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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.

Indonesia

New VAT Invoice regulation issued

On 31 March 2022, the Directorate General of Taxation (DGT) issued Regulation Number PER-03/PJ/2022 (PER-03), which entered into effect on 1 April 2022. This regulation is intended to simplify the regulation of Value Added Tax (VAT) invoices as well as to synchronize the rules with the changes to the VAT law.

In general, PER-03 covers many aspects of VAT invoices, amongst others are as below:

The timing for the issuance of a VAT invoice

A taxable entrepreneur (PKP) delivering taxable goods and/or taxable services must collect VAT and issue a VAT invoice. A VAT invoice must be issued:

- Upon the delivery of the taxable goods and/or taxable services;
- Upon receiving payment, in the event that the payment occurs before the delivery of the taxable goods and/or taxable services;

- Upon receiving an instalment payment, in the event that the delivery is done in phases;
- Upon the export of the taxable goods and/or taxable services; or
- Upon other events as determined by the Ministry of Finance (MoF).

Combined VAT invoice

For ease of administration purposes, a PKP is generally allowed to issue a single VAT invoice at the end of the month, covering multiple deliveries to the same buyer in one calendar month. This type of VAT invoice is called combined VAT invoice (Faktur Pajak Gabungan).

End-consumer characteristics

The criteria of a retail PKP is defined by whether the delivery of the taxable goods and/or taxable services is to a buyer with end-consumer characteristics, including e-commerce transactions. End-consumer characteristics are as follows:

- The buyer consumes or utilises the purchased taxable goods and /or taxable services directly; and
- The buyer does not utilise the taxable goods and /or taxable services for business activities.
- VAT collected through a VAT invoice without the buyer's identity and PKP's signature is not creditable.

Validation of VAT invoices by the DGT

PER-03 requires all VAT invoices prepared during a particular month to be uploaded and validated by the DGT no later than the 15th day of the following month. A VAT invoice that is not validated by the DGT by this deadline will be rejected and will not be treated as a VAT invoice.

Transactions in currency other than Indonesian Rupiah (IDR)

Under PER-03, a transaction in a currency other than the IDR should be converted using the MoF (Keputusan Menteri Keuangan) rate applicable on the date when the VAT invoice should be issued, not on the date when the VAT invoice was prepared as regulated previously.

Apart from the above points, PER-03 also covers the required information of a VAT invoice, the preparation and reporting of a VAT invoice, and other matters.

Malaysia

Requirements of Malaysia's Central Bank, Bank Negara Malaysia (BNM) and Companies Commission Malaysia (SSM) on Beneficial Ownership (BO) of legal persons

Corporate vehicles (legal persons) play an essential and legitimate role in the economy. However, under certain circumstances, they may be misused for illicit purposes by criminals as legal persons present an attractive way to disguise and convert the proceeds of crime before introducing them into the financial system.

The Financial Action Task Force (FATF) has established standards on transparency of beneficial ownership of legal persons to deter and prevent the misuse of legal persons through the following recommendations:

- **Recommendation 22** (read together with Recommendation 10) requires designated non-financial businesses and professions (DNFBPs) to identify the

Beneficial Owner (BO), and take reasonable measures to verify the identity of the BO of their customers; and

- **Recommendation 24** requires countries to ensure that adequate, accurate and timely information on the beneficial ownership of legal persons is made available and can be accessed by the competent authorities in a timely fashion.

The respective guidelines issued by BNM and CCM in relation to BO are:

Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for DNFBPs and Non-Bank Financial Institutions Policy Document issued by BNM under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA).

Guideline for the Reporting Framework for Beneficial Ownership of Legal Persons issued by SSM under section 20C of the Companies Commission of Malaysia Act 2001 (CCMA 2001).

Notwithstanding the different requirements and obligations imposed by the respective guidelines issued by BNM and SSM, both guidelines are intended to complement one another in strengthening the reporting transparency of beneficial ownership in Malaysia.

A summary of the overview, concept and exemptions are as follows:

| | BNM | SSM |
|----------------------|--|--|
| Overview | | |
| Source | Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) . | Companies Act 2016. |
| Instrument | Anti-Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions (DNFBPs) & Non-Bank Financial Institutions (NBPFIs) (AML/CFT and TFS for DNFBPs and NBFIs) (Policy Document). | Guideline for the Reporting Framework for Beneficial Owners of Legal Persons (SSM's Guidelines). |
| Applicability | All reporting institutions under the First Schedule of the AMLA 2001 (including company secretaries). | All companies and limited liability partnerships (LLPs) and businesses. |
| Regime | Regulated and supervised by BNM for AML/CFT compliance as Competent Authority. | Regulated by SSM as the Registrar of Companies. |

Key components and requirements

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| Requirements | Identify, take reasonable measures to verify, update and maintain BO information of customers as part of Customer Due Diligence process. | Identify, verify, record and maintain the BO information of a legal person in the register of BO and keep at the registered office. |
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| Definition | Natural person who ultimately owns or controls a customer on whose behalf a transaction is being conducted. | Natural person who is the ultimate owner of the shares and does not include a nominee of any description. |
| Threshold | More than 25% of, direct or indirect, equity interest. | Not less than 20%, direct or indirect, of shares or voting shares if the company. |
| Reporting | To maintain BO information, not required to submit to BNM unless requested. | Required to lodge BO information with SSM on an annual basis or if there is any change in BO information. |
| Record keeping | Maintain BO records for 6 years from end of business. | Keep records for at least 7 years from date person ceases to be BO. |
| BNM | | SSM |
| Exemption | | |
| Listed entities | <p>Public listed companies or corporations listed in Bursa Malaysia.</p> <p>Foreign public listed companies:</p> <ul style="list-style-type: none"> listed in recognised exchanges; and not listed in higher risk countries | Companies whose shares are quoted in a stock exchange, either local or foreign exchange. |
| Foreign financial institutions | Foreign financial institutions that are not from higher risk countries. | Nil |
| Entities under BNM | <p>Authorised person under the FSA and the Islamic Financial Services Act 2013 (i.e. any person that has been granted a licence or approval)</p> <ul style="list-style-type: none"> Prescribed institutions under the Development Financial Institutions Act 2002 Licensed entities under the Money Services Businesses Act 2012 | <p>Companies and LLPs which are licensed by Bank Negara Malaysia under Financial Services Act 2013, Islamic Financial Services Act 2013.</p> <p>Prescribed development financial institution under the Development Financial Institutions Act 2002.</p> <p>Licensed money services business under the Money Services Business Act 2011.</p> |
| Entities under Securities Commission Malaysia | Persons licensed or registered under the Capital Markets and Services Act 2007. | <p>Persons regulated under the securities laws as follows:</p> <ul style="list-style-type: none"> Entity licensed or registered under the CMSA 2007 |

- Stock exchange, derivatives exchange, clearing house and central depository approved under the securities laws
- Recognised self-regulatory organisation (SRO) under the CMSA 2007
- Private retirement scheme administrator approved under the CMSA 2007

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| Entities under Labuan Financial Services Authority | Licensed entities under the Labuan Financial Services and Securities Act 2010 and the Labuan Islamic Financial Services and Securities Act 2010. | Nil |
| Others | Nil | Companies whose shares are deposited in the central depository pursuant to the Securities industry (Central Depositories) Act 1991 (only applicable if all the shares in a company remain deposited with the central depository). |

Source: Requirements of BNM and SSM on Beneficial Ownership of Legal Persons

Philippines

Implementation of 4% PhilHealth contribution rate and salary cap deferred until further notice

A memorandum from the Executive Secretary of Malacañang dated 14 February 2022, was issued to the Philippine Health Insurance Corporation (PhilHealth) as a directive to proceed with the implementation of the 4% contribution rate for calendar year 2022, with an income floor of PHP10,000 and income ceiling of PHP80,000. The implementation is pursuant to Section 10 of Republic Act No. 11223 or the Universal Health Care Act.

PhilHealth acknowledged the memorandum. Its management, however, proposed to its Executive Committee and Board of Directors that the implementation be deferred and instead let the next administration decide whether to proceed or not.

An official advisory will be released by PhilHealth once available.

Furthermore, the Electronic Premium Reporting System will be adjusted accordingly when the scheduled premium is official.

DOLE department order no. 233, series of 2022: Free COVID-19 testing for newly hired jobseekers

On 31 March 2022, Department of Labor and Employment (DOLE) Secretary Silvestre Bello approved and signed department order no. 233-22 providing guidelines for the implementation of free COVID-19 testing for newly hired jobseekers, as provided under Republic Act No. 11639 or the FY 2022 General Appropriations Act. The department order was officially released via the DOLE website on 6 April 2022. This aims to promote the full protection of the labor force and to guarantee that no person will be denied access to equal employment opportunities.

The provision or subsidy is a one-time grant of free COVID-19 testing for qualified newly-hired jobseekers across all sectors so that they can secure a negative RT-PCR test result in compliance with pre-employment requirements.

The following priority list of beneficiaries will be followed in granting the subsidy:

- Newly hired jobseekers in private domestic establishments
- Agency-hired overseas workers set for deployment
- Newly appointed employees in any branch of the government

The program shall cover jobseekers hired after the effectivity date of the department order.

Documentary requirements to avail of the subsidy must be provided by the applicant:

- Photocopy of any valid government-issued identification
- Duly accomplished subsidy application form
- Certificate of engagement, acceptance, or appointment, as the case may be, duly signed by authorized signatories of private domestic establishments, or head of agency's Human Resource office for government branch

Once the documents stated above are complete, the newly-hired jobseeker shall submit the documentary requirements to the nearest DOLE field office, for evaluation of the concerned DOLE field office within three working days from receipt thereof. The application will then be endorsed to the concerned DOLE regional office for final approval/disapproval.

Within five working days, the concerned DOLE regional office shall notify the applicant of the approval/denial of the application for subsidy through electronic mail/short message service (SMS). If approved, the electronic mail/SMS will include information that the beneficiary should present to the testing center.

Foreign nationals, except Persons of Concern, are not eligible under the said program.



[Click here for Department Order No. 233-22](#)

Contacts

Should you have any comments or questions arising from this newsletter, please contact please contact the SEA Outsourced Compliance, Accounting, & Technology team below.

Asia Pacific & Thailand



Michael Fiore
Asia Pacific Leader
+66 2034 0126
mfiore@deloitte.com

Brunei



Dk Hjh Siti Khadijah
+673 222 5880
skhadijah@deloitte.com

Cambodia



Kimsroy Chhiv
+855 23 963 701
kchhiv@deloitte.com

Guam



Daniel Fitzgerald
+1 671 645 0318
dafitzgerald@deloitte.com

Indonesia



Irene Atmawijaya
+62 21 5081 8808
iatmawijaya@deloitte.com

Laos PDR



Irving Sison
+856 21 419 300
isison@deloitte.com

Malaysia



Julie Tan
+60 3 7610 8847
jultan@deloitte.com

Myanmar



Phyu Phyu Win
+95 9679806859
pwin@deloitte.com

Philippines



Imelda Tapay
+63 2 8 581 9036
itapay@deloitte.com

Singapore



Gayal Karunasena
+65 6531 5077
gkarunasena@deloitte.com

Vietnam

Vietnam



Thomas McClelland
+84 28 710 14333
tmcclelland@deloitte.com



Vu Minh Ngoc
+84 28 7101 4645
ngocmvu@deloitte.com



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