Russell Bedford
taking you further

APAC News

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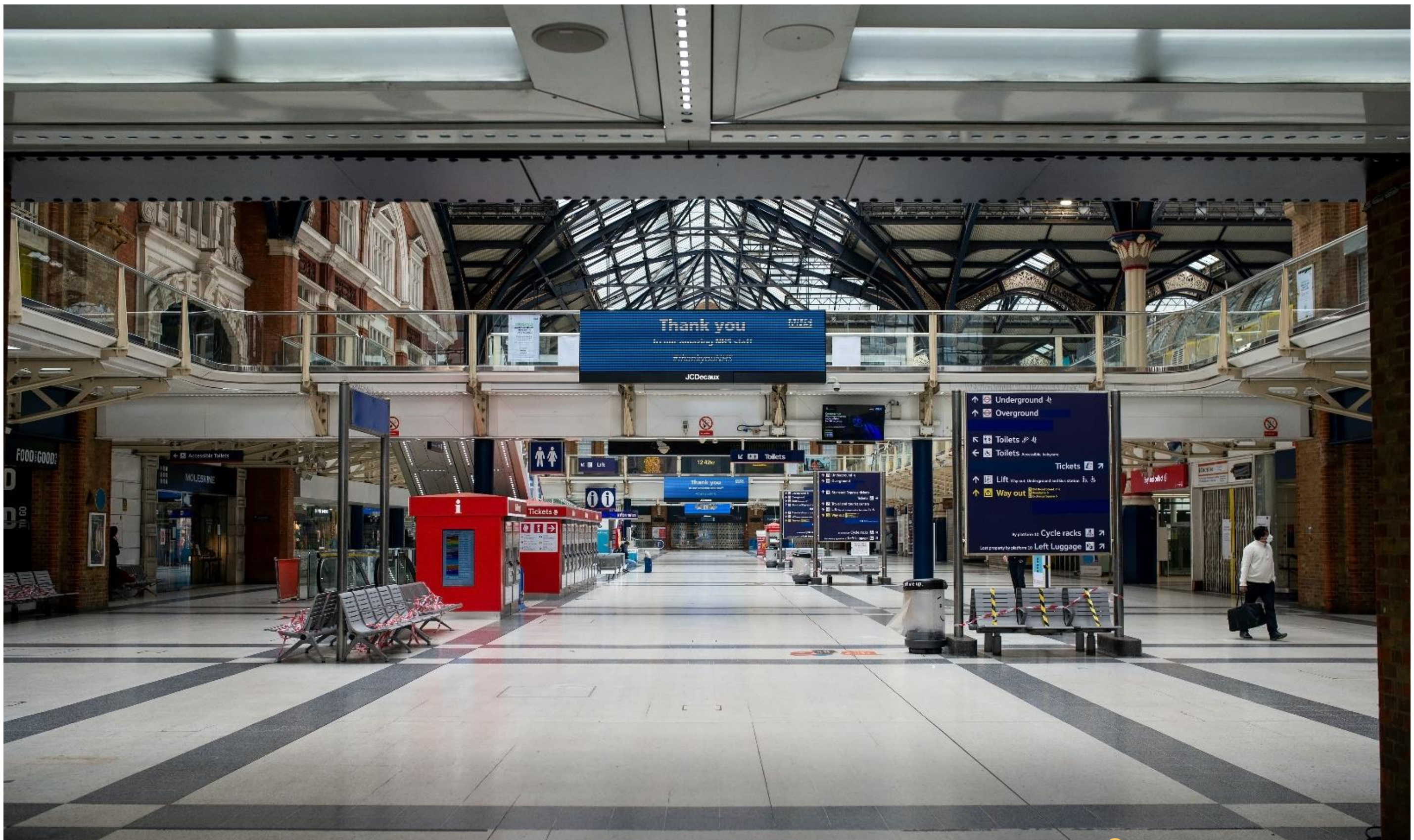

Introduction of Russell Bedford Professional Development Platform

Yes, our people are our greatest assets. Their efficiency and talents determine our pace and growth. That is why, over the past few weeks, Russell Bedford has been working with various professional trainers and contributors to develop an expanded learning and development platform, Russell Bedford Professional Development.

The purpose of this platform is to provide our team members learning opportunities that address every aspect of their professional and personal development, be it in technical training, soft skills and even health and wellbeing.

Make sure to check out the following sessions which will be scheduled over the next coming months:

- A new online Health + Wellbeing course (Available now)
- Exemplary Leadership in Tough Times (16 Jul 2020)
- Stay Top-of-Mind & Gain More Opportunities (12 Aug 2020)
- Rising Star Roundtable (8 Sep 2020)

Inside this issue:

FOREIGN INVESTMENT IN AUSTRALIA

SAWARD DAWSON chartered accountants

"…all foreign investments in Australia in commercial property and other financial investments currently require FIRB approval."

Residential real estate

A foreign purchaser of residential real estate in Australia needs to first consider the Foreign Investment Review Board (FIRB) acquisition rules as well as the relevant State based duty and land tax implications.

'Foreign persons' generally need to apply for FIRB approval prior to purchasing residential property in Australia. Approval needs to be obtained before signing an unconditional contract for taking an interest in residential real estate. Australian citizens, New Zealand citizens and holders of Australian permanent residency visas are exempt from these requirements

Commercial real estate and other financial investments

There are different FIRB requirements for commercial property and other financial investments to be acquired by 'foreign persons'. In addition, effective from 10:30 am on Sunday 29 March 2020, the Federal Treasurer announced temporary measures that remove all existing monetary threshold. Therefore, all foreign investments in Australia in commercial property and other financial investments currently require FIRB approval.

Who is a foreign 'person'?

A **corporation** is considered to be a foreign person if:

- an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a **substantial interest** in the corporation; or
- two or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an **aggregate substantial interest.**

A **trustee of a trust** is considered to be a foreign person if:

- an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a **substantial interest** in the trust; or
- two or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an **aggregate substantial interest** in the trust.

What is a substantial interest in a corporation or a trust?

A person holds a substantial interest in a **corporation** if the person holds, alone or with one or more associates, an interest of at least **20 per cent** in the corporation (for example, voting or shares).

A person holds a substantial interest in a **trust** (including a unit trust) if the person, alone or with one or more associates, holds a beneficial interest in at least **20 per cent** of the income or property of the trust.

When it comes to **discretionary trusts** (which are widely used by private family groups), the trustee of a discretionary trust where one or more foreign persons hold **any** beneficial interest in the trust is generally considered to be a foreign person in their capacity as trustee of the trust.

Before you invest in Australia

It is imperative to ensure you obtain correct advice well before you proceed down the path of investing in Australia as there are FIRB, stamp duty, land tax, income tax, capital gains tax and estate planning considerations.

All Russell Bedford firms in Australia are able to provide detailed advice to ensure that all requirements are bet and the transaction is structured in the most efficient way.

CYBERSECURITY WHEN WORKING FROM HOME

AUSTRALIA

(Continued)

If your business doesn't have the right cybersecurity precautions in place, then working from home can put your assets at serious risk.

COVID-19 is forcing many businesses to have employees work from home and the change may be difficult for some teams, especially if they haven't worked remotely before. The focus is often on your team's productivity, communication, equipment and ability, however, cybersecurity is a crucial element that should not be overlooked.

Most home networks are not secure. Employees working from home may unintentionally put business assets at risk when they access work-related files on their personal devices and through personal w-fi connections. Employers should inform workers that their personal devices probably don't have the security systems that workplace devices have in place, such as anti-virus software, secure network connections and automatic online backup systems. They should therefore avoid downloading business materials onto their personal devices, hard drives, desktops or their own cloud system.

Here are some measures you can consider to strengthen your cybersecurity:

- Use a virtual private network (VPN). This will improve your online privacy and encrypt your internet traffic, meaning that hackers who intercept it will not be able to read your data.
- Make sure home routers are secured by changing passwords, installing firmware updates, restricting inbound and outbound traffic, using a high level of encryption and switching off WPS.
- Don't use public w-fi, such as libraries or shopping centres as they won't be secure.
- Equip employees with up to date security software and manufacturer software updates.
- Set up multi-factor authentication to allow you to verify your identity
- Prohibit employees from working in public spaces where others can see their screen
- Use encrypted communications so that it is unreadable to interceptors
- Backup data regularly to avoid any lost data

"…unintentionally put business assets at risk when they access work-related files on their personal devices and through personal w-fi connections."

CHINA

UPDATES FROM CHINA

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"…China's imports from Vietnam recorded an astonishing surge of 24.2 percent..."

No specific target for economic growth this year

The National People's Congress (NPC), China's top legislature, concluded its annual session on 28 May 2020. Unlike previous years, this year's government work report did not set a specific GDP growth target due to great uncertainties arising from COVID-19. However, China is expected to achieve positive economic growth this year if security in the following six key areas is ensured:

- job security
- basic living needs
- operations of market entities
- food and energy security
- stable industrial and supply chains
- the normal functioning of primary-level governments

Policies and measures are designed to provide vital relief to businesses and revitalize the markets, with a particular focus on keeping jobs and protecting people's livelihoods instead of undertaking large infrastructure construction projects.

Further financial support to enterprises

China will encourage its financial institutions to make interest concessions as appropriate to businesses to help keep economic fundamentals stable, and ensure that all fee-cutting measures are fully executed on the ground in an effort to ease corporate burdens. At the State Council's executive meeting chaired by Premier Li Keqiang on 17 June, more efforts were urged to bring down the lending and corporate bond rates, make concessional-rate loans, defer loan repayment for micro, small and medium enterprises, and support the issuance of un-collateralized loans to small and micro companies, reduce fee-charging from banks.

ASEAN becomes China's largest trading partner

Association of Southeast Asian Nations (ASEAN) has replaced the EU to emerge as China's largest trading partner during the first five months of this year, as customs data showed, with trade up by 4.2 percent year on year to 1.7 trillion yuan (240 billion U.S. dollars), accounting for 14.7 percent of China's total foreign trade. In particular, China's imports from Vietnam recorded an astonishing surge of 24.2 percent, besides imports from Indonesia also rose by 13 percent year-on-year.

Beijing under partial lockdown

For 56 days, Beijing had not registered any new locally acquired cases — until 11 June. After a fresh outbreak of coronavirus infections, which has mostly been linked to the vast Xinfadi wholesale produce market in the city's south, the city of Beijing, with a population of more than 21 million, has begun re-imposing some controls used across the country earlier in the year to stifle the first wave of infections. As a result, flights and trains have been canceled, schools have been reclosed, many neighborhoods have been sealed off, and medical workers tested tens of thousands of residents.

Two of Russell Bedford Hua-Ander members have been forced to stay at home because their residential compounds have been marked as medium risk area and placed under lockdown. From 11 to 18 June, Beijing reported 183 locally transmitted COVID-19 cases. An expert said on 18

June that Beijing's epidemic situation is now under control and the number of new cases is expected to drop in the coming days.

CHINA

(Continued)

HONG KONG – UPDATES

HONG KONG

Ship leasing tax concession

The Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Ordinance 2020 was enacted in June to provide tax concessions to qualifying ship lessors and qualifying ship leasing managers with effect from 1 April 2020.

The newly introduced tax incentive aims to attract more operators to set up presence in Hong Kong to develop ship leasing business. The incentive operates within a framework acceptable to the OECD so that it would not be regarded as "harmful tax practice". The key concessions are:

- The qualifying profits of a qualifying ship lessor carrying on qualifying ship leasing activities are taxed at 0% profits tax rate; and
- The qualifying profits of a ship leasing manager providing qualifying ship leasing management activities to associated company and third-party qualifying ship lessors are taxed at 0% or 8.25% profits tax rate respectively.

"Ship leasing activity" is defined to include (a) leasing of a ship to a ship lessor, ship leasing manager, or ship operator, and (b) any of the following core income generating activities ("CIGA"): (i) agreeing funding terms in relation to the lease; (ii) identifying or acquiring the ship to be leased; (iii) setting terms and duration of lease; (iv) monitoring or revising any funding or other agreements in relating to lease; and (iv) managing any risks associated with lease or with any activity mentioned above.

To qualify for the incentives, the manager and the lessor are required to be centrally managed and controlled in Hong Kong and the CIGA should not be attributed to any permanent establishment outside Hong Kong. Also, the following substantial activity threshold requirements have to be met:

- For ship leasing activity, the minimum number of full-time employees in Hong Kong carrying out the activity is two and the minimum amount of operating expenditure incurred in Hong Kong in respect of the activity is HK$7.8 million;
- For ship leasing management activities, the minimum number of full-time employees in Hong Kong carrying out the activity is one and minimum amount of operating expenditure incurred in Hong Kong is HK$1 million.

For the purpose of considering whether the thresholds are met, the

"The qualifying profits of a qualifying ship lessor carrying on qualifying ship leasing activities are taxed at 0% profits tax rate..."

HONG KONG

(Continued)

"…exemption covers grants, subsidies or other financial assistance provided under AEF programmes. "

activities carried out by associated persons will be taken into account. The Inland Revenue Department will publish a Departmental Interpretation and Practice Notes to explain how the threshold requirements at group level are measured.

A qualifying ship leasing manager may carry on certain non-qualifying activities, provided that at least 75% of its profits arise from qualifying activities and the value of assets used by the manager to carry out qualifying activities are at least 75% of its total assets.

Tax Exemptions in respect of Relief Measures under the Anti-epidemic Fund

The Exemption from Salaries Tax and Profits Tax (Anti-epidemic Fund) Order ("the Exemption Order") comes into operation on 29 May 2020. 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 Anti-epidemic Fund ("AEF").

For salaries tax, the exemption will cover the followings: Hardship allowance to cleansing / security workers, subsidy to registered construction workers, relief grant to school bus drivers and nannies, subsidy to tour coach drivers, cross-boundary goods vehicle drivers, instructor, coach, trainer or operator of interests classes engaged by schools, subsidy to travel agents' staff and active freelance tourist guides and tour escorts, individual with salesperson licence and estate agent licence, and employed Securities and Futures Commission licensed individuals.

For profits tax, the exemption covers grants, subsidies or other financial assistance provided under AEF programmes. The exemption, however, does not apply to sums (other than sums paid on a matching arrangement) that are ordinary trading receipts arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong.

INDONESIA

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IMPACT OF COVID-19

In the first half of the Year 2020, the global economy has been hit hardly by the COVID-19 pandemic. The pandemic has adversely impacted countries' economic stability around the globe, including Indonesia. In responding to these negative impacts, the Government of Indonesia issued various regulations that aim to support economic stability and productivity of various business sectors in Indonesia.

Tax Incentives

One of the Government of Indonesia's interventions to ensure the productivity of businesses amidst the COVID-19 pandemic is through the provision of tax incentives.

Government Regulation in Lieu of Law of the Republic of Indonesia no. 1 Year 2020 ("PERPPU-1") postulated the reduction of Corporate Tax Rate. The new applicable Tax

Rate for General Corporate Taxpayers would be 22% for the fiscal year 2020 and 2021, and 20% for year of 2022 onwards. IDX Listed Corporate Taxpayers would also enjoy similar benefit from the reduced Tax Rate as stipulated in this regulation; 19% for the fiscal year 2020 and 2021, and 17% for fiscal year 2022 onwards.

The Minister of Finance Regulations Number 23/PMK.03/2020 ("PMK-23") and 44/PMK.03/2020 ("PMK-44") specify a list of tax incentives for businesses including small and medium enterprises ("SMEs") in certain sectors, to cope with the economic downturn caused by COVID-19 pandemic.

1. ***Article 21 Employee Income Tax is borne by the Government***

The Government of Indonesia will bear the Article 21 Employee Income Tax payable for the period of April to September 2020 for income received by employees who satisfy below criteria:

a. Employee receives income from:

- An employer with Business Classification (KLU) that are included in Attachment A of PMK-44 (covering 1,062 KLUs), and KLU was reported in Fiscal Year 2018 Corporate Income Tax Return

- An employer who has KITE (relaxation for importations of goods for export purpose), and

- An employer who has bonded zone license;

b. Has a tax identification number (NPWP); and

c. Receives an annual fixed and regular gross income of not more than IDR 200 million

The amount of Article 21 Employee Income Tax must be paid to the employees, and this incentive must not be considered as the employee's taxable income.

2. ***Exemption from Article 22 Income Tax on Imports***

The Government of Indonesia exempted Article 22 Income Tax on Imports from April to September 2020 for taxpayers who fulfil the following criteria:

a. The KLU is listed in Attachment I of PMK-44 (covering 431 KLUs) and the KLU was reported in FY 2018 Corporate Income Tax Return,

b. a KITE company,

c. a company under bonded zone license

3. ***Reduction of Article 25 Income Tax***

A 30% reduction of Article 25 Income Tax instalments until September 2020 for taxpayers who qualify the following criteria:

a. The KLU is listed in Attachment N of PMK-44 (covering 846 KLUs) and the KLU was reported in FY 2018 Corporate Income Tax Return,

b. a KITE company,

c. a company with bonded zone license

4. ***Value Added Tax (VAT)***

Government provides preliminary VAT refund facility for low-risk VAT entrepreneurs (PKP) for the period of April to September 2020, where PKP meets the following criteria:

a. The KLU is listed in Attachment I of PMK-44 (covering 431 KLUs) and the KLU was reported

"The Government of Indonesia exempted Article 22 Income Tax on Imports from April to September 2020..."

"The Government of Indonesia will bear the 0.5% final income tax for SMEs, enterprises with annual gross turnover of not more than IDR4.8 Billion..."

in FY 2018 Corporate Income Tax Return,

b. a KITE company,

c. a company under bonded zone license

And the VAT refund request should be submitted by the latest October 31st, 2020 with overpayment amount stated in the VAT return at the maximum is IDR 5 billion.

5. ***Final tax for SMEs is borne by the Government***

The Government of Indonesia will bear the 0.5% final income tax for SMEs, enterprises with annual gross turnover of not more than IDR4.8 Billion, for the period of April to September 2020. The tax relief can be accessed through the provision of statement letter to the Directorate General of Tax (DGT) before the submission of realisation report.

In accelerating the handling of COVID-19 cases across Indonesia, Government of Indonesia also provides tax incentives for businesses which focus on preventing and controlling the COVID-19 pandemic. The businesses supported by these tax incentives related to the provision of medical goods (e.g., medicine, medical equipment and supplies), medical activities and other essential services supporting medical activities. The Ministry of Finance Regulation Number 28/PMK.02/2020 ("PMK-28") offering tax reliefs through VAT facilities and exemptions for Withholding Taxes Article 21, 22 and 23 for 'Certain Parties' that meet the following criteria:

a. Governmental bodies or institutions appointed to involve in controlling the COVID-19 pandemic;

b. Selected hospitals who operate as referral hospitals for COVID-19 patients;

c. Other parties selected by the governmental bodies/institutions to support in controlling the COVID-19 pandemic.

1. ***Value Added Tax (VAT) Facilities***

Essential taxable goods and/or services are regulated in PMK-28 as:

- Essential taxable goods: medicines, vaccines, laboratory equipment, testing kits, personal protective equipment, nursing equipment, and/or other supporting equipment declared necessary to handle the COVID-19 pandemic

- Essential taxable services: construction services, consulting, technical and management services, rental services, and/or other supporting services declared necessary to handle the COVID-19 pandemic

VAT facilities provided through PMK-28 are as follows:

a. VAT not collected

For imported essential taxable goods by Certain Parties as listed above

b. VAT borne by the Government

For the delivery of essential taxable goods by PKP to Certain Parties and utilization of essential taxable services sourced outside the Customs Area by Certain Parties inside the Customs Area

c. VAT exempted

Import of essential taxable goods from outside the Customs Area used for essential taxable services within the Customs Area by Certain Party, as long as the Certain Party (importer) has obtained a Statement Letter on Utilization of Offshore Taxable Services within Customs Area (Surat Keterangan Jasa Luar Negeri "SKJLN") prior to import

2. ***Exemptions for Withholding Taxes Article 21, 22 and 23***

   a. Withholding tax article 21

Exemptions are applicable to income received by domestic individual taxpayer from Certain Parties for providing essential taxable services needed to handle the COVID-19 pandemic

   b. Withholding tax article 22

Exemptions are applicable to Certain Parties who carry out import and/or purchase of essentials taxable goods needed to handle the COVID-19 pandemic

   c. Withholding tax article 23

Exemptions are applicable to income received by domestic corporate taxpayers or permanent establishments from Certain Parties related to the provision of taxable essential services needed to control the COVID-19 pandemic

Investment Incentives

In light of maintaining the investment value in Indonesia amidst the COVID-19 pandemic, Government of Indonesia through The Head of the Indonesia Investment Coordinating Board (BKPM) also issued The Decree of the Head of Indonesia Investment Coordinating Board (BKPM) No. 86/2020 on Providing Ease of Business Licensing for Certain Business Fields Related to the Handling of COVID-19. The regulation warrants an ease in business licensing process for certain industrial sectors, including medical equipment and supplies as well as the pharmaceutical industry. These industries would benefit from the ease in business licensing through:

- Reduction and/or assistance of business licensing requirement;
- Acceleration on business licensing process; and
- Special assistance services

This decree came into effect as of April 1st, 2020 and will be effective towards the end of COVID-19 emergency response status as announced by the Head of National Disaster Management Agency (BNPB).

The introduction of this incentive has been followed with a positive outlook in Indonesia investment value. During April 2020, the number of applicants for Operational/Commercial License (IOK) showing an increase of 26.5% in comparison to March 2020 number. The Ministry of Health became the sector with most IOK applicants with a total of 5,444 applicants. This indicates that businesses and investors viewed this incentive as an avenue to partner with government in fighting the COVID-19 pandemic. Facilitating the business licensing for medical goods manufacturers and distributors has encouraged entrepreneurs to increase supply for medical equipment and supplies in support of handling the COVID-19 pandemic.

" ...an ease in business licensing process for certain industrial sectors, including medical equipment and supplies as well as the pharmaceutical industry."

MALAYSIA

FREQUENTLY ASKED QUESTIONS ("FAQ'S") ON INTERNATIONAL TAX ISSUES DUE TO COVID-19 TRAVEL RESTRICTIONS

Travel restrictions imposed by most countries across the globe due to the COVID-19 pandemic has brought about tax issues to globally mobile employees and their employers.

The Inland Revenue Board ("IRB") has issued a FAQ to address concerns of taxpayers on this travel restriction in determining the tax residence status of individuals and corporations and on the crystallization of permanent establishment in Malaysia by a foreign corporation.

A. TAX RESIDENCE STATUS OF INDIVIDUALS

"…temporary presence of a non-resident in Malaysia will not be taken into account for the purpose of determining the individual's tax residence status."

Tax resident individuals temporarily <u>OUTSIDE</u> Malaysia due to travel restrictions	**Non-tax resident individuals temporarily <u>IN</u> Malaysia due to travel restrictions**
The period of temporary absence of a tax resident **will** be taken in to account to form part of the taxpayer's presence in Malaysia for purposes of determining the taxpayers tax residence status.	The period of temporary presence of a non-resident in Malaysia **will not** be taken into account for the purpose of determining the individual's tax residence status.
Relevant supporting documentation and records must be provided to the IRB upon request (e.g. travel documents, local authority travel restrictions guidelines etc.)	

B. CROSS BORDER EMPLOYMENT INCOME

Employment exercised <u>IN</u> Malaysia temporarily due to travel restrictions	**Employment exercised <u>OUTSIDE</u> Malaysia due to travel restrictions which is incidental to the exercise of employment in Malaysia**
The IRB is prepared to consider the employment income as not derived from Malaysia and not subject to Malaysian income tax if the following conditions are met: (i) There is no change in the contractual terms governing the employment overseas before and upon entering Malaysia; and (ii) This is a temporary work arrangement due to COVID-19 travel restrictions	As the employee is forced to work temporarily outside Malaysia, the employee will still be regarded as exercising employment in Malaysia. The income is deemed derived from Malaysia. However, the income may be subject to tax if the country the employee is in has no special tax provisions relating to travel restrictions. Under such circumstances, the employee may seek tax treaty relief. In the absence of a tax treaty with a particular country, the employee may apply for a tax credit relief provided for under the Income Tax Act 1967 on the employment income that is subject to double taxation.

C. TAX RESIDENCE STATUS OF CORPORATIONS

Tax resident company unable to convene Board of Directors ("BOD") meeting in Malaysia	A non-resident company convenes a BOD meeting in Malaysia but has no intention to seek residence in Malaysia
The IRB will consider the company as a tax resident in Malaysia provided the following conditions are met: (a) the company is a resident in the immediate prior year of assessment; (b) there are no changes to the economic circumstances* of the company; and (c) the directors of the company must attend the BOD held outside Malaysia (either physical meeting or via electronic means).	The IRB will consider the company as a non-tax resident in Malaysia provided the following conditions are met: (a) the company is compelled to hold its BOD in Malaysia due to the travel restrictions; and (b) there are no changes to the economic circumstances* of the company.
Relevant supporting documentation and records must be provided to the IRB upon request (e.g. board minutes stating reasons the directors were attending board meetings from their respective locations).	

D. PERMANENT ESTABLISHMENT

Temporary presence in Malaysia of employees of a non-resident company

The temporary presence of employees will not result in the non-resident company crystalising a permanent establishment in Malaysia, provided the following conditions are met:

(a) the company does not have a permanent establishment in Malaysia before the existence of the COVID-19 travel restrictions;
(b) there are no other changes to the economic circumstances* of the company;
(c) the temporary presence of the employees in Malaysia is solely due to travel restrictions relating to COVID-19; and
(d) the activities performed by the employees during the temporary presence would not have been performed in Malaysia if not for the travel restrictions.

Relevant supporting documentation and records must be provided to the IRB upon request.

** Economic circumstances refer to the principal activities and business model of the company; the nature of the business operations and the conduct of the business in Malaysia and elsewhere; and the usual locations in which the company operates*

" The temporary presence of employees will not result in the non-resident company crystalising a permanent establishment in Malaysia..."

PHILIPPINES

MFP
M. F. Padernal and Co.

SUPREME COURT AFFIRMS CONDOMINIUM DUES NOT SUBJECT TO TAX

" …condominium dues are not subject to tax."

The Philippines' Supreme Court (SC) affirmed an earlier lower court ruling that condominium dues are not subject to tax. The SC decision nullified a Bureau of Internal Revenue (BIR) circular issued in 2012, which imposed 12% value added tax (VAT) and 32% (now, 30%) income tax on association dues, membership and other fees charged by condominium associations to tenants.

Revenue Memorandum Circular (RMC) No. 65-2012 of the BIR assumed that association dues and other fees are part of a condominium's gross income and that beneficial services from these fees are subject to VAT. The SC ruling pointed out that "condominium operators do not engage in activities to generate income or profit. Further, RMC No. 65-2012 expanded, if not altered, the list of taxable items in the laws and is therefore void. Where the basic law and a rule or regulation are in conflict, the basic law prevails. Dues are collected purely for the benefit of the condominium owners and are the incidental consequence of a condominium corporation's responsibility to effectively oversee, maintain, or even improve the common areas of the condominium, as well as its governance."

Under the Condominium Act, unit owners are members of a condominium corporation where common areas are jointly owned by the corporation for the purpose of holding a title as real property.

The SC also pointed out that Section 21 of the 1997 Tax Reform Act does not include association dues, membership fees and other assessment charges as part of a condominium corporation's gross income. This same provision was carried under the Tax Reform for Acceleration and Inclusion law that amended the old tax law.

VIRTUAL MEETINGS

The Securities and Exchange Commission issued the following guidelines, among others, for corporations in the formulation of procedures and by-laws that will allow directors, trustees, stockholders, members and other persons to participate and vote in meetings in absentia or remote communication.

1. Although directors and trustees can participate and vote in board meetings through remote communication, they cannot do so by proxy. The directors or trustees must notify in advance the presiding officer or corporate secretary of their intention to participate through remote communication.

2. A director or trustee who participates through remote communication shall be deemed present for the purpose of attaining a quorum.

3. The right to vote of stockholders or members may be exercised through remote communication or in absentia when authorized by a resolution of the majority of the board of directors.

4. In the election of directors, trustees and officers of

corporations vested with public interest, stockholders and members may vote through remote communication or in absentia, notwithstanding the absence of a provision in the by-laws.

PHILIPPINES

(Continued)

IMPLEMENTATION OF FLEXIBLE WORK ARRANGEMENTS IN THE PRIVATE SECTOR

Due to the COVID-19 pandemic, the Department of Labor and Employment (DOLE) issued guidelines to assist employers and employees in implementing various flexible work arrangements (FWAs), which the DOLE considers better alternatives as compared to the outright termination of employees or total closure of companies.

FWAs are alternative arrangements or schedules, other than the traditional or standard work hours, work days or work week. These are temporary in nature, subject to the prevailing conditions of the employers.

The following may be considered FWAs according to the DOLE:

1. Reduction of work hours and/or workdays
2. Rotation of workers
3. Forced leave
4. Telecommuting
5. Work-from-home

Other alternative work arrangements may be explored to mitigate the effect of income loss on employees. The employer is required to notify the DOLE Regional/Provincial/Field Office of the FWAs adopted.

" Although directors and trustees can participate and vote in board meetings through remote communication, they cannot do so by proxy."

INTRODUCTION OF SUPPLEMENTARY BUDGETS

SINGAPORE

Steven Tan Russell Bedford PAC
Public Accounting Corporation

Since our last newsletter in March 2020, the Singapore government has announced 2 further supplementary budgets known as the Solidarity Budget (6 April 2020) and Fortitude Budget (26 May 2020) to further bolster the economy. Together with the Unity Budget (18 February 2020) and the Resilience Budget (26 March 2020), the Singapore Government is dedicating close to SGD100 billion or nearly 20% of Singapore's GDP to minimize the impact of COVID-19 to Singapore.

The Unity Budget, Resilience Budget, Solidarity Budget and Fortitude Budget (collectively, the "Budgets") are geared towards the following initiatives where the Singapore Government will: -

SINGAPORE

(Continued)

" … co-fund 25% to 75% of first S$4,600 of monthly gross wages of each Singaporean and Singapore permanent resident (SPR) for up to 10 months…"

1. Combat COVID-19

a. Protecting Livelihoods

i. co-fund 25% to 75% (depending on business sectors) of first S$4,600 of monthly gross wages of each Singaporean and Singapore permanent resident (SPR) for up to 10 months till August 2020 under Jobs Support Scheme
ii. co-fund 15% to 20% of wage increases based on qualifying gross wage ceiling of S$5,000 under Enhanced Wage Credit Scheme
iii. pay three quarterly cash payouts of S$3,000 each in May, July and October 2020 to qualifying self-employed persons whom are Singaporeans (SEPs) under Self-Employed Person Income Relief Scheme (SIRS)
iv. provide training allowance of S$10/hour for SEPs to make use of downtime to train and upskill
v. co-fund wage costs of companies offering traineeships to 1st time jobseekers under SGUnited Traineeships and SGUnited Jobs Initiative programs where application will be open from 1 June 2020
vi. pay cash grant of S$800 a month for 3 months for lower- and middle-income Singaporeans and SPRs who lose their jobs, placed on no-pay leave or face significantly reduced salaries due to COVID-19 under COVID-19 Support Grant
vii. pay S$3,000 to low-income Singaporeans

b. Stabilising Businesses

i. give property tax rebate on non-residential properties for year 2020 ranging from 30% to 100% and property owners must unconditionally pass on this rebate to tenants
ii. provide up to 5 months of rental waiver on the Government or Government-managed non-residential properties rented
iii. defer income tax payments for 3 months for companies, SEPs and other individuals
iv. not increase government fees and charges from 1 April 2020 to 31 March 2021
v. grant corporate income tax rebate of 25% (capped at S$15,000) for Year of Assessment 2020 (Work year 2019)
vi. grant waiver of Foreign Worker Levy (FWL) for the month of April and May 2020
vii. give FWL rebate of S$750 in April and May 2020 for each work pass holders. If the enterprises are not allowed to resume operations after Circuit Breaker, the Government will give additional FWL rebate of S$750 in June 2020 and S$375 in July 2020.
viii. co-share 90% of credit risk for trade financing and loans to

businesses under Enterprise Financing Scheme

ix. provide additional financial support of S$285 million for promising startups by co-investing with private sector, on top of the S$300 million for deep-tech startups

x. provide cost relief for Aviation and Tourism Sectors

xi. pay Special Relief Fund payments of S$300 per vehicle per month till September 2020 for taxi and other private vehicle drivers

xii. provide 1-year road tax rebate and 6-month waiver of season parking charges at government-owned parking facilities for private bus owners

xiii. pay S$300 per month over 5 months to encourage adoption of e-payments by stallholders in hawker centres, wet markets, coffee shops and industrial canteens

c. Supporting Households

i. pay Solidarity Payment of up to S$1,200 to each Singaporeans aged 21 and above in 2020 under Care & Support Package, and additional payment of up to S$300 various purposes to qualifying persons such as spouses of Singaporeans

ii. grant 1-year suspension of student loan repayment under Student Loan Repayment Relief

iii. grant 3-month suspension on all late payment charges on HDB mortgage arrears

d. Building Resilience

i. grant up to 90% and 80% support under Enterprise Development Grant and Productivity Solutions Grant for more digital solutions for business continuity

ii. grant payout of up to S$5,000 to help businesses digitalise with PayNow Corporate, e-invoicing, business process or e-commerce solutions + additional payout of S$5,000 for businesses that use advanced soluions

iii. provide higher course fee subsidies of 90% and up to S$10 hourly absentee payroll for Aviation, Tourism, Food Services, Retail, Land Transport, and Arts and Culture sectors till June 2020

2. *Transform & Grow our economy and businesses*

a. Driving Growth, Transforming Enterprises

i. enhance GoBusiness portal as a single touchpoint for G2B transactions

ii. increase the grant under Enhanced Market Readiness Assistance to S$100,000 to help more enterprises enter new markets

b. Readying Our Youth for Opportunities

i. fund students aged between 15 – 35 under Asia-Ready Exposure Programme (AEP) to offer regional exposure to youths' visits to ASEAN, China or India and countries

ii. provide up to 70% funding support on qualifying

SINGAPORE

(Continued)

" … co-share 90% of credit risk for trade financing and loans to businesses under Enterprise Financing Scheme..."

"…provide up to S$160,000 of housing grants for 1st time flat buyers…"

costs to Singapore enterprises offering student internships or management associate programmes under Global Ready Talent Programme

c. ***Boosting Employment for All***

i. top-up S$500 to SkillsFuture Credit for adult Singaporeans aged 25 and above
ii. support Singapore enterprises to train and redesign jobs for workers through the provision of new SkillsFuture Enterprise Credit where enterprises will receive one-off S$10,000 credit to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives e.g. professional conversion program, job redesign
iii. double the capacity of SkillsFuture Work-Study Programmes to boost industry readiness in our Singaporean students
iv. top-up S$500 to Special SkillsFuture Credit for Singaporeans aged 40 – 60
v. increase the capacity of reskilling programmes to support Singaporean workers in their 40s and 50s in career transitions
vi. give hiring incentives for employers who hire Singaporean jobseekers aged 40 and above through reskilling programmes
vii. fund up to 8% of wages up to S$4,000 paid to Singaporean workers aged 55 and above
viii. provide employers with 1-year offset of 0.25% to 0.5% of wages for every Singaporeans and SPRs who are aged 55 to 70 in 2022 based on employees' income paid up to CPF salary ceiling of S$6,000 per month
ix. fund the Singapore enterprises that are willing and able to implement a higher retirement age and re-employment age ahead of time, for up to S$250,000 depending on the number of years extended and number of senior workers aged 60 and above

3. *Care for our people*

a. ***Nurturing Our Young***

i. increase income ceiling to S$12,000 in order to qualify for additional subsidy for pre-school and Kindergarten Fee Assistance Scheme
ii. increase pre-school subsidies across all eligible income tiers e.g. lower income family paying as low as S$3 per month for full-day childcare at pre-schools operated by Anchor Operators

b. ***Nurturing Our Students***

i. increase annual pre-university, polytechnics and autonomous universities bursary quantum, higher transport subsidies for all Singaporean students and school meals subsidies for all secondary Singaporean students

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(Continued)

c. ***Helping Singaporeans Own Homes***

i. provide up to S$160,000 of housing grants for 1st time flat buyers
ii. increase monthly household income ceiling for subsidised flats and executive condominiums to S$14,000 and S$16,000 respectively

d. ***Assurance for Retirement***

i. match CPF Retirement Account top-ups dollar-for-dollar, up to an annual cap of S$600 i.e. S$3,000 over 5 years for lower to middle income Singaporeans aged 55 – 70 without the prevailing Basic Retirement Sum
ii. increase quarterly cash payouts by 20% (up to S$900 per quarter) from 1 January 2021 to eligible Singaporeans aged 65 and above
iii. enhance Silver Housing Bonus and Lease Buyback Scheme for eligible Singaporean aged 55 and above

e. ***Building a Caring & Inclusive Society***

i. establish Community Capability Trust to support social service sector partners in capability and capability building
ii. top-up into ElderCare Fund, ComCare Fund and MediFund for the benefits of eligible elderly Singaporeans

f. ***Helping Singaporeans with GST increase***

i. make cash payouts of S$700 to S$1,600 over 5 years for adult Singaporeans to cushion to GST rate hike
ii. not increase GST in 2021

4. Secure our future

a. ***Sustainable Singapore***

i. build-up national stockpile of essential health supplies while diversifying import sources for stockpile and essential food commodities
ii. implement "30 by 30" vision to grow enough food in Singapore to meet 30% of our nutritional needs by 2030
iii. allocate S$5 billion for Coastal and Flood Protection Fund to protect against rising sea levels
iv. establish SG Eco Fund for community partnerships on sustainability initiatives
v. work towards having all HDB towns to be eco-friendly by 2030 under HDB Green Towns Programme
vi. provide incentives for lower-income households to buy energy-efficient household appliances
vii. invest and expand charging infrastructure for electric vehicles (EV)
viii. provide up to 45% rebate on additional registration fee (capped at S$20,000) from January 2021 under EV Early Adoption Incentive

"…match CPF Retirement Account top-ups dollar-for-dollar, up to an annual cap of S$600 for lower to middle income Singaporeans aged 55 – 70 without the prevailing Basic Retirement Sum."

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