



# APAC PAYROLL NEWSLETTER

10 JULY 2020

In the second edition of our APAC Payroll Newsletter, we have both general updates and information on COVID-19 measures announced across the Asia-Pacific region. For the very latest news, please follow the links provided to the Mazars websites for the respective countries.

[Australia](#)

[China](#)

[Hong Kong](#)

[India](#)

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[Philippines](#)

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## 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

## Update

- Stimulus provided for employment taxes. For eligible employers (with aggregate turnover of more than AUD 50 million), the ATO will credit the taxes withheld from wages from January to June 2020 (up to AUD 50,000 per employer). An identical credit will apply between June and September 2020 if the employer remains active.
- The Government will pay a wage supplement (JobKeeper allowance) of AUD 1,500 per eligible employee per fortnight for up to 6 months to eligible employers who can demonstrate a significant drop in turnover compared to 2019.

For more information, go to:

- [Mazars Australia website](#)
- [Human Resources consulting](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# CHINA

## Update

### National measures

- Enterprises that have serious difficulties in production and operation as a result of the epidemic may apply for a postponement (for 6 months) of social insurance premiums without having to pay a fine for them being overdue.
- All types of insured companies in Hubei Province which are employers are exempt from making contributions for part of pension, unemployment, and injury insurance from February to June 2020.
- Proprietorships which are employers are exempt from making contributions for part of pension, unemployment, and injury insurance from February to June 2020.
- Micro, small, and medium-sized enterprises which are employers are exempt from making contributions for part of pension, unemployment, and injury insurance from February to June 2020.

### Local measures

- Local governments have provided local financial support to companies, such as waiving rental fees, reducing the social contribution ratio, refunding part of the social contributions paid in 2019, and providing subsidies to companies for training expenses incurred.

### Individual income tax

- Temporary work subsidies and bonuses obtained by medical personnel and epidemic prevention workers who participate in epidemic prevention and control in accordance with the standards set by the government shall be exempt from personal income tax.

For more information, go to:

- [Mazars China website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



## HONG KONG

### Update

#### **Delay of Hong Kong salaries tax returns and payments**

- The HKIRD has delayed its issuance of Hong Kong Salaries Tax ("HKST") returns for 2019/2020 to 1 June 2020. Generally, taxpayers are required to submit their HKST returns by 30 June 2020. For taxpayers who appoint tax representatives to handle their 2019/2020 HKST returns, the HKIRD will grant an extension of the deadline for filing their HKST returns to the following dates:
  - For cases not involving sole proprietorship business accounts: 3 August 2020
  - For cases involving sole proprietorship business accounts: 2 November 2020
- Tax payment deadlines for HKST, Personal Assessment ("PA") and HKPT demand notes for 2018/2019 which fall between April to June of 2020 are automatically extended by three months. If taxpayers for HKST, PA, and HKPT have already settled the first payment in accordance with the demand note for 2018/2019, the deadline for the second payment is automatically extended for three months from the date specified on the demand note. The above relief measure is not applicable to taxpayers who have to settle their tax liabilities before departing Hong Kong, taxpayers paying property tax, and taxpayers who have been approved to pay their taxes in instalments.

#### **Employment support scheme (ESS)**

To combat the impact of COVID-19 in Hong Kong, the Government has introduced a new Employment Support Scheme ("ESS") of HKD 81 billion to help businesses and to keep workers employed. The Government will provide wage subsidies to eligible employers undertaking not to make any workers redundant.

- All employers who have been making Mandatory Provident Fund ("MPF") contributions or have set up Occupation Retirement Schemes for employees are eligible (except government employees, employees of statutory bodies and staff receiving grants for Government-funded organizations, etc.)
- Subsidies are calculated at 50% of the monthly salary of the employee, capped at HKD 18,000 at a "specified month". This means that the maximum subsidy is HKD 9,000 per employee a month.
- The subsidy will be for a period of 6 months, and will be disbursed to employers in two tranches. The first tranche was released in June, while details of the second tranche will be announced later.
- The number of employees on payroll in the subsidy period cannot be lower than the number of employees in March 2020 (including those on unpaid leave). Otherwise, a penalty will be imposed to the employer.
- One hundred per cent of the subsidy has to be spent on paying wages to employees. The Government will take back any unspent balance of a subsidy if employers fail to use all of the subsidies received for a particular month during the subsidy period.
- A one-off lump sum subsidy of HKD 7,500 will be granted to self-employed persons who have made MPF contributions in the past 15 months.

## Relief measures under the Anti-epidemic Fund (AEF)

The Exemption from Salaries Tax and Profits Tax (Anti-epidemic Fund) Order ("the Exemption Order") exempts, subject to certain conditions, individuals and businesses from the payment of salaries tax and profits tax in respect of financial assistance or relief provided under the AEF. The exemption applies in relation to the following payment of salaries tax chargeable for the year of assessment commencing on 1 April 2019 and for all subsequent years of assessment:

- A monthly hardship allowance of HKD 1,000 to each cleaning / security worker in private residential / composite / industrial / commercial buildings, to strength their capacity for personal and environmental hygiene, and to recognize their efforts to fight the epidemic.
- A monthly allowance of HKD 1,000 to each cleaning worker, toilet attendant, and security worker engaged under Government and Hong Kong Housing Authority service contracts, to provide financial support to them in their efforts to fight the epidemic, and to recognize them for their services at this critical time.
- A subsidy of HKD 1,500 or HKD 1,000 to each registered construction worker.
- A subsidy of HKD 7,500 to each registered construction worker and registered inspector under the Buildings Ordinance, and licensed plumber under the Fire Service (Installation Contractors) Regulations.
- A one-off grant of HKD 10,000 for each employed school bus driver and private school light bus driver, and HKD 10,000 per vehicle for employed escorts/nannies.
- A one-off subsidy of HKD 10,000 to each employed driver of tour service coaches.
- A subsidy of HKD 350 to employed drivers transporting cross-border goods in order to conduct COVID-19 tests in Hong Kong.
- A one-off grant of HKD 7,500 for each employed instructor, coach, trainer, or operator of certain classes engaged by schools.
- A one-off grant of HKD 7,500 to each employed registered coach under the National Sports Association and Sports Organization who has a proven coaching record for the past year.
- A monthly subsidy of HKD 5,000 to each staff member of a travel agency and active freelance tour guides and tour escorts who are employees.
- A one-off cash subsidy to each employed individual with a salesperson licence (HKD 2,510) and employed individual with an estate agent licence (HKD 3,930).
- A cash subsidy of HKD 2,000 to each employed individual licensed by the Securities and Futures Commission.

## Arranging for filing tax returns by employers or individuals (employees)

- Individuals covered by the measures listed above are not required to report the payments under AEF programmes in their personal income tax returns for 2019/2020 and onwards.
- Employers of these individuals are also not required to report the payments under AEF programmes listed above in their employers' returns for 2019/2020 and onwards.

For more information, go to:

- [Mazars Hong Kong website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# INDIA

## Update

- The date for filing an income tax return (ITR) for 2018-2019 has been further extended to 31 July 2020.
- The filing date for ITRs for 2019-2020 has been extended to 30 November 2020.
- The date for making various investments for 2019-2020, for claiming a deduction under Chapter VIA-B of the Income Tax Act, which includes Sections 80C and 80G, has also been further extended to 31 July 2020.
- The filing deadline for the TDS statement for the 4th quarter (other than for a Government office) has been extended to 31 July 2020, and the deadline for filing Form 16 (TDS/TCS certificate) has been extended to 15 August 2020.

For more information, go to:

- [Mazars India website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# INDONESIA

## Update

### Public housing savings

- In May 2020, the Government issued PP No. 25/2020 concerning implementation of Public Housing Savings.
- Companies and individual participants are required to register for the Public Housing Savings within 7 years of 20 May 2020.

Public Housing Savings	Nature	Employer's Contribution	Employee's/Individual's Contribution	Calculation Base
Employees	Mandatory for all (both citizens & foreigners)	0.5%	2.5%	Monthly base salaries and fixed allowances
Individual Workers		N/A	3%	Monthly gross income

For more information, go to:

- [Mazars Indonesia website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# JAPAN

## Update

### Employment adjustment subsidy

- Japan has introduced a measure to support companies and to maintain employment during the COVID-19 outbreak.
- If a Company shows a 5% or more decrease in its activity (production or sales) compared to the same month of the previous year and if it is forced to cease operations temporarily or to reduce working hours, it would be eligible for the Employment Adjustment Subsidy.
- This subsidy is to compensate for the leave allowance which an Employer must pay to its employees during the business suspension period. Under Japan Labour Standards Act, this allowance is equivalent to 60% of the employees' wage which is calculated based on the average wage of the 3 months' period prior to the business suspension.
- The subsidy depends on the size of the Company and whether or not there were layoffs after 24 January 2020.
- The application should be submitted to the government's Employment Service Center (Hello Work) by 31 August 2020 for business suspension period up to 31 May 2020 or within 2 months after the end of the business suspension period if it is extended after 1 June 2020.
- Regarding the amount of the daily subsidy per employee, the rates below apply to the period from 1 April 2020 to 30 September 2020 (up to 15,000 JPY per day and per employee):

	SMEs*	Large Enterprises
No layoff	100%	75%
Otherwise	80%	67%

\*SMEs (Small and Medium Enterprises) are businesses who meet one of the two requirements:

- Capital below 50m JPY (retail and service businesses) or 100m JPY (wholesale businesses) or 300m JPY (other industries).
- Regular headcount below 50 (retail businesses) or 100 (service and wholesales businesses) or 300 (other industries).

### Tax and social insurance premiums

- The Government has put in place a special system to provide a one-year grace period for tax and social insurance premiums payments.
- There is no collateral required and no penalty for late payment.
- Companies whose revenue decreased by 20% or more compared to the same month of the previous year may apply for these measures.

For more information, go to:

- [Mazars Japan website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)





## KOREA

### Update

#### **Employee retention subsidy**

- This subsidy will be provided in the event of management difficulties leading to:
  - The suspension or temporary closure of the business; and
  - Employees are asked to take leave due to a drop-off in business.
- For salary allowances (70% of salaries), support of up to 90% of the allowance (a maximum of KRW 66,000 a day per person) will be provided.

#### **Support for “youth” employment**

- For SMEs with more than 5 employees (as well as venture capital companies with less than 5 employees), up to KRW 9 million a year for additional recruitment (3 years’ support) will be provided, for up to 30 people per company:

For more information, go to:

- [Mazars Korea website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# MALAYSIA

## Update

### Wage subsidy

- The wage subsidy of MYR 600 per employee for all eligible employers will be extended for a further 3 months.
- The current wage subsidy programme will also be enhanced as follows:
  - Employers will be allowed to receive a wage subsidy to implement a reduced work week (e.g., a 4-day work week with a pay rate reduced by 20%) and a reduced pay rate (the maximum reduction allowed is 30%).
  - Employers will be allowed to receive a wage subsidy for employees on unpaid leave, subject to employees receiving the subsidy directly (only applicable for the tourism sector and businesses which are prohibited from operating during CMCO).

### Incentives for hiring unemployed

- The Government will introduce incentives to encourage hiring of the unemployed.
  - Youth: An incentive of MYR 600 per month will be provided for up to 6 months for apprenticeships for school leavers and graduates.
  - Unemployed workers below 40 years of age: An incentive of MYR 800 per month will be provided for up to 6 months for hiring an unemployed person.
  - Unemployed workers 40 or more years old: An incentive of MYR 1,000 per month will be provided for up to 6 months for an unemployed person.

For more information, go to:

- [Mazars Malaysia website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# PHILIPPINES

No updates

For more information, go to:

- [Mazars Philippines website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# SINGAPORE

## Update

### Personal income tax

- Employees with personal income tax payments due on or before 31 July 2020 can opt to defer their payments by three months.
- Self-employed persons with personal income tax payments due on or before 31 July 2020 will be granted an automatic three-month deferment.
- The Government recognizes that this pandemic has led to the economy contracting the fastest since independence. Therefore, the Government has - instead of issuing more tax measures - provided support measures to companies (e.g., a job support scheme) to keep the unemployment rate low and to help Singaporeans make ends meet (for example, through cash grants.)
  - Eligible Singaporeans who have lost their jobs as a result of COVID-19 can apply to receive a monthly cash grant of up to SGD 800 for three months.
  - Eligible self-employed persons can receive cash support of up to SGD 9,000.
  - Singaporeans will receive an enhanced care and support package of a tripled cash subsidy and grocery vouchers.

### Job support scheme

Due to the risk of employers being unable to maintain their current workforce, the Government has implemented a set of measures to counter the negative impact of non-essential workplaces being closed and of restricted social interaction.

- The Government is providing a cash grant ranging from 25% to 75% of employees' salaries, capped at SGD 4,600 a month per employee (for those who have contributed to CPF), to help businesses retain their employees during this period of uncertainty. For May, JSS will cover wages of employees of a company who are also shareholders or directors of the company, under certain conditions.
- Non-essential businesses which are not able to resume operations after 1 June 2020 will continue to receive salary support of 75% of employee salaries until August 2020, or whenever they are allowed to resume operations.
- The Government will waive the monthly foreign worker levy ("FWL") due in April and May 2020, and an FWL rebate of SGD 750 in April and May 2020 will be issued for levies paid this year for each work permit or S Pass holder. Fifty per cent of the FWL levy waiver and rebate will extend to June and July 2020 for businesses that are not permitted to reopen.

For more information, go to:

- [Mazars Singapore website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



# THAILAND

## Update

### Provident fund contributions

Provident fund contributions have been postponed until December 2020.

- Employers and employees facing financial difficulties due to the COVID-19 outbreak can postpone making provident fund contributions from now to December 2020, while continuing to be enrolled in the provident fund.
- An employee can continue making contributions, but an employer can choose to postpone contributions or to make them as usual.
- An employer or the fund's committee must submit the following documents to the provident fund:
  - A statement from the employer certifying that it is having financial difficulties due to the COVID-19 outbreak (this must be signed off by the authorized person of the entity); and
  - The minutes of the general meeting or the fund's committee reporting that the employer is having financial difficulties due to the COVID-19 outbreak, and will postpone contributions until a certain time, but no later than December 2020.

### Tax deduction for health insurance premiums

- On 17 June 2020, an increase for tax deductions for health insurance premiums was published. This regulation increased the tax deduction for health insurance premiums paid from 1 January 2020 onwards for either a life or nonlife insurance policy in Thailand from THB 15,000 to THB 25,000.
- However, deductions for health insurance premiums and life insurance policies, as well as for saving accounts with attached life insurance policies, must not exceed THB 100,000, and must be taken in accordance with the rules and procedures to be set out by the Director-General of the Revenue Department.

### Reduction in withholding tax

- Withholding tax rates for service fees, such as those for the hire of work, services, commissions, and professional fees, have been reduced:
  - For 1 April 2020 - 30 September 2020: from 3% to 1.5%
  - For 1 October 2020 - 31 December 2021: from 3% to 2% (only for withholding tax filed electronically)

For more information, go to:

- [Mazars Thailand website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)



## VIETNAM

### Update

#### **Personal income tax deductions**

- The family circumstance deductions for taxpayers shall be increased from VND 9 million to VND 11 million per month and each dependent from VND 3.6 million to VND 4.4 million per month. The Resolution shall take effective from 01 July 2020 and is applicable for the whole calendar year of 2020. The revisions for earlier months of 2020 can only be taken into account at year-end PIT finalization.

#### **Compulsory social insurance and trade union fee contributions suspended**

- From 17 March 2020, companies affected by COVID-19 are able to suspend contributions to social insurance, in particular to the pension and survivorship fund, which normally requires employers to make contributions of 14% and employees to make contributions of 8%.
- The trade union fee has also been suspended. The suspension in contributions is applicable until 30 June 2020. This may be extended to 31 December 2020 if the situation has not improved.

#### **New applicable deadline for tax declaration and payments**

From 01 July 2020 there are some changes in tax declaration deadline as follows:

- For quarterly tax declaration and payment, the deadline shall be the last day of the subsequence quarter instead of 30 day from the end of that quarter;
- For annual tax finalization, the deadline shall be the last day of the third (3<sup>rd</sup>) month from the end of calendar year or fiscal year instead of 90 day from the end of calendar year or fiscal year;
- For personal income tax finalisation of individuals who declare finalisation by their own tax code, the deadline shall be the last day of the fourth (4<sup>th</sup>) month from the end of the calendar year.

For more information, go to:

- [Mazars Vietnam website](#)
- [Latest news](#)
- [Mazars Global tax and law tracker](#)

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