Global Expansion Updates

March 2017 | Issue 13

We are pleased to present the March issue of SKP Global Updates – our newsletter that covers employment, payroll, Goods and Services Tax (GST)/Value Added Tax (VAT) and corporate tax related developments globally.

The key highlights of this issue include the Budget highlights of Ghana and South Africa, highlights of the Canadian Federal Budget, the Universal Paid Leave Amendment Act of 2016 in Mexico, H-1B Petitions for Fiscal Year 2018 in the US, revision in the trade control and import/export procedures in Japan, new employment changes in New Zealand and the Singapore Budget highlights.

In this issue

Africa

Gabon

Changes in the implementation of National Solidarity Sales Tax (CSS)

The changes made with respect to the implementation of the National Solidarity Sales Tax (contribution spéciale de solidarité, CSS) under the Finance Act, 2017 are as follows:

- Change in entry into force of CSS from 1 March 2017 to 15 March 2017.
- Under corporate income tax, the CSS may be treated as a deductible expense subject to confirmation by an amendment to the enacted Finance Act, 2017.
- The CSS and Value Added Tax (VAT) will apply on the invoice amount before tax.

Ghana

Ghana Budget 2017 highlights

Recently, the Minister of Finance of Ghana presented the Budget for 2017 on 2 March 2017. The key highlights of the same are summarised below:

Capital Gains Tax (CGT)

- Gains that are realised from the sale of securities listed on the Ghana Stock Exchange or securities held publically that are approved by the Securities and Exchange Commission will be exempt from CGT.

VAT

- The implication of VAT has been abolished for:
  - Financial service transactions;
  - Importation of selected medicines that are not produced in Ghana; and
  - Purchase of domestic airline tickets.
- As per the Budget 2017, the VAT rate for traders will reduce from 17.5% to a flat rate of 3%.

Tax incentives

- Budget 2017 includes new tax incentives for businesses that hire young graduates.
- The Budget proposes to initiate steps to remove import duties on raw materials and machinery for production within the context of the ECOWAS (Economic Community of West Africa States) Common External Tariff (CET) Protocol.

For more information, click here.

Nigeria

Introduction of new company registration form CAC1.1 in place of CAC 2, 2.1, 4 and 7

The Corporate Affairs Commission (CAC) has introduced a new application form for registration of companies known as CAC1.1 as a part of easing doing business in Nigeria. The new form has consolidated the previous forms CAC2, 2.1, 4 and 7.

Form CAC1.1 has come into use immediately and the old forms were acceptable until March 2017. Customers are advised to download the form CAC1.1 and fill it accordingly.

For any company that has more than five Directors, it additionally requires the filing of 'Continuation page for first Directors form CAC1.1' as well.

For more information, click here.

Agreement between Nigeria Social Insurance Trust Fund (NSITF) and Nigeria Employers' Consultative Association (NECA)

The Nigeria Social Insurance Trust Fund (NSITF) recently entered into an agreement with the Nigeria Employers' Consultative Association (NECA) on the basis of calculating contributions under the Employees'

Compensation Act (ECA), 2010. The key highlights are as follows:

- The agreement states that in the absence of the definition of 'payroll' available in the Act, the definition of remuneration would be used for payroll excluding pension contribution, bonuses, overtime payments, irregular one-off payments like drivers' allowances, etc.
- It was also agreed that response to long-standing claims must be resolved within four weeks after receipt of a formal complaint and settled within two weeks of the submission of relevant documents.

Changes to immigration procedures

The Nigeria Immigration Service (NIS) has announced the following changes to the immigration procedure.

- Under the new visa regime, foreigners can now obtain business visas where a temporary work permit was previously required. These include visits for conferences, seminars, contract negotiation, marketing, sales, purchase, and distribution of goods, trade fairs, job interviews and training of Nigerians, emergency or relief work and research.
- The NIS has decentralised the reissuance of passports from its headquarters to the state commands.
- The Visa on Arrival (VoA) facility will be available to business visitors who may not be able to obtain visas at the Nigerian missions/embassies in their countries of residence for reasons of non-existence of embassy or business urgencies. It is issued for a month but can be extended to 90 days.
- The opening of new production centres for residence permits will improve the ease of doing business.

New Tax Amnesty model - Voluntary asset and income declaration scheme

Nigeria introduced a new tax amnesty scheme - 'Voluntary Asset and Income Declaration Scheme (VAIDS)' for all income taxpayers in Nigeria with respect to all taxes collectible by the state and federal governments. This includes company income tax, personal income tax, petroleum profits tax, capital gains tax, stamp duties, tertiary education tax and information technology levy.

The primary objective of VAIDS is to encourage voluntary declaration of undisclosed income and assets with consequential payment of applicable tax liabilities over a defined period.

The scheme is expected to commence from 1 May 2017 with incentives taken care of for early participation. The scheme will be opened to all back duty taxes with no limitation for any particular period. Taxpayers who opt for the scheme will be allowed a maximum timeline of three years to spread the payments of outstanding liabilities.

South Africa

Budget of South Africa announced for 2017-18

The Budget for South Africa was announced at the end of February. As per the Budget, there is no increase in corporate tax and VAT rates.

The key Budget highlights are given below.

- A new top marginal rate of tax of 45% is being introduced in respect of taxable incomes above ZAR 1.5 million.
- Proposal to increase the dividend tax rate from 15% to 20%.
- Proposed to increase the annual limit for contributions to qualifying investments from ZAR 30,000 to ZAR 33,000.
- Proposed to increase the income eligibility threshold for employees from ZAR 400,000 to ZAR 6,000,000.
- Amendment of the foreign employment income tax exemption for South African residents. It is proposed that the foreign employment income will only be exempt from tax in South Africa if it is subject to tax in the foreign country.

For more information, click here.

Amendment to 'Provisional Taxpayer' rules

From 1 March 2017, any person who derives remuneration from an employer that is not registered for employees' tax with the SARS, will be included in the definition of provisional taxpayer. This means that employees that derive remuneration from employers that are not registered with SARS to deduct employees' tax, must register as provisional taxpayers and submit provisional tax returns and payments on a six-monthly basis, in addition to their annual income tax returns.

Employers with internationally mobile employees should be prepared to adjust their international assignment policies and communicate this change clearly and on a timely basis to affected employees.

Tanzania

Notice to comply with annual filing obligation under the Companies Act

Business Registrations and Licensing Agency (BRELA) (the Registrar of Companies) has issued a public notice giving a three-month deadline for local companies and local branches of foreign companies to file all outstanding filings. Otherwise, the companies may have to risk the consequences of non-compliances. The deadline for compliance with the notice is 7 May 2017.

As per the Companies Act, 2002, every company incorporated or registered in Tanzania as a branch of a foreign company has an annual filing obligation with the Registrar of Companies. In the case of a locally incorporated company (local subsidiary), the requirement is to file an annual return in the prescribed form, accompanied by a copy of the audited accounts (except for those companies exempt from an audit obligation in terms of the Act).

This return is due on a date not later than:

a) The anniversary of the company's incorporation; or
b) The date of filing of the preceding annual return (if filed on a date other than the incorporation anniversary date).

For more information, click here.

Americas

Argentina

Increase in retirement, pension and family allowances

Recently, the Argentinian government social insurance agency (ANSES) announced an increase in retirement, pension and family allowances (AAFF) by 12.96%.

The changes are:

- Minimum retirement will be increased from USD 5,661 to USD 6,394.
- The amount of universal assignment per child (AUH) will increase from USD 1,103 to USD 1,246 and the value of annual school aid will increase to USD 1,043 per child.

Effective date: 1 March 2017

For more information, click here.

Rent deduction is allowed from taxable income

Recently, a resolution was passed and published in the Official Gazette which allows the deduction of payments of rent from taxable income subject to an annual limit of ARS 51,967 (USD 3,326).

The deduction is available when the taxpayer is not holding any property and completes the required process like forwarding on documentation and proving the payment of rent under a tenancy agreement in the tax returns.

Updated social security contribution of employees

Recently, the Social Security Administration (ANSES) published a resolution (34-E/2017) in the Official Gazette. The resolution provides a new gross monthly minimum and maximum salary base to calculate employees' social security contributions. The following are the limits provided:

- Minimum salary: ARS 2,224.32; and
- Maximum salary: ARS 72,289.62.

Obligation to issue electronic invoices extended

Recently, the Federal Administration of Public Revenues (Administracíon Federal de Ingresos Publicos, AFIP) published a general resolution 4004-E in the Official Gazette. General resolution 4004-E extends the obligation to issue electronic invoices for rents irrespective of the amount except in the case of Monotributo taxpayers.

Effective date: 3 March 2017

Introduction of 'Foreign Investments Code' (FIC)

The Argentine Tax Authorities (ATA) issued a new investment code named 'Foreign Investments Code' (FIC). FIC allows the operation of foreign entities which, invest in Argentina without holding a Tax Identification Number (TIN) or Identification Code (IC). FIC is also available for financial entities described in the Financial Entities Law (Law No. 21,516) and financial agents registered in the National Securities Commission (NSC). The request for FIC should be made through the ATA website. The FIC will be generated within five working days once the request is approved.

Canada

British Columbia 2017-18 budget highlights

The fiscal Budget for British Columbia was announced in February. Some of the key Budget highlights are given below.

- Reduction in Medical Service Plan (MSP) premiums by 50% for households with annual net incomes less than CAD 120,000.
- Reduction in the small business rate from 2.5% to 2.0%, effective from 1 April 2017.
- Introduction of back-to-school tax credit upto CAD 250 per child and elimination of the education tax credit.

For more information, click here.

Alberta Budget 2017-18 highlights

The Alberta Budget was announced on 16 March 2017. According to the Budget, there are no new taxes and no tax increases or decreases. The highlights are given below.

- The provincial general corporate income tax rate remains at 12%.
- The Budget does not include any changes to personal income tax rates.
- According to the 2016 Budget, a new carbon levy was effective from January 2017 at a rate of CAD 20 per tonne of carbon dioxide equivalent, which will increase to CAD 30 per tonne from 1 January 2018.
- From 1 January 2017, the Climate Leadership Adjustment Rebate will be introduced to offset the costs of the carbon levy to low and middle income earners.

For more information, click here.

A new option for immigrating to Atlantic Canada

The Canadian government and the governments of the Atlantic Canadian Provinces recently announced a new three-year Atlantic Immigration Pilot Programme. This programme is for skilled workers and international student graduates who want to permanently live in:

- New Brunswick;
- Newfoundland and Labrador;
- Nova Scotia; and
- Prince Edward Island.

The programme is designed to allow employers looking to fill labour gaps with applicants who meet their needs by providing them with job offers and settlement support. In 2017, up to 2,000 applications will be accepted under the programme.

The Atlantic Immigration Pilot has two programmes for skilled workers:

- The Atlantic High-Skilled Program; and
- The Atlantic Intermediate-Skilled Program.

It also has one programme for international student graduates called the Atlantic International Graduate Program.

The work experience, education, and job offer you need will depend on whether you are applying as a worker or an international student graduate. The other requirements are the same for both.

For more information, click here.

Federal Budget 2017 highlights

Recently, the federal Budget was announced. According to the Budget, there are no new taxes and no tax increases or decreases. Given below are the highlights.

- The public transit tax credit will be eliminated effective from 1 July 2017.
- Corporate tax rate will remain 15%. The reduced rate of 10.5% for small business tax will remain the same.
- Budget 2017 reaffirms the federal government's commitment to impose a national price on carbon pollution by 2018.
- Taxi owners and drivers are required to charge and collect Goods and Services Tax (GST)/Harmonised Sales Tax (HST) on their fares, regardless of the annual revenues they earn.
- Budget 2017 proposes to repeal the GST/HST rebate available to non-resident individuals and tour operators in respect of the accommodation portion of eligible tour packages.

For more information, click here.

Saskatchewan Budget 2017-18 highlights

The key highlights of the recent Budget are:

- From 1 July 2017, the general corporate tax rate will decrease from 12% to 11.5% and further decrease to 11% effective 1 July 2019.
- From 22 March 2017 midnight, Saskatchewan's Provincial Sales Tax (PST) rate has been increased from 5% to 6%
- Effective from 1 April 2017, children's clothing, restaurant meals and snack food, which are currently exempt from PST, will become taxable, and the value of vehicle trade-in allowances will no longer be deductible when determining the PST payable on new vehicle purchases made in the province.
- No changes were proposed to the small-business rate or to the CAD 500,000 small-business limit.
- The Employee's Tools Tax Credit was eliminated for 2017.
- The Budget proposes to reduce personal tax rates by 0.5% effective from 1 July 2017 and by another 0.5% effective 1 July 2019, as outlined in the table below:

Bracket (in CAD)	Pre-Budget rate	Proposed rates		
		2017	2018	2019
0 to 45,225	11%	10.75%	10.50%	10.25%
45,226 to 129,214	13%	12.75%	12.50%	12.25%
Above 129,214	15%	14.75%	14.50%	14.25%

For more information, click here.

Mexico

Decrees to provide tax relief and benefits

Various decrees providing tax relief or benefits have been published in the Official Gazette earlier this year. Some of the tax benefits have been mentioned below:

Tax benefits for repatriation of assets or resources held abroad:
This relief provides an 8% rate of income tax on the return to Mexico of assets or resources that are held abroad subject to the fulfilment of certain conditions. This relief measure applies to income generated and held abroad until 31 December 2016.

Deduction for new fixed assets:
For 2017 and 2018, this deduction applies with respect to new investments in certain fixed assets that are used for the first time in Mexico.

New rule for transfer pricing adjustments

The Miscellaneous Tax Resolution for 2017 has introduced new rules for performing a transfer pricing adjustment. The new requirements include evidencing documents, prompt filing of tax returns, a brief statement under oath regarding the reason for executing the adjustment, etc.

United States of America

Bulletin on tax benefits for parents

The Internal Revenue Service (IRS) has published a bulletin with respect to the tax benefits for parents. In general, taxpayers with children may qualify for the following tax benefits:

- Reduction of taxes up to USD 4,050 for each qualifying dependent.
- The taxpayer can claim child tax credit for each qualified child under the age of 17 up to a maximum of USD 1,000 per child.
- The taxpayer can claim credit of amount paid for the care of one or more qualified individuals under the age of 13.
- Earned Income Tax Credit (EITC) up to USD 6,269.
- Tax credit for certain costs associated with the adoption of a child.
- Tax credits for education.
- Taxpayers can deduct the interest paid on a qualified student loan.
- Deductions of health insurance for self-employed workers.

For more information, click here.

The Universal Paid Leave Amendment Act of 2016

Recently, the Universal Paid Leave Amendment Act of 2016 was approved by the mayor of the District of Columbia, Muriel Bowser. The law guarantees the following:

- Eight weeks of paid leave to new parents;
- Six weeks of paid leave to care for sick family members; and
- Two weeks of paid self-care leave for employees with serious health conditions.

Introduction of new legislation to repeal Affordable Care Act

Recently, the legislation in respect of new healthcare coverage rules and requirements was introduced in the US Congress to repeal and replace the 2010 Patient Protection and Affordable Care Act (ACA). A number of recommendations with respect to the healthcare coverage was introduced by the proposed legislation. The new legislation proposed the repeal of certain health-related tax policy provisions, including:

- The individual and employer mandate will repeal. It means no penalty will be charged if individual went without insurance.
- Additional 0.9% Medicare tax on earned income in case of USD 200,000 and USD 250,000 for joint filers
- 3.8% tax on net investment income
- The increase in the income threshold for medical expense deduction

Reintroduced the US Mobile Workforce Tax Bill

The US Mobile Workforce Tax Bill has been reintroduced to simplify state income tax requirements. At present, states have inconsistent withholding of income tax requirements for employees who temporary travel to another state. However, as per the new Bill, employees earnings will be subject to full tax in the state of his residence. Another state's income tax will be applicable only if an employee works more than 30 days per calendar year in another state.

Increase in minimum salary under New York state wage and hour laws

As per the recent update, employers are required to pay an increased salary to maintain the exemption from overtime pay under New York state wage and hour laws except to the exempt professional employees. The increase in salary is as follows:

- For New York City (NYC): Large employers with 11 or more employees are USD 825 per week (USD 42,900 per year).
- For NYC: Small employers with 10 or fewer employees are USD 787.50 per week (USD 40,924 per year).
- For all employers of Long Island and Westchester is USD 750 per week (USD 39,000 per year).
- For all other employers of New York State: USD 727.50 per week (USD 37,830 per year).

Proposed regulations for New York's Paid Family Leave Benefits Law

The proposed regulations to implement the New York Paid Family Leave Benefits Law (PFLBL) have been published by the New York State Worker's Compensation Board. The proposed regulation provides 12 weeks of paid leave in a phased manner for eligible employees, who seek to take care of family members with serious health conditions, to bond with new born children (adoptive or foster children), to address certain requirements when family members are called to active military service. The phases of this schedule will be as follows:

Year	Maximum weeks of paid leave	Percentage of employee salary	Percentage of the state average weekly wage
01/01/2018	8	50%	50%
01/01/2019	10	55%	55%
01/01/2020	10	60%	60%
01/01/2021	12	67%	67%

Effective date: 1 January 2018

For more information, click here.

New Jersey Senate, No. 3085

The legislation (S-3085) to expand benefits under the state's Paid Family Leave Law has been introduced by the New Jersey State Senate. The maximum total benefits will increase from six times to twelve times of individuals weekly benefit amount or 1/3 of the individual's total wage in the individuals base year, whichever is lesser.

Effective date: 1 July 2018

For more information, click here.

H-1B petitions for fiscal year 2018

H- 1B petitions for fiscal year 2018 will be accepted by the US Citizenship and Immigration Services from 3 April 2017. H-1B petitions filed before 3 April 2017 for fiscal year 2018 will be rejected. The H-1B programme allows foreign workers from the occupation of science, engineering and information technology to be employed by companies in the United States.

For more information, click here.

Changes in due dates

Due dates for many US tax returns has been changed for taxable period beginning after 1 December 2015 (for 2016 tax returns prepared during the 2017 tax filing season). The changes have been enumerated below.

Return type	Prior law due dates	Prior law extended due dates	New law original due dates	New law extended due dates
Partnership (calendar year) Form 1065	April 15	September 15	March 15	September 15
Trust and Estate Form 1041	April 15	Sept. 15	April 15	Sept. 30
Corporation fiscal year-end (other than 31 December or 30 June)	15th day of 3rd month after year-end	15th day of 9th month after year-end	15th day of 4th month after year-end	15th day of 10th month after year-end
Exempt organisations Forms 990	May 15	August 15 November 15	May 15	Nov. 15
FinCEN Report 114	June 30	-	April 15	October 15

IR-2017-63 issued

The Internal Revenue Service (IRS) has issued the new release IR-2017-63. In most cases, taxpayers who turned age 70 and a half during 2016 must start receiving Required Minimum Distributions (RMD) from Individual Retirement Accounts (IRAs) and workplace retirement plans on or before 1 April 2017. This deadline is applicable to owners of traditional (including SEP i.e. Simplified Employee Pension plan and SIMPLE) IRAs i.e. Individual Retirement Accounts and to the participants in various workplace retirement plans. This deadline is not applicable to the Roth IRAs.

For more information, click here.

Asia-Pacific

Australia

New transfer balance cap for pension phase accounts

A new transfer balance cap has designed to limit the total amount of superannuation savings that can be transferred from the accumulation phase into a 'tax-free retirement account' to receive account-based pension income. This is known as the super 'transfer balance cap' and will be applicable from 1 July 2017.

The amount of the cap will start at AUD 1.6 million, and will be indexed periodically in AUD 100,000 increments in line with the Consumer Price Index (CPI).

If you have more than one super account, the cap applies to the combined amount in all of your pension phase accounts. You will be able to make multiple transfers into the retirement phase as long as you have available cap space.

For more information, click here.

Fringe Benefit Tax (FBT) Return 2017

As the FBT year 2016-17 is over in Australia, the 2017 FBT returns are due to be lodged on and payment of the balance of any FBT liability (if required) is due to be made by 21 May 2017.

However, for organisations that lodge through the electronic lodgement capability, an extension in the lodgement of return is available. In the event that the due date of any of the above is on a day other than a business day, it is general Australian Taxation Office (ATO) practice that the due date is moved to the next business day.

For more information, click here.

Guide on simplified transfer pricing record-keeping

The ATO has released Practical Compliance Guideline (PCG) 2017/2 dealing with simplified Transfer Pricing (TP) record-keeping options and assisting taxpayers in complying with relevant tax laws.

The PCG outlines transaction types or activities identified as low-risk for international related party dealings. The PCG also specifies the criteria for taxpayers to self-assess their eligibility to use one or more of the eight simplification options stated therein.

PCG 2017/2 states that taxpayers may self-assess their eligibility for simplified TP record-keeping and, if the qualifying conditions are met, taxpayers are required to notify the ATO by making a disclosure in the annual International Dealings Schedule.

For more information, click here.

Redemption payment to be considered as assessable income in South Australia

The ATO has confirmed in the ruling Taxation Determination (TD 2016/18) that income tax will be payable on redemption payments received by workers under the South Australian workers' compensation scheme.

The formal ruling confirms that a redemption payment received by a worker under the Return to Work Act, 2014 (South Australia) will be classified as assessable income.

The payment should be a redemption payment and should not be an employee termination payment.

This determination only applies to redemption payments made under agreements entered into on or after 10 August 2016 (the date of issue of the draft Taxation Determination - TD 2016/D1).

For more information, click here.

Tax Ruling TR 2017/D2 for Foreign Incorporated Companies

Recently, the ATO issued a draft tax ruling (TR 2017/D2) setting out its 'preliminary but considered view on how to apply the central management and control test of residency' following the High Court's Bywater decision.

The previous ruling on the issue (TR 2004/15 was withdrawn on the same date (15 March 2017).

For more information, click here.

Dubai

Draft VAT Law approved by Federal National Council

Dubai's Federal Council (FNC) approved the draft tax law that will formulate as the legal framework for the implementation of VAT within UAE. The UAE Ministry of Finance (MOF) hosted a Value Added Tax (VAT) briefing session on 21 March 2017.

The key points with respect to VAT highlighted in the session are summarised below.

- As per the session, the UAE VAT is expected to be implemented on 1 January 2018. The draft Law is expected to be released towards the end of the first half of 2017. Following this, executive regulations will also be released.
- Registration, filing and payment will be electronically administered. The mandatory registration turnover threshold is USD 100, 000. The voluntary registration threshold is USD 50,000. Taxpayers with turnover less than USD 50,000 will not be eligible for voluntary registration.
- The VAT returns will be submitted to the tax authority on a quarterly basis.
- It will be mandatory for the vendor to issue a valid tax invoice within 14 days. Specifications of the valid tax invoice will include about 12 specifications.
- Records and tax invoices have to be maintained by the taxpayer for a period of five years.
- Healthcare and education services will be zero-rated. This implies that a 0% output tax will be payable on their sales, however, suppliers of these services will be eligible for input VAT claim on their expenses incurred for which VAT had been paid.
- Medicine lists and medical equipment will also be zero-rated. However, the Gulf Cooperation Council's (GCC's) approval is pending on this.
- Supply of commercial properties will be standard rated and the supply of bare land will be exempt.
- Supplies of local transport such as bus, taxi, trains, etc. will be exempt for VAT purposes.
- Reporting of UAE VAT will be done Emirate-wise on their UAE VAT return.

Effective Date: 1 January 2018

Hong Kong

Hong Kong ends business registration fee waiver

Hong Kong's Inland Revenue has confirmed that the business registration fees for business will become payable 1 April 2017 onwards.

As per the Revenue (Reduction of Business Registration Fees) Order, 2016, business registration fees had been waived for one year from 1 April 2016 to 31 March 2017. The business registration fee of HKD 2,000 was waived. However, the levy remained payable.

From 1 April 2017 onwards, businesses will be required to pay the annual registration fee as well as the annual levy for the Protection of Wages on Insolvency Fund.

Effective date: 1 April 2017

Japan

Revision in trade control and import/export procedures

Recently, a Bill has been approved by the Cabinet, which would provide for a partial revision of the Foreign Exchange and Foreign Trade Act.

The partial revisions are directed to strengthening trade control administration by:

- Charging higher fines and penalties for export violations;
- Greater administrative sanction regulations (eg. import/export bans); and
- In the case of foreign direct investment in Japanese companies with sensitive technology, prior notification and evaluation requirements.

For more information, click here.

Increase in applications of health and welfare pension insurance for short-time workers

Irrespective of the size of the establishment, Health Insurance and Employees' Pension Insurance will be stretched for short-term workers from April, based on their agreement of labour and management. Short-term workers working at business establishments belonging to local public entities will be subject to health insurance and welfare pension insurance.

For more information, click here

Malaysia

Extension of the Income tax deduction for expenditure in relation to vendor development programme

Recently, the Income Tax (Deduction for Expenditure in Relation to Vendor Development Programme) (Amendment) Rules 2017 was published in the Official Gazette. As per the amendment, the applicable period for this deduction has been extended from 1 January 2016 to 31 December 2020.

This deduction allows a double deduction on expense incurred by an anchor company with respect to qualifying activities such as product development and improvement of capability. The expense amount is capped at MYR 300,000 per year of assessment (YA) for a period of three consecutive YA's.

For more information, click here.

Guidelines on deduction of secretarial and tax agent fees

Recently, The Inland Revenue Board of Malaysia (IRBM) issued technical guidelines on deduction for expenses in relation to secretarial and tax filing fee.

Professional fees paid by companies for administration of compliances in order to comply with the Companies Act 1965, such as secretarial fees, legal fees was not tax deductible being expenses not wholly and exclusively in the production of income. Similarly, tax-filing fees were also not tax deductible as they relate to the post-production of income.

As per the guidelines issued on 3 February 2017, secretarial fees and tax-filing fees would be eligible for income tax deduction. The maximum amount of secretarial fees that may be claimed as a deduction is capped at MYR 5,000 and are subject to certain conditions.

With respect to deduction for tax-filing fees, the tax agent of the entity must be approved under the Income Tax Act, 1967 and the Goods and Services Tax Act, 2014. The maximum amount of tax-filing fees that may be claimed as a deduction is capped at MYR 10,000 and are subject to certain conditions.

For more information, please click here.

New Zealand

Employment changes effective from 1 April 2017

Increase in minimum wage

There will be an increase in minimum wage for adult employees (over 16 years of age) by 50 cents to NZD 15.75 per hour. The starting-out and training minimum wage rates would also increase from NZD 12.20 to NZD 12.60 per hour (80 percent of the adult minimum wage).

Updating individual employment agreements

All employers were reminded to update the employment agreements formed before 1 April 2016 as per The Employment Relations Amendment Act, 2016 introduced in New Zealand last year. The Act introduced changes, which apply to all employers in New Zealand, strengthening the enforcement of employment standards with the aim of promoting a fairer and more productive workplace for employers and employees.

The key changes are:

- Hours of work: Agreed hours of work must be stated in the agreement.
- Shift work cancellation: A notice should be given to the employee if the employer wants to cancel a shift along with reasonable compensation. This notice period and compensation rate must be specified in the agreement.

Introduction of rules on recruitment of migrant workers

Employers caught exploiting migrant workers will face a stricter regime from 1 April as the government moves to protect a valuable, yet vulnerable, workforce in New Zealand.

Employers who have incurred an employment standards-related penalty will be banned from recruiting migrant labour for defined stand-down periods ranging from six months to two years, depending on the severity of the case.

The new measures will apply to all employers intending to recruit labour market-tested migrant workers, including employers who are:

- Supporting work visa applications and approvals in principle;
- Seeking accredited employer status or supporting residence class visa applications based on employment; and
- Employers who are a part of the Recognised Seasonal Employer scheme.

The employers with a desire to comply by agreeing with a labour inspector to a written undertaking will be given a chance to prove how and when they will rectify their breaches. Non-compliant employers would not be eligible to recruit further migrant workers for the duration of their stand-down period.

Effective date: 1 April 2017

Philippines

Government confirms no VAT on overseas remittance of money

Recently, Senator Sonny Angara addressed the concerns of Overseas Filipino Workers (OFWs) about the imposition of VAT on services fees of money transfer centres in the country, ensuring that their remittances overseas will not be taxed.

The Department of Finance confirmed that 12% VAT on service fees charged by money transfer centres will be applicable to domestic transactions only. Such reform mainly targets businesses such as pawnshops, which are initially not registered as remittance centres.

For more information, click here.

Singapore

Singapore Budget 2017 highlights

The Singapore Budget for 2017 was announced in February 2017. The key highlights of the same are summarised below.

Individual income tax

- All individuals taxpayers will be entitled to a 20% personal tax rebate for Year of Assessment (YA) 2017. The rebate will be capped at SGD 500 per taxpayer.

Corporate income tax (CIT)

- Currently, companies are eligible for a 50% rebate of tax payable CIT for YA 2016 and 2017 with a maximum cap of SGD 20,000 per YA. As per Budget 2017, the CIT rebate cap will be increased to SGD 25,000 per YA for YA 2017. The rate for YA 2017 remains unchanged.
- The CIT rebate is extended to YA 2018. However, the rate will be reduced to 20% of the tax payable with a maximum cap of SGD 10,000 per YA.
- Extension of the Withholding Tax (WHT) exemption scheme for structured products offered by financial institutions on payments made to non-individual non-residents to 31 March 2017.
- Withdrawal of tax deduction under computer donation scheme from 20 February 2017.
- Introduction of a new intellectual property regime- 'IP development incentive' from 1 July 2017.

Goods and Service Tax (GST)

- Withdrawal of the GST tourist refund scheme for tourists who depart from international cruise. Currently, departing tourists can claim GST refund on their purchases in Singapore subject to certain conditions. According to Budget 2017, tourists that depart using an international cruise will not be eligible to claim a GST refund on their purchases made on or after 1 July 2017.

For more information, click here.

Mandatory e-filing for Certificate of Residence (COR)

The IRAS has announced that all COR applications have to be e-filed via the My Tax portal. Paper applications will not be accepted. The IRAS has also updated its online content on the procedures to apply for the same.

The IRAS will process the application within 7 working days of receiving the application and the COR will be mailed to the company's registered address. A duplicate copy of the approved COR will also be made available on the My Tax portal.

For more details, click here.

Central Provident Fund (CPF) interest rates from 1 April 2017 to 30 June 2017

Recently, the CPF board has announced the following interest rates from 1 April 2017 to 30 June 2017

- Up to 3.5% per annum on the Ordinary Account
- Up to 5% per annum on the Special and Medisave Accounts
- CPF members aged 55 and above will earn an additional 1% extra interest on the first SGD 30,000 of their combined balances
- The Housing and Development Board (HDB) mortgage rate from 1 April 2017 to 30 June 2017 remains unchanged at 2.6% per annum.
- The above rates remain unchanged with respect to 2016 CPF interest rates.

For more information, click here.

Ministry of Manpower (MOM) Speech at Committee of Supply 2017

Recently, the Ministry of Manpower (MOM) has been sharing public efforts to increase the protection of employees. The key updates are summarised below.

- Currently, a local worker who earns a monthly salary of SGD 1,000 or above is considered one Full-Time Equivalent (FTE), while a local worker who earns half the amount (SGD 500), up to less than SGD 1,000, is considered half-FTE. From 1 July 2017, the salary threshold to be considered an FTE worker will be increased from SGD 1,000 to SGD 1,100. The salary range considered as half-FTE will be correspondingly adjusted to the range of SGD 550 to below SGD 1,100.
- The MOM Minister, Lim Swee Say, also announced that MOM would take action against employers who discriminate against local employees during hiring. Such actions may result in the companies

being placed on the Fair Consideration Framework (FCF) watch list.

- The government aims to encourage employers to offer more jobs to local employees, especially those that have been redundant for a long time or who are slightly older. Disbursements to employers will increase through the Professional Conversion Programme and the Career Support Programme

For more information, click here.

Waiver of requirement to file Estimated Chargeable Income (ECI)

Recently, the Minister for National Development and Second Minister for Finance, Lawrence Wong, announced the revised criteria for waiver of ECI filing.

To reduce the compliance cost of businesses, the IRAS will improve the tax-filing process for companies. The revised criteria will be as follows:

Financial year-end	Criteria for waiver
In or before June 2017	• Annual revenue is not more than SGD 1 million for the financial year; and • ECI is NIL for the YA
In or after July 2017	• Annual revenue is not more than SGD 5 million for the financial year; and • ECI is NIL for the YA

Companies are required to determine if they meet the criteria for the waiver of requirement to file ECI. Companies that meet the criteria do not need to file their ECI for that particular YA. There is no need to inform the IRAS in this regard.

For more information, click here.

Thailand

Additional tax deduction on hiring employees over 60 years

Recently, the Belgian tax authorities passed Royal Decree No. 639 that allows a corporate income tax deduction of twice the costs of hiring employees who are above 60 years old.

The company should satisfy the below conditions to be eligible for the double deduction:

- The salary paid to the employee should not be more than THB 15,000 per month.
- The employee must be a Thailand national and should not be a director or shareholder of the employer;

However, if the total number of employees who are above 60 years old exceeds 10% of the total number of employees, the employer will not be able to claim the additional deduction.

Effective Date: 1 January 2017

Tax exemptions to social enterprises

Recently, the Thai government passed a royal decree on tax exemptions to social enterprises with the intention of promoting the social enterprises.

In order to qualify for corporate income tax exemption on its net profits, 100% of its profits must be invested in the business, or used for the benefits of its groups or other common benefits as per the rules, procedures, and conditions prescribed by Thai Revenue Department.

Europe

Belgium

Increased additional contribution for visas type D

From 1 March 2017, Belgium's Council of Ministers has increased the additional contribution from EUR 200 to EUR 350 for the processing of Belgian visa type D applications and residence permit applications.

Tax audits on wage withholding tax incentives

Recently, the Belgian tax authorities announced tax audits with respect to the application of the Belgian tax wage withholding incentives.

Companies have one month to provide the requested information for tax audit. It is very important to be well prepared for the audit in order to prove the exemption claimed and to provide the information that is legally required.

The investigation period is three years and the assessment period is five years.

Denmark

Draft Bill to amend the Assessment Act

Recently, the Ministry of Taxation has issued a draft Bill on 6 March 2017. The Bill addresses the issue of taxpayers changing their tax status from employed to self-employed to obtain a tax advantage.

The proposal thus seeks to ensure that acquisition of stake in a transparent clean company, for example, a partnership or limited partnership cannot solely be a driving factor to determine the self-employment status of an employee.

If the Bill is adopted, it will come into force from 1 July 2017.

For more information, please click here.

Germany

Ratification of social security agreement between Germany and India enters into force

An agreement on social insurance between India and Germany was signed on 8 October 2008 and came into force on 1 October 2009. As per the agreement, detached workers of the two countries were exempted from making social security contributions in either countries so long as they were making such contributions in their respective countries.

Now, India and Germany have ratified the Social Security Agreement (SSA), which will come into force from 1 May 2017, to help promote more investment flows between the two countries. The new agreement establishes the rights and obligations of nationals of both countries and provides for equal treatment of the nationals of both countries and unrestricted payment of pensions even in the case of residence in the other contracting state (benefits export principle). The requirements to be entitled to a pension can be met by aggregating the periods of insurance completed in India and Germany, whereby each country pays only the pension for the insurance periods covered by its laws. The period of posting will be up to 48 calendar months.

For more information, click here.

Ireland

Disclosure of foreign income and assets

The benefits of a qualifying disclosure will no longer be available if any matters included in the disclosure relate directly or indirectly to the following offshore matters:

- An account held or situated in a country or territory other than the state;
- Income or gains arising from a source or accruing in a country or territory other than the state;
- Property situated in a country or territory other than the state;
- Where there are liabilities arising within the state as well as liabilities relating to offshore matters, a qualifying disclosure will be unavailable in respect of all of those liabilities except in limited circumstances.

Effective date: 1 May 2017

For more information, click here.

New Bill proposes to eliminate compulsory retirement ages

Recently, the Private Member's Bill (The Employment Equality (Abolition of Mandatory Retirement Age) Bill 2016) had been proposed to abolish compulsory retirement. The new Bill, if enacted, will abolish the setting of retirement age. The Bill includes exemptions for employees who work in security-related employment, such as the defence forces, fire services and An Garda Siochana.

Non-compliance under Sickness Benefits Act may attract penalty to employer

As per the recent update, if an employer fails to comply with certain obligations under the Sickness Benefits Act, the employer can be fined as the cause of late report is due to negligence of an employer. The fine amount may not exceed EUR 455 and can vary depending on the accusation.

Significant changes in Occupational Health and Safety Ordinance

Recently, an amendment has been approved for Occupational Health and Safety Ordinance. This amendment aims at improving the occupational health care for employers and employees.

The following are the significant amendments approved:

- All employers must draw up a basic contract for occupational health care services;
- Workers have the right to the company doctor to visit during 'open office hours';
- Workers have the right to a second opinion from another occupational physician; and
- More possibilities for enforcement and supervision by the Inspection of Social Affairs and Employment.

Effective date: 1 July 2017

Italy

Changes in VAT rate postponed

The increase of the standard and reduced VAT rate that was planned for 2017 has been postponed.

- From 1 January 2018, the current reduced VAT rate of 10% will increase to 13%.
- From 1 January 2018, the current standard VAT rate of 22% will increase to 25%.
- From 1 January 2019, the current standard VAT rate of 22% will increase to 25.9%.

Inbound expatriate tax relief expanded

The Italian government has expanded the favourable tax regime for highly skilled employees coming to Italy to work. The changes are as follows:

- The taxable base for eligible inbound employees has been reduced from 70% to 50%. The benefit will last for five fiscal years from the year in which the individual becomes an Italian tax resident.
- The modified Inbound Expatriate Tax Regime will be applicable to citizens from countries with which Italy has a double taxation treaty or an information exchange agreement.

New non-dom tax system For High Net Worth Individuals (HNWIs)

Recently, the new non-dom tax regime for High Net worth Individuals (HNWI) was introduced in Italy. The main features of this system are:

- The regime is available to HNWIs and anyone interested in moving to Italy.
- The individual must not have lived in Italy for the past 9 out of 10 years.
- Under this regime, Italian sourced income will be taxed ordinarily and fixed annual fee payment of EUR 100,000 should be made to cover taxes due on non-Italian income.
- Preliminary ruling request should be filed with the tax authority to become Italian non-dom.
- The term for non-dom status is for 15 years and revocable by an individual at any point of time or on the non-payment of annual fees.

Clarification for settlement of tax liabilities

With a view to settle pending tax liabilities entrusted to tax collector agents between 1 January 2000 and 31 December 2016 without paying related sanctions and interest on arrears, the Italian Tax Authorities (ITA) issued a circular which provides clarification on the procedure for settlement of qualifying liabilities. The taxpayer had to apply for such procedure on or before 31 March 2017.

Electronic submission of VAT details

Italian persons subject to VAT now might opt for electronic submission of VAT details of invoices and/or for the remittance of daily VAT payments to the Italian tax authorities.

The last date for making such an election for FY 2017 is 31 March 2017.

'Flat Tax' regime on foreign income for new residents

The option of Flat Tax was introduced with the Budget Act, 2017, which provides for the payment of a flat tax of EUR 100,000 on foreign income in order to attract and encourage the transfer of residence in the country of HNWIs. Accordingly, the Italian revenue authority has recently released the instructions and a checklist for foreigners who wish to transfer their tax residence in Italy to take the advantage of flat tax regime.

Extension in filing annual FTT returns

Resolution no. 42770 has been issued by the Italian tax authorities to extend the due date of filing the annual Financial Transaction Tax (FTT) return for 2016. The extended due date is 31 May 2017.

VAT group regime

The 2017 Italian Finance Act has introduced the VAT group regime. The Italian VAT group regime provides that the VAT taxable persons having financial, economic and organisational links amongst themselves to be treated as single taxable person (a VAT group) subject to certain conditions. Supplies of goods and services between members of group will no longer be relevant for VAT purposes.

Effective date: 1 January 2018

Changes in VAT compliance obligations

Recently, the Italian Parliament has approved some of the changes to VAT compliance obligations. The changes are given below.

- From fiscal year 2018, a VAT registered person is not obliged to file the INTRASTAT report.
- For fiscal year 2017, the report of purchase and sales invoice must be filed by 16 September 2017 for the first six months of the year and by the end of February 2018 for the second six months of the year.
- From fiscal year 2018, the report of purchase and sales invoices must be filed on a quarterly basis. The due dates will be:

Period	Due date
First quarter (January to March)	31 May
Second quarter (April to June)	16 September
Third quarter (July to September)	30 November
Fourth quarter (October to December)	By the end of February of the following year

Work Permit quotas for Non-EU Nationals

Italy recently published the Immigration Quota Decree 2017 allowing work permits for non-EU resident. Employers need to evaluate the requirement of non-EU nationals and apply for work permits as soon as possible from 20 March onwards. The Immigration Decree has set a total quota of 30,850 permits that will be allocated in categories of Non-Seasonal Workers (3,000), Seasonal Workers (17,000) and conversion of existing permits (10,850).

New incentive schemes for hiring young people in Italy

For supporting employment in the less-developed regions of Italy and for inclusion of young people in the employment, incentive schemes have been launched. The two incentive schemes are incentive for Mezzogiorno hiring and incentive for hiring young people. Employers in Italy can reap the benefits of these schemes by digitally submitting a preliminary request for admission to National Social Welfare Institution.

The Netherlands

Favourable tax treatment of stock options

The approved 2017 tax plan influences the stock option regime for innovative start-ups and aspect of personal taxation. The changes made in tax treatment are given below.

- Only 75% of the gain from exercise of a stock option will be treated as Dutch taxable wages. This is applicable on stock option gains up to EUR 50,000.

- The remaining 25% of the gain from exercise of a stock option will be considered non-taxable in the Netherlands.

This favourable tax treatment will be applicable after fulfilling certain specified conditions.

Effective date: 1 January 2018

Penalty under the Sickness Benefits Act

In case of delayed compliance of certain notification under 'Sickness Benefit Act', employers in Norway may now be fined. The amount of fine shall be maximum EUR 455, which shall depend upon the degree of delay in compliance.

Norway

Changes in statute of limitations for withholding tax refund claims

The statute of limitations for filing the refunds claims of withholding tax in Norway has been extended to five years from two years. Hence, under the new statute, withholding tax refund claims for years 2012 to 2016 can be filed until 31 December 2017.

Proposed domestic tax residency rule

The Norwegian government has proposed to amend the domestic tax residency rule which will affect the residency status of Norwegian and foreign companies. The proposed amendments are:

- A company incorporated in Norway is to be considered a resident in Norway.
- A foreign company having its place of effective management in Norway will still be considered a tax resident in Norway. It is now proposed to align the interpretation of 'place of effective management' with the Organisation for Economic Co-operation and Development (OECD) definition. If according to the tax treaty entered, a company is considered a tax resident in one country, it shall not be considered a tax resident of Norway. However, such companies need to file Norwegian tax returns.

Poland

Amendments to Polish labour laws

Some important amendments to Polish labour laws have come into force as of 1 January 2017.

- Minimum remuneration for civil law contracts - From 1 January 2017, remuneration for contractors providing services on the basis of mandate contracts and service contracts should be determined so that the contractor's remuneration for each working hour amounts to not less than PLN 13.
- Internal Rules and Social Benefit Funds - Until now, the employer who employed at least 20 employees as of 1 January each year was obliged (with certain exceptions) to establish a company Social Benefit Fund (the Fund). From 1 January 2017, this threshold has been increased to 50 employees. This also applies to Internal Rules (Work Regulations and Remuneration Rules).
- More time for filing employee claims - From 1 January 2017, an employee has 21 days to appeal against termination of an employment contract with notice, claim reinstatement or compensation for wrongful termination for cause, instead of 7/14 days.
- New term for issuing employment certificates – From 1 January 2017, the employer must provide the employee with an employment certificate covering all work periods that were not previously certified, no later than seven days from the termination of employment, or upon the employee's request. Until now, employers were obliged to issue employment certificates following 24 months of total time under employment contracts for probationary periods and definite terms.
- Minimum monthly salary - With effect from 1 January 2017, the minimum remuneration for work will increase from PLN 1,850 to PLN 2,000.

Sweden

Withdrawal of proposed tax on financial activity

Recently, the Swedish government has announced the withdrawal of the proposed tax on financial activity.

Exchange of information agreement with UAE

Sweden has entered into an Exchange of Information Agreement (2015) with the United Arab Emirates.

Effective date: 1 April 2017

The United Kingdom

Change in Individual Savings Account (ISA) limit

Recently, Individual Savings Account (Amendment) Regulations, 2017, were amended to increase the annual limit on subscriptions to an ISA account from GBP 15,240 to GBP 20,000, and to a junior ISA account from GBP 4,080 to GBP 4,128.

UK resident adults under the age of 40 will be able to open the new tax-free account and can save up to GBP 4,000 (USD 5,014) each tax year in their lifetime ISA until they reach 50.

Effective date: 6 April 2017

For more information, click here.

Increase in compensation limits

Recently, Her Majesty's Revenue and Customs (HMRC) has announced an increase in the compensation limits and minimum awards under the employment legislation.

The changes made in the compensation limits and minimum awards are:

- Limit on compensation for unfair dismissal will increase from GBP 78,962 to GBP 80,541.
- Limit on a week's pay for calculating statutory redundancy payments and the basic award for unfair dismissal will rise from GBP 479 to GBP 489.
- Minimum basic award in cases where a dismissal is unfair by virtue of health and safety, employee representative, trade union, or occupational pension trustee reasons will increase from GBP 5,853 to GBP 5,970.

These new limits will apply to dismissals that take place on or after 6 April 2017.

Effective Date: 6 April 2017

For more information, click here.

Asset-based penalty for offshore inaccuracies and failures

Recently, HMRC announced asset-based penalty for offshore inaccuracies and failures.

The amount of asset-based penalties for tax inaccuracies or failures involving offshore matters or offshore transfers may be reduced by up to:

- 50% (unprompted disclosures of information); and
- 20% (prompted disclosures of information).

Effective Date: 1 April 2017

For more information, click here.

Changes to English language requirement announced under immigration rules

Recently, the Home Office announced two changes to the English language requirement under the Immigration Rules:

- Applications for entry clearance under the points-based system are required to submit the official documents from the UK National Academic Recognition Information Centr,e confirming their degree meets the requirements.
- Those who are in the UK or will enter the UK as a spouse or partner of a British national or settled person and who will extend their stay on or after 1 May 2017 must meet the English language requirement at Level A2 of the Common European Framework of Reference for Languages.

Any kind of failure to meet the updated requirement will result in a rejected application.

For more information, click here.

Online tool to appeal against penalties for late filing and late payment

HMRC has launched a new online tool for taxpayers to appeal against a late filing penalty for their 2015/16 tax returns or for late payment. Taxpayers need to register online with the Government Gateway to use the tool. Currently, agents cannot use the tool. However, HMRC has announced that new online functionality would be available for agents in the near future.

For more information, click here.

Tax deductible professional body fees

HMRC has updated a list of professional bodies and learned societies with tax-deductible fees.

Taxpayers can reclaim tax paid on fees or subscriptions to some approved professional organisations if they are approved by HMRC.

Tax cannot be reclaimed for fees or subscriptions paid to professional organisations not approved by HMRC. Use Form P356 is used to for making an application to HMRC.

For more information, click here.

Introduction of new duty to report on payment practices

HMRC has introduced a new duty in April 2017 that requires all large businesses to publish information on their payment practices and performance twice a year.

The objective of introducing this new reporting duty is to change the poor payment practices and encourage timely payments. Under this new reporting requirement, companies are required to publish the organisation's payment terms, process, and average time taken to make the payment. Companies are also required to report the percentage of invoices paid within 30 days or less, 31-61 days and over 60 days.

The duty will apply to large companies and large limited liability partnerships that meet two or more of the following criteria on both of their last two balance sheet dates:

- Over GBP 36 million annual turnover;
- Over GBP 18 million balance sheet total; or
- Over 250 employees.

Effective Date: April 2017

For more information, click here.

Change in the Inheritance Tax Rules from April 2017

Under the Inheritance Tax Rules, an additional 'main residence nil rate band' is set to be introduced from 6 April 2017. This additional rate band is introduced so that less inheritance tax may be paid when a residential property that had been the deceased's residence at some point, is left on death to a direct descendant.

The additional nil rate band will be phased in as follows:

2017/18	GBP 100,000
2018/19	GBP 125,000
2019/20	GBP 150,000
2020/21	GBP 175,000

From 2020/21, this will remain at GBP 175,000 and will then increase with the Consumer Price Index.

For more information, click here.

Spring Budget 2017 highlights

Recently, UK Chancellor Philip Hammond delivered Spring Budget 2017. A summary of the highlights of the Budget is given below.

- From April 2018, tax-free allowance on dividends decreased from GBP 5,000 to GBP 2,000 for company directors and private shareholders.
- National Savings and Investment bonds will pay 2.2% on deposits up to GBP 3,000.
- Class 4 National Insurance Contributions for the self-employed to increase from 9% to 10% in April 2018 and 11% in 2019.
- Class 2 NIC will be abolished from April 2018.
- An increase in the personal allowance for 2017/18 to GBP 11,500.
- Introduction of UK VAT on roaming telecoms services used and enjoyed outside the EU.
- Tax-Free Childcare Benefits of up to GBP 2,000 a year for each child will soon be available for working families with children under 12.
- Under the Making Tax Digital Project, landlords and the self-employed will need to start filing data with HMRC on a quarterly basis from April 2018. However, there will be a one-year deferral to April 2019 for those with turnover below the VAT threshold, currently GBP 83,000.
- Corporation tax rate will be 19% for financial years beginning 1 April 2018 and 1 April 2019 and 17% for the financial year beginning 1 April 2020.
- The UK government will legislate in Finance Bill 2017 to create two new income tax allowances of GBP 1,000 each for trading and property income. The allowances can be deducted from income instead of actual expenses.
- From 6 April 2017, a legislation will be introduced in Finance Bill 2017 to remove income tax and employer National Insurance Contributions (NICs) advantages where BiKs (Benefits in Kind) are provided through salary sacrifice or other optional remuneration arrangements.
- 10% reduction in the taxable foreign pension income received by UK residents is removed.
- There will be a 25% tax charge on pension transfers on or after 9 March 2017 to Qualifying Recognised Overseas Pension Schemes (QROPS).
- Employment related loan interest rate is decreased from 3% to 2.5%.
- Capital gains annual exempt amount for individuals will rise to GBP 11,300 for 2017/18.

For more information, click here.

Taxation of non-domiciles changed

HMRC has now published a draft non-domicile legislation as a part of draft Finance Bill 2017.

The main changes that will be effective from 6 April 2017 are:

- Ending non-domicile status – Under the new regime, an individual will be deemed K domiciled for all taxes where they have been a resident for more than 15 out of the previous 20 years of assessment, and the remittance basis will no longer be available.
- Expanding business investment relief - Business investment relief allows non-domiciles to bring funds into the UK without triggering a remittance for investing in a qualifying business provided certain conditions are met.
- Preventing UK-born domiciles by origin from claiming non-domicile status on their return to the UK.
- Inheritance tax is to be paid by all non-domiciles who own residential property indirectly.

Effective Date: 6 April 2017

For more information, click here.

About SKP

SKP is a long established and rapidly growing professional services group located in seven major cities across India. We specialise in providing sound business and tax guidance and accounting services to international companies that are currently conducting or initiating business in India as well as those expanding overseas. We serve over 1,200 clients including multinational companies, companies listed on exchanges, privately held firms and family-owned businesses from more than 45 countries.

From consulting on entry strategies to implementing business set-up and M&A transactional support, the SKP team assists clients with assurance, domestic and international tax, transfer pricing, corporate services, and finance and accounting outsourcing matters, all under one roof. Our team is dedicated to ensuring clients receive continuity of support, right across the business lifecycle.

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