



GMS Flash Alert



Flash Alert Monthly Summary (December 2020)

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Australia

[**ATO Accepts Full Federal Court's Judgement in Tax Residency Case**](#)

The Australian Taxation Office has accepted the conclusions reached by the Full Federal Court in *Commissioner of Taxation v Pike* in its decision considering the principles of tax residence and the application of the residence tie-breaker provisions of international double taxation treaties. Even though the taxpayer's employment opportunities in his field required him to find employment overseas, the Full Court placed significant weight on the continued presence of his family and the maintenance of a home in Australia.

Belgium

[**Brexit: Update on Immigration Policies During Transition and Post-Brexit**](#)

This GMS Flash Alert provides an update on the immigration status of U.K. nationals in Belgium who have been performing economic activities in Belgium prior to 31 December 2020. We also comment on the situation of those U.K. nationals who will start their economic activities in Belgium from January 1, 2021. Certain actions will need to be taken before December 31, 2020, to help ensure the right of stay and right to work in Belgium for U.K. nationals.

[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](#)

[Your Assignment Abroad: The 50 Most Common Concerns](#)

Croatia	<p><u>Personal Income Tax Amendments for 2021</u></p> <p>New amendments to Croatia’s income tax law reduce personal income tax rates and provide new exemptions for freelancers known as “digital nomads” as well as for some other types of income in 2021.</p>
Czech Republic	<p><u>Brexit: What’s Happening from Personal Tax, Social Security Perspectives?</u></p> <p>Up until now, U.K. nationals in the Czech Republic have been entitled to rights as EU citizens. But things will change soon. From January 1, 2021, U.K. tax residents will no longer be considered as EU tax residents. For that reason, their Czech tax position will be slightly different and the EU coordination regulations will only apply to those EU and U.K. citizens who were part of a certain cross-border relationship between the U.K. and the EU before January 1, 2021.</p>
Czech Republic	<p><u>Brexit: Rules for U.K. Citizens Residing in the Czech Republic</u></p> <p>The end of the Brexit transition period is December 31, 2020. U.K. nationals and their family members who resided in the Czech Republic before the end of 2020 can remain living in the country under the same rights and benefits provided for in EU legislation, if they are able to prove their residence by showing relevant documents. The update of the Czech immigration legislation is expected to be introduced during 2021 and that should bring changes in terms of Brexit, including exchange of permit types issued to U.K. nationals and their family members. U.K. nationals and their family members arriving in the Czech Republic after the year-end will be treated as third-country nationals.</p>
European Union	<p><u>Mandatory Disclosure of Tax Arrangements</u></p> <p>The EU Directive for Administrative Cooperation, No 6 (DAC6), outlines a range of rules for mandatory disclosure of certain types of cross-border tax “arrangements” to relevant tax administrations. This report looks at why DAC6 is important for global mobility, and addresses, in brief, who must report, what must be reported, and the timing around reporting.</p>
Finland	<p><u>Brexit and Right of Residence for U.K. Citizens in Finland: Update</u></p> <p>This GMS <i>Flash Alert</i> provides an update on a recent law in Finland that stipulates the terms and conditions for U.K. nationals to</p>

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	<p>travel to and stay in Finland. U.K. citizens living in Finland, for example, must apply to exchange their previous registration based on the right of residence as a European Union (EU) citizen for the right of residence under the Withdrawal Agreement. Moreover, from January 2021 onwards, all the same provisions pertaining to third-country nationals will be applied to U.K. citizens on entry, and the EU directive on free movement will no longer apply.</p>
France	<p><u>2021 Draft Finance Law Contains a Few Measures Affecting Individuals</u></p> <p>While the bulk of the measures in this year's draft French Finance Law concern corporations and restarting the economy in the context of the current public health crisis, there were a few changes for individuals. Currently under review in parliament, the measures concerning individuals include changes to the income tax tables, adjustments to the Pay-As-You-Earn system, and some reversals of measures introduced in the 2019 budget concerning withholding tax for nonresidents.</p>
	<p><u>Brexit Is Nigh and France Clarifies Rights of British Nationals</u></p> <p>This GMS <i>Flash Alert</i> provides an update on the immigration status of U.K. nationals residing and/or working in France prior to December 31, 2020, and wishing to continue to reside and/or to work in France after this date. A new French Decree defines the applicable rules for British nationals.</p>
Ireland	<p><u>Impact of Brexit on Irish Immigration</u></p> <p>Newly-enacted legislation in Ireland proposes to address issues that could arise for citizens and businesses following December 31, 2020, the end of the U.K.'s Brexit-related transition. From an immigration perspective, a new Act provides important clarifications regarding the status of U.K. citizens in Ireland, and touches upon the rights of their non-European Economic Area family members.</p>
Italy	<p><u>Visa and Residence Permit Requirements for U.K. Citizens Clarified</u></p> <p>As the Brexit transition end-date approaches quickly, the Italian Embassy in the United Kingdom has issued a notification that U.K. citizens would be subject to visa requirements from January 1, 2021. The Italian Interior Ministry has also issued a</p>

	<p>further clarification on procedures to be followed by U.K. citizens protected under the Withdrawal Agreement.</p>
Luxembourg	<p><u>New Budget Law Modifies Stock Option Plans and Impatriate Regime</u> Luxembourg's parliament has passed the 2021 budget law. A request to be exempted from the second vote was filed with the State Council. Key measures in the budget legislation affecting individuals – including international assignees – and their employers introduce changes regarding individual (personal) income taxation, including repeal of the treatment of stock options and warrant plans, as well as changes to the “impatriate regime” and dispensing with tax cards.</p>
	<p><u>Prime Minister Announces Deadline Extension for Filing Tax Returns</u> The Luxembourg government has announced that the deadline for the 2019 corporate and individual tax returns has been extended from December 31, 2020 to March 31, 2021. A bill should be drafted and adopted by the Chamber of Deputies at the beginning of 2021.</p>
Malaysia	<p><u>Tax Measures Affecting Individuals in Budget 2021</u> Malaysia presented the 2021 Budget proposals, announcing a slight reduction in the individual income tax rate by 1 percent for resident individuals at the chargeable income band of MYR 50,001 to MYR 70,000. There is also an increase, an extension, and an expansion of the scope of tax reliefs. Also proposed is a reduction in contributions made to the Employees Provident Fund. This newsletter covers these and other proposed measures.</p>
Netherlands	<p><u>Income Requirement for Foreign Workers Modified for 2021</u> Dutch-based companies that have acquired official status as “Recognised Sponsor” from the Dutch immigration authorities may benefit from expedited immigration procedures with respect to their so-called qualifying highly-skilled migrants. The main requirement is that the employee satisfies the salary requirement which is set for his/her category. New gross monthly salary criteria (excluding vacation allowance) apply as of January 1, 2021.</p>
Poland	<p><u>Brexit: Immigration Consequences for U.K. Nationals</u></p>

		<p>On January 1, 2021, U.K. tax residents in the Republic of Poland will no longer be considered as European Union tax residents. When the Brexit transition period ends December 31, 2020, the United Kingdom will no longer be treated as a member state of the EU and it becomes subject to immigration rules relevant to third countries. This GMS <i>Flash Alert</i> provides an update on the current Polish immigration procedures for U.K. citizens in relation to Brexit and its effect in Poland.</p>
	<p>Romania</p>	<p><u>Personal Income Tax and Social Security Consequences of Brexit</u> During the Brexit transition period (ending December 31, 2020), the United Kingdom was treated as if it were still part of the EU for the purposes of the Polish Personal Income Tax Act (PIT Act), and for social security obligations. Employers that post their workers to Poland after January 1, 2021, should be aware that there is no bilateral social security agreement with the United Kingdom. Also, obligations related to settling tax on income earned in the U.K. by Poles will be determined by tax residence regulations and relevant provisions of the double taxation treaty between the U.K. and Poland.</p> <p><u>Brexit: Change in Rules for U.K. Citizens from 1 January 2021</u> On November 25, 2020, Romania's Emergency Ordinance no.204, enacted various measures applicable for U.K. nationals in relation to the Withdrawal Agreement. Amongst other matters, this ordinance covers the situation regarding requirements for entry into Romania for U.K. citizens and their family members until December 31, 2020, and what is changing for them after that date in light of Brexit.</p>
		<p><u>Important Tax Code Amendments Affecting Individuals and Their Employers</u> Significant amendments to the Romanian Tax Code are imminent regarding changes in income tax rates for certain categories of individuals and clarifications as to the method of taxation for various types of benefits, as well as modifications of social security compliance rules for board members and the taxation rules for stock options granted by limited liability companies. It is expected that the law will be published in the official journal</p>

	<p>of Romania this month, and its provisions applicable as of January 2021.</p>
Singapore	<p><u>New Tech.Pass for Technology Founders, Leaders, and Experts</u> Singapore will launch a new work pass category called “Tech.Pass” to attract highly accomplished technology (“tech”) entrepreneurs, leaders, and experts from around the world to Singapore and contribute to the development of the country’s tech “ecosystem.” On November 12, 2020, the Singapore Economic Development Board (EDB) announced that it will administer and start accepting applications for the Tech.Pass from January 2021, with 500 places available.</p>
Switzerland	<p><u>Brexit: Hiring U.K. Nationals in 2021</u> As it is unlikely that the need for skilled labour will diminish over the next years, several aspects regarding hiring and relocating U.K. nationals will become important considering the European Union regulations will no longer apply to U.K. citizens in less than a few weeks. This <i>GMS Flash Alert</i> covers important aspects of key Swiss-U.K. agreements that have applied to cross-border Swiss/U.K. nationals up to now, and what will change once the Withdrawal Agreement transition period ends and EU rules no longer apply (to a large degree) to U.K. nationals in Switzerland.</p>
United States	<p><u>Immigration Updates: DACA Reinstatement, TPS Extension</u> There have been some recent U.S. immigration-related developments, including the restoration of the Deferred Action for Childhood Arrivals (DACA) program ordered by a U.S. District Court on December 4, 2020, and the government’s extension of Temporary Protected Status (TPS) for El Salvador, Haiti, Nicaragua, Sudan, Honduras, and Nepal.</p>
	<p><u>FBAR Deadline Extended for Certain Individuals with Signature Authority</u> A new Notice issued by the U.S. Financial Crimes Enforcement Network further extends the FBAR filing deadline to April 22, 2022, for certain employees or officers who may have had to prepare an FBAR for the April 15, 2021 due date.</p>

Publications, Videos & Webinars

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KPMG Peer-to-Peer Virtual Community for Mobility Leaders: Keeping Connected – Global Mobility Community App – Our KPMG peer-to-peer app for mobility leaders has been launched. The app provides a virtual community for mobility professionals around the world to connect with their peers in other organizations and exchange ideas. The app can also be used to initiate direct or group conversations. You can find a full list of registered members available within the app. In addition, the app includes a knowledge library for mobility materials covering service materials as well as articles and podcasts from our ‘Future of Mobility’ series. Check out this cool [app](#) and stay connected.

[The COVID-19 GMS & Immigration Global Tracker Interactive Map](#), is available on the *GMS Flash Alert* COVID-19-themed [webpage](#). This interactive map tracks recent information and updates on developments by country, making it easy and convenient for you, at a glance, to follow COVID-19-related developments in the regions and/or countries that interest you. Topics covered include the following: travel restrictions; payroll reporting and withholding changes; immigration; tax profile / tax residency changes; compensation and benefits; waivers of penalties and interest; social security; and filing / payment due dates.

The New Global Assignment Policies and Practices Survey Report – We are pleased to announce the results of the 2020 KPMG Global Assignment Policies and Practices (GAPP) survey. In the survey [report](#), the data offers insights into global mobility programs and how they are evolving in terms of mobility, tax and immigration policies, structure, governance, priorities, performance measures, using technology and automation, and more.

New Article in *Mobility Matters*: “[The Shifting Landscape for Employment Tax in 2020, Are Tremors Ahead for 2021?](#),” by *Sammi Chin, Erica Stohler, Mindy Mayo, and John Montgomery* with KPMG LLP (U.S.).

	<p>Podcast (Episode 10): "Future of Tax: The new reality for tax, legal and mobility leaders."</p>
	<p>KPMG People Services ASPAC Webinar Series – "Work from Anywhere: Where is this heading?" (November 27, 2020). Our colleagues in GMS and People & Change from the ASPAC region recently conducted a client webinar to explore how remote working has become commonplace and the trends and directions they are seeing in the market. Whether it is working from home locally or cross-border remote working, more and more people are working from places other than their local office, either by necessity or increasingly by choice. What barriers and challenges will this present? And what opportunities will this bring? Check out the webinar to find more!</p>
	<p>GMS Showcase on LinkedIn – Follow us on LinkedIn at: https://www.linkedin.com/showcase/kpmg-global-mobility-services/.</p>
<p>KPMG LLP (U.S.) – Global Mobility Services</p>	<p>Listen to our Podcast Series for Global Mobility Leaders! This series – with more to come – looks at significant trends and the 'future state' of global mobility as it faces the winds of automation, geopolitics, diversity and inclusion, and more! In this month's episode – <i>Episode 14: Tech Talk on the Transformation of Global Mobility Technology</i> – Vivek Bhushan, an executive director of the Global Mobility Services technology team, and Robert Smith from Global Mobility Services, discuss the transformation of mobility technology through the "cloud". Click here to find out more!</p>
<p>KPMG LLP (U.S.) – Global Mobility Services, Global Reward Services Practice</p>	<p>Global Reward Services Newsletter (December 2020 edition): KPMG's Global Reward Services Newsletter brings you compensation and rewards developments, along with KPMG observations from around the world. For additional information, click here.</p>
	<p>2020 Payroll Year-End Report and Checklist – The 2020 Payroll Year-End Report and Checklist were prepared jointly by KPMG LLP's (KPMG) Employment Tax professionals and editors at Bloomberg Tax.</p>

Employment Tax Practice	The report covers a wide array of topics, including sections covering policy issues, changes reflecting the requirements of the recent U.S. tax code changes, and common concerns at year-end that have been identified as historically troubling for employers. The check list, which includes useful do's and don'ts, can help employers track year-end payroll responsibilities.
KPMG LLP (U.S.) – Washington National Tax	2021 Personal Tax Planning Guide – To support year-end tax planning and help individuals and families plan for the year ahead, KPMG LLP (U.S.) presents the " 2021 Personal Tax Planning Guide ." Prepared by tax professionals from the Washington National Tax office, the guide provides valuable information and insights to support year-end tax planning and help ensure an individual's/family's tax position is in shape heading into 2021.
	Catching Up on Capitol Hill Podcast Series – KPMG professionals speak about current developments in Washington, D.C. and what may happen next. And they'll discuss why it's happening. All with the goal of helping companies make sense of tax policy discussions, understand what the impacts may be on their organization, and aid them as they go about their daily jobs. Listen to the most recent December 2020 podcast : "Something for (almost) Everyone: Tax Items in the Year-End Deal."
KPMG LLP – United Kingdom	Article (October 2020): "Brexit: The second wave." The burden of Brexit planning and uncertainty falls on the tax department. Tim Sarson, Tax Partner, with KPMG LLP in the U.K., sets out his views on the current state of play and what tax departments should be focussing on now. Article (December 2020): "Brexit is here." In this special edition of <i>Tax Matters Digest</i> , Tim Sarson reminds readers of how things will change for businesses from a tax perspective from January.

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