

Flash International Executive Alert

Monthly Summary (January 2014)

Following is a summary of the KPMG IES *Flash International Executive Alerts* that were published in January (links are provided to the complete *Flash International Executive Alert*).

COUNTRY	SUMMARY
Australia	<u>More Details Released on Labour Market Testing for Subclass 457 Visas</u> Further details concerning the commencement of Labour Market Testing for the subclass 457 visa program have been issued by Australia's Department of Immigration and Border Protection. The new rules could mean increased administration, cost, and time for employers.
Belgium	<u>Proposed Changes Affecting Net Pay of Those Enjoying Expatriate Concessions</u> The government has plans to amend the rules governing Belgium's nonresident personal income taxation. If approved, the category of nonresident taxpayers with an abode in Belgium will be abolished; certain expatriates with excessive foreign travel exclusion will lose personal exemptions; and, for some, additional tax may be due.
European Union (EU)	<u>New Social Security Practical Guidance Issued</u> Practical guidance has been published to help determine which country's social security rules apply when cross-border employees are working in two or more European Union/European Economic Area countries.
Germany	<u>New Social Security Rates, Thresholds for 2014</u> Slight changes to Germany's social security contributions have been implemented.
Ireland	<u>Deadline Approaching for 2013 Share Scheme Reporting</u> The mandatory due date in Ireland for filing Returns of Information for employee share participation schemes is March 31, 2014.
Italy	<u>New Circular Brings Further Changes to Financial Asset Reporting System</u> New guidance clarifies Italy's foreign asset reporting requirements for all Italian residents, including abolition of the de minimis threshold, changes to penalties, and the application of the regime to individuals holding assets through companies or other legal entities.

Peru	<u>Government Sets New Value for Tax Unit for 2014</u> Peru has modified the value of the "UIT" tax unit, which is used as a reference amount in Peruvian tax law when determining taxable income, deductions, fines, etc.
Sweden	<u>Parliament Approves Modified Income Tax Thresholds for 2014</u> Sweden's Parliament approved a revised budget proposal for 2014, which includes further changes to the personal income tax thresholds.
Sweden	<u>Tax Agency Challenging Foreign Companies' Work for Possible PE</u> Sweden's tax authorities recently started to challenge the activities of employees of foreign companies on the basis that the activities constitute a permanent establishment ("PE").
United Kingdom	<u>Details Published on Preventing Use of Dual Contract Arrangements</u> Proposed rules, if implemented, could make it more difficult to use "dual contract" arrangements to lower the U.K. income tax liability of certain foreign nationals. Draft legislation is open for comments until February 13.
United States	<u>FBAR Deadline for Certain Individuals Extended for 4th Time</u> The U.S. has extended the filing date for the <i>Report of Foreign Bank and Financial Accounts (FBAR)</i> for certain individuals who have only signature authority over certain foreign financial accounts to June 30, 2015.
United States	<u>PFIC Regs Released: Reporting Required on 2013 Tax Returns</u> The U.S. IRS has released temporary, final and proposed regulations in relation to passive foreign investment companies (PFICs) confirming that U.S. citizens and residents who own shares in PFICs will be required to provide annual reporting on Form 8621 starting with their 2013 income tax returns, with no requirement for retroactive (prior to 2013) reporting.

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