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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.

Singapore

Filing of registrable of controller(s)

All companies/limited liability partnerships (LLPs) are required to file their register of registrable of controller(s) (RORC) information with the Singapore Accounting & Corporate Regulatory (ACRA) via ACRA Bizfile+ online portal.

Entities that failed to file with ACRA maybe fined S\$5,000.

What is RORC?

Since March 2017, companies, foreign companies and LLPs (unless exempted) are required to maintain their RORC.

This RORC contain information of their controller(s), which commonly known as beneficial owner(s).

- You have interest in more than 25% of shares in a company;
- Hold more than 25% of members' voting rights in a company;

- Can exercise significant influence or control over a company/LLP.

For new companies/LLP, RORC must be set-up within 30 days from the date of incorporation.

For more information, you may visit ACRA's website at www.acra.gov.sg.

Singapore Payroll—CPF rate changes effective from 1 January 2022

Singapore will increase the [Central Provident Fund](#) (CPF) contribution rates for employees aged 55 to 70 years from 1 January 2022. This increase in CPF rates was due in January 2021 but it was deferred to 2022 to allow employers to manage costs amid the pandemic. The government plans to gradually increase CPF contributions for those aged 55 to 70 years over the coming decade to strengthen their retirement adequacy. The rate changes will apply to wages earned from 1 January 2022 and CPF contributions will increase between 1.5 and two percent of total wages.

The following table summarises the contribution rates for Singapore Citizens and Singapore Permanent Residents (from third year and onwards) from 1 January 2022.

Employee's age (years)	CPF Contribution Rates from 1 January 2022 (monthly wages >S\$750)		
	Total (% of wage)	By Employer (% of wage)	By Employee (% of wage)
55 & below	37	17	20
Above 55 to 60	28	14	14
Above 60 to 65	18.5	10	8.5
Above 65 to 70	14	8	6
Above 70	12.5	7.5	5

Employers are advised to check their system readiness to apply the correct contribution rates from January 2022. You may refer to more information here on [CPF Website](#).

Indonesia

Tax treatment of employee-related expenses in response to COVID-19 pandemic clarified

On 5 August 2021, Indonesia's Directorate General of Taxation (DGT) issued Official Memorandum Number ND-183/PJ/PJ.03/2021 (ND-183) to clarify some uncertainties regarding the tax deductibility of expenses incurred by employers to help protect their employees during the COVID-19 pandemic.

ND- 183 clarifies that expenses incurred by employers to ensure the safety and health of their employees during the pandemic are tax deductible as long as they are provided to employees regardless of their job positions. Those expenses include testing equipment for COVID-19, auxiliary items necessary for COVID-19 prevention (e.g. face masks and hand sanitizers), and employee vaccination expenses borne by employers. ND-183 also clarifies that such expenses are not treated as income for the employees and, as a result, are not subject to Art. 21 employee income tax.

Malaysia

Beneficial Ownership Reporting Framework

One of the significant regulatory policies introduced under the Malaysian Companies Act 2016 (CA 2016) is the concept of Beneficial Owners (BO). Since its enforcement on 31 January 2017 there has been a requirement to notify and submit the BO information to the Registrar.

Section 56 of the CA 2016 provides a framework to obtain BO information. The underlying principle empowers companies to request, obtain, and record such information. Once obtained and recorded, companies are required to notify the Registrar.

Under this reporting framework, all legal persons such as companies (local and foreign), limited liability partnerships (local and foreign) and businesses (sole proprietors and partnerships) are required to:

- take reasonable steps to identify, obtain and verify the BO information;
- record the BO information into the register of BO;
- keep the BO information accurate and up-to-date and can be accessed in a timely manner;
- update the BO information whenever there is a change to the particulars of the BO and then notify the Registrar;
- keep the BO information and supporting documents at the registered office or where the register of members/register of partners is being kept; and
- give access to competent authorities, law enforcement agencies, the BO whose name has been entered in the register of BO and any other person authorised by the BO.

On 17 December 2020, the Companies Commission of Malaysia (CCM) issued a notice informing that the transitional period ending on 31 December 2020 has been extended to a later date, to be determined by the Registrar to coincide with the enforcement date of the proposed Companies (Amendment) Bill and Limited Liability Partnerships (Amendment) Bill.

Due to the importance of the beneficial ownership reporting framework, CCM will conduct inspections during this period to ensure all companies and limited liability partnerships comply with the beneficial ownership reporting requirements.

Human Development Resources Fund (HRDF) Levy

On 1 March 2021 all industries with 10 or more local employees are obligated to register and contribute a HRD levy of 1% of the monthly salary of each employee, this is optional for firms with 5 to 9 local employees.

Any employer who is required to register but has not registered with HRDF could be fined up to RM10,000 and/or face imprisonment of up to a year.

Under the Pembangunan Sumber Manusia Berhad (Exemption of Levy) (No. 2) Order 2021 (Order), any employer in the industries and carrying out activities listed in the Schedule of the Order to whom the Pembangunan Sumber Manusia Act 2001 applies, is exempt from paying a levy to the Human Resources Development Fund. The exemption is in force from 1 June 2021 to 31 December 2021 and applies to employers who have registered with the Pembangunan Sumber Manusia Berhad from 1 March 2021 to 30 June 2021.

Philippines

Servicing guidelines for Social Security System (SSS) branches

On 12 August 2021, the SSS, Philippines' state-run insurance program for the private sector released an advisory to its members, pensioners, covered employers, and to the

public that guidelines on various services will be implemented in its branches based on the quarantine classification in the respective areas.

Branches in places under enhanced community quarantine (ECQ):

- All transactions, except for mandatory online transactions, must be coursed through the no-contact drop-box system.
- Open for no-contact drop-box system transactions from 9:00 a.m. to 2:00 p.m.

Branches under modified enhanced community quarantine (MECQ):

- All transactions, except for mandatory online transactions, must be scheduled (appointment must be secured) or be done through dropbox.
- Walk-in transactions are limited only to pickup of Unified Multi-Purpose Identification (UMID) cards or subsequent educational loan checks; compliance with the Annual Confirmation of Pensioners Program (ACOP) for those with suspended pensions; and payment of contributions and loans.
- For selected branches, the Number Coding System will be implemented, based on the 10th digit of the SSS:

Day	End of SSS EE or ER ID#
Monday	1 and 2
Tuesday	3 and 4
Wednesday	5 and 6
Thursday	7 and 8

For branches under **general community quarantine (GCQ) and modified general community quarantine (MGCQ)**:

- All transactions, except for mandatory online transactions, will be accepted over the counter.
- For selected branches, the Number Coding System will be implemented. Prescribed transaction days of members and employers for branches implementing the Number Coding System are based on the 10th digit of the SSS or Employer (ER) ID number:
 - Transactions for selected branches with Number Coding System are limited to the payment of contributions and loans; compliance with Social Security (SS) number applications filed through the SSS website/SSS Mobile App for those who did not upload their supporting documents online; pickup of UMID card; presentation of supporting documents to support claim application; use of E-Center facilities for those who have no computer or internet at home; and other justifiable reasons.
 - Service hours are subject to change depending on the applicable curfew set by local government units.

For Funeral or Death Benefit Claim applications, the basis for the prescribed transaction day will be the 10th digit of the SSS ID number of the deceased SSS member. However, if the prescribed transaction day falls on a holiday, the member, claimant, or employer may transact with the SSS on the next working day. In case of system downtime, the SSS will set an appointment with those who were in line, or they may wait until the system is once again operational.

Having aligned these measures with the IATF's omnibus guidelines and resolutions, the SSS appeals to stakeholders' cooperation and understanding to ensure the continuous delivery of SSS services and the safety of the transacting public and the agency's employees during the COVID-19 pandemic.

Thailand

Tax compliance—extend the due date

In order to help businesses to cope with COVID-19 outbreak, Thai Revenue Department announced the extension for the submission date tax return filing and payment for the company which submit by electronic filing as following:

- Monthly withholding tax
 - Extend submission date and payment of monthly withholding tax return for tax month of August to November 2021 (Form PND.1, 2, 53, 54) to the last working day of the payment month.
- Monthly value-added tax (VAT)
 - Extend submission date of monthly VAT return for tax month of August to November 2021 (Form PND.30, 36) to the last working day of the payment month.

Vietnam

International Financial Reporting Standards (IFRS)

Enterprise must comply with all effective IFRS standards and apply them consistently throughout the financial year regardless. Differences between Accounting and Taxable income are to be presented and disclosed in detail in the financial statements and declared in accordance with Tax regulations.

The approved roadmap to the adoption of IFRS in Vietnam will be divided into two stages with regulated groups of enterprises as follows:

Stage 1: Voluntary implementation (2022 - 2025)

Consolidated financial statements:

Parent company of a State-owned enterprise, that is a large-scale enterprise or receives loans from international financial organisations;

- Parent company that is a listed company;
- Large-scale public company that is a parent company not yet listed;
- Other parent companies.

Separate financial statements:

- 100% foreign direct investment enterprises that are subsidiaries of foreign parent companies, and have the need and sufficient resource.

Stage 2: Compulsory implementation (from 2026 onwards)

Consolidated financial statements:

- Parent company of State-owned enterprise(s);
- Parent company that is a listed company;
- Large-scale public company that is a parent company not yet listed;
- Other large-scale parent companies.

Separate financial statements:

- The Ministry of Finance to announce the road map for voluntary or compulsory IFRS implementation for each group of enterprise.

Contacts

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