14 April 2020
Burkina Faso

Report from Abdoul Aziz Son, Associate, IBFD

COVID-19 pandemic: emergency tax measures – announced

To alleviate the economic impact of the COVID-19 pandemic, the President in his speech to the Nation on 2 April 2020 announced several emergency tax measures. An amending Finance Law will be adopted to this effect. The following measures are applicable from 1 April 2020 to 30 June 2020:

- remission of penalties and fines due;
- suspension of tax audit except for proven cases of fraud;
- exemption from synthetic tax;
- exemption from VAT on products used in the fight against the COVID-19 pandemic;
- exemption from taxes and customs duties on pharmaceuticals, medical consumables and equipment used in the fight against the COVID-19 pandemic;
- postponement of the deadline for payment of the motor vehicles tax to 30 June 2020 instead of 31 March;
- tax status certificates will be issued until 30 June 2020, regardless of taxpayer compliance with tax obligations;
- suspension of payroll tax for persons employed by transport companies and hotels;
- suspension of tax debt recovery and collection of minimum lump-sum tax for persons in transport, hotel, restaurant and tourism sectors;
- 25% reduction of business license duty for persons transport, hotel and tourism sector. Companies which have already paid business license duty may opt for compensation with other local taxes;
- application of a VAT reduced rate of 10% to the hotel and restaurant sectors;
- abolition of taxes for the organization of cultural activities; and
- rebates of direct tax in exceptional cases upon request.


14 April 2020
Hong Kong

Report from Ying Zhang, Senior Associate, IBFD

COVID-19 pandemic: emergency tax measures - tax payment deadline extended

On 8 April 2020, in order to ease the financial burden and lack of cash flow of businesses and individuals as a result of the COVID-19 pandemic, the government announced that tax payment deadlines for salaries tax, personal assessment and profits tax for the year of assessment 2018/19, which are between April and June 2020, are automatically extended by 3 months. If taxpayers have already settled the first payment, the deadline for the second payment is automatically extended by 3 months from the date specified in the tax return.

Reference: Hong Kong - Corporate Taxation - Country Surveys sections 1.8.2. , 1.8.3.
Reference: Hong Kong - Individual Taxation - Country Surveys sections 1.10.2. , 1.10.3.
Reference: Hong Kong - Country Analyses - Corporate Taxation section 1.11.4.2.
Reference: Hong Kong - Country Analyses - Individual Taxation sections 1.11.1. , 1.11.4.

14 April 2020
Malaysia

Report from James Cheang, Associate, IBFD

COVID-19 pandemic: emergency tax measures – IRB provides further deadlines extension in response to extended MCO

On 10 April 2020, the Inland Revenue Board (IRB) provided further extension of various tax deadlines in response to the extended Movement Control Order.
(MCO) recently announced by the government by issuing another updated frequently-asked question (FAQ) (see Malaysia-1, News 31 March 2020).

The issuance of an updated FAQ is generally welcomed as it eases the burden of taxpayers due to the restrictive activities allowed under the MCO imposed by the government.

The main contents of the updated FAQ are set out below.

**Closure of IRB office**

The IRB extended the closure of their offices from 14 April 2020 to 28 April 2020 except for the stamp duty counters at the Branch stamping office and the Hasil Care Line.

**Income Tax Act 1967**

- The deadline for the submission of the form of estimates of tax payable or the revised estimates of tax payable will be extended to 31 May 2020 (previously extended to 30 April 2020) if the original deadline falls within the MCO period.
- The deadline for the payment of withholding tax is extended to 31 May 2020 (previously extended to 30 April 2020) if the deadline of the withholding tax payment falls within the MCO period.
- The deadline for the taxpayer to provide feedback to the IRB's letters and provide documents to the IRB in relation to tax audit and investigation matters is further extended to 30 May 2020 (previously extended to 30 April 2020) if the deadline falls within the MCO period.
- The deadline for the submission of Notice of Appeal to the Special Commissioners of Income Tax (SCIT) is extended to 31 May 2020 (previously extended to 30 April 2020) if the deadline falls within the MCO period.
- The deadline for the submission of Country-by-Country reporting (CbCR) is extended to 31 May 2020 (previously extended to 15 May 2020) if the original due date for the Malaysian entity to file the CbCR and the constituent entity to file the notification for CbCR falls on 31 March 2020 and 30 April 2020.
- The deadline for the submission of the statement of monetary and non-monetary incentive payment to an agent, dealer or distributor (CP 58) is extended to 30 May 2020 (previously extended to 30 April 2020).
- The deadline for the submission of the audited accounts by the institution or organization approved under section 44(6) of the Income Tax Act 1967 is extended to 30 June 2020 from 30 April 2020.
- The deadline for the submission of the statement of monetary and non-monetary incentive payment to an agent, dealer or distributor (CP 58) is extended to 30 May 2020 (previously extended to 30 April 2020).

**Labuan Business Activity Tax Act 1990 (LBATA)**

- The deadline for the Labuan entity to submit the irrevocable election under section 3A of LBATA for the year of assessment 2020 is extended to 31 May 2020 (previously extended to 30 April 2020).
- The deadline for the submission of the return of the form and payment for Labuan entity during the MCO period will be extended to 31 May 2020 from 31 March 2020.

**Real property gains tax 1976**

- The deadline for the submission of real property gains tax return and payment of real property gains tax will be on 31 May 2020 (previously extended to 30 April 2020) if the original due date falls within 18 March 2020 to 31 May 2020 (previously extended to 30 April 2020).

**Stamp duty**

- No penalty will be imposed on stamp duty for the documents which should be duly stamped during the MCO period if the stamping is made by 31 May 2020 (previously extended to 30 April 2020).

The full details of the FAQ are available here (only available in Malay language).

Reference: Malaysia-1, News 31 March 2020

Reference: Malaysia - Corporate Taxation - Country Surveys sections 1.4., 1.7., 1.8., 4.1., 6.3., 7.2., 9.3.

Reference: Malaysia - Country Analyses - Corporate Taxation sections 1.7., 1.9.4.26., 1.11.8., 1.11.9., 4.1., 7.3.4., 10.2.2., 14.3.
COVID-19 pandemic: emergency tax measures – IRB provides further deadline extension

The Inland Revenue Board (IRB) has extended the deadlines for the filing of tax returns and making tax payments for companies, co-operative societies, limited liability partnerships, trust bodies and petroleum companies with accounting periods ended at 31 December 2019 by an additional 2 months, from 31 July 2020 to 30 September 2020, in response to the COVID-19 pandemic outbreak in the country.

The IRB issued the Return Form Filing Programme for the year 2020 (Amendment 2/2020) to provide guidance on the above. Under the previous Return Form Filing Programme (see Malaysia-1, News 18 March 2020), the IRB only provided the above 2-month extension to the above entities with the accounting period ended 31 July 2019, 31 August 2019, 30 September 2019, 31 October 2019 and 30 November 2019, respectively.

The full details of Amendment 2/2020 are available here.

Reference: Malaysia-1, News 18 March 2020
Reference: Malaysia - Corporate Taxation - Country Surveys section 1.8.2.
Reference: Malaysia - Country Analyses - Corporate Taxation sections 1.11.1., 1.11.4.

COVID-19 pandemic: emergency tax measures – clarification of special deduction on rental discount for SMEs

The Ministry of Finance has clarified the special deduction on rental discount granted to small and medium-sized enterprises (SMEs) for the use of business premises from April to June 2020 by publishing frequently asked questions (FAQs) relating to the special deduction as announced in the recent economic stimulus package (see Malaysia-1, 7 April 2020).

The FAQs provide further details relating to the calculation of such special deduction and the type of entities which qualify as SMEs for the application of the special deduction. A gazette order is expected to be issued later for the implementation of the special deduction.

The special deduction is a welcome measure for business sectors as it is expected to entice landlords to reduce the rental charges for their SME tenants. This incentive intends to ease the cash flow burden of SMEs that are adversely impacted by the COVID-19 pandemic in the country.

The salient features of the FAQs are set out below.

- Qualifying persons for the special deduction include companies, individuals, cooperatives, other business and non-business entities that rent out business premises to any SMEs.
- SMEs are defined as follows:
  - in the manufacturing sector: entities with annual sales not exceeding MYR 50 million (based on the total sales derived from basis period of the previous year of assessment) or with not more than 200 full-time employees (based on the number of employees as at the end of the basis period of the previous year of assessment, or as at 1 April 2020);
  - in the services and other sectors: entities with annual sales not exceeding MYR 20 million (based on the total sales derived from the basis period of previous year of assessment) or with not more than 75 full-time employees (based on the number of employees as at the end of the basis period of the previous year of assessment, or as at 1 April 2020); and
  - in addition, the FAQ also provided the guidelines for the definition of SME at the link here. Taxpayers are expected to go through the guidelines for a detailed definition of SME.
- To qualify for the special deduction, the rental charges must be reduced by at least 30% from the original charges for the period of April to June 2020. The special deduction amount granted will be equivalent to the rental deduction provided by the landlord to the SME tenants.
The landlords are required to keep a copy of supporting documents such as tenancy agreement for audit purposes.

Reference: Malaysia-1, 7 April 2020

Reference: Malaysia - Corporate Taxation - Country Surveys sections 1.3.3.

Reference: Malaysia - Country Analyses - Corporate Taxation section 1.4.

Reference: Malaysia - Country Analyses - Individual Taxation sections 1.5.4.6., 1.8.1.

Reference: Malaysia - Individual Taxation - Country Surveys sections 1.5., 1.7.

14 April 2020

Singapore

Report from Karen Lim, Principal Associate, IBFD

COVID-19 pandemic: emergency tax measures – extension of tax filing deadlines

On 4 April 2020, the Inland Revenue Authority of Singapore (IRAS) announced the automatic extension of tax filing deadlines for individuals and businesses. This is part of IRAS’ support for taxpayers in light of the latest measures to manage the COVID-19 pandemic. (See Singapore-1, News 27 March 2020 for the tax measures announced earlier to mitigate the economic impact of COVID-19.)

The deadlines extended are as follows:

- income tax returns for individuals (including sole proprietors and partnerships): filing deadline extended from 18 April 2020 to 31 May 2020;
- income tax returns for clubs, trusts and associations: filing deadline extended from 15 April 2020 to 31 May 2020;
- estimated chargeable income (ECI) for companies with financial year ending January 2020: filing deadline extended from 30 April 2020 to 31 May 2020;
- GST returns for accounting period ending March 2020: filing deadline extended from 30 April 2020 to 11 May 2020;
- section 45 withholding tax forms due in April 2020: filing and payment deadlines extended from 15 April 2020 to 15 May 2020; and
- tax clearance for foreign employees in April 2020: employers are given 1 month’s extension to file Form IR21.

Further details are available here.

Reference: Singapore - Corporate Taxation - Country Surveys sections 1., 8.,


Reference: Singapore-1, News 27 March 2020

14 April 2020

St. Lucia

Sandy van Thol, Regional Caribbean Editor, Sotto Voce Business & Tax Solutions VBA, Aruba

COVID-19 pandemic: emergency tax measures – excise duties on gas and diesel

In a release dated 7 April 2020, the Ministry of Finance announced that the rates of excise duties on gas and diesel have been aligned with the changes in oil price movements in order to alleviate the economic impact of the COVID-19 pandemic.

This policy decision may lead to excise tax rates above the previously targeted XCD 4.00 per gallon.

However, no increases in retail prices are expected at petrol stations due to the forecasts of the relatively low crude oil prices in the near term.

Reference: St. Lucia - Corporate Taxation - Country Surveys section 9.5.
14 April 2020

Vietnam

Report from James Cheang, Associate, IBFD

COVID-19 pandemic: emergency tax measures – decree issued on extension of tax payment deadlines

The government has extended the tax payment deadlines for corporate income tax, personal income tax, value-added tax and land rental fee for qualifying activities in response to the COVID-19 pandemic in the country.

The extension of tax payment deadlines applies for businesses undertaking qualifying activities in the manufacturing sector, services sector and other qualifying sectors that have suffered from the COVID-19 pandemic, as well as businesses operating in multiple sectors involving qualifying and non-qualifying activities.

Corporate income tax (CIT)

The tax payment for the final CIT return for fiscal year 2019 and the quarterly tax payable for the first 2 quarters of fiscal year 2020 will be extended by 5 months from the statutory deadline. Prior to this, the quarterly tax payable is due within 30 days from the end of the quarter, and the year-end final tax payment is due on the tax return filing deadline, i.e. 90 days after the end of the taxable period.

Personal income tax (PIT)

The tax payment deadline for the PIT return for fiscal year 2019 has been extended to 31 December 2020. Prior to this, the PIT payment is due on the tax return filing deadline, i.e. 90 days after the end of the tax year.

Value-added tax (VAT)

The monthly VAT payments for March to June 2020 and the quarterly VAT payment for the first 2 quarters will be extended by 5 months from the statutory deadline. However, this extension applies to VAT payments related to imported goods or services.

For household and individual businesses, the tax payment deadline will be extended to 31 December 2020.

Prior to this, taxpayers must file the monthly VAT returns within 20 days of the end of each month and the quarterly VAT returns within 30 days of the end of each quarter.

Annual land rental fee

The first annual land rental fee payment due for 2020 will be extended from 31 May 2020 to 31 October 2020 for any land that is leased directly from the State.

The announcement of these extensions is published under Decree No 41/2020/ND-CP, which came into effect on 8 April 2020.

Reference: Vietnam - Corporate Taxation - Country Surveys sections 1.8.3., 5.2.2., 8.

Reference: Vietnam - Individual Taxation - Country Surveys sections 1.10.3., 4.2.

Reference: Vietnam - Country Analyses - Corporate Taxation sections 1.11.4., 5.3., 13.10.4.