

Flash Alert

Monthly Summary (January 2016)

Flash Alerts	
Argentina	<p><u>Lifting Foreign Exchange Controls Creates More Flexibility</u></p> <p>New rules ushered in by Argentina's new government will allow foreigners working in Argentina to buy more freely foreign currency and to wire funds outside the country. Additionally, foreign entities that make payments on behalf of the host location will be able to invoice to Argentina the reimbursement of expenses.</p>
Australia	<p><u>Nonresidents Required to Repay Their Australian Education Debt</u></p> <p>Individuals who are not Australian tax residents and have Australian higher education debts (HELP and TSL) will now be required to repay these loans based on their worldwide income. This will apply from July 1, 2016. From January 1, 2016, individuals with these Australian higher education debts who are going overseas with the intention to remain outside Australia for more than 183 days will be required to register with the Australian Taxation Office within seven (7) days of leaving Australia.</p>
Belgium	<p><u>Guidance Issued Could Affect Expatriates' Tax-Free Allowances</u></p> <p>New Belgian guidelines on calculating tax-free allowances for expatriates benefiting from the expatriate tax concessions provide that as of January 1, 2016, sub-federal/national level income taxes have to be included in the hypothetical home country tax computation.</p>
Canada	<p><u>New Employer Portal and the International Mobility Program</u></p> <p>A few months ago, Canada's immigration authorities instituted the Employer Portal to replace the IMM5802 Form for collecting information and compliance fees. Employers must sign up for the new Employer Portal immediately as all work permit applications under the International Mobility Program must be verified through the Portal prior to submission at a Visa Office or Port of Entry. In addition, employers must have any third party representatives listed as secondary users.</p>

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Canada	<p><u>Recent Immigration and Work Permit Developments</u></p> <p>In this GMS Flash Alert there are some important developments and reminders for 2016 which we wish to bring to your attention concerning Canada's Express Entry program. In addition, we highlight other recent developments with respect to provincial nominee and skilled worker programs and new entry requirements for Canada.</p>
Canada	<p><u>New Application Deadline for Nonresident Employers Wanting Withholding Exception</u></p> <p>Nonresident employers that have nonresident employees working in Canada can now apply to be eligible for the new exception from the withholding tax requirements under Regulation 102 of the Income Tax Act. This exception, which must be applied for by March 1, 2016, takes effect January 1, 2016.</p>
Germany	<p><u>Policy Update on Using Allowances to Boost Assignees' Salaries</u></p> <p>On January 8, 2016, the headquarters of Germany's Federal Employment Agency released an update on the possibility of using allowances for boosting the salaries of assignees that come to Germany to work. It appears that, in fact, allowances used to boost an assignee's salary will be considered acceptable when used to help the assignee's salary meet the so-called comparability requirement.</p>
Germany	<p><u>Changes to Visa Application Procedures for National Entry Visas</u></p> <p>The German government has done away with the approval process of the local immigration offices in respect of visa applications for non-EU/EEA/Swiss nationals, in most cases. The local immigration offices will still be involved in cases regarding the relevant previous stay of an assignee. The new visa application procedures could be of particular benefit for an assignee's accompanying family members.</p>
Ireland	<p><u>Employers Must Abide by Increase in Minimum Wage</u></p> <p>Ireland's Employment Permits (Amendment) (No.2) Regulations 2015 enacted the increase, under the National Minimum Wage Order 2015, of the statutory minimum wage from €8.65 per hour to €9.15 per hour. In order to be eligible to make an employment permit application when employers bring foreign workers into Ireland, the base salary must reflect this change.</p>
Italy	<p><u>Moves to Introduce New 30% Relief for Inbound Expatriates</u></p> <p>A new Italian Decree introduces a specific inbound expatriate tax relief regime, with tax breaks for individuals taking up residence status in Italy. Eligible inbound expatriate employees may enjoy an</p>

	<p>abatement of 30 percent of taxable income. There are still some outstanding questions and clarifications are expected from the Italian tax authorities.</p>
Kazakhstan	<p><u>Retirement Reform Means New Employers' Charge, Calculation for Individuals' Pensions</u> In Kazakhstan, starting from July 1, 2017, the procedure for calculating the basic pension will change, affecting most Kazakh citizens on international assignments, but not affecting foreign assignees working in Kazakhstan who do not participate in the pension system. Also, employers will see their employment-related costs rise from 2018 with the imposition of a new 5-percent employer's obligatory pension contribution.</p>
Malaysia	<p><u>Finance Act 2015 Enacts Form E Filing, Monthly Deduction Measures</u> Malaysia's Finance Act 2015 was gazetted on December 29, 2015, and contains measures pertaining to the filing of Form E by employers, the Monthly Tax Deduction ("MTD") calculation in respect of additional remuneration received which relates to years prior to 2016, and penalties in cases of non-compliance with the MTD rules.</p>
Norway	<p><u>Budget Measures Undergo Minor Amendments in Final Legislation</u> Amended Norwegian budget measures were enacted in legislation that was published on December 17, 2015. The key measures include reformed personal tax rates and bands (as the current surtax is effectively replaced with a so-called "step tax"), an increase in the standard deduction for single parents, and revisions to the scope of the net wealth tax regime.</p>
United Kingdom	<p><u>Treaties with Bulgaria, Croatia, Kosovo, Sweden, Tajikistan in Force</u> The U.K. tax authority has confirmed that four new income and capital gains tax treaties came into force in December 2015, with some changes of note, in some cases, to the employment income articles. These treaties (with Bulgaria, Croatia, Kosovo, and Sweden) all take effect for income tax purposes from April 6, 2016. The treaty with Tajikistan came into effect on March 16, 2015.</p>
United Kingdom	<p><u>Recommendations from MAC Review of Tier 2 Visa Programme</u> The U.K.'s Migration Advisory Committee (MAC) published an important review of the Tier 2 visa category. The MAC is recommending an increase of the minimum earnings threshold for certain Tier 2 categories. It also supports the introduction of an Immigration Skills Charge levied across most Tier 2 routes.</p>

United States	<p><u>Filing Season Start and Deadline; Relief for ID Theft Prevention</u></p> <p>In several announcements released in the last two weeks of December 2015, the U.S. Internal Revenue Service indicated that the U.S. tax season will start as scheduled on Tuesday, January 19, 2016, and that the filing deadline to submit 2015 tax returns is Monday, April 18, 2016. In addition, the IRS announced that the tax relief for identity protection services has been extended to employees or other individuals receiving identity protection service benefits prior to the event of a data breach.</p>
United States	<p><u>IRS Extends Due Dates for 2015 Health Care Information Reporting</u></p> <p>While the U.S. Internal Revenue Service is equipped to accept information returns under the Affordable Care Act beginning in January 2016, the Service determined certain employers, insurers, and other providers of minimum essential coverage needed additional time to adapt and implement systems and procedures to gather, analyze, and report the necessary information required under I.R.C. sections 6055 and 6056. As a result, Notice 2016-4 provides an extension for Forms 1095-B and 1095-C, amongst others.</p>

Payroll Insights	
United States	<p><u>January 2016 - Special Edition</u></p> <p>Payroll Insights, a publication from KPMG LLP's Employment Tax practice, covers current developments for payroll and employment tax. The January 2016 Special Edition includes Connecticut's changes for withholding threshold and IRS deadlines extension for ACA forms filing.</p>

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