three months' worth of profits, capped at £7,500 in total. This was extended in June 2020 for a second final grant, worth 70% of average monthly trading profits, covering a further three months, capped at £6,570. The self-employed can still continue to work.
  - Temporary income tax and NIC exemption when employers reimburse employees for the cost of equipment necessary for working from home.
- Providing cash flow support:
  - Government-backed and guaranteed loans to businesses through the following schemes:
    - Largest: A COVID-19 Corporate Financing Facility (CCFF) to purchase up to one-year duration commercial paper on terms comparable to those prevailing in markets pre-COVID-19 economic shock.
    - Large: A Coronavirus Large Business Interruption Loan Scheme (CLBILS) providing loans for those with turnover over £45 million. The government will guarantee 80% of the loan, with the maximum loan available of £25m for borrowers with a group turnover up to £250m, and up to £200 million for larger businesses.
    - SMEs: A Coronavirus Business Interruption Loan Scheme (CBILS) providing loans with no interest and fees due for the first twelve months and 80% guaranteed by government. The loan limit is up to £5 million for businesses with turnover below £45 million. Loans below £250,000 do not require personal guarantee and such guarantees will only cover the 20% unguaranteed amount above that limit. A Bounce Back Loan scheme will help small and medium-sized businesses borrow between £2,000 and £50,000 with 100% of the loan guaranteed by the government.
  - Deferral of VAT payments for the period of 20 March to 30 June until end of financial year; deferral of self-employed July 2020 personal income tax instalment payment to January 2021; and a Time to Pay arrangement and helpline for other tax liabilities.
- Supporting individuals:
  - The Employment and Support Allowance (ESA) benefit will be available from day one, not after a week as before.
  - Firms with fewer than 250 staff will be refunded for sick pay payments for two weeks.
  - Payment holiday on mortgages for up to six months (deferral of interest payments).

Overview (continued)

Supporting health services:

- No VAT and import duties will be imposed for certain medical supplies imported from outside the EU until 31 October 2020.

On 8 July 2020, the Chancellor, Rishi Sunak, delivered his 'Summer economic update' in the House of Commons.

The Plan for Jobs includes:

- A job retention bonus of £1,000 for employers who bring back furloughed employees until at least 31 January 2021.
- The "Kickstart" scheme will pay the wages of 16-25 year olds on Universal Credit for 6 month work placements.
- Employers can claim £1,000 for new traineeships for 16-24 year olds
- Employers can claim £2,000 for new apprenticeships create for under 25s, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1 August 2020 to 31 January 2021.
- There will also be the Government supported 'Eat Out to Help Out' scheme to encourage people to support the hospitality industry.

He also announced the following tax measures to boost the housing market and the hospitality and tourism sectors following COVID-19:

VAT

- A temporary VAT cut for food and non-alcoholic drinks
- A temporary VAT cut for accommodation and attractions.

Stamp Duty

- The **threshold for the nil rate band of Stamp Duty Land Tax will temporarily increase** to £500,000 from 8 July 2020 until 31 March 2021. This reduction is only for standard rated residential transactions (including leases), so if the additional dwelling rate of 3% applies, the purchaser would still pay 3% SDLT up to £500,000). Click here for HMRC guidance on the temporary rates.

Other conditions

- In relation to the need for conditionality in receiving Government support, the published documents confirmed that where companies request additional support having exhausted other avenues, they need to agree to appropriate conditions, including those relating to tax, supplier payment terms, climate change and corporate governance. The Government has so far announced support for one 'strategically important' company, which produces steel.

VAT, GST and trade

VAT Deferral – 20 March to 30 June 2020

- No requirement to settle VAT charged on sales from 20 March to 30 June 2020 until 31 March 2021. This is an automatic deferral offer for all businesses, including non-established taxable persons, with no application(s) required. Taxpayers will be given until the 31 March 2021 to pay any liabilities that have accumulated during the deferral period. No interest or penalties will be charged on the VAT deferred. VAT refunds and reclaims will be paid by the government as normal. VAT Returns are required to be submitted as normal by the due date during the deferral period. The arrangement does not apply to VAT MOSS payments.

End of deferral period

- The VAT payment deferral period ended on 30 June 2020, at which point businesses need to:
  - Set-up cancelled direct debits in enough time for HMRC to take payment
  - Continue to submit VAT returns as normal, and on time
  - Pay the VAT in full on payments due after 30 June 2020
- Any VAT payments deferred between 20 March and 30 June 2020 should be paid in full on or before 31 March 2021. Additional payments can be made with subsequent returns.

Additional deferment

- HMRC also announced the deferment of payment of VAT/duties for imports due on 15 April, 15 May and 15 June 2020.
- While import VAT is not included in the automatic VAT deferral outlined above, HMRC confirmed that the payment period for import VAT and duty could be deferred in specific circumstances.
- Duty deferment account holders experiencing severe financial difficulty as a result of COVID-19 and who are unable to make payment of deferred customs duties and import VAT due on 15 April, 15 May or 15 June 2020 can contact HMRC for approval to enter into an extended period to make full or partial payment, without having their guarantee called upon or their deferment account suspended. The account holder should contact the Duty Deferment Office 03000 594243 or by email cdoenquiries@hmrc.gov.uk or the COVID-19 helpline on 0800 024 1222. Account holders will be asked to provide an explanation of how COVID-19 has impacted their business finances and cash flow.
- Duty/import VAT payments not covered by a duty deferment account: Registered Importers who pay cash (or an equivalent) and are facing severe financial difficulties as a direct result of COVID-19 can contact HMRC to request an extension to the payment deadline at the time the payment is due. They will be asked to provide an explanation of how COVID-19 has impacted on their business finances. HMRC will consider this request and decide whether or not to agree additional time to pay. The decision will be taken on a case-by-case basis and could be refused. If the request is approved the conditions, including the length of time offered, will depend upon the importer's individual circumstances and may require the holding of a guarantee for the period of the time extension. HMRC is not offering this facility to non-registered importers.
- "Time To Pay" may be claimed on all taxes managed by HMRC. Arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. HMRC's dedicated telephone helpline for the main taxes is available at +44 800 0159 559.

VAT Registration

- HMRC has confirmed that VAT registration applications can be made by email with scanned registration applications and supportive documentation. There is no requirement to send original copies of the documents.

VAT, GST and trade (continued)

Temporary zero-rated PPE supplies

- On 30 April 2020 HMRC published a Business Brief which announced that a temporary VAT zero-rate will apply to all supplies of Personal Protective Equipment which are made between 1 May 31 October 2020 and which are recommended for use by Public Health England in its guidance dated 24 April 2020 titled 'Guidance, COVID-19 personal protective equipment (PPE)'. This includes supplies made from existing stock.
- Products covered by the zero-rate include:
  - Disposable gloves
  - Disposable plastic aprons
  - Disposable fluid-resistant coveralls or gowns
  - Surgical masks – including fluid-resistant type IIR surgical masks
  - Filtering face piece respirators
  - Eye and face protection – including single or reusable full face visors or goggles
- Additionally, the government has announced that VAT collected on donated personal protective equipment (PPE) will be given to charities supporting the NHS and care workers.
- VAT is due on assets donated by businesses where they paid and reclaimed VAT when they originally purchased the goods. The Government introduced a temporary zero-rate of VAT on PPE on 1 May 2020. The amount to be donated to charities will reflect the VAT collected on donations made from 1 March until 30 April - the period between PPE donations starting and when the zero-VAT rate became effective.
- Businesses were given until the end of June 2020 to tell HMRC what VAT they have paid, giving them time to complete their usual accounts and identify these costs. Affected businesses should contact ppe@hmrc.gov.uk for further information.

VAT announcements to support the hospitality and tourism sectors

- A **temporary VAT cut for food and non-alcoholic drinks** – From 15 July 2020 to 12 January a reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from pubs, bars, cafés and similar premises across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.
- A **temporary VAT cut for accommodation and attractions** – From 15 July 2020 to 12 January 2021, a reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK. Further guidance on the scope of this relief will be published by HMRC the coming days, but the Chancellor said this would include campsites, hotels, cinemas, theme parks and zoos.

Imports/exports

HMRC has updated its Internal Manuals regarding the conditions for zero-rating exports/removals of goods from the UK which have been affected by the coronavirus (COVID-19) pandemic.

- The update acknowledges that during the COVID-19 emergency it may not be possible to export/remove goods from the UK within the prescribed time and so the supplier may become liable to account for VAT on the supply. It explains the circumstances in which officers can agree additional time for the export or removal before any tax is collected.
- No VAT and import duties will be imposed for certain medical supplies imported from outside the EU until 31 October 2020.

Other

- On 14 April 2020 HMRC acknowledged that the current exceptional circumstances may affect a business's ability to complete Intrastat declarations. Those who cannot make a submission in the normal way are invited to email HMRC Intrastat advisors on intrastatenquiries@hmrc.gov.uk as soon as possible.

Business tax

- Business rates (property tax) in England will be abolished for firms in the retail, leisure and hospitality sectors – specific exemptions apply.
- Time to Pay arrangements available for tax liabilities.
- Employers may claim for 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. There is no need to furlough all employees. The minimum furlough period is three weeks but employers can use this scheme anytime during this period. From August, employers will be asked to pay a percentage toward the salaries of their furloughed staff.
- From August, employers will have to start paying a percentage (to be determined) toward the salaries of their furloughed staff. However, they will also be able to bring back furloughed workers part time and still receive furloughing payments.
- Employers can claim for furloughed employees that were employed and on their PAYE payroll on or before 19 March 2020.
- The government has proposed to move forward legislation to allow small-and medium-sized businesses and employers to reclaim Sick Pay (SSP) paid for sickness absence due to COVID-19.
- The Plan for Jobs includes:
  - A job retention bonus of £1,000 for employers who bring back furloughed employees until at least 31 January 2021 while paying them at least £520 a month on average from the end of the CJRS scheme in October 2020 to 31 January 2021.
  - The "Kickstart" scheme will pay the wages of 16-25 year olds on Universal Credit for six month work placements - employers can for grants and the scheme will begin in the Autumn. The funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.
  - Employers can claim £1,000 for new traineeships for 16-24 year olds.
  - Employers can claim £2,000 for new apprenticeships create for under 25s, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1 August 2020 to 31 January 2021. These payments will be in addition to the existing £1,000 payment the Government already provides for new 16-18 year-old apprentices (and those aged under 25 with an Education, Health and Care Plan).
  - There will also be the Government supported 'Eat Out to Help Out' scheme to encourage people to support the hospitality industry. will entitle every diner to a 50% discount of up to £10 per head on their meal on Mondays- Wednesdays throughout August 2020, and businesses will be able to register from 13 July 2020 (detailed guidance was published on 9 July 2020).

United Kingdom (continued)

Personal tax

- The next self-assessment income tax payment, due at end July 2020, will be deferred until end January 2021. No interest will be charged on the tax deferred.
- Universal Credit and Working Tax Credit standard allowance extended by £1,000/yr for the next 12 months.
- Temporary income tax and NIC exemption when employers reimburse employees for the cost of equipment necessary for working from home.

Links and resources

EY materials

- https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/covid-19/covid19-government-support-package.pdf

Government materials

- https://www.bankofengland.co.uk/news/2020/march/boe-measures-to- respond-to-the-economic-shock- from-COVID-19
- https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses
- https://www.businesssupport.gov.uk/coronavirus-business-support/

United States

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- Contact: Cathy Koch – EY Global Tax Policy Network and EY Americas Tax Policy

- Last updated: 31 August 2020

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Return to jurisdiction list

Overview

- 3 March 2020: Federal Reserve (Fed) cuts interest rates by 0.5%
- 6 March 2020: US$8.3b spending bill signed by President (H.R. 6074)
- 12 March 2020: Fed initiates quantitative easing, committing to purchasing US$1.5t in short-term Treasury debt from banks
- 13 March 2020: Emergency disaster declaration signed by President, freeing up US$40b in funding
- 15 March 2020: Fed drops interest rates to zero and buys US$700b in government bonds
- 18 March 2020: President Trump signs the Families First Coronavirus Response Act (H.R. 6201) into law
- 23 March 2020: Fed announces unlimited bond purchases
- 27 March 2020: President Trump signs the Coronavirus Aid, Relief, and Economic Security (CARES) Act (S. 3548), enacting it into law. Key general components include:
  - Stabilization funds for impacted businesses created or organized in the US with significant operations or a majority of their employees in the US (with restrictions)
    - Stock buybacks are prohibited for the duration of the loan plus one additional year and dividends may not be paid on the business's common stock for the term of the loan plus one additional year
    - Loan recipients must maintain existing employment levels "to the extent practicable" during the loan term, and cannot reduce their employment levels by more than 10%
    - Limitations on the total compensation of highly paid workers for the term of the loan plus one additional year
  - Small business loan-to-grants provided via the Paycheck Protection Program (PPP)
  - Aid to state and local governments
  - Expanded unemployment insurance benefits (UI)
  - Emergency funds for health care
- 9 April 2020: Fed announces additional actions to provide up to US$2.3 trillion in loans to support the economy, available "to support employers of all sizes and communities across the country."
- 24 April 2020: President Trump signs the PPP and Health Care Enhancement Act (H.R. 266), an interim relief measure that provides an additional US$321b for the CARES Act's now-exhausted PPP, $60b for disaster loans, and an additional US$100b for health care provider relief and testing.
- 15 May 2020: The House passes the HEROES Act (H.R. 6800), a roughly US$3 trillion proposal that would provide additional funding for state and local governments, hospitals and health care providers, testing, and housing and food assistance. The bill would also impose limitations on CARES Act NOL provisions and would make enhancements to the Employee Retention Tax Credit, as well as changes to the PPP. A path forward on additional legislative action remains unclear.
- 5 June 2020: President Trump signs the Paycheck Protection Program Flexibility Act (H.R. 7010) into law. The measure gives businesses 24 weeks to use PPP loans, allows 40% of a PPP loan to be used for non-payroll costs and qualify for forgiveness, creates exemptions to the program's rehiring rule, and allows recipients to defer payment of payroll taxes.
- 4 July 2020: President Trump signs bill S. 4116 extending until August 8 the deadline for accepting loan applications for the Paycheck Protection Program.
- 27 July 2020: Senate Republicans release a series of bills comprising the Health, Economic Assistance, Liability Protection and Schools ("HEALS") Act proposal. The proposal would make changes to unemployment benefits, the employee retention tax credit, and the PPP. The proposal also would provide an additional round of direct individual payments, new rules on mobile workforce, a safe and healthy workplace tax credit, liability protections, and additional funding for health care and schools.
- 8 August 2020: President Trump signs memorandum that allows for the deferral of payroll taxes from 1 September through year-end for those under an income threshold.

State and local level responses

- The EY Indirect Tax COVID-19 State Response website provides resources to track state-level measures, including the COVID-19 state response matrix and state guide to payroll and employment tax provisions.

Personal tax

- 18 March 2020: Individual taxpayers can defer tax payments that would otherwise be due 15 April 2020 for 90 days interest and penalty free (IRS Notice 2020-18). The payment due date is now 15 July, the postponed payment amount is the same for single individuals and those married filing jointly.
- 20 March 2020: Treasury Secretary Mnuchin announces that the filing deadline would be extended to 15 July 2020.
- Key tax components of the CARES Act include the following individual provisions:
  - 2020 recovery rebates of US$1,200 for individuals, phasing out at certain thresholds based on the taxpayer's previous taxable income Rebate increases by US$500 for every child.
  - Complete phase-out at US$99,000 taxable income for single filers.
  - Waiver of 10% early withdrawal penalty for retirement plan distributions up to US$100,000 for coronavirus-related purposes.
    - Distributions would be subject to tax over three years.
    - Taxpayer may recontribute the funds within three years without regard to yearly cap on retirement plan contributions.
  - Expansion of deduction for charitable contributions.
  - Income tax exclusion for individuals who are receiving student loan repayment assistance from their employer.
- 13 April 2020: Taxpayers may file by fax Form 1045 (refunds for individuals, estates, and trusts) beginning on 17 April 2020 until further notice.
- 1 July 2020: IRS extends to July 15 the June 30 deadline for filing Form 1045 to claim a refund under the CARES Act for 2018 losses.

VAT, GST and trade

- 19 April 2020, Treasury announces 90-day import payment deferral on certain imports to importers meeting criteria of suffering significant financial hardship from the pandemic's supply chain disruption.
  - The 90-day extension for the payment of duties, taxes, and fees applies to merchandise entered in March and April 2020.
  - The extension does not apply to duties related to 301 tariffs on Chinese imports or 232 tariffs on aluminum and steel.
  - Significant financial hardship is defined as the operations of the US importer being partially or fully suspended in March or April resulting from a government authority order and as a result, the gross receipts are less than 60% of the gross receipts for the same period from 2019.

Business tax

- 18 March 2020: Corporate taxpayers with calendar year ends can defer payments that would otherwise be due 15 April for 90 days interest and penalty-free (IRS Notice 2020-18). The payment and filing deadline now has been further extended to July 15. The extension also applies to GST tax returns and associated payments.
- Under H.R. 6201, employers with fewer than 500 employees are entitled to a 100% refundable payroll tax credit on wages required to be paid due to paid family/sick leave related to COVID-19 and additional health benefit contributions.
- Key tax components of the CARES Act include the following business provisions:
  - Employee retention credit for employers subject to closure due to COVID-19.
    - Eligible employers will receive a 50% credit on qualified wages against their employment taxes for each quarter, with any excess credits eligible for refunds. An eligible employer is one with operations suspended by orders issued in response to COVID-19 or one that has suffered a significant decline (more than 50% decrease year-over-year) in gross receipts during the quarters that begin with the quarter in which gross receipts declined by more than 50% and ending with the quarter in which gross receipts have recovered by more than 80%.
      - 8 May update: IRS allows employers to treat health plan expenses for furloughed employees who are not working or providing services due to COVID-19 as qualified wages.
  - Deferred payment of employer share of the Social Security tax (6.2% of employee wages) from the date of enactment through 31 December 2020.
    - Half the amount of such payment due 31 December 2021, remainder due 31 December 2022.
  - Temporary increase in the amount of the interest expense deduction by increasing the 30% limitation to 50% of EBITA for 2019 and 2020.
  - Temporary allowance of net operating loss (NOL) carrybacks – a loss from 2018, 2019, or 2020 can be carried back five years.
    - Taxpayers that carryback NOLs to a year in which the transition tax (under Section 965) applies will be treated as making an election under Section 965(n) that allows taxpayers to preserve their NOLs.
  - Temporary allowance of NOLs to fully offset taxable income without limitation.
  - Modification of loss limit for pass-throughs (to allow for the same NOL carryback benefit as corporations).
  - Acceleration of corporate alternative minimum tax credit refunds.
  - Temporary exception from excise tax for alcohol used to produce hand sanitizer for 2020
  - Temporary expansion of limitations on charitable contribution deduction (increasing taxable income limitation from 10% to 25% for 2020).
- 13 April 2020: Taxpayers may file by fax Form 1139 (refunds for corporations) to claim refunds under the NOL and AMT credit acceleration provisions of the CARES Act. Previously these returns had to be filed on paper. The IRS indicated that it will not extend filing by fax to Form 4466 for "quick" refunds of corporate overpayment of estimated tax.
- 1 July 2020: IRS extends to July 15 the June 30 deadline for filing Form 1139 to claim a refund under the CARES Act for 2018 losses and AMT credits.
- 8 August 2020: President Trump issues an executive order that allows for the deferral of the withholding and employer remittance of the employee share of Social Security tax (6.2% of wages up to US$137,700) effective 1 September 2020 through 31 December 2020. The deferral is available only to employees earning less than US$4,000 each biweekly payroll period, or US$104,000 per year. On 28 August, the IRS issued initial guidance for implementing the deferral.

Links and resources

EY Materials

- COVID-19 | Key alerts and other resources from EY Tax
- Tax Alert | IRS issues initial guidance on employee deferral of Social Security tax (31 August)
- Employee Social Security tax deferral is voluntary, according to Treasury Secretary Mnuchin (13 August)
- Tax Alert | President Trump's executive order allows for deferral of employee Social Security tax as part of COVID-19 emergency relief (10 August)
- Tax Alert | IRS updates frequently asked questions about the CARES Act Social Security tax deferral (4 August)
- Tax Alert | Senate-proposed HEALS Act contains income tax relief for teleworkers and short-term business travelers (30 July)
- Tax Alert | Senate Republicans unveil coronavirus proposal (27 July)
- Tax Alert | IRS to recover overpayment of COVID-19 employer tax credits as underpayment of employment tax (27 July)
- Tax Alert | IRS releases guidance on mid-year reductions and suspensions of contributions to safe harbor 401(k) and 403(b) plans (15 July)
- Tax Alert | IRS updates guidance for CARES Act Social Security deferral to reflect legislative changes (6 July)
- Tax Alert | House clears Senate bill allowing Paycheck Protection Program to accept applications until August 8 (2 July)
- Tax Alert | Deadline extended to July 15 for taxpayers to file Forms 1139 and 1045 to claim NOL carrybacks and AMT credits (1 July)
- Tax Alert | Ways & Means subpanel holds hearing on COVID-19 tax relief (18 June)
- Tax Alert | IRS issues guidance on leave-based donation programs in response to COVID-19 pandemic (16 June)
- Tax Alert | By unanimous consent, Senate clears House bill easing loan terms for Paycheck Protection Program (4 June)
- Tax Alert | House passes fifth pandemic response bill, 3 trillion HEROES Act, 208-199 (18 May)
- Tax Alert | IRS permits employers to amend IRC section 125 cafeteria plans to allow employees to make benefits and coverage changes in response to impact of COVID-19 (14 May)
- Tax Alert | IRS changes employee retention credit FAQs to allow health plan expenses for furloughed employees to be treated as qualified wages (11 May)
- Tax Alert | IRS FAQs reveal Treasury and IRS thinking on employee retention credit (6 May)
- Tax Alert | IRS releases Form 941 draft instructions including reporting for the Social Security tax deferral and COVID-19 employer tax credits (4 May)
- Tax Alerts | IRS temporarily allows taxpayers to request PLRs and other advice electronically (1 May)
- Tax Alert | IRS updates guidance on faxing Forms 1139 and 1045 to claim NOL carrybacks and AMT credits (1 May)
- Tax Alert | Federal Reserve expands reach of 'Main Street' emergency lending programs for midsized businesses (30 April)
- Tax Alert | IRS issues FAQs on interaction of NOL carrybacks and IRC Section 965 inclusions (28 April)
- Tax Alert | House passes $484 billion interim coronavirus relief package (23 April)
- Tax Alert | US announces limited policy for 90-day deferral of payment on certain imports due to COVID-19 hardships (21 April)
- Breaking Tax News | IRS and Treasury suspend revenue rulings applying the 10-year limitation period to refund claims (17 April)
- Tax Alert | Consolidated return considerations of NOL carrybacks under CARES Act (15 April)
- Breaking Tax News | IRS allows withdrawals and changes to IRC Section 163(j) elections (10 April)
- Tax Alert | Examining key tax provisions in CARES Act (3 April)
- Tax Alert | Examining the macroeconomic impact of the CARES Act (2 April)
- Tax Alert | Federal Reserve Announces Wave of New Initiatives to Boost Economy, Help Markets (23 March)
- Tax Alert | Families First Coronavirus Response Act gives tax relief to employers and employees impacted by COVID-19 (18 March)

Links and resources

Government materials

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (H.R. 6074)
- Families First Coronavirus Response Act (H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748)
- Paycheck Protection Program and Health Care Enhancement Act (H.R. 266)
- Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800)
- Paycheck Protection Program Flexibility Act (H.R. 7010)
- HEROES Act Summary
- Executive Order | Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster
- IRS Notices: 2020-17, 2020-18, 2020-20, 2020-23, 2020-26, , 2020-29, 2020-32, 2020-39, 2020-46, 2020-50, 2020-51 , 2020-52, 2020-53, 2020-54
- IRS Revenue Procedures: 2020-20, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 29, 2020-30, 2020-34
- IRS Revenue Rulings: 2020-08
- IRS | FAQs on deferral of employment tax deposits and payments
- IRS | Temporary procedures to fax certain Forms 1139 and 1045 due to COVID-19
- IRS | Draft Form 7200 Advanced Payment of Employer Credits instructions
- IRS | COVID-19-related tax credits for required paid leave provided by small and midsize businesses FAQs
- IRS | FAQs about carrybacks of NOLs for taxpayers who have had Section 965 inclusions
- IRS | Common errors to avoid when filing for advance payment of employer credits
- IRS | FAQs: employee retention credit under the CARES Act
- IRS | Draft Form 941 Employer's QUARTERLY Federal Tax Return
- IRS | Q&As about NOL carrybacks of C-corporations to taxable years in which AMT applies
- IRS | Temporary regulations on Carryback of Consolidated Net Operating Losses
- IRS | Proposed rulemaking on Consolidated Net Operating Losses
- IRS | Taxpayers should file by July 15 tax deadline; automatic extension to Oct. 15 available
- IRS | Syndicated conservation easement cases; calls on taxpayers to accept settlement offers
- Department of Treasury | CARES Act resources
- Department of Treasury | Paycheck Protection Program FAQs
- Department of Treasury | Paycheck Protection Program FAQs
- CBO | Preliminary estimate of budgetary effects of the CARES Act (H.R. 748)
- SBA | Paycheck Protection Program Loan Forgiveness Application
- SBA | Business Loan Program Temporary Changes; Paycheck Protection Program - Treatment of with Foreign Affiliates
- SBA | Business Loan Program Temporary Changes; Paycheck Protection Program - Requirements - Forgiveness
- SBA | Business Loan Program Temporary Changes; Paycheck Protection Program - SBA Loan Review Procedures and Related Borrower and Lender Responsibilities
- Congressional Research Service | HEROES Act: Division B - Revenue Provisions
- Executive Order | Regulatory relief to support economic recovery
- Fed | Main Street Lending Program - Information for Lenders

Uruguay

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- Last updated: 23 March 2020

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Return to jurisdiction list

Overview

- According to the National State of Sanitary Emergency declared by the Uruguayan Government on 13 March 2020, a package of fiscal measures has been adopted that involves: Personal Income Tax, Value Added Tax and Corporate Income Tax.

Personal tax

- Employer contributions to the Social Security Bank (BPS) that correspond to the months of March and April, for small taxpayers, sole-proprietorships and "personal" companies with up to a maximum of 10 employees, may be paid: 60% in June and the remaining 40% will be fully subsidized by the State.
- The due date for the payment of taxes collected by the Tax Authority, as well as for the submission of the affidavit, is extended, deferring said obligations corresponding to February until 27 March 2020.

VAT, GST and trade

- The Ministry of Economy and Finance (MEF) announced that it will postpone the expiration of the VAT payment (for small taxpayers under Minimum VAT regime) for the months of March and April, to be paid in May. The payments may be done in six equal, consecutive, interest-free instalments.
- The due date for the payment of taxes collected by the Tax Authority, as well as for the submission of the affidavit, is extended, deferring said obligations corresponding to February until 27 March 2020.

Business tax

- The due date for the payment of taxes collected by the Tax Authority, as well as for the submission of the affidavit, is extended, deferring said obligations corresponding to February 2020 until 27 March 2020.

Links and resources

Government materials

- https://www.presidencia.gub.uy/comunicacion/comunicacionnoticias/lacalle-medidas-coronavirus-conferencia
- https://www.presidencia.gub.uy/comunicacion/comunicacionnoticias/gobierno-nuevas-medidas-economicas-sociales-ante-coronavirus
- https://www.presidencia.gub.uy/comunicacion/comunicacionnoticias/flexibilizacion-seguro-paro-mieres

Uzbekistan

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- Last updated: 21 May 2020

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Return to jurisdiction list

Overview

- The Government of Uzbekistan has introduced certain tax measures to support the economy and businesses amid the global COVID-19 pandemic (by several Decrees of the President and of the Cabinet of Ministers of Uzbekistan).

Personal tax

- The individual income tax declaration filing deadline is extended from 1 April to 1 August 2020.
- In-kind benefits received by individuals from charity institutions are exempt from individual income tax from 1 April 2020.
- The property tax and land tax payment deadlines for individuals are extended from 15 April to 15 October 2020.
- From 1 April to 1 October 2020, the transfer of funds and/or goods (services) on a gratuitous basis to individuals (per established list) who social support is not considered as income of such individuals.
- From 1 April to 1 October 2020 individuals are granted the right for interest-free tax payment deferral on income received from renting residential premises to individuals and non-residential premises to entities, which had to suspend their activities during the COVID-19 pandemic, with its payment by equal instalments until 1 April 2021.
- In 2020, the amount of financial aid paid to an employee, which is not subject to individual income tax, increases from 4.22-fold to 7.5-fold of the minimum wage (i.e. from UZS 2,866,773 (Approx. US$ 283) to UZS 5,094,975 (Approx. US$503)).

VAT, GST and trade

- The State Customs Committee of Uzbekistan, as an exceptional case, establishes "green corridors" (i.e., simplified special customs declaration process) for import of medicines, medical devices, medical equipment, as well as materials and substances used for their production as per list provided by the Ministry of health care and Agency for development of pharma industry and customs duties are not levied on those goods;
- Zero rate of customs duty and excise tax will be effective until 31 December 2020 for the import of goods according to the specific list, which includes certain food products as well as sanitary-hygienic and medical products.
- In exceptional cases, the Special Republican Commission on Countermeasures against COVID-19 in Uzbekistan is provided with the right to:
  - Make the decision to provide an Import VAT exemption for the period of up to three months for certain medicines and medical devices which were not previously exempt from Import VAT
  - Reduce customs duty and excise tax rates to 0% for the period of up to three months on imported certain types of essential goods as per special established list.
- From 1 April to 31 December 2020 VAT payers with a sales turnover below UZS 1 billion (approx. US$105,000) per month who use electronic VAT-invoices, are entitled to calculate and pay VAT on a quarterly basis, rather than on a standard monthly basis.
- Starting from 1 April 2020 taxpayers utilizing VAT exemptions granted by the decisions of the President of Uzbekistan and the Cabinet of Ministers are entitled to use funds released from taxation freely without redirecting such funds for specific targeted purposes.
- From 1 April to 1 October 2020 transfer of funds and/or goods (services) on a gratuitous basis to Charity Public Fund "Mahalla", "Dobrota i podderjka" Fund, Public Fund "Uzbekistan mekhr-shavkat va salomatlik", as well as to individuals (per established list) who need social support, is exempt from VAT.

Business tax

- A moratorium on tax audits is in effect until 1 January 2021. Tax audits will only be limited to tax audits conducted based on criminal cases and liquidation of legal entities.
- Property tax, land tax and water use tax payment deadlines for legal entities can be extended for six months by local authorities based on the application of the taxpayer (late payment interest on these taxes is not assessed by the tax authorities until 1 October 2020 in relation to entities experiencing temporary difficulties, and measures on forced tax collection measures shall not be applied);.
- Social tax for individual entrepreneurs is reduced to 50% of the specified base value for the period between 1 April 2020 to 1 October 2020.
- Water use tax rate for water volumes used for the purposes of agricultural irrigation is reduced by 50% in 2020.
- Penalties for having overdue receivables from foreign trade operations are not applied until 1 October 2020.
- Touristic duty will not be levied during the period from 1 April to 1 October 2020.
- Export of goods without guaranteed payment is allowed if the overdue receivables do not exceed 10% of the total annual export (previously export of goods without guaranteed payment was allowed only if there were no overdue receivables).
- From 1 April to 31 December 2020
  - The increased rates of property tax and land tax related to unused production areas and non-residential buildings, as well as late payment interest and measures of forced collection of these taxes arising from such increased rates, shall not be applied.
  - Tour operators, travel agents and entities providing hotel services (accommodation services) are exempt from payment of land tax and property tax, and are entitled to pay social tax at a reduced rate of 1% on payroll costs (instead of the standard rate of 12%).
- Starting from the second quarter of 2020 corporate income tax (CIT) payers are entitled to submit CIT advance payments statements based on the expected amount of tax payable, whilst the requirement for calculation of CIT advance payments based on the actual results of the previous quarter is not applied.
- Income resulting from receipt of an interest-free loan (financial aid), imputed for tax purposes based on the refinancing rate, is not subject to CIT and revenue tax (whichever applies) until the end of 2020.
- Fixed amounts of individual income tax and social tax are not assessed for individual entrepreneurs, who have been forced to suspend their activities for the period of quarantine measures, by submission of notice through the personal online cabinet of the taxpayer.
- Interest-free tax payment deferral (for revenue tax, property tax, land tax, water use tax and social tax) is extended until 31 December 2020 (previously until 1 October 2020) (with mandatory submission of notification to the tax authorities) granted for small businesses and individual entrepreneurs, who have suspended their activities and/or whose revenue is reduced by more than 50%. Local authorities have the right to determine the period of further tax payments, but not longer than two years.
- From 1 April 2020 to 1 October 2020:
  - Accrued and deferred interest income of financial leasing companies is excluded from taxable income for CIT purposes.
  - Transfer of funds and/or goods (services) on a gratuitous basis to Charity Public Fund "Mahalla", "Dobrota i podderjka" Fund, Public Fund "Uzbekistan mekhr-shavkat va salomatlik", as well as to individuals (per established list) who need social support, is considered as deductible expense for CIT purposes and should not be included as part of the Revenue tax base.

Uzbekistan (continued)

Business tax

- For the period 1 June to 1 September 2020, the following entities are exempt from property tax and land tax: small businesses, markets and shopping malls, cinemas, public catering enterprises, public transport enterprises, sports and fitness centers and legal entities engaged in the transportation of passengers, providing household services, providing properties for rent, including properties rented for banquets, events.
- The following liabilities of small businesses to be written-off:
  - Proper interest-free tax payment deferral was provided in accordance with previously-published Presidential Decrees;
  - Late-payment TY tax and land tax charged for April and May 2020, for which interest and fines for land tax and property tax recorded as of 15 May 2020, which had been formed starting from 1 January 2020.
- During the period from 1 May to 1 July 2020, the social tax rate for small businesses is reduced from 12% to 1%. This benefit does not apply to manufacturers of products which are subject to excise tax, state enterprises, legal entities with state ownership of 50% or more in the charter capital.
- Forced collection of debts on taxes, late-payment interest and assessed fines from small businesses is suspended starting from 15 May 2020 until 1 September 2020.

Links and resources

Government materials

- Presidential Decree #5969 dated 19 March 2020 "On priority measures to mitigate the negative impact on the sectors of the economy of the COVID-19 pandemia and global crisis developments". The Presidential Decree is available in Uzbek and Russian languages via the following link: https://lex.uz/ru/docs/4770763
- Presidential Decree #4662 dated 27 March 2020 "On additional measures for meeting demand of population in medicines, medical products, medical equipment and goods of prime necessity". The Presidential Decree is available in Uzbek and Russian languages via the following link https://www.lex.uz/ru/docs/4775998
- The Decree of the Cabinet of Ministers #176 dated 23 March 2020 "On additional measures to prevent the spread of the coronavirus". The Decree of the Cabinet of Ministers is available in Uzbek via the following link: https://lex.uz/ru/docs/4773760
- Presidential Decree # 5978 dated 3 April 2020 "On additional measures to support the population, sectors of economy and business during coronavirus pandemia". The Presidential Decree is in Uzbek and Russian via the following link: https://lex.uz/ru/docs/4780477
- Presidential Decree # 5986 dated 27 April 2020 "On additional measures to support the population and business entities during the coronavirus pandemic". The Presidential Decree is available in Uzbek and Russian via the following link: https://lex.uz/ru/pdfs/4800007
- Presidential Decree # 5996 "On the next set of measures to support the population and business entities during the coronavirus pandemic". The Presidential Decree is available in Uzbek and via the following link: https://lex.uz/pdfs/4815482

Venezuela

- Contact: Jose Velazquez - Tax Desk
- Last updated: 21 April 2020

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Return to jurisdiction list

Overview

- Declaration of National State of Alert, which was extended through Decree Nº 4,186 of 12 April 2020, until 12 May 2020.
- The Executive Branch suspend, among others, the following activities:
  - School and university activities.
  - Work activities, except for the water, electricity, food and medicine sectors.
- Decree Nº 4,167 of 23 March 2020, whereby the labor immobility of the workers of the public and private sector is confirmed until 31 December 2020.
- Decree Nº 4,168 of 23 March 2020, which implements a special regime for the payment of credits in force in the national public and private banks.
- Decree Nº 4,169 of 23 March 2020, which the payment of rental fees for commercial properties and those used as primary housing is suspended until 1 September 2020.
- Resolution Nº 002-2020 of 13 April 2020, issued by the Plenary Chamber of the Supreme Court of Justice, which extends for 30 days the period of suspension of Courts activities.

Personal tax

- Decree Nº 4,171 of 2 March 2020, by which the annual income of territorial source obtained by individuals resident in the country during the fiscal period of 2019, whose normal salary or income from the exercise of its activity at the close of said period does not exceed the amount equivalent to three minimum wages (approx. US $6), is exempted from the payment of Income Tax (IT) in force as of 31 December 2019.

VAT, GST and trade

- Decree No. 41,166 of 17 March 2020, and Resolution No. 079 of 3 April 2020, by which the Executive exonerates the payment of VAT, Import Tax and certain customs tariffs code to the definitive imports of personal movable property (masks, face masks and other related supplies) made by the National Government, destined to prevent the spread of the Coronavirus pandemic (COVID-19).
- No suspension or extension of compliance with VAT obligations has been published.
- However, according to Article 10 of Venezuelan Master Tax Code, it may be understood as non-business days for the computation of tax obligations and penalties since 15 March 2020, given the suspension of main banking activities by Venezuelan Banking Superintendence.
- Additionally, according to article 85.3 of the Venezuelan Master Tax Code, the National State of Emergency may be understood as a *force majeure,* being applicable an exemption from tax liabilities and corresponding sanctions.

Business tax

- No suspension or extension of compliance with CIT obligations has been published.
- However, according to Article 10 of Venezuelan Master Tax Code, it may be understood as non-business days for the computation of tax obligations and penalties since 15 March 2020, given the suspension of main banking activities by Venezuelan Banking Superintendence.
- Additionally, according to article 85.3 of the Venezuelan Master Tax Code, the National State of Emergency may be understood as a *force majeure,* being applicable an exemption from tax liabilities and corresponding sanctions.

Links and resources

Vietnam

- Contact: Huong Vu – Tax Policy Leader

- Last updated: 23 June 2020

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Overview

Decree on the extension of tax payment and land rental fee

- Defer the deadline for payments of value added tax (VAT), personal income tax (PIT), corporate income tax (CIT) and land rental fee
- Affected industries may include:
  - Agriculture, forestry and fishery;
  - Manufacturing and processing food; weaving; costumes; shoes; products from rubber; electronic products, computers, etc.
  - Construction
  - Transportation and storage, accommodation and catering
  - Activities of human resourcing, travel agents, tour operators and support services related to tourism promotion and organization
  - Creative, artistic and recreational activities; sporting activities, library, movies and other cultures activities
- On 19 June 2020, the Vietnamese National Assembly has officially passed the Resolution for 30% reduction of Corporate Income Tax (CIT) in 2020 for businesses with turnover of less than VND 200 billion. This Resolution shall take effect after 45 days upon the signing date and will be applied to the tax year 2020

Personal Tax

Extend the deadline to pay PIT for individuals and business household

- For individuals and business household: The deadline for payments of PIT will be extended to 31 December 2020, applicable to individuals and business households which engage in the business activities fall into the scope of application of this Decree.

VAT, GST and Trade

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 to five months from the statutory deadline.
- For individuals and business household: The deadline for payments of VAT will be extended to 31 December 2020, applicable to individuals and business households which engage in the business activities fall into the scope of application of this Decree.

Vietnam (continued)

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Business tax

Extension of the CIT payment deadline

- An extension of five months from the payment deadline with respect to the CIT payable arsing from the 2019 CIT finalization; the provisional CIT payments of Q1,Q2 2020.
- Qualified enterprises and have already settled their CIT liability arising from the 2019 CIT finalization, are allowed to offset such payment against other tax liabilities.

Extension of 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.
- Vietnam's National Assembly on June 19 approved a 30 percent corporate income tax cut for the 2020 financial year.
- The reduction will apply to all businesses with revenue of less than US$8.8 million (VND200 billion) for 2020.
- The government is expected to issue guiding documents on the implementation of the CIT reduction.

Links and resources

Government materials

- https://vietnamnews.vn/economy/684933/pm-approves-decree-on-postponement-of-tax-and-land-use-fee-payments.html
- https://www.vietnam-briefing.com/news/vietnam-approves-corporate-income-tax-reduction-2020.html/

Zambia

- Contact: Patrick Mawire

- Last updated: 26 April 2020

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Return to jurisdiction list

Overview

- The Government of Zambia has announced a number of measures to support the economy amid the global COVID-19 pandemic.

Personal tax

- Waiver of tax penalties and interest on outstanding tax liabilities resulting from the impact of COVID-19. The Zambia Revenue Authority (ZRA) will issue guidelines on the period of relief, waiver qualification criteria and other related requirements.

VAT, GST and trade

- Removal of provisions which prohibited the claim of Value-Added Tax (VAT) on imported spare lubricants and stationery.
- Suspension of import duty on copper concentrates as a means of alleviating mining companies' escalating operating costs as they struggle to address lower copper prices on the international market.
- Suspension of export duty imposed on precious metals and crocodile skin.
- To provide relief to businesses producing sanitizers, suspension of excise duty on imported ethanol for alcohol-based sanitizers and other medicine related activities. The suspension will be pursuant to the guidelines issued by the ZRA.
- Waiver of tax penalties and interest on outstanding tax liabilities resulting from the impact of COVID-19. The ZRA will issue guidelines on the period of relief, waiver qualification criteria and other requirements.
- Extension of the list of medical-related devices are not subject to Customs Duty or VAT. The complete list comprises 38 individual items with the suspension of VAT and duty set to run for an additional period of six months. These medical devices include thermometers, ventilators, testing equipment and disinfectants. The full list of items will be published by the ZRA.

Business tax

- Waiver of tax penalties and interest on outstanding tax liabilities resulting from the impact of COVID-19. The ZRA will issue guidelines on the period of relief, waiver qualification criteria and other related requirements.

Links and resources

Government materials

- https://www.mof.gov.zm/download/speeches/MOF-Statement-April-2020.pdf

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