PRISM

Tax Newsletter

4th Quarter 2022

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对中小创新企业进行投资的抵扣

2022年9月2日政府公报公示了修改后的收入税法第9A条。该条最初于2014年7月25日 - 2016年12月31日有效并将有效期延至2021年12月31日，且自2017年1月1日起该条规定适用于符合收入税法对中小创新企业进行风险财务投资定义的自然人。根据修改后的法律规定，该规定也将适用于法人。

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Greece

Forecasts for a recession in the Eurozone in 2022 but positive growth rates for the Greek economy

Inflation, geopolitical instability and energy prices have negative effects on the European Economy. The delay in finding an energy solution in the European Union is increasing uncertainty and all indications are that it will shrink most European economies in 2022. On the other hand, the forecast for the Greek Economy remains positive, although it was revised from 3.8% to 3.2%.

Important factors in the positive forecasts are the good performance of the first semester which closed with growth rates of 7.8% and tourism which moved to 2019 levels. The Greek government is called upon to take advantage of the positive course of the first three quarters in order to take measures to relieve households and businesses without, however, undermining fiscal stability.

预计2022年欧洲经济体萎缩 希腊经济增长率乐观

通货膨胀、地缘政治不稳定和能源价格上升对欧洲经济产生负面影响。欧盟迟迟未能找到能源解决方案，增加了不确定性，所有迹象都表明，2022年大多数欧洲经济体会因此而萎缩。另一方面，尽管希腊的经济增长预期由3.8%下调至为3.2%，经济预测仍然维持乐观。

预测维持乐观的重要因素是因为上半年的表现良好，以7.8%的增长率作结，而旅游业亦回到2019年的水平。希腊政府需要借助前三个季度的积极进程，采取措施减轻家庭和企业的负担，同时维持财政稳定。

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Malaysia

Tax treatment in relation to income received from abroad

On 29 September 2022, the Inland Revenue Board of Malaysia (IRBM) has issued the Guidelines on Tax Treatment In Relation To Income Received From Abroad. The Guidelines is issued pursuant to the amendment of Paragraph 28 of Schedule 6, Income Tax Act 1967 (“ITA 1967”) by Finance Act 2021.

关于从国外取得收入的税收处理指南

马来西亚内陆税收局于2022年9月29日发布了关于从国外取得收入的税收处理指南。该指南是根据2021年财政法对1967年所得税法（“ITA 1967”）附表6第28段的修订发布的。

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Nigeria

Suspension of the proposed telecommunication tax in Nigeria

The Federal Government of Nigeria has been commended for suspending the proposed excise duty on telecommunication services at a time when the purchasing power of the citizens is being eroded by inflation and other negative economic indices.

尼日利亚暂停拟议电信服务消费税

尼日利亚联邦政府因在通货膨胀和其他负面经济指数侵蚀公民的购买力之际暂停拟议的电信服务消费税而受到赞扬。

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Pakistan

Capital Value Tax (CVT)

Capital Value Tax (CVT) has been introduced through section 8 of the Finance Act, 2022 on specified assets from tax year 2022 and onwards; except that tax on motor vehicle held in Pakistan shall be applicable from July 01st, 2022. Accordingly, tax is applicable on the following assets:

- motor vehicles held in Pakistan (with specified conditions)
- foreign assets of a resident individual where the value of such assets on the last day of the tax year in aggregate exceeds Rs. 100 million; and
- such assets to be specified by the Federal Government at rates not exceeding five percent of the value in such manner as may be specified.

资本税

巴基斯坦已通过《2022年财政法》第8节对2022纳税年度及以后的特定资产征收资本税；而自2022年7月1日起，在巴基斯坦境内持有的机动车应缴纳税款。按此，以下资产应纳税：

・在巴基斯坦持有的机动车辆（在特定条件下）

・居民个人的外国资产，其在纳税年度最后一天的总价值超过1亿巴基斯坦卢比；和

・此类资产由联邦政府以不超过价值百分之五比率之可能规定的方式指定。

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UK

New Trust Regulation service and how it can affect you

HMRC have released new legislation which came into effect on 6 October 2020. The legislation was introduced by the Money Laundering, Terrorist Financing and transfer of Funds Regulations 2017 and requires all UK express trusts and some non-UK express trusts to register on an online register managed by HMRC.

新的信托监管服务及其对您的影响

英国税务及海关总署（HMRC）颁布了新立法，并于2020年10月6日生效。该立法由2017年《反洗钱、恐怖主义融资和资金转移条例》引入，要求所有英国的明示信托和一些非英国的明示信托在 HMRC 管理的线上登记册注册。

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Cyprus

Deductions for investment in innovative small and medium size enterprises (SME)

The Article 9A of the Income Tax Law which is entered into force as from 25 July 2014 until 31 December 2016 and was extended later until 31 December 2021, amended on as per Gazette on 2 September 2022. Initially it was applicable in the case of a person and from 1.1.2017 for a physical person (providing risk finance investment in innovative SMEs as defined in the income tax law) and now as per amended law, it shall be granted to a legal person.

The allowable tax deduction is limited to 50% of the taxable income of the individual / person in the year in which the investment is made and may not exceed the amount of €150.000 per year. Any excess investments can be carried forward and claimed as tax deductible in the following 5 years.

According to the amendment, the legal person (that is an independent investor) can deduct 30% of the amount invested in the innovative SMEs and it is applied only for equity investments.

Other key amendments amongst others are:

- Existing enterprises with financial history:
    - o Such enterprises should submit a certificate in accordance with audited financial statements, issued by a certified auditor, certifying that the expenses for research and development in at least one of the three previous tax years, represent at least 10% of their total operational expenses / operating cost
- Enterprises in the start-up phase, with no financial history:
    - o These enterprises should submit a business plan to demonstrate their ability to develop new or substantially improved products, services, or procedures with high technological or industrial risk that are defined as innovative in their respective sector.
- Enterprises that obtain certificate without assessment:
    - o The enterprise should fulfil at least one of the following criteria during the last 3 years:
        - The enterprise should have secured funding from one of the SME Instrument Phase I or Phase II, EIC Pathfinder and EIC and EIC Accelerator programmes of the EU Horizon 2020 Funding Programme, or from one of the EIC Pathfinder and EIC Accelerator programmes of the Funding of the EU Horizontal Europe 2021-27 Funding Programme.
        - The enterprise should have received a Seal of Excellence with respect to the programmes mentioned above.
        - The enterprise should have secured funding from the Innovation programmes PRE-SEED, SEED or INNOVATE or from other corresponding Innovation Programmes to be announced within the framework of the National Framework Programmes for Research and Innovation of the Research and Innovation Foundation
        - The enterprise should have secured a Startup Visa.

Greece

Forecasts for a recession in the Eurozone in 2022 but positive growth rates for the Greek economy

Additional fiscal space for household and business relief measures is left by the taxation of the surplus profits of energy companies and the extraordinary levy on refining and natural gas companies provided for by the Commission Regulation with a minimum threshold of 33% for the member states. This levy is based on the excess of income at a rate of 20% of the average of the taxable years of the quadrennial 2018-2021. Greece will adopt the rate of 33% imposing taxation on the profits of 2022 as well as the Commission leaves to the discretion of the states the taxation of profits of 2022 or even 2023. These measures generate revenue that is channeled into the energy transition fund and covers 2/3 of state aid for households and businesses.

A series of measures concerning households have been taken and will continue to apply until the end of 2022. The most important of these are fuel and energy subsidies to individuals and households. The government has introduced fuel subsidy to every vehicle owner in the form of lump sum through immaterial digital cards. In the energy sector, every month a state subsidy is announced on electricity tariffs covering 80% of the price increase and 100% for workers with a low annual income.

A measure that was valid until August and will be valid again from November is the subsidy of €0.2 per liter of diesel directly at the gas station pump. It is a measure that concerns individuals but mainly businesses that have been affected by the increase in fuel.

The latest measures announced concerned household heating costs and price increases in basic consumer goods. The heating allowance announced by the relevant ministry is double compared to last year's amounts. In addition, the Ministry of Development, wanting to deal with the increase in prices of basic consumer goods, created a basket with 50 product codes whose prices will not increase due to inflation. In this way it creates a safety net for low income earners who had difficulty in purchasing basic goods.

The coming winter promises to be difficult for all EU member states and brave decisions are needed to protect the vulnerable and create a stable energy climate for businesses to return to growth in 2023.

Malaysia

Tax treatment in relation to income received from abroad

Further to the amendment, foreign income received in Malaysia by a person who is resident will be taxable effective from 1 January 2022. The amendment provides equitable tax treatment on the foreign income with the income accrued in or derived from Malaysia in line with Malaysia's commitment towards compliance with international tax best practices.

Generally, all types of foreign income received in Malaysia by a resident is subject to tax. The types of foreign income which is subject to this tax treatment according to Section 4 of ITA 1967 are as follows:

(a) Business

(b) Employment

(c) Dividends, interest or discounts

(d) Rent, royalty or premium

(e) Pension, annuity or periodic payments

(f) Other income

Subject to the provisions under the ITA 1967, expenses or deductions incurred in relation to foreign income received in Malaysia will be allowed.

Foreign income received in Malaysia that has been taxed by other jurisdiction may be eligible for bilateral or unilateral tax credit. Evidence must be kept to substantiate that foreign tax has been imposed on that particular income. Tax credit for a year of assessment has to be claimed within 2 years after the end of that year of assessment. If the tax credit claimed for a year of assessment exceeds the Malaysian tax payable on foreign income received in Malaysia, the excess tax credit shall be disregarded.

However, there are tax exemptions given in relation to foreign income received in Malaysia by a resident subject to certain conditions. Foreign income received in Malaysia which is eligible for the tax exemptions are as follows:

(1) Foreign dividend income received in Malaysia by a resident company, resident Limited Liability Partnership (LLP) and resident individual in relation to a partnership business in Malaysia (it does not apply to a resident carrying on the business of banking, insurance or sea or air transport)

(2) All foreign income exclude income from a partnership business received in Malaysia by a resident individual.

Foreign dividend income received in Malaysia by a resident company, resident LLP and resident individual in relation to a partnership business in Malaysia from 1 January 2022 until 31 December 2026 is exempted from tax subject to the following conditions:

(a) Dividend income has been subjected to tax in the country of origin which the income arises; and

(b) The headline tax rate in the country of origin is not less than 15%

All foreign income other than partnership income received in Malaysia by a resident individual from 1 January 2022 until 31 December 2026 is exempt from tax provided the income has been subjected to tax in the country of origin.

Taxpayers must keep documents which indicate that the income has been taxed outside Malaysia. Taxpayers need to declare that the foreign income is eligible for tax exemption in the income tax return form.

Reference

Official Portal of Inland Revenue Board of Malaysia www.hasil.gov.my

Nigeria

Suspension of the proposed telecommunication tax in Nigeria

The Federal Government of Nigeria has been commended for suspending the proposed excise duty on telecommunication services at a time when the purchasing power of the citizens is being eroded by inflation and other negative economic indices.

The suspension was announced by the Minister of Communications and Digital Economy, Professor Isa Pantami, earlier in September 2022 during the inaugural meeting of the Presidential Committee on Excise Duty for the Digital Economy Sector in Abuja, Nigeria.

According to the Minister of Communication, the telecommunication sector is already overburdened by excessive and multiple taxation.

Notably, the contributions of ICT to the economy pushed the overall contributions of the non-oil sector to grow by 4.77 per cent in real terms, resulting in a 93.67 per cent contribution to the nation's gross domestic product in the second quarter of 2022.

Prior to this, the Federal Government had through the Budget Office of the Federation revealed that it will commence the implementation of the proposed excise duties on telecommunication services and food and beverages sector in 2023.

It would be recalled that the Federal Government of Nigeria had announced excise duties at 5% on telecommunication services in Nigeria as part of the 2022 Fiscal Policy Measures and Tariffs Amendments Order ("the Order").

Telecom operators under the aegis of the Association of Licensed Telecom Operators in Nigeria, ALTON had kicked against the proposed tax, lamenting that it will whittle the growth of telecom penetration and put unnecessary pressure on subscribers' ability to use telecom services.

The suspension of the proposed telecom tax is being seen as a victory for telecom subscribers who would have borne the brunt of the tax.

Pakistan

Capital Value Tax (CVT)

Capital value tax (CVT) has been introduced through section 8 of the Finance Act, 2022 on below mentioned assets:

S.No.	Assets/Description	Rate
1.	Motor vehicle held in Pakistan i. the engine capacity exceeds 1300 cc; or ii. in case of electric vehicles, the battery power capacity exceeds 50kwh	1% of the value
2.	Foreign assets of a resident individual where the value of such assets on the last day of the tax year in aggregate exceeds Rupees one hundred million	1 % of the value
3.	Such assets or class of assets as specified by the Federal Government through a notification in the official Gazette	As specified by Federal Government, not exceeding 5% of the value

Motor Vehicle

The CVT on motor vehicles will be collected over the period of 5 years. The manner of collection of CVT and value of motor vehicle on which the rate of 1% will be applied to be determined in the following manner:

Value*	Collection
Import Value	Collector of custom
Ex-factory price	Local manufacturer or assembler
Auctioned Vehicle	Person making sale by public auction or auction by tender

*Note: Above values are inclusive of taxes and duties and reduced by 10 percent each year from the end of financial year in which the motor vehicles have been imported, auctioned or locally purchased.

CVT on motor vehicle is to be collected at the time of import, purchase from local manufacturer or assembler and auction. Every motor vehicle registering authority of Excise and Taxation Department is required to collect CVT at the time of registration of motor vehicle with effect from 1st day of July, 2022 except where the CVT has already been collected from the same person applying for registration at the time of import, purchase from local manufacturer or at auction stage in respect of same motor vehicle.

CVT is to be collected by the Motor vehicle Registration Authority at the time of transfer of registration or ownership of motor vehicle. This means that CVT on every subsequent sale/transfer of motor vehicle whenever occurring within the prescribed five years period is to be collected.

Foreign Assets of a Resident Individual

Any resident person holding foreign assets having value more than 100 million rupees calculated by converting the cost of foreign asset (foreign currency value) with the exchange rate notified by SBP at the last day of financial year, shall pay CVT at the rate of 1% of the cost of foreign assets at the time of filing income tax return. Where the cost cannot be determined with reasonable accuracy, fair value determined at the last day of the tax year will be taken for this purpose.

UK

New Trust Regulation service and how it can affect you

HMRC have opened up the trust registration service (TRS) to all UK express trusts, taxable and non – taxable unless they are specifically excluded.

These new regulations were brought in to comply with the new Anti – Money Laundering rules.

Some of the trusts that are excluded:

- Estates and trusts created on death providing they hold the assets for up to 2 years
- Trusts that hold life insurance policies that are paid out on death
- Trusts that are set up to hold properties (Co – ownership trusts) where the trustees and beneficiaries are the same person
- Trusts that are registered as a charity in the UK
- UK registered Pension Trusts
- Trusts where a disabled person is the beneficiary
- A pilot trust that was set up before 6 October 2020 and holds assets with a total value of £100 or less
- Trusts that are imposed by legislation or court order
- Trusts that hold bank accounts for minors
- Trusts for bereaved children and adults aged 18 to 25 set up under the will of a deceased parent
- Trusts that are registered on a European Economic Area (EEA) register

The Non – UK trusts that must register now are listed below:

- A Non – UK trust that is entering into a business relationship with a UK relevant person, where at least one of the trustees is a UK resident
- A Non – UK trust that has a Unique Tax Reference (UTR) and incurs a UK tax liability
- A Non – UK trust that has acquired UK land or property on or after 6 October 2022

Non-UK trusts will not have to register if all of the trustees are non-UK residents, there's no UK tax liability and the trust does not hold land or property in the UK directly.

Non – Taxable trusts that were created on or after 6 October 2020 must register within 90 days or on 1 September 2022, whichever date is later.

Taxable trusts created on or after 6 April 2021 must register within 90 days of becoming liable to tax or on 1 September 2022, whichever date is later.

Taxable trusts that were created before the 6 April 2021 are required to register by 31 January following the end of the tax year when the trust became liable to tax.

In addition to registering, non - taxable trusts must notify HMRC of any changes to the details of the trust or ownership within 90 days.

For taxable trusts, you must also declare the trust is up to date on an annual basis by 31 January following the end of the tax year. As per the above, taxable trusts also have to notify HMRC of any changes within 90 days of the changes occurring.

There will be no penalties for a first offence of failure to register or late registration unless the failure to register was due to deliberate behavior on the part of the trustee, £5,000 penalty will be charged.

This is also the case for failing to keep the information on the TRS up to date.

Reference

https://www.gov.uk/hmrc-internal-manuals/trust-registration-service-manual.

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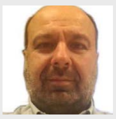

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