



APAC payroll newsletter

Many companies are attracting a borderless workforce and expanding operations into new countries. It is clear that APAC is particularly inviting to multinational corporations seeking expansion. With APAC expansion comes the need for an APAC payroll. Getting a widespread workforce paid correctly, on time, and in the right currency is a big challenge faced by many businesses of all sizes. To minimize these challenges, Our APAC payroll newsletter provides important information on how to ensure compliance on an international scale and helps businesses gain comprehensive insights into the business landscape across APAC.

[Australia](#) [Hong Kong](#) [Indonesia](#) [Korea](#) [Philippines](#) [Taiwan](#) [Vietnam](#)
[China](#) [India](#) [Japan](#) [Malaysia](#) [Singapore](#) [Thailand](#)

Global payroll services

Managing global payroll across multiple countries can be challenging for many businesses. You may face different payment dates and deadlines, local rules and regulations, types of deductions, frequency of payments, and a variety of reporting requirements. It can also be problematic and inefficient using multiple local providers and hiring specialists in countries to service only a few employees.

How can we help you?

Mazars offers a comprehensive multi-country payroll outsourcing service that is seamless and efficient. By centralizing your global payroll services with one experienced firm, you retain greater control over the various regulations required to comply with payroll across multiple countries.

For more information, please visit our [Global Payroll Services](#).



Australia

Updates

Fair Work Commission releases National Wage Case decision for 2022

- On the 15th June 2022, the Fair Work Commission (FWC) released its National Wage Case decision which increased both the national minimum hourly rate and rates contained in Modern Awards.
- National minimum hourly rate increase. The national minimum wage has been increased by 5.2%, which means that from 1 July 2022, the minimum hourly rate for all employees who are not covered by an Award will be \$21.38 per hour, or \$812.60 per week (based on a 38 hour week). The FWC observed in its decision that this level of increase will protect the real value of the wages for the lowest-paid workers.

The increased national minimum hourly rate applies from 1 July 2022.

- Modern Award increases. In addition to the increase in the national minimum wage, the FWC also announced the increases which will apply to Modern Awards. The FWC have provided a two tier wage increase as follows:
 - Any Modern Award weekly rate below \$869.60 receiving will increase by \$40 per week; and
 - Any Modern Award weekly rate in excess of \$869.60 will increase by 4.6%.

The increase in Award rates will be effective, for most but not all Modern Awards from 1 July 2022. However, the FWC recognised that there remains exceptional circumstances impacting on some industries and have therefore decided to delay the implementation of the Modern Awards in some industries until 1 October 2022. A copy of the Modern Awards, which for whom the rate of pay does not increase until 1 October 2022, are set out below.

- What does this mean for employers?

1 July 2022

Employers must, on and from 1 July 2022, ensure:

- all of their employees who are not covered by a Modern Award are paid, at least the new minimum hourly rate.
- all employees who are covered by a Modern Award, other than those listed below, are paid in accordance with the increased rates of pay.

1 October 2022

Employers who have employees covered by the below list of Modern Awards must ensure that employees are paid in accordance with the increased rates of pay from 1 October 2022.

- Impact on employers covered by Enterprise Bargaining Agreements. Generally, increases in Modern Award rates have little to no impact on employers and employees who are covered by an Enterprise Bargaining Agreement. However, the exception to this is a Statutory obligation to ensure that rates of pay in an Enterprise Bargaining Agreement do not fall below the Modern Award base rate which would apply to an employee if they were not covered by the Enterprise Bargaining Agreement. This decision, because of the magnitude of the increase, may mean that some Enterprise Bargaining Agreement rates of pay are no longer higher than the relevant Modern Award base rate of pay. The onus is on every employer to make a comparison between their Enterprise Bargaining Agreement rates of pay and the new base rate of pay in the Modern Awards from 1 July 2022 (or 1 October for the Modern Awards listed below) and to increase rates of pay if the base rate in the Modern Award is higher than the comparable Enterprise Bargaining Agreement rate of pay.
- List of Modern Awards for which pay increases apply from 1 October 2022.
 - Aircraft Cabin Crew Award 2020
 - Airline Operations – Ground Staff Award 2020
 - Air Pilots Award 2020
 - Airport Employees Award 2020
 - Airservices Australia Enterprise Award 2016
 - Alpine Resorts Award 2020
 - Hospitality Industry (General) Award 2020
 - Marine Tourism and Charter Vessels Award 2020
 - Registered and Licensed Clubs Award 2020
 - Restaurant Industry Award 2020.

Single touch payroll expansion – changes employers need to prepare for

- Single Touch Payroll ('STP') reporting has been expanded. This expansion, known as 'STP Phase 2', means that employers will need to start reporting extra information to the ATO each time they run their payroll.
- Some digital service providers ('DSPs') needed more time to update their products and applied for deferrals, which cover their customers – therefore, when an employer can start Phase 2 reporting depends on when their payroll product is ready.
- Employers that have not already started Phase 2 reporting should ask their DSP when their product will be ready (if they don't already know). Employers need to be across the changes and get ready to start Phase 2 reporting. This includes:
 - checking if changes need to be made to payroll pay codes/categories so they align with Phase 2 requirements;

- reviewing allowances employers pay and how they need to be reported in Phase 2;
- understanding changes to salary sacrifice reporting; and
- understanding how to assign an income type to each payment.
- The ATO is also reminding employers that amounts paid to 'closely held payees' should now be reported through STP.
- A 'closely held payee' is an individual directly related to the entity they receive payments from. For example, family members of a family business, directors or shareholders of a company and beneficiaries of a trust.
- There are concessional reporting options for closely held payees reporting which include the following:
 - Reporting actual payments on or before the date of payment (along with arm's length employees);
 - Reporting actual payments quarterly; and
 - Reporting a reasonable estimate quarterly.

The Superannuation guarantee will increase from 10% to 10.5% from 1 July 2022

- From 1 July 2022, the current superannuation guarantee rate of 10% will increase to 10.5%. This increase is a statutory increase and therefore compliance with the increase is mandatory. The rate of the superannuation guarantee is currently legislated to rise each year by 0.5% each July until it reaches 12%.

- What is the superannuation guarantee?

The superannuation guarantee is an amount that an employer must pay into a superannuation account on behalf of each of their employees, subject to any statutory exemptions. Such superannuation is calculated on "ordinary time earnings".

Where an employer fails to make the payments or makes them for an amount less than is required, the penalty to be paid by an employer is calculated in such a way by the Australian Tax Office, that it is always going to be a higher amount than the actual underpayment of superannuation. Therefore, to avoid the risk of this penalty and the requirement to pay more than is actually required, all employers should ensure that they are paying the correct employee superannuation. How an Employer can comply with their statutory obligation will be wholly dependent on the contractual arrangements which are in place with their employees.

The increased superannuation amount takes effect from the first pay period on or after 1 July. It applies to all hours in that pay period, even if such hours were worked before 1 July 2022.

- Award based employees

Where an employer engages their employees on an Award and pays the amounts set out in the Award, then there is no option but to increase the amount they pay for employee superannuation from 10% to 10.5% from 1 July 2022. That is, the cost of employing such employees will increase by 0.5% from 1 July 2022 to meet this obligation. It may well be that there is also an Award increase as a result of the National Wage Case, from that date, however this has not yet been determined by the Fair Work Commission.

- Award based employees who are paid over award and have an offset provision in their contracts of employment.

Where employees are covered by an Award but are paid a rate of pay in excess of the Award, and their contract of employment or employment agreement, provides for an offset capacity, it may be that the employer can utilise the offset clause to absorb the superannuation guarantee increase within the existing total remuneration. We would highly recommend that advice is sought from an industrial relations specialist prior to utilising this option to ensure that there are no other provisions in the employment agreement or contract which make this option unavailable.

- Non Award employees

Employees who are not covered by an Award are still entitled to the same superannuation guarantee payment as Award covered employees. Best practice would require that non award employees have an employment contract or employment agreement (instrument) in place which sets out their terms of employment. Such instruments usually contain a remuneration clause which identifies if the amount paid is inclusive or exclusive of superannuation.

- Remuneration packages which are exclusive of Superannuation

Where an instrument is structured such that the remuneration is exclusive of superannuation, the employer is highly likely going to have to pay the statutory increase on top of the current salary. That is, the costs of employing that employee will increase by 0.5% from 1 July 2022. There may be some exceptions to this general position which will be dependent on the exact wording in the instrument and if an offset clause operates to allow for absorption of this amount into the overall remuneration package.

- Remuneration packages which are inclusive of Superannuation

Where an instrument is structured such that the remuneration is inclusive of superannuation, and the exact amount and/or exact percentage of superannuation included in the remuneration is not stipulated in the instrument, it is highly likely that an employer may elect to absorb the increase in superannuation guarantee within the existing remuneration. We would highly recommend that advice is sought from an industrial relations specialist prior to utilising this option to ensure that there are no other provisions in the employment instrument which make this option unavailable.

- Given that the increase in superannuation guarantee will continue to increase by 0.5% each year until it reaches 12%, it is important that employers understand their obligations and their options in how to ensure that they comply with those obligations.
- Where an employer would seek to pursue an option other than increasing the overall remuneration to include the additional 0.5%, it is also important that they communicate with any effected employees so that there are no unpleasant surprises on the first pay period after 1 July 2022.

10 days paid domestic and family violence leave

- In a decision handed down on 16 May 2022, a Full Bench of the Fair Work Commission (FWC) has provisionally approved 10 days of paid domestic and family violence leave for full time and part-time (pro-rata) employees covered by Modern Awards.

- This historic provisional decision will apply to over 2.6 million employees covered by Modern Awards. The decision however is likely to set a precedent for all Australian employees in the future. The extension of the decision to all employees would require an amendment to the Fair Work Act, 2009 to include the entitlement in the National Employment Standards (NES).
- In accordance with the provisional decision, employees who qualify will be able to access up to 10 days per annum of paid leave, at their base rate of pay.
- The FWC Full Bench, although having made this fundamental provisional decision about the future entitlement, will hear further submissions from interested parties regarding the content of the model clause to be inserted into Modern Awards. This will include the evidence required from employees to enable them to access the entitlement. The implementation date will be confirmed by the FWC once the model clause has been finalised. The delay in implementing the decision will also allow the Federal Government to determine if they will insert such a provision in the NES, which will apply to all employees, therefore making the variation of Modern Awards unnecessary to deliver on the decision of the FWC Full Bench.

Tax deductibility and FBT treatment of Covid-19 test expenses

- After much speculation, the Government announced that Covid-19 tests, including Polymerase Chain Reaction ('PCR') and Rapid Antigen Tests ('RATs'), will be both tax-deductible and exempt from FBT, broadly where they are purchased for work-related purposes.
- As such tests are inherently private in nature, related to an individual's health, expenditure on such tests would not generally be tax deductible.
- This will require the introduction of new specific legislation (i.e., to clarify that work-related Covid-19 test expenses incurred by individuals will be tax-deductible or FBT exempt where employers provide the tests to their staff) which will apply both where an individual is required to attend the workplace or has the option to work remotely.
- The Government intends that these changes take effect from the beginning of the 2022 income year and will apply permanently once enacted.
- As legislation is unlikely to be passed before 2022 FBT returns are due, businesses will need to self-assess whether providing tests to employees are likely to incur FBT. Formal work policies requiring employees to undertake tests in certain circumstances to protect other employees and the business under OHS legislation will help in providing an arguable position that providing such tests is not subject to FBT.

For more information, go to:

- [Mazars in Australia website](#)
- [Human Resources consulting](#)
- [Latest news](#)



China

Updates

To support work resumption, the authorities have announced preferential policies. These measures have been summarised below:

Social contribution payment deferred

- The following industries will have social contribution payment deferral.
 - Catering
 - Retail
 - Tourism
 - Civil aviation
 - Road, rail or waterway transportation
 - Other industries in dire needs as well as SME and individual businesses severely hit by Covid-19
 - Other 17 pandemic-hit industries, including some auto manufacturing and general machinery
- Contributions which can be derred:
 - Pension
 - Unemployment
 - Injury
- Deferred period

Employer portion	Period concerned	Deferred to
Pension	2022.04 – 2022.06	Before 2022.12.31
Unemployment & work injury	2022.04 – 2023.03	Before 2023.04.30

Refund unemployment fund

- For SME, raise the refund from 60% to 90% of the unemployment fund paid in 2021.
- For large enterprises, raise the refund from 30% to 50% of the unemployment fund paid in 2021.

One-time subsidies

- For those Shanghai registered enterprises in the seven industries severely hit by the pandemic, including catering, retail, tourism, transportation, culture, sports and entertainment, accommodation, and exhibition, which do not lay off staff or with fewer layoffs, one-time subsidies will be provided by the authorities.
- The subsidy is calculated based on CNY 600 for each enterprise's social security contributor, with a ceiling of CNY 3m for each enterprise.

An enterprise shall meet all the following criteria to be considered as SME:

- *Enterprises engaging in non-restricted and non-prohibited businesses.*
- *Annual taxable income amount does not exceed RMB 3m.*
- *Headcount does not exceed 300.*
- *Total assets do not exceed RMB 50m.*

For more information, go to:

- [Mazars in China website](#)



Updates

Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022

- The Government has passed the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 (The Amendment Bill) on 9 June 2022. Employers will no longer be able to offset any severance payment (SP) or long service payment (LSP) payable to employee against the accrued benefits of employer mandatory contributions under the Mandatory Provident Fund (MPF) scheme. The abolition of the offsetting arrangement also applies to occupational retirement schemes (ORSO) under the Occupational Retirement Schemes Ordinance.
- Employers are currently allowed to offset SP and LSP against MPF accrued benefits derived from an employer's contributions. This offsetting mechanism effectively reduces the employer's cost of terminating employment contracts but reduces the employees' retirement benefits. To rectify this problem, the Government has proposed the Amendment Bill.

The offsetting arrangement will be abolished starting from a date to be appointed (the Transition Date) and is expected to be implemented by 2025. To avoid large scale dismissals before the Transition Date, the proposed abolition will not have retrospective effect.

- Summary of changes
 - If employees commence their employment before the Transition Date and are terminated after the Transition Date:
 - SP and LSP attributable to the employment period before the Transition Date can be offset against MPF accrued benefits derived from employers' mandatory and voluntary contribution.
 - SP and LSP attributable to the employment period after the Transition Date cannot be offset against MPF accrued benefits derived from employers' mandatory contributions. Offsetting against employers' voluntary contributions will still be allowed.
 - If employees commence their employment on or after the Transition Date, employers will not be allowed to offset SP and LSP against MPF accrued benefits derived from employers' mandatory contributions. However, employers can still offset SP and LSP against employers' voluntary contributions.
 - The payment cap of SP and LSP remains at HK\$390,000.

- The employers shall keep wages and employment records of their employee in relation to the preceding 12 months as well as the records covering the 12 month period before the Transition Date.
- Other measures
 - The Government will set up a government funding programme that offers HK\$33.2b in subsidies over.
 - 25 years to help employers covering the extra cost and to adapt to the policy change.
 - Set up the Designated Savings Accounts Scheme for employers to cope with future financial needs on the SP and LSP.
 - Set up an information technology system for its operation

Employment (Amendment) Ordinance 2022: Sickness allowance and employment protection under anti-epidemic measures

- The Employment (Amendment) Ordinance 2022 came into operation on 17 June 2022. The Amendment Ordinance has strengthened the protection of the rights and benefits of employees when they are absent from work due to their compliance with specific anti-epidemic requirements.
- Before the Amendment Ordinance came into operation, the Employment Ordinance did not specify whether isolation orders, or other orders issued by the Department of Health imposing restrictions on movement to employees could be taken as proof for sick leave. It also did not clearly stipulate the standards to be met by an employer who makes a vaccination request.
- Major amendments:

Protection of employees undergoing quarantine or other isolation order

Absence from work to comply with the below specific anti-epidemic requirements that imposes a restriction on movement will not constitute a valid reason for dismissal or variation of the terms of the contract of employment:

- Contracted Covid-19;
- Mandatory quarantine ordered by the government (excludes restriction imposed on persons arriving Hong Kong); and
- Other health restrictions under the Prevention and Control of Disease Ordinance (Cap. 599).

Furthermore, it will not break the continuity of employment for the purposes of determining a “continuous contract”.

In addition, the period of absence due to compliance with the above anti-epidemic laws and regulations will constitute statutory sickness days, and the eligible employees are entitled to paid sick leave if they can fulfil the relevant criteria under the Employment Ordinance.

Proof of absence is no longer limited to medical certificates. Hard copy or electronic form and data issued by the Government is now accepted. The proof should show the name of the employee, the type of restriction imposed by the specific Cap. 599 requirement and the commencement and expiry dates of the restriction. This amendment does not have retrospective effect. If the employee contracted Covid-19 or had to undergo quarantine ordered by the

government before the effective date, they could not retrospectively claim back from their employers for any leave taken during that period.

Employees can be terminated if they fail to comply with a legitimate Covid-19 vaccination request

If an employee fails to comply with a “legitimate vaccination request” made by his/her employer, the employer can dismiss the employee for non-compliance with the vaccination request.

The requirement of a legitimate vaccination request includes the following:

- It must be in writing;
- Requires the employee to provide proof of compliance with the relevant vaccination requirement and/or;
- Proof of administration of a certain number of doses of vaccine within 56 days from the request;
- Employer has reasonable belief and has considered the nature of the employee’s work and the related operational requirements that the employee may expose others to the risk of infection;
- No request should be made to employees who are exempted from complying with the vaccination request, including employees:
 - with a valid Covid-19 vaccination medical exemption certificate;
 - employees who are pregnant or breastfeeding; and
 - employees who contracted Covid-19 in the past 6 months

Failure to comply with a legitimate vaccination request will constitute a valid reason for the employer to dismiss an employee. However, the Amendment Ordinance does not empower employers to dismiss employees without prior notice or compensations.

This amendment has a sunset clause. It will be repealed when the pandemic is under control and the vaccination is no longer a matter of grave public health concern.

For more information, go to:

- [Mazars in Hong Kong website](#)
- [Latest news](#)



India

No updates

For more information, go to:

- [Mazars in India website](#)
- [Latest news](#)



Indonesia

No updates

For more information, go to:

- [Mazars in Indonesia website](#)
- [Latest news](#)



Updates

Paternity Leave

- A flexible childcare leave system for male employees has been established in order to encourage male employees to take leave in the first eight weeks following the birth of their children. Male employees are entitled to take up to four weeks of leave within the first eight weeks following the birth of the employee's child. This childcare leave may also be taken in two instalments.

For more information, go to:

- [Mazars in Japan website](#)
- [Latest news](#)



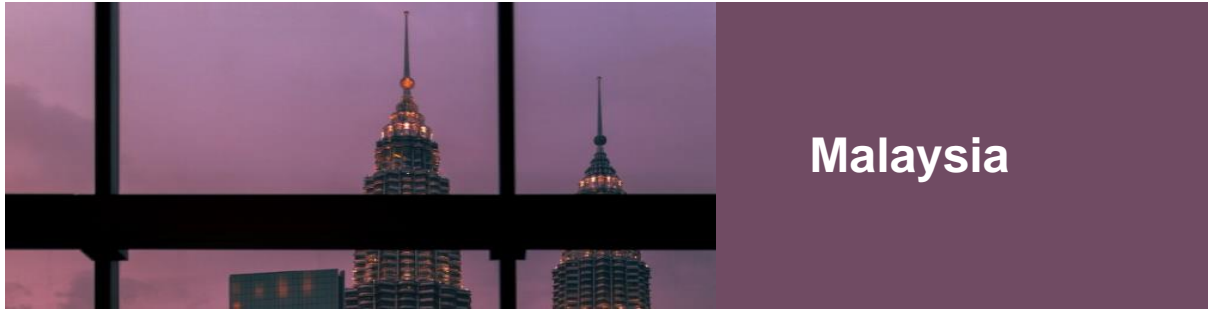
Updates

Increase in minimum wage

- On 27 June 2022, the Minimum Wage Commission voted on the increase of minimum salary for 2023 by 5.0%, to KRW 9,620 per hour, i.e., 2.01 million per month. The final decision is expected to be formally announced by the Ministry of Labor and Employment in August 2022.

For more information, go to:

- [Mazars in Korea website](#)
- [Latest news](#)



Updates

Employee Provident Funds (EPF)

The minimum statutory contribution rate for June 2022 reduced to 9% for employees wages. This rate has increased back to 11% for July 2022.

For more information, go to:

- [Mazars in Malaysia website](#)
- [Latest news](#)



Philippines

Updates

DOLE mandates the submission of an Annual Report on Wages to all private establishments

- The Department of Labour and Employment (DOLE) released a new labour advisory, adding a new requirement. Following the amendments done to [Article 124 of the Labor Code](#), all private establishments must now submit a legitimate annual report containing “a verified itemised listing of their labour component, specifying the names of their workers and employees below the managerial level, including partners, apprentices and disabled/handicapped workers who were hired under the terms prescribed in the employment contracts, and their corresponding salaries and wages.” as quoted in the advisory.
- This required report applies to all private businesses; as such, to help with the process, DOLE also requires establishments to register and log in to their Annual Establishment Report on Wages online portal page.
- The advisory then clarified that reports that already have the information mentioned earlier as of December 2021 must be submitted online between 11 April 2022, and 30 June 2022. In the years after that, all submissions cannot be passed later than 31 January of the following year (For example, reports dated for the calendar year 2022 must be given no later than 31 January 2023).

Alien employment in the Philippines update: DOLE Department Order No. 221-A series 2022 explains guidelines on agent accreditation

- The DOLE releases new guidelines to help employers in matters on the accreditation of agents, appointing an authorised representative for filing a foreign national’s Alien Employment Permit (AEP) applications and other related documents.
- The DOLE highlights new guidelines to help employers in matters regarding the accreditation of agents, appointing an authorised representative for filing a foreign national’s AEP applications and other related documents thanks to their newly released Department Order No. 221-A, which is according to section 26 of Department Order No. 221 of the 2021 series.
- The document was issued to help institutionalise and prescribe the guidelines in the accreditation of agents and their personnel, along with the employer’s representatives authorised to represent, to act for and on behalf of a Philippine-based Employer and foreign nationals for the application and issuance of AEP or the Certificate of Exclusion/Exemption by the Department of Labor through its Regional Offices (DOLE -RO).

- It also tackles the cover applications for Certificate of Exemption and Certificate of Exclusion by entities or foreign nationals while conducting their duties and responsibilities requiring their presence in the Philippines.
- For further guidelines, refer to the article published [here](#).

ECC mandates employers give compensation to Covid-19 effected employees

- The Employees' Compensation Commission (ECC) clarified that workers who acquired work-related Covid-19, whether they have been hospitalised or not, will be able to claim benefits under the Employees' Compensation Program.
- These work-related Covid-19 claims have been granted by the ECC since 2020, following the "Increased risk" theory, wherein illnesses can be compensated if tangible and reliable evidence has been provided that proves that the illness afflicted the worker due to factors inherent in their nature of work or their working conditions.
- Covid-19 is currently part of a list of occupational and work-related diseases approved by the ECC in Board Resolution No. 21-04-14, last updated on April 6, 2021.
- The EC ensures that workers who have contracted Covid-19 due to work can claim EC's benefits, including EC daily sickness, medical and disability benefits. Additionally, the qualified dependents of workers who died due to work-related Covid-19 can claim EC death with funeral benefits if evidence proving work-related affliction before death is given.
- DOLE then clarifies that applications for EC claims are filed at the SSS for private-sector employees and GSIS for government sector employees.

Philhealth new payment and reporting procedures for an Employer

- PhilHealth requires registered enterprise or business owners/employers to complete specific payments and reporting procedures when handling their employees' PhilHealth contributions. Following these processes is essential because failure to do so will remove PhilHealth's benefits and incur severe consequences like an interest penalty. To help streamline the process, click [here](#) to learn more about the procedure to follow.

Wage Boards to grant minimum wage increase to NCR and Western Visayas Regions

- The Regional Tripartite Wages and Productivity Board of the National Capital Region (NCR) has released Wage Order No. NCR-23 on May 13, 2022, which grants a PHP 33.00 wage increase, making the new monthly minimum wage rate of PHP 533.00 for workers in the agriculture sector, and about PHP 577.00 for non-agriculture private workers in NCR and the Western Visayas Regions.
- This change is a collegial decision of the Board done in response to the wage review of the socio-economic conditions in the regions; the change aims to protect around one million minimum wage earners in private establishments in the area from unlawful low pay. This increase aims to return the purchasing power of minimum wage earners due to the rapidly increasing prices of essential goods, commodities, and petroleum products.

- The needs of private workers and their families, prevailing wage rates, and the capacity of the employers to pay, including those relevant data affecting the interests of both employers and workers, needed to be addressed.
- As such, a series of public consultations and hearings in the Metropolitan was conducted to ensure that all the concerns of the private workers, along with their insights on the situation, were taken into consideration.
- The Department of Labor and Employment (DOLE) then released a graphic of the new daily minimum wage rates in the National Capital Region, found [HERE](#).
- Afterwards, the Regional Tripartite Wages and Productivity Board – VI issued Wage Order No. RBVI-26 also gives another wage increase to workers in the non-agriculture, industrial and commercial establishments, with the added amount being PHP 55.00 and PHP 110.00, bringing the daily minimum wage in the region to PHP 450.00 and PHP 420.00 for those employing more than ten workers and those employing ten or fewer workers, respectively. Additionally, the Board also gave a PHP 95.00 increase to workers within the agriculture sector, making the daily minimum wage in that area total PHP 410.00.
- Lastly, the Board also implemented Wage Order No. RBVI-DW-04 adds another wage increase of PHP 500.00, making the new monthly minimum wage rate for domestic workers about PHP 4,500.00. This increase was done to benefit about 160,795 domestic workers (49,413 live-in and 111,382 live-out).

For more information, go to:

- [Mazars in Philippines website](#)
- [Latest news](#)



Singapore

No updates

For more information, go to:

- [Mazars in Singapore website](#)
- [Latest news](#)

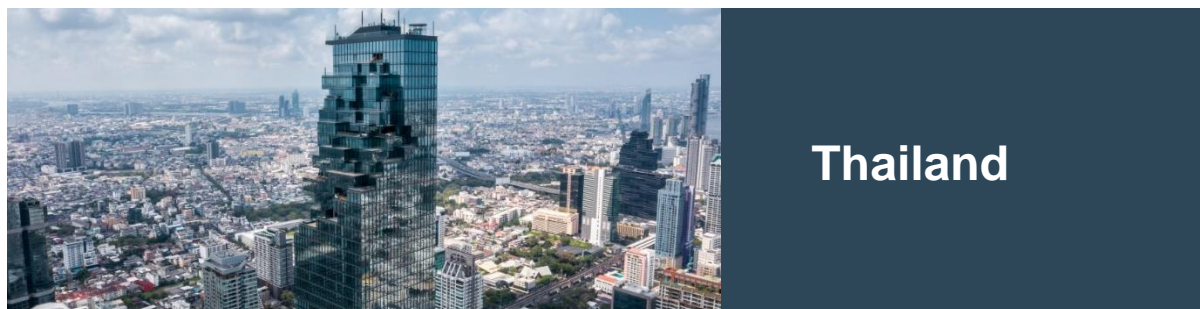


Taiwan

No updates

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- [Mazars in Taiwan website](#)



Updates

Reductions in Social Security Fund contributions

- On 11 April 2022, a new law on reductions in Social Security Fund contributions to be made during the Covid-19 outbreak was published in the Royal Gazette.
- The rates for Social Security Fund contributions which self-insured persons must pay to the Social Security Fund each month from May to July 2022 will be reduced from 5% to 1%, based on wages being capped at THB 15,000.
- Therefore, both employees and employers will make contributions ranging from THB 17 (THB 1,650 x 1%) to THB 150 (THB 15,000 x 1%).

	May 2022		June 2022		July 2022	
	Employee's contribution	Employer's contribution	Employee's contribution	Employer's contribution	Employee's contribution	Employer's contribution
Regular contributions	5%	5%	5%	5%	5%	5%
New contributions	1%	1%	1%	1%	1%	1%

For more information, go to:

- [Mazars in Thailand website](#)
- [Latest news](#)



Vietnam

Updates

Decree 38/2022/ND-CP on the regional minimum salary for employees with labor contracts from 1 July 2022

- On 12th June 2022, the Government issued Decree 38/2022/ND-CP on regional minimum salary applied to employees working under labour contracts, which shall take effective from 1 July 2022, as follows:
 - For enterprises located in region I: VND 4,680,000/month; VND 22,500/hour
 - For enterprises located in region II: VND 4,160,000/month; VND 20,000/hour
 - For enterprises located in region III: VND 3,640,000/month; VND 17,500/hour
 - For enterprises located in region IV: VND 3,250,000/month; VND 15,600/hour
- Accordingly, the new cap for Unemployment Insurance (“UI”), is effective from 1 July 2022 and vary for each region, since it is calculated as 20 times of minimum regional salary. The new cap for UI shall be VND 93.6m, VND 83.2m, VND 72.8m and VND 65m, respectively for Region from I to IV.
- Of note, as per this Decree, the regional minimum salary for employees who are skilled workers or have vocational training certificate is not required to be 7% higher than that for employees working under normal conditions as stated under Decree 90/2019/ND-CP.

Official Letter 1147/BHXH-TST on declaration of Personal Identification Number/Citizen Identification Number when submitting dossiers for participation in Social Insurance (“SI”), Health Insurance (“HI”)

- According to Official Letter 1147/BHXH-TST issued by the Vietnam Social Insurance Authority on 04 May 2022, when organizations and individuals carry out procedures, dossiers for registration in SI/HI, information adjustment on the SI book/HI card, change of the payment rate/method of voluntary SI contribution, it is compulsory to use Citizen Identification Number or Personal Identification Number (for those who have not been issued Citizen Identification Card) to declare to the Social Insurance authority.
- In case of having no Citizen Identification Number or Personal Identification Number, individuals should contact Commune Police Department where permanent residence is registered to be granted with a notice of Personal Identification Number or can search the personal identification number online at the Residence Management Public Service Portal.

Change on compulsory contribution rate to occupational accidents and diseases fund from 1 July 2022

- From 1 July 2021 to the end of 30 June 2022, as per Resolution 68/NQ-CP (“Resolution 68”) introducing some policies to support employees and employers in difficulty due to the Covid-19 pandemic, employers can apply the contribution rate of 0% (from 0.5%) of the Social Insurance (“SI”) base salary when contributing to the Insurance Fund for Occupational Accidents and Diseases for employees except employees whose salary are covered by State Budget.
- Accordingly, from 1 July 2022, the contribution rate to Occupational Accidents and Diseases fund increased to 0.5% which made the rate of Social Insurance increase to 17.5%.

Change on exchange rate for conversion of salary contributed to compulsory insurance from 1 July 2022

- For labor contracts agreed under foreign currency, salary for compulsory insurance contribution for last 6 months is required to convert into VND under the average exchange rate on the inter-bank foreign exchange market announced by the State bank of Vietnam on 1 July 2022.

The implementation on issuing electronic personal income tax withholding vouchers from 1 July 2022

- Regarding to Circular 78/2021/TT-BTC (“Circular 78”) guiding the implementation of a number of articles of the Law on Tax Administration dated 17 September 2021 and the Government’s Decree 123/2020/ND-CP (“Decree 123”) on invoices and documents, from 1 July 2022, the Company is required to issue the electronic personal income tax withholding voucher (“e-PIT voucher”) instead of hard-copy PIT voucher by self-developing a software system. The content and format of e-PIT vouchers are prescribed in the Decree. Of note, the signature on the e-PIT vouchers must be the Company’s digital signature. With respect to the remaining internally PIT withholding vouchers and the bought PIT withholding vouchers from tax authority, such vouchers shall be invalid from 1 July 2022 and the Company would need to cancel such vouchers and report to the Tax Department through Quarter report on the usage of PIT withholding vouchers.

For more information, go to:

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