



## APAC payroll newsletter

As the new fiscal year has recently begun, our APAC payroll newsletter helps to provide important updates on upcoming changes and amendments to payroll regulations for the 2023 year to ensure payroll compliance 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

### 2023-24 Federal Budget tax & superannuation brief

The Federal Treasurer, Dr Jim Chalmers, handed down the 2023-24 Federal Budget at 7:30 pm (AEST) on 9 May 2023.

No changes were announced to the Stage 3 personal income tax cuts legislated to commence in 2023-24.

The Treasurer has continued to keep the Labor party's 2022 Federal election campaign promise and kept the 'stage 3' tax cuts legislated to begin on 1 July 2024.

With little in the way of meaningful tax reform, we summarise the key tax and superannuation announcements that most affect individual and business clients.

Please note that as these are just announcements they cannot be regarded as law until legislated.

The full Budget papers are available at <http://www.budget.gov.au/> and the Treasury ministers' media releases are available at [ministers.treasury.gov.au](http://ministers.treasury.gov.au). The tax, superannuation and social security highlights are set out below.

#### Deductible gift recipients list to be updated

The list of specifically listed deductible gift recipients (DGRs) will be updated to list the following organisations as DGRs for the following dates:

- The Voice No Case Committee from the day after the entity is registered with the Australian Charities and Not-for-profits Commission to 30 June 2024
- Justice Reform Initiative Limited from 1 July 2023 to 30 June 2028
- Susan McKinnon Charitable Foundation Ltd from 1 July 2023 to 30 June 2028, and
- Transparency International Australia from 1 July 2023.

The following organisations' DGR endorsement will also be extended for the following dates:

- Victorian Pride Centre Ltd from 9 March 2023 to 8 March 2028, and
- Australian Sports Foundation Charitable Fund from 1 July 2023.

The start date for the previously announced listing of 28 entities related to community foundations affiliated with the peak body Community Foundations Australia will be deferred from 1 July 2022 to the date of assent of relevant amendments to the tax law. The 30 June 2027 end date for the listing is removed. DGR status for these foundations will be subject to ongoing endorsement by the Commissioner under new ministerial guidelines.

The listings of Lord Mayor's Charitable Foundation and Foundation Broken Hill Limited will be made consistent with that for other community foundations, including removal of end dates where applicable.

### **Extension of personal income tax compliance program**

The Personal Income Tax Compliance Program will be extended for 2 years from 1 July 2025 and its scope expanded from 1 July 2023.

This extension will enable the Australian Taxation Office (ATO) to continue to deliver a combination of proactive, preventative and corrective activities in key areas of non-compliance, and to expand the scope of the program to address emerging areas of risk, such as deductions relating to short-term rental properties to ensure they are genuinely available to rent.

### **No changes to Stage 3 personal income tax cuts for individuals**

Committing to a key election promise, there were no changes to the already legislated 'Stage 3' tax cuts to proceed from 1 July 2024.

Low & Middle Income Tax Offset (LMITO) no longer operates. The Low Income Tax Offset (LITO) of up to \$700 continues to apply to resident taxpayers with income below \$37,500, then reduces up to \$66,668. This increases the actual tax-free threshold from \$18,200 to \$21,884.

### **Exempting lump sum payments in arrears from the Medicare levy**

Eligible lump sum payments in arrears will be exempt from the Medicare levy from 1 July 2024.

This measure will ensure low-income taxpayers do not pay higher amounts of the Medicare levy as a result of receiving an eligible lump sum payment, e.g., as compensation for underpaid wages.

To qualify, taxpayers must be eligible for a reduction in the Medicare levy in the 2 most recent years to which the lump sum accrues. Taxpayers must also satisfy the eligibility requirements of the existing lump sum payment in arrears tax offset, including that a lump sum accounts for at least 10% of the taxpayer's income in the year of receipt.

With no significant tax changes for individuals, we highlight some spending measures that may benefit some clients or their families.

### **New wealth tax proposed on individuals with super balance greater than \$3m**

The Government will be going ahead with its previously announced measure to reduce the tax concessions available to individuals with a total superannuation balance exceeding \$3 million, from 1 July 2025.

This reform is intended to ensure that superannuation concessions are better targeted and sustainable. It will bring the headline tax rate to 30 per cent, up from 15 per cent, for earnings corresponding to the proportion of an individual's total superannuation balance that is greater than \$3 million.

The Government has indicated that earnings relating to fund assets below the \$3 million threshold will continue to be taxed at 15 per cent or zero per cent if held in a retirement phase pension account.

The Budget papers also note that this measure will include earning amounts calculated on defined benefit fund interests.

While the precise details on how ‘earnings’ will be calculated under this measure are yet to be finalised, and the Budget papers were silent on the methodology to be applied, the initially proposed model broadly relies on a person’s total superannuation balance to calculate earnings. Unless this proposed approach is modified, unrealised gains, accounting adjustments, and/or book entries and tax refunds will potentially be subject to this new tax.

Taxing unrealised gains is a profound change and heralds a significant move to taxing wealth instead of income or realised capital gains. This part of the proposal is not fair or equitable.

### Superannuation Guarantee (SG) – changes to payment frequency

From 1 July 2026, employers will be required to pay their employees’ compulsory SG entitlements on the same day that they pay salary and wages. Currently, employers are only required to pay their employees’ SG on a quarterly basis.

This measure will increase the payment frequency of superannuation to align with the payment of salary and wages, ensuring employees have greater visibility over whether their entitlements have been paid and better enable the ATO to recover unpaid superannuation amounts. The increased frequency of payment will also support better long-term retirement outcomes.

This measure was announced prior to the Federal Budget and will provide individuals and their professional advisers greater certainty on the timing of superannuation contributions. From a contribution planning perspective, this is critically important and is expected to help reduce instances of inadvertent contribution cap breaches.

## Victorian Budget – Tax hikes and tax reform

Faced with a burgeoning interest bill rising to \$8 billion a year, Victoria will raise taxes for 10 years to pay off the massive debt accumulated to address Covid as announced in the State Budget on 23 May 2023.

We summarise the critical changes announced:

### Payroll tax

From 1 July 2023, large businesses with national payrolls above \$10 million a year will temporarily pay additional payroll tax. A rate of 0.5 per cent will apply for businesses with national payrolls above \$10 million, and businesses with national payrolls above \$100 million will pay an additional 0.5 per cent.

For businesses above these thresholds, the payroll tax rates from 1 July 2023 to 30 June 2033 will be:

Payroll	Payroll tax rate	Mental health levy
Wages above tax-free threshold (smaller employers)	4.85%	N/A
Wages where National payroll is above \$10m	5.35%	0.5%
Wages where National payroll is above \$100m	5.85%	1.0%

Note that the apportionment of thresholds for the Mental Health Levy is different from payroll tax hence it will not always be correct to say that the combined rate is 6.85% on Victorian Wages where the National Payroll exceeds \$100m, for example.

As a concession to small business, from 1 July 2024, the payroll tax-free threshold will rise from \$700,000 to \$900 000 and then to \$1 million from 1 July 2025.

### Insurance duties

In a business productivity reform, the rate of insurance duty on fire and industrial special risks, public and product liability, professional indemnity, employers' liability, and marine and aviation insurance will be reduced by 1 percentage point each year from 1 July 2024. The reductions will continue until the duties are abolished.

## National Minimum Wage and Modern Award rates increase announced

On Friday 2 June 2023, the Fair Work Commission (FWC) handed down the Annual Wage Review 2022-23 decision.

Our key takeaways from the decision include:

- 1) The decision provides an increase of 5.75% from the first full pay period after 1 July 2023 to both the national minimum wage and all minimum Modern Award rates.
- 2) The FWC recognised the very “unusual economic circumstances” and awarded an increase which it described as “the most that can reasonably be justified”.
- 3) An increase of 5.75% will create significant challenges for some employers.
- 4) Although the increase does not directly apply to employees covered by an Enterprise Bargaining Agreement, the Fair Work Act, 2009 requires that base rates of pay in Enterprise Bargaining Agreements must not fall below the Award base rate of pay. A 5.75% increase in Award rates may well result in some base rates in Enterprise Bargaining agreements falling to below the Award base rate from 1 July 2023. Employers need to be aware of their obligations in this regard and be undertaking assessments now to avoid underpayments from 1 July 2023.
- 5) Where employees are covered by a Modern Award but are paid already more than the new Modern Award minimum rates, there is no obligation to increase the salaries for such employees. However, no employee covered by a Modern Award should be paid less than the new Modern Award minimum rates.

The impact of the FWC wages decision will be different for each employer. However, all employers are encouraged to ensure that they do not inadvertently fall into a situation of underpaying their employees and this includes ensuring ongoing compliance with base rates of pay requirements for Award and Enterprise Bargaining covered employees.

In our experience many employers are unsure if their employees are covered by a Modern Award. Now is the time to take steps to clarify this situation. Modern Award coverage is not something that an employer can avoid or can opt out of. If there is a Modern Award which applies to the employer's industry or to the occupations of its employees, it is highly likely that some if not all employees are covered by a Modern Award. A recording of the Full Bench proceeding was live-streamed and is available [here](#). In addition, the FWC summary of this decision is available on the [FWC website](#).

## Stay ahead of the curve: Embrace changes to flexible work and unpaid parental leave disputes

In today's rapidly evolving work landscape, where the need for work-life balance and gender equality has gained significant traction, several important changes have been implemented to address concerns related to flexible work arrangements and unpaid parental leave disputes.

Effective from the 6 June, the Fair Work Commission (FWC), have expanded powers to deal with disputes regarding flexible work arrangements and unpaid parental leave. These changes aim to provide greater employee support and protection, ensuring a more inclusive and equitable work environment, whilst balancing an employer's business needs.

Below we have compiled a guide on the key modifications, dispute resolution processes, and implications to help our clients navigate the changes and crucial aspects of a modern workplace.

### Enhanced flexible work arrangements

Recognising the growing importance of flexible work options, Fair Work Act, 2009 amendments which commence on 6 June 2023, include:

1. Expanding eligibility: The eligibility criteria for requesting flexible work arrangements have been broadened, allowing more employees to apply.
2. Employer obligations: Employers must now provide a detailed written response to any requests for flexible work arrangements within 21 days. Additionally, employers must provide a valid reason based on reasonable business grounds if a request is denied.
3. Dispute resolution: A streamlined dispute resolution process has been introduced to address conflicts arising from flexible work arrangement requests. The FWC now has an expanded jurisdiction seeking to achieve fair outcomes for employees and employers.

### Strengthening unpaid parental leave dispute resolution

To enhance the support for employees taking unpaid parental leave, the FWC has implemented several changes to its dispute resolution process. These modifications aim to streamline procedures and provide clarity to employees and employers. The key changes are as follows:

1. Unpaid parental leave disputes: The FWC has been given expanded powers to address disputes related to unpaid parental leave. Employees can now seek assistance and guidance from the FWC to resolve conflicts arising from exercising their parental leave rights.
2. Mediation and conciliation: The FWC encourages parties involved in unpaid parental leave disputes to engage in mediation or conciliation processes facilitated by the Commission. These alternative dispute-resolution methods aim to facilitate communication and reach mutually acceptable outcomes.
3. Binding decisions: If disputes regarding unpaid parental leave remain unresolved, the FWC now has the jurisdiction to make binding decisions.



## Implications and recommendations

The changes to flexible work arrangements and unpaid parental leave disputes may have significant implications for our clients. Now is the time for clients to be ensuring they are ready to respond to any requests for workplace flexibility or unpaid parental leave, and to do this, we recommend the following:

1. Conduct a policy review and update to ensure consistency with the new legislative changes.
2. Training and awareness: Ensure your managers and employees know about the changes and how to respond to requests. Understanding obligations will allow clients to assess applications effectively and not inadvertently deny applications that should be approved.
3. Compliance management: The new provisions require strict compliance with timelines and the provision of specific written reasons. The only acceptable reasons for declining an application for flexibility for example, are those that constitute genuine business grounds. Understanding what this means in practice will assist clients in complying with the statutory requirements and foster transparency and co-operation in assessing applications.

Further details on the changes can also be found on the [Fair Work Commission website](#).

### Supporting documentation:

The FWC has also brought in two new forms that are now available.

- [Form F10B – Application to resolve a dispute about extension of a period of unpaid parental leave](#)
- [Form F10C – Application to resolve a dispute about flexible working arrangements](#)

## Immediate action required: Changes to employer superannuation rate

### Employer Superannuation – Superannuation Guarantee Charge (SGC)

From 1 July 2023, employers must increase the minimum employer superannuation contribution for their employees from 10.5% to 11%.

This increase in superannuation to 11% applies to any salary or wages payment made on or after 1 July, including where the salary or wages payment covers the period of work undertaken before 1 July 2023.

To read more about our insights into the annual wage review, click [here](#).

The FWC has released updated wages tables for the modern awards to assist employers in understanding their changed obligations. These wages tables can be found [here](#).

## Solutions to workplace health challenges

On Thursday, 15 June 2023, Mazars co-hosted an event with LIME Medicolegal on "[Managing excessive leave and health issues in the workplace](#)". This event co-hosted by Mazars and LIME Medicolegal on "Managing excessive leave and health issues in the workplace." The panel, including Dr. Angus Forbes and Cheryl-Anne Laird, addressed various challenges related to health in the workplace, such as remote work requests, psychosocial code of practice, and employer inquiries about an employee's medical condition. Key takeaways include the importance of balancing employee well-being with employer obligations, understanding reasonable adjustments, complying with regulatory obligations, and asking the right questions in an Independent Medical Examination (IME).

For more information, go to:

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





## China

### Individual income final settlement for 2022

According to the notice No.3 Year 2023 announced by State Taxation Administration of PRC on 2 February, the individual resident taxpayers could handle the 2022 final settlement of their individual income through APP, website, or on-site submission from 1 March to 30 June 2023.

#### Resident individual who needs to handle the 2022 final settlement

1. The individual who would apply for the tax refund due to the amount of individual income tax that has been prepaid by the taxpayer is greater than the amount of payable individual income tax for the year 2022.
2. The individual who has received for the year 2022 exceeds CNY120,000 and the amount of overdue tax paid by him or her for the 2022 final settlement exceeds CNY400.

\*The foreigners who are considered as the resident of China, according to Chinese tax law, are required to proceed with the 2022 Final Settlement if falling into the above condition.

#### Incomes shall be declared

1. Income from salaries and wages
2. Income from remuneration for personal services, such as doing part time job
3. Income from author's remuneration
4. Income from royalties

#### Handling time

It shall be submitted to the local tax authority from 1 March to 30 June 2023.

#### Handling methods

1. The individual could handle the Final Settlement independently.  
*The procedure is similar with last year. We enclosed the detail instruction of 2020 with flowchart from the authorities, which you could forward to your employees and inform them to have it done by the due date abovementioned.*
2. Request an agent to handle the Final Settlement on the taxpayer's behalf.

For more information, go to:

- [Mazars in China website](#)



There is no update since the last Newsletter.

For more information, go to:

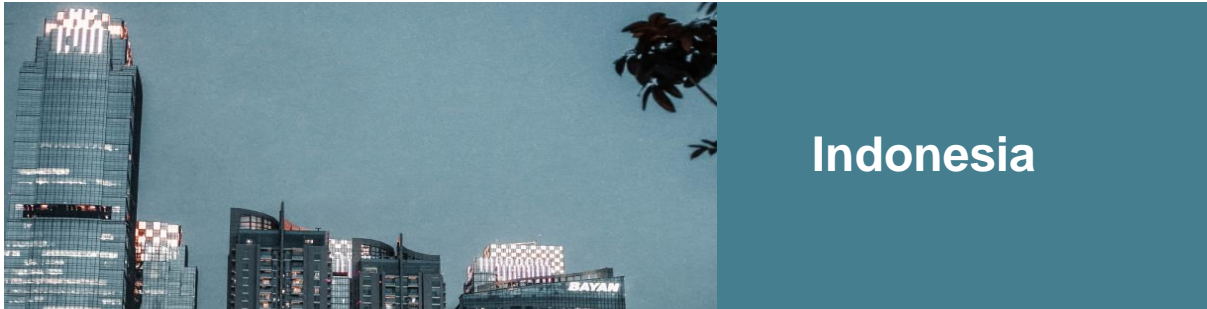
- [Mazars in Hong Kong website](#)
- [Latest news](#)



There is no update since the last Newsletter.

For more information, go to:

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



## Indonesia

# New tax rule on benefits-in-kinds

## What is new?

The long-awaited tax implementation rule on benefits-in-kinds (BIKs) is finally released through the issuance of the Minister of Finance Regulation No. 66 Year 2023 (“MoFR 66/2023”) concerning the income tax treatment on remunerations in the form of BIKs for employment or services. The regulation was issued on 27 June 2023 with enactment on 1 July 2023.

MoFR 66/2023 applies retroactive for employer (as deductible expense) since FY2022 and employee (as taxable income) since FY2023. It revokes MoFR 167/2018.

Under the HPP Law which is further implemented by Government Regulation No. 55 Year 2022 and MoFR 66/2023 for BIKs, the tax treatment for BIKs is changed. BIKs are deductible expenses in the hands of employer to the extent relate to the business activity, and generally taxable in the hands of employee with certain areas of exceptions. In the past, BIKs expenses were generally not deductible by employer as well as not taxable by employee.

## Key highlights of new tax rule on BIKs

BIKs are defined as remuneration in-kinds (goods) and in the form of benefits (facility) derived from employment and provision of services. Benefits are defined further as remuneration in the form of right to utilize facility and/or service sourced from assets owned by employer and/or third party’s assets through leasing.

### Deductibility of BIKs

BIKs derived from employment or provision of services are deductible expenses to the extent incurred in obtaining, collecting, and maintaining the revenues. Employers are required to report the BIKs as well as employees and/or recipients in their annual corporate income tax return.

### Non-taxable BIKs income in the hands of recipient

BIKs are generally taxable in the hands of recipients. Nonetheless, certain BIKs are non-taxable income, as follows:

- Food and beverages provided to all employees.
- BIKs in certain areas including remote areas.
- BIKs with regards to security, health and/or safety as regulated by ministry or institution.
- BIKs sourced or funded by state and/or regional budget.
- BIKs of certain types and/or limits.

The negative list of BIKs of certain types and/or limits as outlined by MoFR 66/2023 is depicted below.

Type of BIKs	Limitation
Gifts provided by employer in the form of food ingredients, beverage ingredients, food and/or beverages during religious holidays including Eid-ul-Fitr, Christmas, Nyepi, Vesak, or Chinese New Year.	Received by all employees.
Gifts provided by employer during periods other than religious holidays.	Received by employee with threshold Rp 3 million per annum (p.a.) per one employee.
Work equipment and facilities provided by employer including computer, laptop, or cellular phone as well as supporting facilities such as phone credits or internet connection.	Received by employee and support the employees' work activities
Health and medical benefits	Received by employee in the course of work accident, occupational illness, life-saving emergency, or follow-up medical care due to work accident and/or occupational illness.
Sports facilities other than golf, horse races, motorboats races, skydiving and/or automotive sports.	Received by employee with threshold Rp 1.5 million p.a. per one employee
Co-living facilities such as dormitory, boarding house or barrack.	Received by employee
Residential facilities provided to individual, including apartment or landed house.	Received by employee with threshold Rp 2 million per one month per one employee
Vehicle facilities	Received by employee with no share ownership in the employer, and whose average gross income does not exceed Rp 100 million per month from the respective employer.
Contributions to authorized pension funds	Received by employee
Religious facilities	Solely for purpose of religious activities
BIKs incurred in FY2022	Received by employees or service providers

BIKs incurred beyond the threshold or not within the limitations described in the table above will be treated as taxable income to the recipient with the obligation of withholding tax lies with employers.

**Food and beverages coupon provided to certain employees**

Food and beverages (F&B) coupons are non-taxable income to the extent it is provided to certain employees who are not able to enjoy F&B provided at work location due to the nature of their work activities, comprising divisions of marketing, delivery, and other out-of-office divisions. F&B coupon includes reimbursement to employees for F&B expenses incurred outside of the work location.

Non-taxable F&B coupon income has threshold value at Rp 2 million per month per one employee, or at the value of the F&B provided at the work location per one employee per one month, whichever is higher. Any excess value will be treated as taxable income to the recipient with the obligation of withholding tax lies with the employer.

**BIKs provided in certain areas**

MoFR 66/2023 outlines the criteria in determining a work location as ‘certain area’ as follows:

- Minimal 6 (six) conditions, out of the 11 (eleven) conditions indicated by the economic and public transportation infrastructures, are not available or inadequate; and
- Minimal 1 (one) condition, inside the 6 (six) conditions above, is due to public transportation infrastructure.

The economic infrastructure as well as the condition of ‘available’ and ‘inadequate’ are defined below.

Area	Condition as available	Condition as inadequate
Electricity	There is electricity supplied by PT PLN	Electricity supply interruption by PLN for more than 40 hours within one week.
Clean water	There is clean water supplied by the regional drinking water companies (PDAM) at the work location	Water supply interruption by PDAM for more than 40 hours within one week.
Accommodation	Available within 5 kilometres from the work location	The number of houses available for lease is not comparable to the number of employees and their family members.
Hospital and/or clinic	Available within 5 kilometres from the work location	Not available for patients of national social security
School	Available within 5 kilometres from the work location for primary, junior and senior levels.	Private school instead of state school
Permanent sports and/or entertainment venues	Available within 5 kilometres from the work location	Less than 3 venues
Religious facility	Available within 5 kilometres from the work location	Not publicly available

Area	Condition as available	Condition as inadequate
Market	Available within 5 kilometres from the work location	Less than 3 locations and are managed by non-governmental society

In the event the infrastructures have been established by employer, they will be treated as not available in determining the criteria for certain areas.

Under MoFR 66/2023, the eligibility of certain area is granted by the DGT for duration up to the expiry of the mining license or 5 years, whichever is earlier. The grant is extendable for every 5 years up to the expiry of the mining license. In the past, grant for certain area for mining license holder was provided for duration of 10 years and was extendable for another 10 years.

**BIKs measurement**

Remuneration in kinds (goods) is measured by market value whilst remuneration in the form of benefit (facility) is measured by expense incurred or should be incurred. In the event goods are taken from inventory intended for sale, BIKs is measured by cost of sales except for land and/or building which is measured by market value.

BIKs with useful life of more than one year are expensed through depreciation or amortization.

Remuneration in benefits for shared facility or service will be allocated to each recipient proportionately based on its level of utilization on the benefits.

**Timing of withholding tax**

BIKs as taxable income is withheld by employer at the end of month when:

- Goods are transferred or liability arise, whichever is earlier.
- Benefits or part of benefits on utilization of facility and/or service is transferred.

**How will the new tax treatment on BIKs impact your company’s remuneration policy?**

The new tax rule is intended to build a fair tax system in improving employee welfare whilst to reduce tax evasion loophole for those with higher income. Deductibility of BIKs by employer is highly dependent upon the nature of the expense incurred and on the other hand excess of BIKs remuneration threshold is taxable to employee. Employers will need to understand, evaluate and model the impacts of the new tax rule on its employees’ remuneration policy. This includes, but not limited to, evaluating the existing remuneration policy, assessing the reporting/compliance requirements, and managing communication with employees.

For more information, go to:

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





## Japan

There is no update since the last Newsletter.

Key highlights for 2023 published in [APAC payroll newsletter 2023 Vol. 1](#)

- Change in Overtime pay rate
- Childcare Leave at time of birth
- Change in the social insurance exemption during Childcare Leave
- Application of dependent deductions on taxable income for family dependents living outside of Japan

For more information, go to:

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



## Adjustment in National Pension base salary

Effective from July 2023, The National Pension base salary has been adjusted based on 2022 total salary, as reported in the year-end tax settlement. Therefore, the National pension contribution amount has been changed accordingly.

NP base salary	Jul 2022 – Jun 2023	Jul 2023 – Jun 2024
Lower limit	KRW 350,000 (KRW 15,750)	KRW 370,000 (KRW 16,650)
Upper limit	KRW 5,530,000 (KRW 248,850)	KRW 5,900,000 (KRW 265,500)

\* ( ) National pension contribution amount

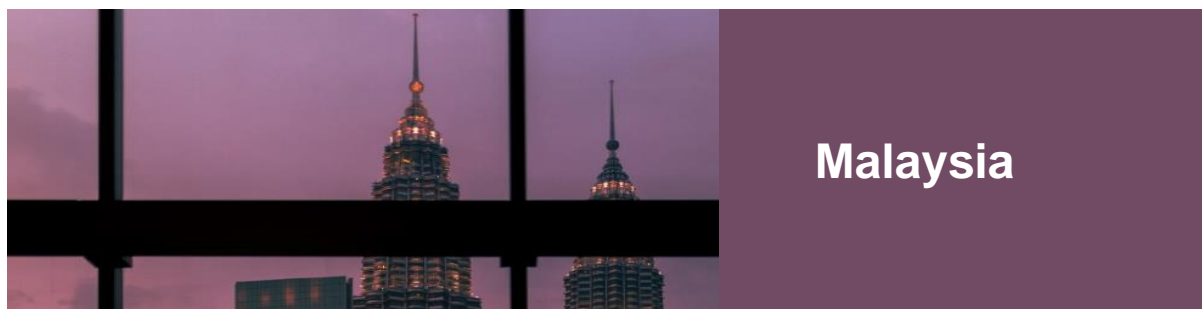
## Minimum wage in 2024

Starting from 2024, the Minimum wage will be increased by 2.5%.

	2023	2024
Hourly wage	KRW 9,620	KRW 9,860
Monthly (209 hours)	KRW 2,010,580	KRW 2,060,740
Increment rate	5.0%	2.5%

For more information, go to:

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



## Income tax for resident individual

Effective 1 June 2023, amendments were made to the income tax rates for resident individuals. The changes will be effective for the Year of Assessment (YA) 2023.

Refer below to the changes to Personal Income Tax Rate:

Chargeable Income (RM)	YA 2022 Tax Rate (%)	YA 2023 Tax Rate (%)
0 – 5,000	0	0
5,001 – 20,000	1	1
20,001 – 35,000	3	3
35,001 – 50,000	8	6
50,001 – 70,000	13	11
70,001 – 100,000	21	19
100,001 – 250,000	24	25
250,001 – 400,000	24.5	25
400,001 – 600,000	25	26
600,001 – 1,000,000	26	28
1,000,001 – 2,000,000	28	28
Exceeding 2,000,000	30	30

	Tax Rate Reduced
	Tax Rate Increased

## New minimum wage

Effective 1 July 2023, the minimum wage for employers with below five employees would be increased from MYR1,200 to MYR1,500 per month.

For more information, go to:

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

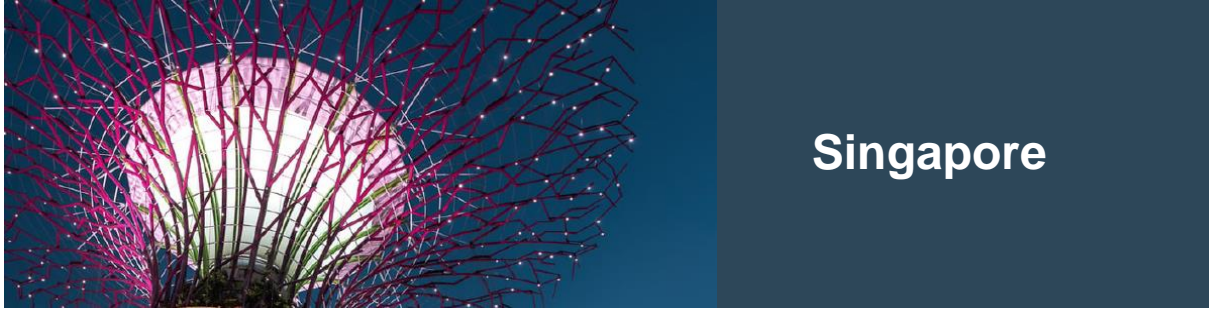


## Philippines

There is no update since the last Newsletter.

For more information, go to:

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



There is no update since the last Newsletter.

For more information, go to:

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



## Taiwan

### Temporary relief for Taiwanese citizens abroad: NHI re-enrolment extended amid pandemic disruptions

Taiwanese citizens living abroad, who have been excluded from the NHI program due to the suspension of their household registration resulted from being unable to return to Taiwan for more than two years because of the pandemic, can apply for re-enrolment according to the Response Measures to Protect the Rights and Benefits Regarding National Health Insurance. These are temporary measures implemented during the pandemic in order to protect the rights of the insured who are abroad. The insured must apply to resume their coverage personally; the insured must enrol and continue to pay the premiums for said period.

To ensure that all citizens abroad have enough time to return to Taiwan and handle the household registration affairs, the termination date of these Measures is extended from 30 June 2023 to 31 December 2023.

For more information, go to:

- [Mazars in Taiwan website](#)



## Employers encouraged to facilitate voting by employees

General elections will be held in Thailand on 14 May (with early voting taking place on 7 May). In regard to this, the Department of Labour Protection and Welfare recently issued a statement encouraging employers to facilitate voting by employees by giving them time off on those days. The statement also noted that, under Section 142 of the Act on the Election of Members of the House of Representatives, 2018, employers who obstruct, deter, or fail to reasonably facilitate the exercise of the right to vote by their employees shall be subject to a prison sentence of no more than two years, a fine of no more than THB 40,000, or both.

For more information, see the statement issued by the [Department of Labour Protection and Welfare](#) (in Thai).

For more information, go to:

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





## Vietnam

### Personal information of employees is data which must be protected

From 1 July 2023, Decree 13/2023/ND-CP (“Decree 13”) on personal data protection becomes effective, leading to enterprises’ responsibilities for issuing and updating their internal documents to comply with obligations to protect personal data of employees stated in this Decree 13.

#### Personal information of employees is data which must be protected

Personal data refers to information expressed in the form of a symbol, text, digit, image, sound, or in similar forms in an electronic environment that is associated with a particular natural person or helps identify a particular natural person. The personal data includes basic personal data and sensitive personal data.

Basic personal data includes: (a) Last name, middle name and first name, other names (if any); (b) Date of birth; (c) Gender; (d) Place of birth, registered place of birth; place of permanent residence; place of temporary residence; current place of residence; hometown; contact address; (dd) Nationality; (e) Personal image; (g) Phone number; ID Card number, personal identification number, passport number, driver’s license number, license plate, taxpayer identification number, social security number and health insurance card number; (h) Marital status; (i) Information about the individual’s family relationship (parents, children); (k) Digital account information; personal data that reflects activities and activity history in cyberspace; (l) Other information associated with a specific individual or used to identify a specific individual.

It appears that mandatory information about an employee in a labour contract as prescribed by labour laws belongs to the employee’ basis personal data.

Decree 13 also stipulates that “Personal data processing” is one or multiple activities that impact on personal data, including collection, recording, analysis, confirmation, storage, rectification, disclosure, combination, access, traceability, retrieval, encryption, decryption, copying, sharing, transmission, provision, transfer, deletion, destruction or other relevant activities.

Therefore, by executing labour contracts, storing employees’ personal information as well as utilizing such information for operation purposes, the enterprises shall become personal data controller and processors and bear responsibilities for protecting such data.

## General responsibilities of enterprises for employees' personal data

### Getting employees' consent to the processing of their personal data

The consent of employees in the capacity of data subjects is mandatory for enterprises to process their personal data, except for some cases stipulated in Article 17 of Decree 13 such as the processing is requested by laws, to serve operation of State authorities, or in emergency situations to protect life or health of the data subjects or others, etc.

The employees' consent is valid only when the employees voluntarily consent and are well aware of the followings: (a) Type of personal data to be processed; (b) Purposes of the processing; (c) Organization or individual permitted to process their personal data; (d) Rights and obligations of the employees.

The consent of the employees shall be expressed in a format that can be printed and reproduced in writing, including in electronic or verifiable format. Silence or non-response is not considered as consent.

### Sending notifications to employees before processing their personal data

Except certain cases stipulated by laws, before processing the personal data, the enterprises shall inform the employees once in a format that can be printed and reproduced in writing, including in electronic or verifiable format of: (a) Processing purposes; (b) Type of used personal data related to the processing purposes; (c) Method of processing; (d) Information about other organizations and individuals related to the processing purposes; (dd) Undesirable consequences and damages that may occur; and (e) Starting time and ending time of the processing.

### Preparing and storing Dossiers on assessment of impact of personal data processing

Upon starting to process personal data of the employees, the enterprises shall make and store a Dossier on assessment of impact of personal data processing, which comprises of mandatory contents as stipulated in Article 24 of Decree 13.

01 original Dossier on assessment of impact of personal data processing must be sent to the Ministry of Public Security (Department of Cybersecurity and High-tech Crime Prevention) within 60 days from the date of starting the personal data processing.

### Responsibilities when transferring the employees' personal data abroad

When transferring personal data of employees being Vietnamese citizens abroad (for instance, transferring the employees' information to parent companies overseas), the enterprises shall:

- Prepare a Dossier on assessment of impact of transferring personal data abroad with mandatory contents stipulated in Article 25.2 of Decree 13 and 01 original Dossier must be sent to the Ministry of Public Security (Department of Cybersecurity and High-tech Crime Prevention) within 60 days from the date of starting the personal data processing.
- Notifying the Ministry of Public Security (Department of Cybersecurity and High-tech Crime Prevention) in writing of information about the data transfer and contact details of the organization or individual in charge of such transfer after the data is successfully transferred.

**Fulfilling requests of the employees upon their execution of rights to personal data**

As data subjects, the employees are granted the rights specified in Article 9 of Decree 13. In which, for certain rights such as requesting for provision, rectification or deletion of the personal data, the enterprises must fulfil such requests immediately or within a certain time-limit (72 hours thereafter), unless otherwise provided by laws.

**Notifying violations of regulations on personal data protection**

Upon detection of any violations of regulations on protecting employees' personal data, the enterprises must notify the Ministry of Public Security (Department of Cybersecurity and High-tech Crime Prevention) no later than 72 hours after the occurrence thereof according to the form prescribed in Decree 13. In case of late notification, the reasons for doing so must be specified.

**What are must-do actions for enterprises to fulfil obligations related to employees' personal data ascribed by Decree 13?**

Besides performing the corresponding responsibilities upon trigger of any aforesaid cases, the enterprises are advised to take into perusal of the following actions:

- Preparing, promulgating, and supplementing regulations on protection of employees' personal data, such as:
  - Executing data processing agreements with the employees or integrating the provisions, which conveys the consensus of the employees with the enterprises' processing of their personal data into probationary contracts and/or labour contracts.
  - In case of using any third parties to process the personal data of the employees, the enterprises need to enter into a data processing agreement therewith, which clearly stipulates the rights and obligations of each party to the data processing.
  - Building or making supplementation of the regulations on personal data protection into Internal Labor Regulations, or other internal corporate documents; thereby, forming a basis for handling of labour discipline and damage compensation (if applicable) in case of any violations.
- Checking network security for systems, means and equipment serving for personal data processing.
- For sensitive personal data of the employees, appointing a department with the function of personal data protection and personnel in charge of personal data protection and exchanging information about such department and individual with the Ministry of Public Security (Department of Cybersecurity and High-tech Crime Prevention).

Micro-enterprises, small enterprises, medium enterprises, start-up enterprises (except for those directly engaging in personal data processing) have the right to opt for an exemption from the regulations on appointment of individual and department in charge of personal data protection during the first 02 years since the date of establishment.

Decree 13 is a pivotal legal corridor for personal data protection; nevertheless, it is observed that several provisions of such Decree are quite vague, leading to the necessity of further guidance from the authorities in the coming time. Notwithstanding, following the effectiveness of Decree 13, the enterprises still need to conduct some certain tasks as mentioned above to ensure the compliance therewith.

For any concerns relating to regulations of Decree 13 or the compliance therewith, please do not hesitate to contact Mazars for assistance.

## Tax Identification number (“ID”)

Per the provision of Official Letter 1483/TCT-KK of General Department of Taxation dated 24 April 2023, from 10 May 2023, the tax system shall issue identification number (“ID”) for each tax obligation and when making payment, such ID must be specified in the payment description for tracking purposes.

## Changes to basic salary and insurance contributions

Per the provision of Decree 24/2023/ND-CP issued by the Government dated 14 May 2023, from 1 July 2023, the basic salary will be set to VND 1.8 million per month. Accordingly, the cap salary for compulsory insurances contribution and some benefit of social insurance will be adjusted as well.

## Calculation of compulsory insurance contribution for foreign currency labour contracts

For labour contracts agreed under foreign currency, salary for compulsory insurance contribution for last 6 months is required to convert into VND using the average exchange rate on the inter-bank foreign exchange market of with the amount of 23,800 USD/VND.

## Guidance on personal income tax (“PIT”)

According to Official Letter 35708/CT-TTHT issued by Ha Noi Tax Department dated 24 May 2023, in case an individual is not the Company’s employee but wins a prize from the gameshow program organized by the Company, the Company is responsible for withholding and declaring PIT from winning prizes on behalf of the individual as prescribed. The basis for calculating PIT for winning prizes is the prize value exceeding VND 10 million that the individual receives. This prize value is for each winning prize regardless of the number of times the winnings.

Official Letter 45194/CTHN-TTHT issued by Ha Noi Tax Department dated 30 June 2023 provides guidance regarding the PIT declaration for employees at branches located in other provinces. If the Company’s branch directly signs contracts with employees and pays salaries to them, the branch shall withhold PIT for these employees working in the branch. In such a case, the branch is not subject to PIT allocation. The branch continues to declare PIT for their employees at the Tax Department directly managing the Company’s branch.

Official Letter 46974/CTHN-TTHT issued by the Ha Noi Tax Department dated 04 July 2023 provides guidance on the conditions and documents proving dependents. In case taxpayers registering for dependents are biological parents, parents-in-law, stepfather, stepmother, legal adoptive parent and have sufficient documents to prove these dependents according to the regulations of the Ministry of Finance, they are eligible to claim deduction for dependents when determining PIT taxable income.

For more information, go to:

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

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 95 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – 30,000+ in Mazars' integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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