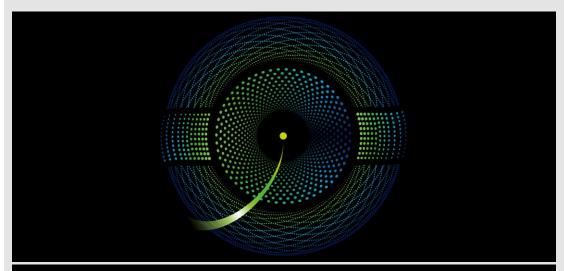
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Southeast Asia (SEA) | Outsourced Compliance, Accounting, & Technology | January 2022



Outsourced Compliance, Accounting, & Technology

Trusted. Transformational. Together.

Greetings from your Tax & Legal team at Deloitte Southeast Asia. We hope that you and your loved ones are staying safe and healthy despite these challenging times. As we navigate ourselves through this trying period, we are committed to giving you the support you need.

Outsourced Compliance, Accounting, & Technology newsletter is a quarterly publication to share the latest updates around the region.

Singapore

Filing of Annual Return

Increasing penalty for late lodgment fee

There will be higher penalties for late filing of annual lodgments by the following entities, with effect from 14 January 2022:

- Singapore incorporated companies
- Foreign companies registered in Singapore (also known as Singapore branch)
- Variable capital companies (VCC)
- Limited liability partnerships (LLP)

This penalty framework applies to annual lodgments that are due on or after 14 Jan 2022. For annual lodgments due before 14 Jan 2022, the existing penalty framework continues to apply.

The Singapore Accounting & Corporate Regulatory Authority (ACRA) encourage all

entities to file their annual lodgments on time to avoid incurring the higher penalty.

	Late fling penalty for an	nual lodgment
Entity type	Filing due on or after 14 Jan 2022	Filing due before 14 Jan 2022
Local companies	(i) S\$300 within the first 3 months after filing due date;	Flat rate of S\$300
Foreign companies	or (ii) SCC00 after the 2 months	Flat rate of S\$300
LLP	(ii) S\$600 after the 3 months	

Penalty for late ad hoc filings

For all ad hoc filings for Singapore incorporated companies, foreign companies, LLPs and businesses such as change in entity information or personal particulars of the officers or business owners, the existing penalty framework will continue to apply for late filing of such lodgments.

For ad hoc filings by VCCs, the new penalty framework will apply for all late filings with effect from 14 Jan 2022.

	Late filing penalty fo	or ad hoc filing
Entity Type	Filing due on or after 14 Jan 2022	Filing due before 14 Jan 2022
Local companies		
Foreign companies	8-tier penalties rangi	ng from S\$50 to S\$350
LLP		
Limited partnership		
Businesses (Sole proprietorship and partnership)	8-tier penalties rangir	ng from S\$10 to S\$250
VCC	i) \$\$50 within the first 3 months after filing due date or (ii) \$\$200 after the 3 month	

Indonesia

Harmonisation of tax regulations law (Undang-undang Harmonisasi Peraturan Perpajakan or [UU HPP])—Changes impacted to payroll

On 29 October 2021, the President has enacted the Law Number 7 of 2021 regarding the harmonisation of tax regulations which amends several provisions in the existing tax laws and also adds new regulation on carbon tax and voluntary disclosure program. This new Law has few different effective dates, but specifically for income tax provisions, this new law come into effect as from fiscal year 2022.

Below is the summary of important points from this new law which will impact the payroll tax calculation in fiscal year 2022.

Individual income tax rate changes effective from 1 January 2022

Starting from 1 January 2022, the applicable individual income tax rates are as follows with changes indicated in **blue**:

Taxable income	Rate
Up to IDR 60,000,000	5%
Over IDR 60 million but not exceeding IDR 250 million	15%
Over IDR 250 million but not exceeding IDR 500 million	25%
Over IDR 500 million but not exceeding IDR 5 billion	30%
Over IDR 5 billion	35%

Tax treatment on Benefit in kind (BIK)

BIK is a reward given to employees not in the form of money or cash, such as housing facility, holiday flight tickets, use of company car, etc. Under the previous Income Tax Law, BIK is generally non-taxable income for the employees but non-deductible expense for the company. The new UU HPP has changed this tax treatment to be as follows:

- BIKs are generally taxable for employees and tax deductible for the employers.
- BIKs that are nontaxable for the employees are limited to:
 - food and beverages for all employees
 - o BIKs in certain remote area
 - o BIKs that are necessary to carry out work assignments
 - BIKs that are financed by Government Revenue and Expenditure Budget, and
 - Certain BIKs with certain limitation, which will be regulated by a Government Regulation.

We would expect that Government will issue further implementing regulations on the tax treatment on BIK in the near future.

Philippines

Philippines' Social Security System (SSS) advisory on filing Social Security (SS) and Employees' Compensation (EC) Sickness Notification (SN), Sickness Benefit Application (SBA), and Sickness Benefit Reimbursement Application (SBRA) through SSS website

The Philippines' Social Security System (SSS) advises all employers and its members through SSS Circular 2021-019, dated 22 December 2021, that filing of SS, EC and Sickness Benefit Claims should be through the My.SSS portal in the SSS website **effective 27 December 2021**. This is in support of the digitalisation of SSS benefits processes and in compliance with the zero-contact policy under Republic Act No. 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

The circular guidelines are as follows:

Coverage

- SBA: Al self-employed, voluntary members, overseas Filipino workers, and non-working spouse; and all employed members who are separated from employment and did not receive any advance payment of sickness benefit from their employers
- SN and SBRA: All employers, including household employer

Conditions/pre-requisites for online filing

A registered My.SSS account in the SSS website

 Approved disbursement account in the Disbursement Account Enrollment Module in the My.SSS account in the SSS Website

Guidelines

- All initial or new claims and cases for adjustments shall be filed online through the member's or employer's My.SSS account.
- Only the filing of SBA over-the-counter or through drop box at any SSS Branch Office (BO)/Foreign Representative Office (FRO)/Medical Evaluation Center shall be allowed until the full implementation of the mandatory online filing.
- Required supporting documents shall be uploaded corresponding to the type of claim/adjustment to proceed with the submission of the SN/SBA/SBRA. These documents shall be reviewed by the SSS.
- All sickness claims are subject to medical evaluation and approval prior to payment.
- The member shall confirm receipt of the email notice of advance payment by SSS within seven working days from the date of the email. Failure to confirm and/or act within the prescribed period will result in rejection of the SBRA, thus employer shall resubmit/refile as new transaction.
- Employee's confirmation/certification of receipt of the advance payment for the SBRA filed by his/her employer shall be submitted through the employee's SSS online account.
- Confirmation/certification of employee shall not be required for claims that were already advanced but tagged by the employer as separated, Absence Without Official Leave (AWOL), and deceased member in the online filing of SBRA.
- The filing date for SN and SBA shall be the date of successful submission of the claim. For SBRA, it shall be the date of confirmation/certification of the employee or date of successful submission of the claim if the employee is already separated/AWOL/deceased.
- Previously submitted claim that was not accepted based on SSS evaluation may be re-filed online by the employee/employer as a new transaction upon compliance with the SSS requirements.
- An email notification shall be sent to the employee/employer for successful submission, approval, rejection, or denial of SN, SBA, and SBRA. An additional email notification will be sent as a reminder to the employer on the expiration of the confirmation and failure to confirm the receipt of advance payment by the employee.
- The proceeds of the benefit claims shall be credited directly to the nominated and approved disbursement account of the employee selected by the employer upon online filing of the SN.
- The following sickness benefit claims exempted from online filing shall be submitted over the counter or through drop box at any SSS BO/FRO:
 - Denied claim reconsidered for payment
 - Unclaimed benefit of deceased member
 - Unclaimed reimbursement of inactive/closed/terminated/retired employee

• Timeline/implementation

27 December 2021

- Self-employed, voluntary members, overseas Filipino workers, and non-working spouse may file the SBA through: (1) over-thecounter or drop box at any SSS BO/FRO/ Medical Evaluation Center; or (2) online through My.SSS portal in the SSS website.
- Online filing of SN and SBRA is mandatory.
- 14 March 2022: Last day of option to file SBA over the counter or via drop box at any SSS BO/FRO/Medical Evaluation Center.

15 March 2022: Start of mandatory online filing of SBA.

This advisory supersedes Circular No. 2015-15 (Electronic Sickness Notification for the Employed Members) and Circular No. 2020-011 (Online Filing of Sickness Benefit Reimbursement Application through SSS Website).



Click here for complete information on SSS Circular 2021-019

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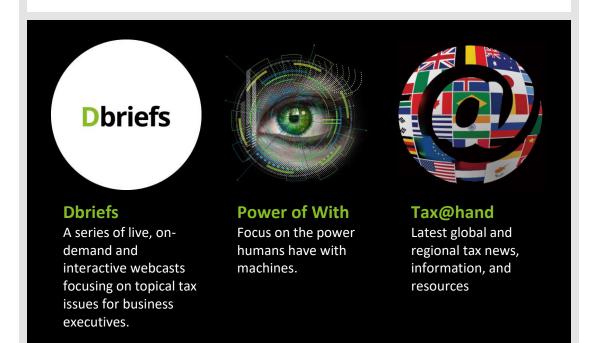


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