Flash Alert

Monthly Summary (June 2019)

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Flash Alerts	
Belgium	***Court of Cassation Rules on Notion of Salary Subject to Social Security*** The Belgian Court of Cassation's decision of May 20, 2019, has confirmed the earlier judgement of the Labour Court whereby social security contributions are due on all benefits that relate to the work performed by the employee in the execution of his/her employment contract with the employer or that relate to the function of the employee carried out for the employer. This has an impact on the bonuses and other benefits, including equity-based compensation, that are attributed to employees which were until recently not considered as salary subject to social security contributions.
Canada	***Quebec Adopts New Skilled Worker Selection Process Bill*** Once Bill 9 becomes law (expected soon), Quebec's immigration authorities would cancel and refund the processing fees of approximately 18,000 pending applications for a Quebec Selection Certificate (CSQ) under the qualified skilled worker program that were submitted prior to August 2, 2018. Employers need to encourage individuals who had such applications to submit an application on the new skilled worker platform, Arrima, and await an invitation to apply for a "CSQ" under the new process.

ALL GMS Publications

GMS Flash Alert

Global Assignment Policies and Practices Survey

Payroll Insights

Tax Rates Online

Taxation of International Executives (TIES) Online

Mobility Matters

Thinking Beyond Borders: Management of Extended Business Travelers

U.S. Taxation of Americans Abroad

U.S. Taxation of Foreign Citizens

	They should also encourage individuals to strengthen their verbal French language skills.
European Union	***European Labour Market Operational from End 2019*** Following the announcement that the European Union (EU) Council had adopted a Regulation establishing a European Labour Authority (ELA), it was announced that ELA will be located in Bratislava, Slovakia. ELA will start operating by the end of 2019, reaching its full capacity by 2023. ELA's primary tasks include the enforcement of the Posting of Workers Directive, EU Regulations on Coordination of social security systems, and initiatives for international road transport, which include working/rest times, etc.
Indonesia	***New Restriction on Allowable Foreign Tax Credit*** Indonesia's Minister of Finance has issued Regulation No. 192/PMK.03/2018 regarding the implementation of tax credits on overseas income. PMK-192 is more comprehensive than the previous regulation regarding foreign tax credits (FTCs), PMK-164, which has now been revoked. PMK-192 is in effect as of December 31, 2018 and applicable starting from the 2018 tax year. Some taxpayers could suffer a significant FTC loss and be required to pay a higher income tax in Indonesia.
Malaysia	***New "e-CP39" System Introduced from July for MTD Data Submission*** Effective July 1, 2019, the manual Form CP39 ("Statement of Tax Deduction by an Employer") will no longer be accepted by the Malaysian Inland Revenue Board ("MIRB"). Instead, the new "e-CP39" will be instituted. Starting July 1, 2019, it will be compulsory for an employer to use e-CP39 to submit its employees' data online to the MIRB when making MTD payments. The employer is able to remit payment to the MIRB after the e-CP39 is submitted to the MIRB online. The payment can be paid via Internet banking/bank counter/automatic teller machines/cash deposit machine. Cheque payments over the MIRB's counter will no longer be accepted.
United States	***IRS Reverses Position on French Taxes*** The U.S. Internal Revenue Service (IRS) recently reversed its position on the deductibility of the French "contribution

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	sociale généralisée" (CSG) tax and the "contribution pour le remboursement de la dette sociale" (CRDS) tax. The State Department and France had finalized a shared understanding that the CSG and CRDS were not covered by the U.S.-France Totalization Agreement. The IRS, consequently, will now no longer contest the pending Tax Court litigation on the grounds that it "no longer asserts that petitioners are precluded from claiming the foreign tax credits at issue in this case." This means that U.S. taxpayers will be able to deduct these taxes or claim them as foreign tax credits. There may be refund opportunities.
United States	***Final Regulations: Treasury Shuts Down SALT Deduction Work-Arounds*** On June 11, 2019, the U.S. Treasury Department and the Internal Revenue Service (IRS) issued final regulations regarding the availability of charitable contribution deductions when a taxpayer receives or expects to receive a corresponding state or local tax ("SALT") credit. The IRS also released Notice 2019-12, which provides for a safe harbor allowing an individual who itemizes deductions to treat, in certain circumstances, payments that are or will be disallowed as charitable contribution deductions under the final regulations as state or local taxes for federal income tax purposes. The afore-mentioned regulations effectively put a stop to the tax benefit of any existing state tax credit programs for individuals with SALT above the deduction limitation.
United States	***New Process Using FLAG System for Filing Form ETA-9141*** Effective June 10, 2019, the United States Department of Labor (DOL) will only be accepting Form ETA-9141 under the Foreign Labor Application Gateway (FLAG) cloud-based portal. The FLAG is designed to replace the Office of Foreign Labor Certification's (OFLC's) legacy iCERT system. Any Forms ETA-9141 submitted through iCERT prior to June 10, 2019, will continue to be processed through the iCERT system. The FLAG system, which aims to give users a more modern, secure, and automated experience, will continue using the current Form ETA-9141.
United States	***Premium Processing for All FY 2020 H-1B Cap Petitions*** The U.S. Citizenship and Immigration

	Services (USCIS) resumed premium processing for all remaining FY2020 H-1B cap cases on June 10, 2019. Given the significant volume of H-1B cap-subject petitions received by the USCIS within the first week of April, the government gave itself additional time to complete case intake and conduct the randomized-lottery process for case selection before case adjudication. Premium processing is an optional service offered by the USCIS that allows for expedited processing of certain employment-based visa petitions and applications.
United States	***New Screening of Social Media Accounts by State Department*** As part of the visa application process, nearly all U.S. immigrant and nonimmigrant visas applicants will be required to provide their social media user-names, prior email addresses, and phone numbers held over the last five years. Whether applying for a tourist visa, a work visa, or an immigrant visa, U.S. visa applicants should be mindful that consular officers are studying their social media presence in rendering their decisions. Applicants' social media identifiers will be part of the background check process and further examined against watch lists generated by the U.S. government.
United States	***Proposed Protocols Sent to Senate Floor*** On June 25, 2019, the U.S. Senate Foreign Relations Committee considered and approved Protocols amending the U.S. tax treaties with Japan, Luxembourg, Spain, and Switzerland. The Committee has reported the Protocols to the full U.S. Senate, where a two-thirds vote is required for approval. While these Protocols have been bottle-necked in the Senate for years, there is new optimism that the Protocols will this time be given floor time and a vote scheduled later in the summer.

Publications, Videos & Webinars	
Global Mobility Services – Global	***New article in Mobility Matters***: In "**Germany's *Fachkraefteeinwanderungsgesetz*: Not Just a Tongue Twister but a Quantum Leap in Immigration**," KPMG professionals Sebastian Klaus and Kim Hammer observe that the new draft law, *Fachkraefteeinwanderungsgesetz* or "FEG," entails one of the most important reforms of

	Germany's immigration system in years. If enacted, the FEG is expected to bring the German immigration system to the next level, with improvements and enhancements that will hopefully better serve the hiring and talent development needs of German employers and the labor market access needs of foreign skilled workers, while also supporting Germany's socio-economic interests.
	Webcast Play-back: "The Future of Global Mobility Technology." Blockchain has emerged as a way to streamline business processes and connect data across multiple systems and organizations. On Tuesday, June 25, GMS professionals discussed how blockchain is changing global mobility by automating manual processes and providing greater data transparency and access. For the play-back, click here.
Global Mobility Services – Mobility Consulting Services	**Take the KPMG Global Assignments Policies and Practices Survey**: We are excited to announce that we have begun our annual Global Mobility Services (GMS) practice campaign to invite your participation in the 2019 Global Assignment Policies and Practices (GAPP) Survey. The GAPP Survey provides valuable trends and insights regarding how global organizations administer their global mobility programs. It is recognized as an industry-leading benchmarking survey. To take the survey, click here.

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