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Deputy Tax Leader/ International Tax Leader



**Ang Weina**  
National Global Employer Services Leader



**Chee Ying Cheng**  
Executive Director  
Global Employer Services



**Cynthia Wong**  
Director  
Global Employer Services (Immigration)



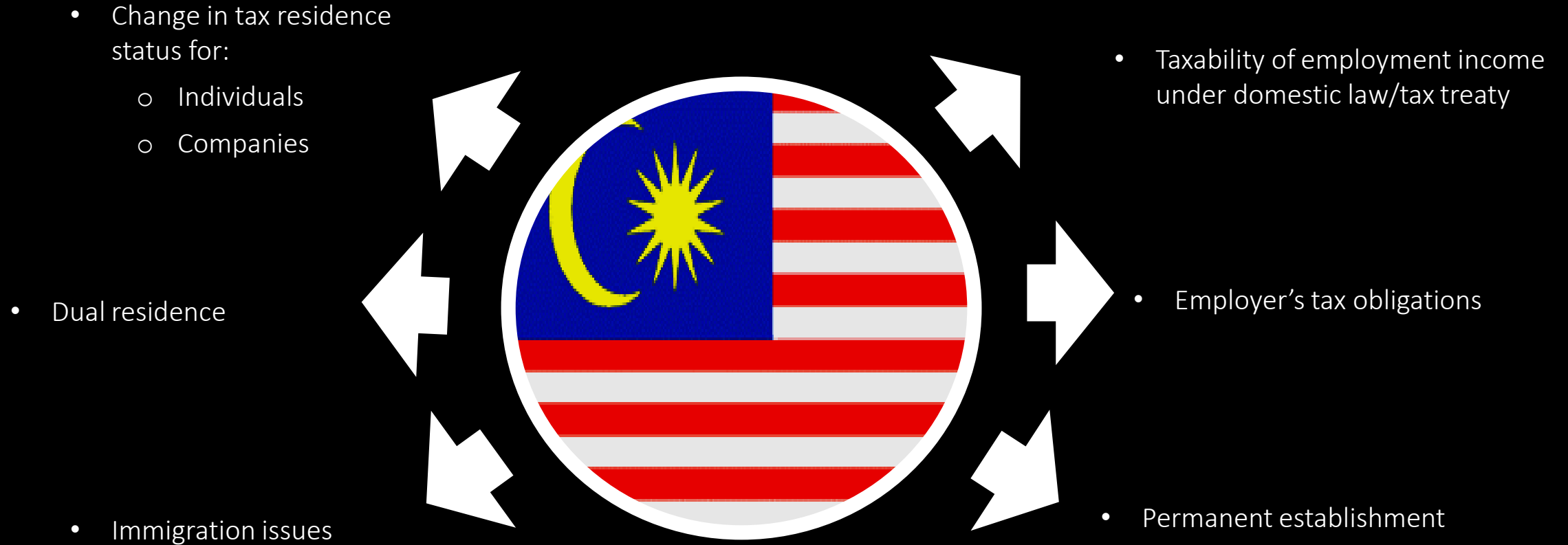
**Tan Chia Woon**  
Associate Director  
International Tax Services

The Malaysian perspective:  
How mobile employees impact your organisation  
during the COVID-19 pandemic – live webcast  
Monday 20 April 2020 | 11.00 a.m. – 12.30 p.m (MY time)



MAKING AN  
IMPACT THAT  
MATTERS  
*since 1845*

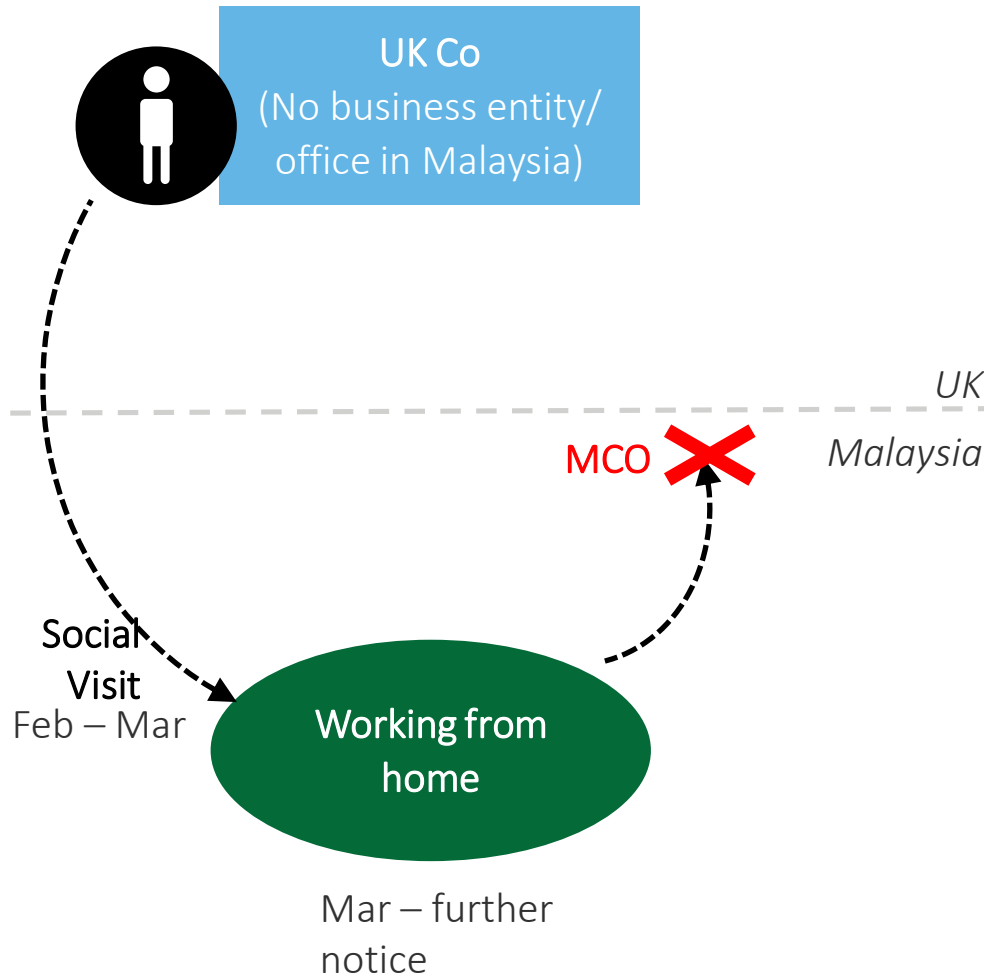
# Potential tax issues during the COVID-19 pandemic



## **Scenario 1:**

Social visit turned  
working from home arrangement

# Scenario 1: Social visit turned working from home arrangement



## Facts

- Robert Lee, a Malaysian
- Works in UK
- Visited relatives in Malaysia on Feb 2020, expected to leave end of Mar
- Due to Movement Control Order (MCO), stranded
- Works from sister's home for UK Co until further notice
- Should be able to leave Malaysia in Sep

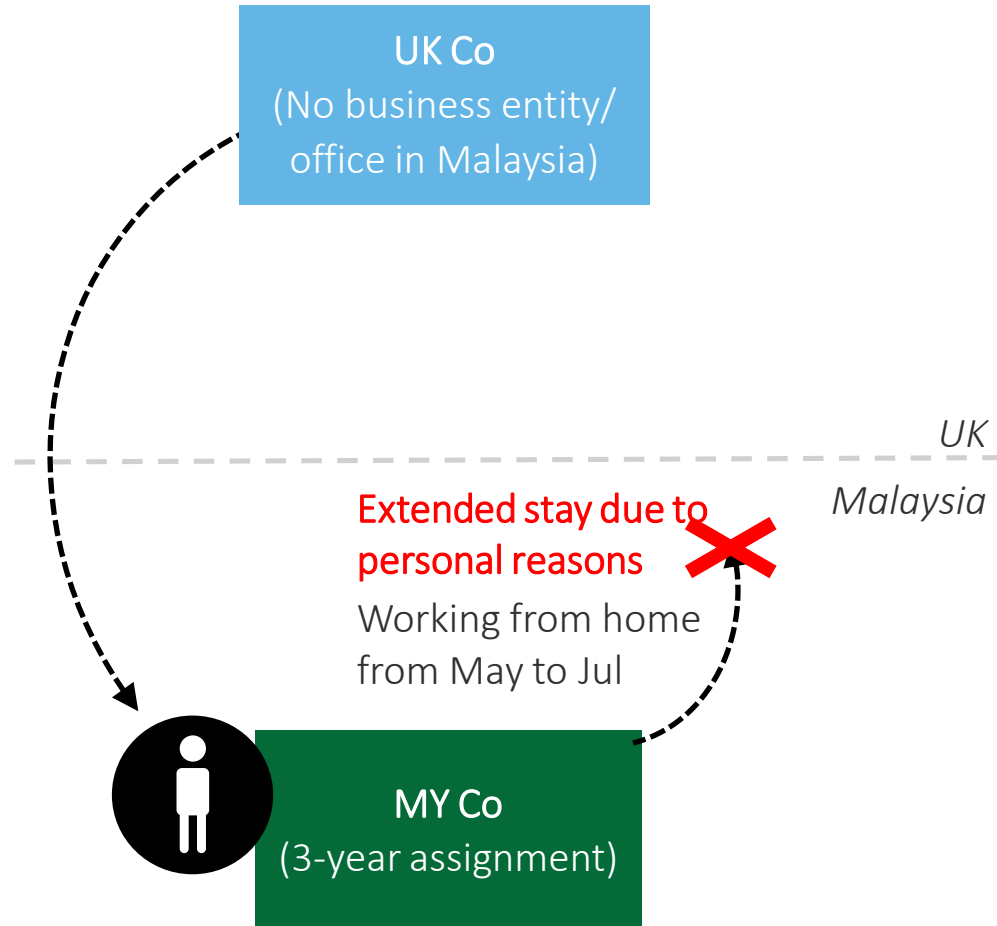
## Issues

- Tax resident status
- Dual residence, tie-breaker rule
- Employment income -> derived from Malaysia?
- Domestic tax exemption or DTA protection
- Foreign employer's tax obligations
- PE risk for UK Co in Malaysia
- International guidance – OECD/ Ireland/ UK/ Singapore/ Australia

## **Scenario 2:**

Extended stay (upon completion of Malaysian assignment) in Malaysia for personal reasons and working from home

## Scenario 2: Extended stay (upon completion of Malaysian assignment) in Malaysia for personal reasons and working from home



### Facts

- John, a UK citizen, 3-year assignment in Malaysia
- Employment pass expiring in Apr 2020, coincides with employment period
- Contract with MY Co will end in Apr 2020, no intention to renew
- Special request to stay back until Jul 2020, waiting for his son's school term break
- In the interim, working from home in Malaysia for UK Co.

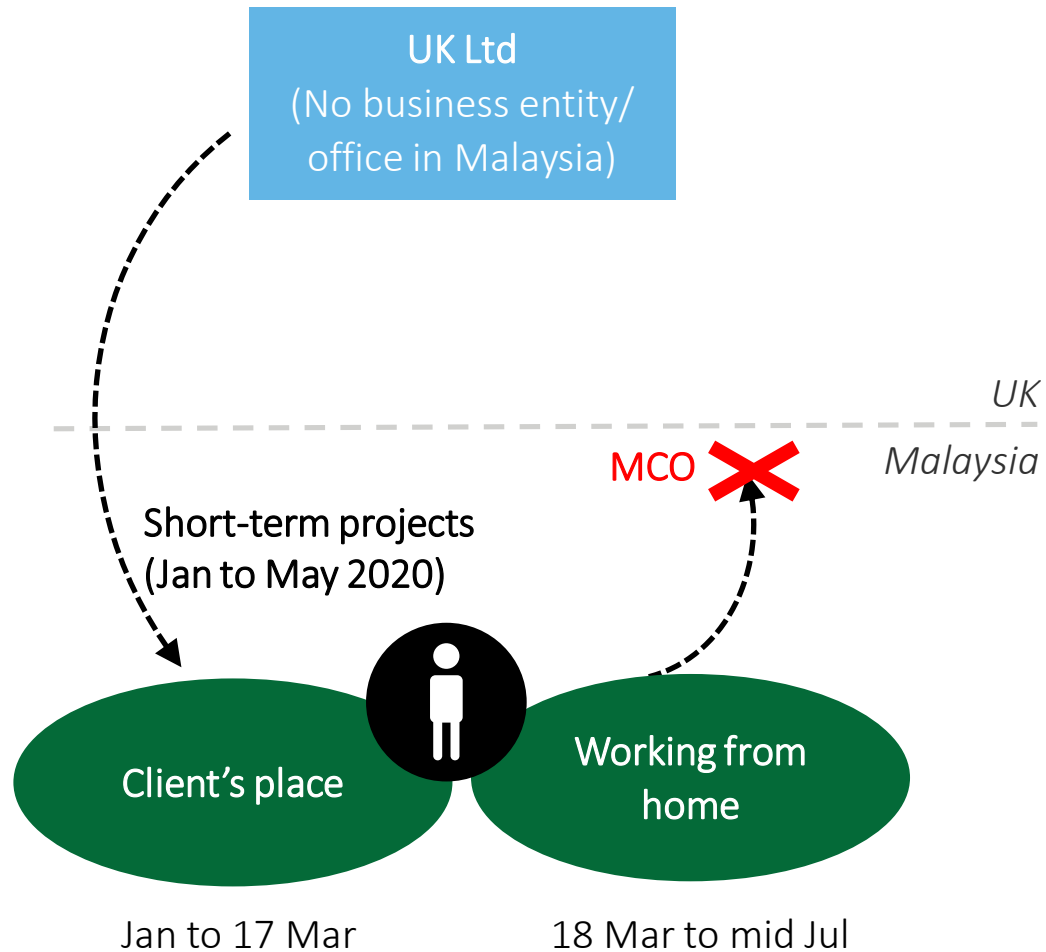
### Issues

- John's income from May to Jul 2020 -> subject to tax in MY?
- DTA protection?
- MY Co - deemed employer's obligations?
- UK Co's PE Risk in Malaysia?
- UK Co tax residency?
- Immigration issues

## **Scenario 3:**

Extension of short-term assignment due to MCO

## Scenario 3: Extension of short-term assignment due to MCO



### Facts

- Anthony, ex-Malaysian, holding UK passport
- Employee of UK Ltd
- Travels overseas for short-term projects
- Came in Jan 2020, expected to leave by end of May
- Due to MCO, unable to work at client's place from 18 March onwards, delaying completion of assignment
- Works from mother's home in KL during MCO.
- Likely only returning to the UK mid-July, as part of his work needs to be performed on client premises

### Issues

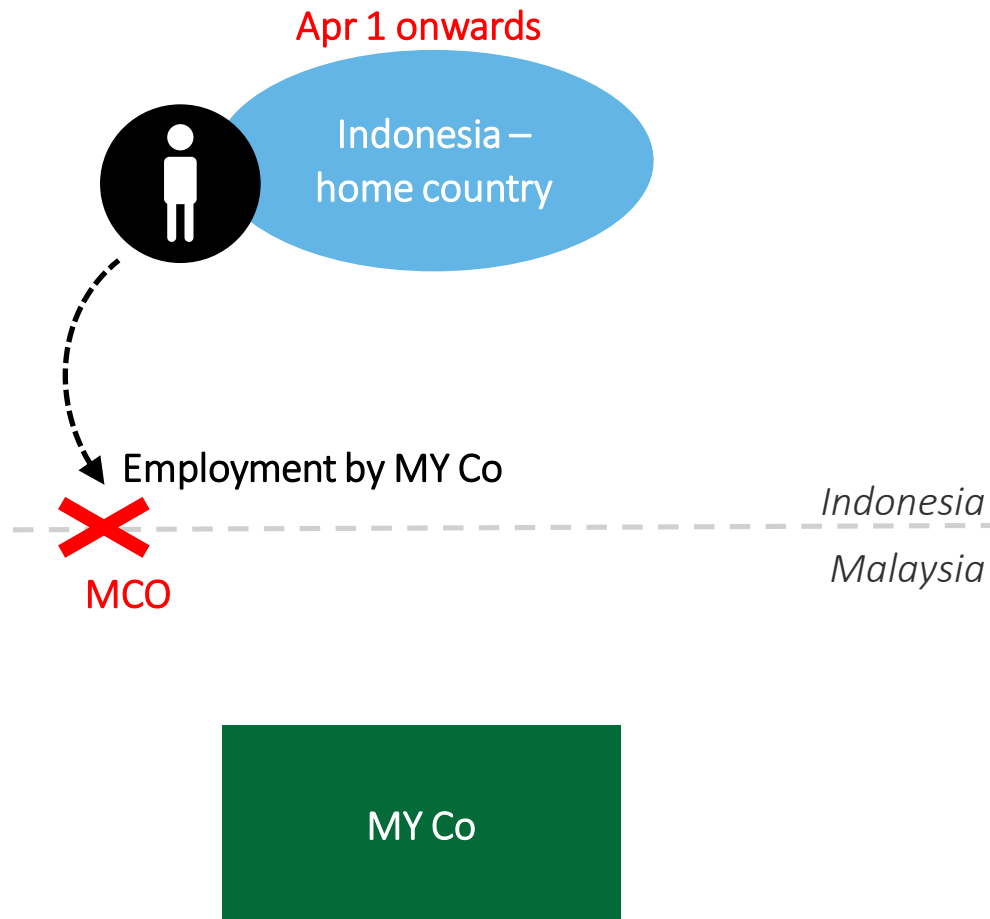
- Residence status
- Dual residence
- Employment income -> derived from Malaysia?
- Dual taxation? Foreign tax credit?
- Creation of PE?
- Immigration issues



## Scenario 4:

Malaysian company's employee 'stranded' overseas

## Scenario 4: Malaysian company's employee 'stranded' overseas



### Facts

- Suharto, an Indonesian
- To be hired by MY Co
- Employment commences on 1 Apr 2020
- Work permit approved but pending endorsement (only done upon his arrival in Malaysia)
- Due to COVID-19, Indonesia has announced a lockdown and travel ban
- Working from Indonesian home for MY Co from 1 Apr
- Payroll by MY CO starts in Apr

### Issues

- Income for duties performed for MY Co in Indonesia be deemed derived from MY? Dual taxation?
- MY Co - employer obligations and deduct PCB
- PE Risk for MY Co in Indonesia

## Recap - Corporate tax issues

Tax issues	Points for consideration
Corporate tax residency	<ul style="list-style-type: none"><li>• Domestic tax law - management and control</li><li>• Tax treaty – Place of Effective Management (POEM)</li><li>• OECD Guidance</li><li>• Irish/ Australia/ UK Guidance</li></ul>
PE risk under tax treaty	<ul style="list-style-type: none"><li>• Fixed place PE</li><li>• Service PE</li><li>• Other types of PE: Construction PE, Agency PE</li><li>• OECD Guidance</li><li>• Irish / Australia / UK/ SG Guidance</li><li>• Non-treaty case?</li></ul>

## Recap - Individual tax issues

Tax issues	Points for consideration
Individual tax residency	<ul style="list-style-type: none"><li>• Implication of resident status vis-à-vis scope of charge</li><li>• Quantitative vs qualitative test</li><li>• Application of tie breaker rules – Treaty vs non-Treaty countries</li><li>• OECD commentaries</li></ul>
Derivation of employment income	<ul style="list-style-type: none"><li>• General employment derivation rules</li><li>• Domestic exemptions vs Treaties exemptions</li><li>• Implication of OECD commentaries</li></ul>
Employer's tax obligations	<ul style="list-style-type: none"><li>• Technical vs practical approach</li><li>• Viability of compliance of non-resident employer</li></ul>

## Recap - Immigration issues

Immigration issues	Points for consideration
Immigration pass sponsor's obligations	<ul style="list-style-type: none"><li>• Who is considered sponsor, e.g. Employment Pass, Student's Pass?</li><li>• Terms &amp; conditions in an immigration pass endorsement on passport</li><li>• Consequences of non-compliance</li></ul>
Immigration requirement relaxation	During & post MCO period

# Combating COVID-19 with resilience

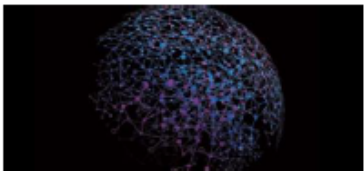
A collection of insights to help business manage and mitigate risks with COVID-19



## **The heart of resilient leadership: Responding to COVID-19**

A guide for senior executives. Five fundamental qualities of resilient leadership distinguish successful CEOs as they guide their enterprises through the COVID-19 crisis. Learn specific steps that can help blunt the crisis's impact- and enable your organisation to emerge stronger.

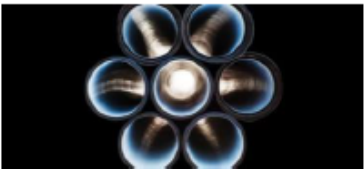
<https://www2.deloitte.com/global/en/insights/economy/covid-19/heart-of-resilient-leadership-responding-to-covid-19.html>



## **COVID-19: Managing cash flow during a period of crisis**

Cash flow management needs to be an integral element of a company's overall COVID-19 risk assessment and action planning in the near term. Management teams will need to evaluate their cash flow requirements, develop appropriate actions under various scenarios, and assess potential risks to their customer base and supplier network.

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-COVID-19-managing-cash-flow-in-crisis.pdf>



## **COVID-19: Managing supply chain risk and disruption**

A decades-long focus on supply chain optimisation to minimise cost, reduce inventories, and drive up asset utilisation has removed buffers and flexibility to absorb disruptions – and COVID-19 illustrates that many companies are not fully aware of the vulnerability of their supply chain relationships to global shocks.

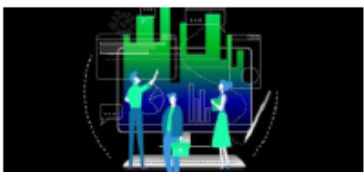
<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-COVID-19-managing-supply-chain-risk-and-disruption.pdf>



## **Future of Work: Ways of working in uncertain times**

To sustain and thrive in uncertain times brought forward by COVID-19, organisations must explore new ways of working. This has placed a spotlight on the need for corporate resilience and the ability to embrace virtual collaboration tools and practices.

[https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/Future\\_of\\_Remote\\_Work\\_Final\\_031420.pdf](https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/Future_of_Remote_Work_Final_031420.pdf)



## **Business Continuity Management: With a zoom in on the health crisis response plan**

An effective Business Continuity Management (BCM) programme is a critical component of successful business management. Experience shows that typically over 50 percent of businesses without an effective business continuity plan will ultimately fail following a major disruption.

<https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/risk/lu-business-continuity-management.pdf>



# FAQ on Malaysia stimulus package and other key information during COVID-19

Live Webcast | Thursday, 23 April 2020

2.00 p.m. – 3.00 p.m.





In Korean language

For more information on the webinar, please contact [sungelee@deloitte.com](mailto:sungelee@deloitte.com)

Deloitte Speakers		
Kim Jeeyun	Senior Manager, Tax - Business Tax Compliance - Korean Services Group	
Suh Jiwon	Business Consultant, Tax - Deloitte Business Tax Compliance	
Lee Sungeun	Assistant, Tax - DTT Global Employer Services	
External Speakers		
Lee Jusang	Director, Korea Trade-Investment Promotion Agency (KOTRA Kuala Lumpur)	
Ki Soyeh	Korea Desk Senior Manager, Wong & Partners	



Responding to COVID-19 -  
Employers do's and don'ts  
Live Webcast | Thursday, 23 April 2020  
3.00 p.m. – 4.00 p.m.

Deloitte Speakers		
Ang Weina	National Global Employer Services Leader	
Julie Tan	Business Process Solutions Leader	
Shareena Benedict Martin	Business Process Solutions Director	
External speaker		
<u>Amirtheveswary MCPirapu</u>	Partner, Litigation and Alternative Dispute Resolution - <u>Iza Ng Yeoh &amp; Kit</u>	

For more information on the webinar, please contact [sbmartin@deloitte.com](mailto:sbmartin@deloitte.com)





Key fiscal measures under the  
 Economic Stimulus Package -  
 Your questions answered!  
 Live Webcast | Friday, 24 April 2020  
 2.00 p.m. – 3.30 p.m.

For more information on the webinar, please contact [jleow@deloitte.com](mailto:jleow@deloitte.com)

Deloitte Speakers		
Sim Kwang Gek	Country Tax Leader	
Mark Chan	Executive Director, Business Tax	
Chia Swee How	Real Estate Tax Leader	
Tham Lih Jiun	Government Grants & Incentives Tax Leader	
Tan Eng Yew	Indirect Tax Leader	

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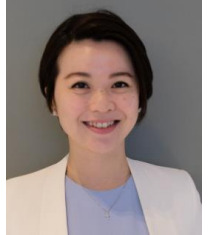
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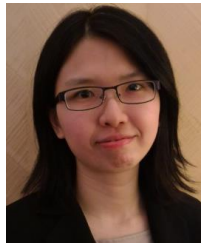
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