

REVIEW TIMES

A BIMONTHLY PUBLICATION BY **RT ASEAN** ON ALL THINGS FINANCIAL, DIGITAL, AND LEGAL



The **COVID-19 outbreak** has placed businesses around the world in face with unprecedented times and uncertainty with many struggling to keep their businesses afloat as the global economy continues to suffer from the effects of the pandemic. In response to that, governments across the globe have stepped in with measures to mitigate these risks. In this month's issue, we present some of the key government initiatives from across the network targeted at helping businesses tide through this difficult time as well as some technical updates on the Finance, Business, and Audit front.

Should you be interested in knowing more about these measures in further details or require advice in navigating your business during this time, RT ASEAN and our member firms would be happy to be at your service - please do not hesitate to reach us at info@rtasean.com.

IN THIS MONTH'S ISSUE:

Key government measures for businesses across the network:

China	Singapore
Egypt	South Korea
India	Taiwan
Indonesia	UAE
Malaysia	Vietnam



KEY MEASURES IMPLEMENTED

Fiscal support

- Special refinancing of 300 billion yuan to support financial institutions in providing preferential loans to key epidemic prevention and control enterprises
- 50% off loan interest rates obtained by enterprises
- Special relief funds to support small and medium-sized enterprises (SMEs)
- SMEs who do not lay off employees (or reduce their layoffs) may be refunded up to 100% of the previous year's unemployment insurance premiums paid

Financial support

- Reduction and exemption of corporate rents
- Implement targeted reductions in inclusive finance, reductions in banks that meet the assessment standards, and support the issuance of loans
- Increase 500 billion yuan in inclusive refinancing and rediscount, focusing on small and medium-sized banks
- Interest rates for agriculture and small refinancing loans was lowered to 2.5%
- Increased special credit line of 350 billion yuan to grant private small, medium, and micro enterprises preferential rates
- Compensation for poor loans issued by financial institutions to small and micro enterprises
- Waiver of annual listing fees for 2020 for listed companies in the Hubei Province
- Postponement of Principal and Interest Repayment for Loans to SMEs and Micro Enterprises
- Trim electricity charges by 5% for industrial and commercial companies

Tax relief

- Reduced value-added tax (VAT) collection rate for small-scale taxpayers in stages from 3% to 1%
- Extension of tax declaration deadline and carry-over period for losses incurred by enterprises from 5 to 8 years
- Waiver of land tax as an incentive for property owners to cut rents for individual business tenants
- Reduction and exemption of local taxes and administrative fees related to enterprises

KEY MEASURES IMPLEMENTED

Tax relief

- Real estate tax exemption for three months and a three-month tax instalment payment plan until June 30th
- Tax on capital gains realized from the disposal of securities registered with the Egyptian Stock Exchange will be suspended for the next two years
- Extended deadline for individuals to file their income tax returns
- Exemption from administrative fees usually associated with CIT and VAT payments
- Reduction of stamp duty on transactions and tax on dividends

Financial support

- Bailout package for civil aviation sector
- EGP 500 billion in loans granted to tourism sector and an exemption from real estate taxes for three months to avoid sacking employees
- Three-month grants for irregular and seasonal workers capped at EGP 500 monthly
- Withholding tax ("WHT") imposed on dividend distributions made by EGX listed companies has been reduced from 10% to 5%
- Reduction in credit and discount rate from 12.75% to 9.75%
- EGP 100 billion (6.3 billion U.S. dollars) of soft loans with a five-percent interest rate granted to the manufacturing sector
- Support for small projects harmed by COVID-19 through the availability of short-term loans for up to a year
- Launch of an EGP 20 billion stock-purchase program

Administrative support and other support

- Increased limit for electronic payments via mobile phones from EGP 30,000/day and EGP 100,000/month for individuals to EGP 40,000/day and EGP 200,000/per week for corporations
- Relaxed regulations requiring banks to obtain detailed information of borrowers
- Suspension of credit score blacklists for irregular clients and waiver of court cases for defaulted customers

KEY MEASURES IMPLEMENTED

Financial support

- No charges for debit card holders withdrawing cash in the next three months
- No charges for failure in keeping the minimum bank account balance requirement
- Reduced bank charges for digital trade transactions
- No additional fees for late filing with respect to the MCA21 registry moratorium being issued from April 1st till September 30th

Tax relief

- Extension of all GST and composition returns for March, April, May to June 30th, 2020
- No late fees to be charged for companies with less than 5 cr turnover
- Last date for opting composition scheme has been extended to June 30, 2020
- Different staggering dates will be applicable, but all will end by June 30, 2020
- Extension of returns for Financial year 2018-19 to June 30, 2020
- Reduction of interest rate from 12% to 9% for delayed payments made till June 30th
- Reduction of interest rate from 18% to 9% for delayed deposit of TDS
- Extension of Aadhaar-pan linking from March 31st to June 30th
- Extension of Vivaad se Vishwaas scheme to June 30th with no additional charges
- Extension of all compliances under Income Tax Act, Wealth Tax Act, Benami Transaction Act, Black Money Act, and Vivaad se Vishwaas to June 30th, 2020

Administrative support and other support

- Relaxation of mandatory Board meetings for 60 days for the next two quarters
- Additional time of six more months granted to newly incorporated companies for filing the declaration of commencement of business (COB)
- No penalty for independent directors unable to hold meetings
- No penalty for company directors unable to comply with the minimum residency requirement of 182 days
- Extension of deposit reserve creation to June 30th 2020

KEY MEASURES IMPLEMENTED

Fiscal support

- PPh 21 and VAT to be borne by the government from April to September 2020

Tax relief

- Acceleration of VAT refunds at a maximum of Rp5 billion
- Extension of the application period for tax administration settlement
- Exemption of PPh 22 on Imports and/or purchase of goods for handling COVID-19 from April to September 2020
- Exemption of Income Tax 21 for Work permit (WP) domestic individuals who receive compensation for handling COVID-19 services
- Exemption of Income Tax 23 for WP domestic bodies and forms of business that receive compensation for handling COVID-19 from April to September 2020
- Postponement of the excise payment facility - Excise ribbon orders submitted by factory entrepreneurs from 9 April-9 July 2020 will be granted a payment delay of approximately 3 months

Financial support

- Reduction in corporate income tax from 25% to 22% in 2020 and 2021, and 20% in 2022
- Reduction of PPh 25 instalments by 30% until September 2020
- Reduction in the Go Public Agency's PPh tariff to 3% lower than the general tariff
- Providing additional incentives for Bonded Zone (KB) and Ease of Importation of Export Purposes (KITE) in the form of expansion in the business process for KB and KITE companies

KEY MEASURES IMPLEMENTED

Funds to Assist Small and Medium-Sized Enterprises

- Increased Special Relief Facility (SRF) fund by RM3 billion to RM5 billion for SMEs - the interest rate for the entire fund will be reduced from 3.75% to 3.5%
- Increased All Economic Sector Facility fund by RM1 billion to RM6.8 billion to enhance access to financing for SMEs
- Providing additional funds of RM500 million under the Micro Credit Scheme to a total of RM700 million for soft loans at 2% interest rate without collateral
- Relaxed loan eligibility requirements to a minimum of six months of operation as compared to one year operation
- Increased maximum financing amount from RM50,000 to RM75,000 for entrepreneurs
- SMEs with business records of less than four years can leverage upon the BizMula-i and BizWanita-i schemes for financing up to RM300,000 under the Credit Guarantee Malaysia Berhad (CGC)
- Syarikat Jaminan Pembiayaan Perniagaan (SJPP) will provide RM5 billion worth of guarantees with the guaranteed coverage increasing from 70% to 80% for SMEs that face difficulties in obtaining loans

Assistance in managing cashflow

- Deferment of payments, restructuring, and rescheduling of employers' contributions
- Providing an estimated RM10 billion cashflow to employers benefitting over 480,000 SMEs and affected companies while securing more than 8 million jobs
- Exempt payment for Human Resources Development Fund (HRDF) levy across all sectors for six months beginning April 2020
- Postponement of income tax instalment payments to all SMEs for three months beginning 1 April 2020
- Revision of the amount of income tax imposed in the third, sixth and ninth instalments during the basic accounting period in other affected sectors

Guarantee Facility Scheme for Corporates

- Providing a RM50 billion guarantee scheme up to 80% of the loan amount for financing working capital requirements with a minimum guaranteed loan size of RM20 million per company

KEY MEASURES IMPLEMENTED

Fiscal support

- **Job Credit Scheme** - The government will co-fund between 25% to 75% of the first \$4,600 of gross monthly wages paid to each local employee for 9 months
- **Easing labour costs** - Employers need not pay the foreign worker levy that is due in April and May 2020. In addition, the government will pay a foreign worker levy rebate of S\$750 for each S Pass holder's work permit, based on previous levies paid on 2020 for April and May
- **Enhanced Enterprise Financing Scheme - SME Working Capital Loan** - Increased maximum loan quantum from \$300,000 to \$600,000, and government's risk share of loans from 80% to 90% for loans initiated from 8 April 2020 to 31 March 2021

Tax relief

- **Extension of instalment period** - Companies that are on GIRO and those that have e-filed their ECI on time will automatically qualify for an additional two months of interest-free instalments
- A **Corporate Income Tax (CIT) Rebate** of 25% of tax payable, capped at \$15,000 per company, will be granted for Year of Assessment 2020
- All companies with **CIT payments** due in the months of April, May and June 2020 will be granted an automatic three-month deferment

Financial support

- **Accelerated write-off for cost of plant & machinery (P&M)** - Companies purchasing P&M during the basis period YA 2021 can claim the cost of the P&M over 2 years instead of the usual 3 years
- **Accelerated deduction of expenses incurred for renovation & refurbishment (R&R)** - Companies purchasing qualifying expenditure on R&R during the basis period YA 2021 can claim deduction on the R&R cost in one YA instead of the usual 3 YAs
- **Enhanced Property Tax Rebate** - Qualifying non-residential properties will be granted property tax rebate for the period of 1 January 2020 to 31 December 2020. A new bill called the COVID-19 (temporary measure) Bill will also be introduced to ensure that property owners can fully pass on the rebate to their tenants by reducing rentals to ease cash flow and cost pressures.

KEY MEASURES IMPLEMENTED

Fiscal support

- Support programs to normalize the operations of affected stores that were visited by confirmed patients
- 50% tax relief for building owners that have reduced rental fees for micro-business owner tenants
- Rental fee cut for buildings owned by the government and public organizations
- Emergency relief fund for affected SMEs
- Provision for maintaining employment and labour costs

Tax relief

- Extending the deadline for filing and paying internal and local tax returns
- Postponing tax investigations and granting a grace period for collecting taxes and any arrears
- Reducing the tariff for the emergency procurement of key parts for airlines

Financial support

- Expanding lending support via loans and guarantees
- Underwriting greater level of accounts receivable insurance and lowering insurance premiums
- Enlarging the size of P-CBO issuance and relaxing its requirements

Administrative support and other support

- Expediting customs procedures for raw and sub-materials and helping to identify alternative procurement services
- Streamlining importing screenings
- Extending contract and delivery periods for goods procured by the government

KEY MEASURES IMPLEMENTED

Financial support

- The Bank of Taiwan (BOT) has announced the acceptance of deferred credit card payments with an extension of up to a maximum of 90 days without collecting interest and penalty fees.
- Medical workers, disease-prevention effort personnel, and those under government-designated quarantine or who are unable to return to Taiwan because of quarantine will be granted an additional payment extension within a 90-day grace period.
- Others who are unable to fulfil their payments on time due to home quarantine will also be granted an additional payment extension within a 30-day grace period.
- The Bank of Taiwan (BOT) has also made financial assistance measures available to loan clients who are experiencing payment difficulties due to COVID-19.
- Applicable until June 30th, BOT's existing borrowers who have previously repaid principal and interest on schedule can apply for up to a six-month principal repayment extension.

Deferred tax payments and instalment payments

- Postponement of Tax filing - Those unable to file their taxes due to quarantine and isolation measures are allowed to postpone their tax submissions. From March to May, submission for taxes in the following categories can be extended from 15 days to 1 month: License tax, Comprehensive office tax, Home tax, Business tax, Sales tax, Goods tax, Tobacco and alcohol tax, and Special goods and services tax
- Postponement of Tax payment - The amount of tax payable is not limited, and can be deferred for a maximum of 1 year or be paid in 3-year instalments (i.e. 36 instalments). The application has to be done within the period of implementing the "Special Act on Prevention, Relief, and Recovery of Severe Special Infectious Pneumonia" (i.e. from January 15, 2020 to June 30, 2021).

KEY MEASURES IMPLEMENTED

Dubai

- AED 50 billion fund distributed through 0% interest collateralised loans for banks operating in the UAE to encourage banks to lend more freely to corporate customers
- AED 50 billion has been freed up from banks' capital buffers to encourage further lending to private sector businesses in need of credit during this time
- AED1.5 billion business stimulation package involving the reduction in fees payable by businesses for three months
- Cancellation of the 25% down payment required for requesting instalment-based payment of government fees for obtaining or renewing licences
- 10% reduction of water and electricity bills, including residential and commercial bills for 3 months
- A refund of 20% of all Customs Duty paid on goods at 5% which have been sold locally
- Freezing the 2.5% market fees for all facilities operating in Dubai for three months
- A 90% reduction of fees imposed on submission of customs documents.

Abu Dhabi

- 16 point stimulus plan involving fee exemptions, fine waivers, and SME support initiatives
- AED 5 billion water and electricity subsidy scheme
- AED 3 billion SME credit guarantee programme
- AED 1 billion market maker fund to sustain a balanced supply and demand balance for stocks
- Suspension of performance bonds for bidding procedures
- 25% reduction on new industrial land leasing fees
- Waiver of industrial and commercial penalties
- Cancellation of individual and commercial real estate registration fees
- Suspension of Tourism and Municipality Fees for the tourism and entertainment sectors for 2020
- Suspension of individual or commercial real estate registration fees
- Deferment of loan instalments and waiver of interest for up to 6 months for individuals or business owners
- Reduction of industrial land leasing fees by 25% on new contracts



KEY MEASURES IMPLEMENTED

Direct support for labour force

- Provision of VND1.8 million/person/month for 3 months from April for labourers with deferred labour contract or on unpaid leave
- Enterprises can borrow at 0% interest rates for a period of 12 months, with a maximum loan amount of 50% of the regional minimum salary/person/month to pay labourers who have stopped working for 3 months
- Provision of VND1 million/person/month for 3 months from April for labourers who are not under the unemployment insurance

Enhancing the Business environment

- Reduction of administrative procedures and logistics costs
- Proposal of CIT policies and SME support
- Reduction of administrative procedures to create favourable conditions for people and businesses
- Implementation of measures to attract foreign investment in efforts to improve business conditions.

Reducing difficulties for Enterprises

- Commercial banks have committed to reducing interest rates by 1-2% compared to the current rates for groups of businesses affected by Covid-19
- A restructuring of repayment term and maintenance of the debt grade
- Reducing 50% of inter-bank transaction fees for all domestic transactions
- Payment for VAT incurred in the first and second quarter (i.e March, April, May, and June 2020) has been extended to the 30th of September, October, November, and December respectively
- CIT payable for 2019 has been extended to the 30th of August
- CIT payable for 2020 in the first and second quarter has been extended to the 30th of September and December respectively
- Payment for land rental for 2020 has been extended to the 31st of October
- Temporary social insurance premium for labours has been decreased from 10.5% to 2.5%
- Temporary social insurance premium for enterprise has been decreased from 22.5% to 7.5%
- Payment of union fees has been temporarily suspended

COVID-19 Technical Updates

Part 1: FINANCIAL REPORTING – International

1.1 Application of IFRS 16 in the light of the COVID-19 uncertainty

Click [here](#) to access the link

1.2 Application of IFRS 9 in the light of the COVID-19 uncertainty

Click [here](#) to access the link

Part 2: AUDIT & ASSURANCE- International

2.1 IAASB launches web page offering guidance for auditors during the coronavirus pandemic

Click [here](#) to access the link

2.2 Audit Considerations Arising from Changes Due to COVID-19

Click [here](#) to access the link

Part 3: REGULATORY & BUSINESS- Singapore

3.1 SGX RegCo grants automatic 60-day extension for issuers with financial year-end (FY-end) on or before 31 March 2020 to hold AGMs

Click [here](#) to access the link

3.2 ACRA has also announced that it will grant an extension of 60 days for all companies whose AGMs are due during the period 16 April 2020 to 31 July 2020

Part 4: FINANCIAL REPORTING – Singapore

4.1 ISCA issues FRB 2 "Accounting implications arising from COVID-19 for entities with 31 December 2019 financial reporting date"

Click [here](#) to access the link

4.2 ISCA issues FRB 5 "COVID-19 Government Relief Measures: Accounting for Singapore property tax rebate from the perspective of the landlord and the tenant"

Click [here](#) to access the link

Part 5: AUDIT & ASSURANCE- Singapore

5.1 AGS 12 Group Audits - Inaccessibility of Component Auditors' Work Papers and Other Considerations

Click [here](#) to access the link

Part 6: FINANCIAL REPORTING and AUDIT & ASSURANCE- Singapore

6.1 ISCA issues COVID-19 Series FAQs in collaboration with ACRA, have formed a joint COVID-19 working group to address the challenges faced by the accountancy profession through frequently asked questions (FAQs).

Click [here](#) to access the link

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