



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

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PHD RESEARCH BUREAU

PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House 4/2 Siri Institutional Area, August Kranti Marg, New Delhi 110016

Phone: 91-11-49545454 | Fax: 91-11-26855450, 26863135

Email: research@phdcci.in | Website: www.phdcci.in



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Introduction

While worrying about the severity of pandemic COVID-19 increasing each day across the world, Governments and tax authorities across the globe continue to provide tax relief in response to the pandemic COVID-19. The relief measures and easing of compliance deadlines will enable businesses to sustain themselves in the current atmosphere and is likely to have a positive impact on economic activities and more importantly remove uncertainty in the system.

Executive Summary

The severity of pandemic COVID-19 is increasing each day. Around 195 countries including China, Japan, USA, Italy, Spain, UK, among others have been severely impacted. The whole mankind in the world is in huge problem and uncertainty about the severity and spread of pandemic Covid-19. In India, there is complete lockdown in the country.

Considering the severe impact of pandemic COVID-19, countries across the world have announced tax relief measure in order to boost the economy and protect the interest to businesses.

India has announced a slew of measures to mitigate the impact of pandemic COVID -19 including extension of statutory and regulatory compliances such as for Financial year 2018-19, last date for returns extended to June 30, 2020. For delayed payments made till June 30, interest rate reduced to 9% from 12%, for delayed deposit of TDS, interest has been reduced to 9 % from 18%, Vivaad se Vishwaas scheme extended to June 30, no additional payment of 10% to be paid.

China have reduced VAT from 3 percent to 1 percent for small businesses until the end of May; VAT cut on supplies related to the outbreak, Imported supplies, donated by domestic and foreign donors and used for prevention and control of the epidemic, can be exempted from import duties, import value added tax (VAT), and import consumption tax till 31st March 2020.

United States of America allowed all individual and other non-corporate tax filers to defer up to \$1 million of federal income tax (including self-employment tax) payments due on April 15, 2020, until July 15, 2020, without penalties or interest.

Italy have allowed 50 percent tax credit for sanitation expenses; banks have option to convert some loss deductions to tax credits, all tax payments due in the period between 23 February and 30 April related to assessment agents' decisions, social security contributions, customs agency decisions, local tax authority decisions' concerning income and wealth are extended until 31 May 2020, suspension of these deadlines is extended to all taxpayers who, even if resident in other areas, rely on intermediaries resident in the red zones

Canada have extending the income tax return filing due dates, and taxes payable deadlines for individuals and certain trusts, deferring for all taxpayers, until after August 31, 2020, the



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries payment deadline for most income tax amounts that become owing after March 17, 2020, and before September 2020, reducing the required minimum withdrawals from Registered Retirement Income Funds by 25% for 2020.

Australia have delayed payroll taxes in some states, case-by-case deferrals for GST, temporary immediate and accelerated expensing for business investment, faster refunds and credits for GST, relief payments to unemployed and other eligible individuals and subsidized loans for some businesses

Tax relief measures provided by pandemic COVID-19 impacted countries are as follows: -

Country Name	Tax relief measures to economy and industry
India	<p>Direct Taxes</p> <ul style="list-style-type: none">• Extension of last date of filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) to 30th June, 2020.• Extension of Aadhaar-PAN linking date to 30th June, 2020.• The date for making various investment/payment for claiming deduction under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations), etc. has been extended to 30th June, 2020.• The date for making investment/construction/purchase for claiming roll over benefit/deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been extended to 30th June 2020.• The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the IT Act has also extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.• The date for passing of order or issuance of notice by the authorities under various direct taxes& Benami Law has also been extended to 30.06.2020.• It has provided that reduced rate of interest of 9% shall be charged for non-payment of Income-tax (e.g. advance tax, TDS, TCS) Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 if they are paid by 30.06.2020. Further, no penalty/ prosecution shall be initiated for these non-payments.• Under Vivad se Vishwas Scheme, the date has also been extended up to 30.06.2020. Hence, declaration and payment under the Scheme can be made up to 30.06.2020 without additional payment.



Tax relief measures provided by Pandemic COVID-19 impacted Countries

	<ul style="list-style-type: none"> • Donation made to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the IT Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund. <p>Indirect Taxes</p> <ul style="list-style-type: none"> • Last date for filing GST annual returns of FY 18-19 extended till the last week of June 2020. • Last date for filing GSTR-3B due March, April, May 2020 returns and composition returns extended till last week of June 2020. • No interest, late fee or penalty for companies with less than Rs. 5 crore turnover; for the bigger companies, interest would be 9 per cent. • Last date for opting a composition scheme is extended till the last week of June 2020. • Payment date under Sabka Vishwas Scheme extended to June 30, 2020. • Last date of furnishing of the Central Excise returns due in March, April and May 2020 has been extended to 30th June, 2020. • Wherever the last date for filing of appeal, refund applications etc., under the Central Excise Act, 1944 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020. • Wherever the last date for filing of appeal, refund applications etc., under the Customs Act, 1962 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020. • Wherever the last date for filing of appeal etc., relating to Service Tax is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020
<p>China</p>	<p>VAT</p> <ul style="list-style-type: none"> • VAT reduced from 3 percent to 1 percent for small businesses until the end of May; VAT cut on supplies related to the outbreak. <p>Customs</p> <ul style="list-style-type: none"> • Imported supplies, donated by domestic and foreign donors and used for prevention and control of the epidemic, can be exempted from import duties, import value added tax (VAT), and import consumption tax till 31st March 2020.



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

<p>United States of America</p>	<p>Direct Taxes</p> <ul style="list-style-type: none"> • All individual and other non-corporate tax filers to defer up to \$1 million of federal income tax (including self-employment tax) payments due on April 15, 2020, until July 15, 2020, without penalties or interest.
<p>Canada</p>	<p>Direct Taxes</p> <ul style="list-style-type: none"> • Extending the income tax return filing due dates, and taxes payable deadlines for individuals and certain trusts. • Deferring for all taxpayers, until after August 31, 2020, the payment deadline for most income tax amounts that become owing after March 17, 2020, and before September 2020. • Reducing the required minimum withdrawals from Registered Retirement Income Funds by 25% for 2020. • Providing various income supports for workers and parents, such as relaxing rules to qualify for Employment Insurance (EI) and introducing an Emergency Care Benefit and Emergency Support Benefit. • Three-month wage subsidy of 10 percent to small businesses.
<p>Australia</p>	<p>Indirect Taxes</p> <ul style="list-style-type: none"> • Delayed payroll taxes in some states, case-by-case deferrals for GST • Faster refunds and credits for GST • Provide full payroll tax refunds for the 2019-20 financial year to small and medium-sized businesses with payroll of less than \$3 million • Defer payroll tax for eligible small businesses the first three months of the 2020-21 financial year until 1 January 2021 • Defer 2020 land tax payments for eligible small businesses
<p>Greece</p>	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • A reduced rate of value added tax (VAT)—reduced to 6% from 24%—for certain products that are necessary to protect against COVID-19 (such as mask and gloves, antiseptic liquids and wipes, etc.) effective until the end of the year (31 December 2020) • A four-month extension for the payment of real estate tax, when the owner (landlord) is an individual • Acceleration of refunds of income tax and VAT, when the refund amounts do not exceed €30,000 per type of tax and per taxpayer. • A four-month extension of tax payments generally otherwise due in the month of March 2020, without imposition of penalties or late-payment interest



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

	<ul style="list-style-type: none"> • Extension to 31 August 2020 of the payment deadlines for tax remittances due in the period from 11 March 2020 until 31 April 2020 • Suspension of tax collection of assessed taxes that were unpaid as of 11 March 2020, suspended until 31 August 2020 • Certain freelancer, self-employed or independent contractors will be eligible for compensation payment of €800 to address COVID-19 implications, and tax payments due in March 2020 by these persons will be extended for four months
<p>Czech Republic</p>	<p>Direct /Indirect Taxes</p> <ul style="list-style-type: none"> • Waiver of penalties and default interest in respect of income tax (for tax returns for the 2019 tax period with an original filing deadline of 1 April 2020). • Waiver of penalties for the late payment of tax, and penalties for the late filing of returns in respect of all taxes (to be determined on a case-by-case basis). • Waiver of default interest for the late payment of tax (including prepayments). • General waiver of penalties for the late filing of value added tax (VAT) ledger statements. • General waiver of administrative fees. • Extension of the deadline for filing corporate income tax returns (including fiscal years)
<p>Germany</p>	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • A waiver of enforcement measures or late-payment penalties is to be granted until 31 December 2020. • Applications for a reduction of the trade tax base, for purposes of advance payments, can be submitted until 31 December 2020. • A corresponding period for deferral applications and applications for adjustment of advance payments for income and corporation tax is also available. • Taxpayers may submit applications until 31 December 2020 for deferral of taxes already due or becoming due by that date. • Tax deferrals are to be granted without interest. • Advance payments of income tax, corporate income tax, and trade tax may be made “on presentation of circumstances” by taxpayers that can show they are “directly and not inconsiderably affected” by COVID-19.



Tax relief measures provided by Pandemic COVID-19 impacted Countries

	<ul style="list-style-type: none"> • The next advance payments dates are 10 June 2020 for income tax and corporate tax, and 15 May 2020 for trade tax. • It may be possible to reduce advance tax payments “retroactively.”
Mauritius	<p>Direct Taxes</p> <ul style="list-style-type: none"> • Tax Returns or to timely remit tax payments will not be subject to assessments of penalties or interest for late filing or late payments. • Double tax deduction and a 5% tax credit on certain IT system purchases available to employers in an effort to promote employee telecommuting and working from home are available through 30 June 2020. • Companies also may be eligible for certain enhanced tax deductions for plant and machinery acquired during the period 1 March 2020 through 30 June 2020.
Malaysia	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • No penalty will be imposed on late payment of taxes provided the payment is made by 30 April 2020. • There is an extension of time—until 30 April 2020—to submit Form CP204B, Submission of Notification of Change in Accounting Period, which is due in the period from 18 March 2020 to 29 April 2020. • An extension of time until 30 April 2020 is allowed for submitting documents for tax audit or investigation, otherwise due within the period of 18 March 2020 to 29 April 2020.
Dubai	<p>Customs</p> <ul style="list-style-type: none"> • There will be a refund of 1% of the customs duty imposed on imported goods sold locally in the UAE. Goods imported between 5 March 2020 and 30 June 2020 that are liable to customs duty at the rate of 5% are eligible for the refund. • There will be an exemption from the berthing fee for arrivals and departures, and direct and indirect loading fees for traditional wooden commercial vessels registered in the UAE at Dubai and Hamriyah Port between 15 March 2020 and 30 June 2020. • The AED 50,000 bank or cash guarantee required to undertake customs broking activities is revoked. • The bank or cash guarantee deposited by existing customs brokers and clearing companies will be refunded.



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

<p>Qatar</p>	<p>Direct Taxes/indirect Taxes</p> <ul style="list-style-type: none"> • The General Tax Authority of Qatar issued guidance providing a two-month extension of the due date for filing tax returns for the year ending 31 December 2019.
<p>South Africa</p>	<p>Direct Taxes</p> <ul style="list-style-type: none"> • Tax compliant businesses with a turnover of less than ZAR 50 million will be allowed to delay 20% of their Pay-As-You-Earn (PAYE) liabilities over the next four months • Delay in provisional corporate income tax payments without penalties or interest over the next six months. • Tax subsidy will be provided up to ZAR 500 per month for the next four months for those private sector employees earning below ZAR 6 500 under the Employment Tax Incentive (ETI). • Donations tax rate of 25% applies in relation to the donations exceeding ZAR 30 million per year.
<p>Italy</p>	<p>Direct Taxes</p> <ul style="list-style-type: none"> • 50 percent tax credit for sanitation expenses; banks have option to convert some loss deductions to tax credits. • All tax payments due in the period between 23 February and 30 April related to assessment agents' decisions, social security contributions, customs agency decisions, local tax authority decisions' concerning income and wealth are extended until 31 May 2020. • Suspension of these deadlines is extended to all taxpayers who, even if resident in other areas, rely on intermediaries resident in the red zones. • Deadlines for data communication aiming to fulfill tax return requirements are postponed to give tax advisors and consultants. • Tax credit will be granted to companies that suffer a 25% fall in revenues.
<p>Panama</p>	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • An extension of time to file tax returns for the fiscal year 2019, until 30 May 2020 • An extension of time (120 days) for the payment of certain taxes to 18 July 2020, without giving rise to an accrual of interest or penalties for late payments (this does not apply with regard to income taxes withheld from employees or from payments made to non-residents, dividend tax, certain property tax, among other taxes)



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

	<ul style="list-style-type: none"> • A reduction of the amount of estimated tax (in general, to be based on 70% of the tax paid for 2019), with the estimates to be paid at two dates—30 September 2020 and 31 December 2020 • Tax amnesty-related relief allowing for a forgiveness of 85% of the interest, penalties, and surcharges and fines for delinquent taxes arising until 30 June 2019 as long as the amount of the entire tax liability is paid no later than 31 December 2020 • An extension of the deadline to 30 June 2020 for submitting certain reports and affidavits (such as transfer pricing reports, information returns of donations received, payroll reports, pension information returns) without incurring a penalty, when originally due by 29 February 2020
<p>Switzerland</p>	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • Businesses may extend payment periods for value added tax (VAT), customs duties, special excise taxes, and incentive taxes, without having to pay interest. For this reason, the interest rate on late payments will be reduced to 0.0% in the period from 21 March 2020 to 31 December 2020. No interest on arrears will be charged during this period. • To benefit from tax payment deferrals, companies must file a written request in accordance with provisions of the VAT law, and this applies to all taxpayers including foreign companies with a Swiss tax representative. All applications must be submitted by email or post. No separate procedure is currently planned. • The Swiss tax authority is currently prioritizing the review of requests for early payments of VAT credits and is aiming for fast payment settlement. • The late-payment interest rate of 0.0% applies to all VAT payment obligations regardless of when the obligation arose, for the period from 20 March to 31 December 2020. • There are currently no separate extensions to the deadlines for VAT refund procedures planned (i.e., the deadline concerning VAT incurred in the calendar year 2019 is still 30 June 2020).
<p>Hong Kong</p>	<p>Direct Taxes</p> <ul style="list-style-type: none"> • A reduction of 2019-20 profits tax payable by 100%, subject to a ceiling of HKD 20,000. • A reduction of the 2019-20 salaries tax and tax under personal assessment by 100%, subject to a ceiling of \$20,000.



NATIONAL APEX CHAMBER

Tax relief measures provided by Pandemic COVID-19 impacted Countries

	<ul style="list-style-type: none"> • Waiver of the surcharge for up to one year on tax payments deferred under an approved instalment plan. The waiver is applicable for the 2018-19 year of assessment, and covers profits tax, salaries tax, and personal assessment. Taxpayers in need would be able to apply for an instalment payment plan before the due date of the respective tax payments. • When the government announced work-from-home requirements for the public service, tax deadlines—including tax return filing, tax payment and responding to enquiries—have generally been deferred until the tax authority reopens.
Japan	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • Tax return filing and payment dates for individual income tax, gift tax, and individual consumption tax for 2019 are extended to April 16, 2020. • The payment due dates for 2019 tax return for taxpayers who use automatic bank transfer will be extended as follows: <ul style="list-style-type: none"> - Individual income tax and special reconstruction income tax are due May 15, 2020. - Individual consumption tax and local consumption tax are due May 19, 2020.
Spain	<p>Direct/indirect Taxes</p> <ul style="list-style-type: none"> • Tax deferrals for six months
Thailand	<p>Direct Taxes</p> <ul style="list-style-type: none"> • Income withholding tax cut from 3 percent to 1.5 percent for six months; doubled tax benefit for investing in long-term mutual funds
United Kingdom	<p>Direct/Indirect Taxes</p> <ul style="list-style-type: none"> • Wave business property taxes for 12 months for retail, leisure, and tourism sectors; delaying £30 billion in VAT payments • Expanding Universal Credit and working tax credit by £1,000. • VAT payments due between now and the end of June will be deferred.

Source: PHD Research Bureau, PHDCCI compiled from various sources

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Executive Officer

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PHD House 4/2 Siri Institutional Area, August Kranti Marg, New Delhi 110016

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