





CORONAVIRUS: GOVERNMENT UPDATES ASIA-PACIFIC





In light of the ongoing Coronavirus (COVID-19) outbreak, the INS Global team are pleased to provide you with this update on government and employment regulations in the Asia-Pacific region.


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Due to the outbreak of Coronavirus (COVID-19), many businesses have been directed to remain closed for a lockdown period. This affected many businesses as they were unable to receive income, yet still had to manage expenses. Governments across the following countries in the Asia-Pacific region have made adjustments to employment regulations and are providing additional support to businesses during this time.

Country	Update
Hong Kong 	<p>Employment contract terms can be changed by mutual agreement</p> <ul style="list-style-type: none"> • Salaries can be reduced by up to 20%, however this cannot be unilaterally imposed, employees must agree. • Employers can request for employees to take a period of accrued annual leave. <p>There are no tax reductions for this period. However, the government has allowed for a 3 month delay for employees to make their tax payments.</p>
Taiwan 	<p>The Taiwanese government has passed the Special Act on COVID-19 Prevention, Relief and Restoration, providing a total budget of NT\$60 billion.</p> <ul style="list-style-type: none"> • Ministry of Economic Affairs - More than NT\$20 billion for measures to relieve and revitalize industries affected by the COVID-19, such as manufacturing and service industry, among others. This will be distributed through loans, vouchers, interest reductions, discounts and other means. • Ministry of Health and Welfare – Almost NT\$17 billion for the compensation and rescue of medical institutions, pharmacy and nursing institutions affected by the pandemic. This will be distributed through outpatient compensation and salary loans, among other means. • Ministry of Transportation – Support for those in the railway, automobile, travel, aviation and other similar industries. Relief would be provided in the form of fuel subsidies, discounts etc. • Ministry of Culture – Support for those in the film and television, museums and other cultural industries. The contributions will be made through loan discounts, rent subsidies, salary subsidies etc. • Subsidies, allowances and rewards will also be provided for medical staff during the epidemic, as well as revitalization measures for Hakka and indigenous people .

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<p>Vietnam</p> 	<p><u>Delay in resumption of work:</u></p> <ul style="list-style-type: none"> • In terms of Clause 3 of Article 98, of the Labor code: if an employee is unable to resume work, due to no fault of the employer or employee, such as a natural disaster or a dangerous epidemic, the parties must reach a mutual agreement regarding wages. However, the agreement reached cannot be lower than the regional minimum wage. • The employer is still required to contribute to the social insurance of the employee. <p><u>Termination of employment contract due to disease:</u></p> <ul style="list-style-type: none"> • In terms of point C, Clause 1, Article 38 of the Labor code, an employer has the right to unilaterally terminate the employment contract. The termination can only be enforced in circumstances such as natural disasters or epidemics, and the employer must have sought out all other remedies before enforcing the termination. • Before terminating the contract an employer is required to give the employee notice: <ul style="list-style-type: none"> - At least 45 days for labor contracts with an indefinite term; - At least 30 days for labor contracts with a definite term; and - At least 3 working days for a seasonal employee or a work scope with a period of less than 12 months. - Employees who have worked for 12 months or more are entitled to receive severance allowance (severance pay). Severance allowance in Vietnam is equal to half a month's wage, for each year of employment. <p>Considerations during the COVID-19 period:</p> <ul style="list-style-type: none"> • Employers can calculate wages based on days of actual work. • Employers can negotiate with employees to use their annual leave for the period of days they are unable to work. Therefore, in future if employees request leave, the leave will be deducted from their salary. • Employers can negotiate a reduced salary with employees, however, it must still be above the regional minimum wage.

Country	Update
<p>Singapore</p> 	<p>Various support measures have been introduced by the Singaporean government in an effort to aid businesses currently undergoing operational challenges.</p> <p>1. Quarantine order allowance</p> <ul style="list-style-type: none"> • Employers must treat local or foreign employees, who have been issued a quarantine order, as if they are on paid hospitalization leave and therefore pay their salaries as per normal. • Employers can apply for an allowance (100 SGD per day) for each employee affected who has been issued, with a quarantine order (employers can apply only at the end of the quarantine period). <p>2. Leave Of Absence (LOA) and Stay Home Notice (SHN) support program</p> <ul style="list-style-type: none"> • Depending on the nature of the work, employers are to consider working from home as an option. • Under this program, eligible employers are able to apply for a daily allowance of SGD 100, for each affected employee, for the LOA or SHN period. • In order to be eligible the following requirements need to be met: <ul style="list-style-type: none"> • Employer must be a company registered in SG; • Affected employee must be a SG citizen, permanent resident or work pass holder (incl. employment pass and S pass); • Employer must have previously granted the employee additional paid leave on top of their annual leave or treated the LOA or SHN period as paid hospitalization leave; • Affected employees must have fully complied with the requirements of the LOA or SHN; • Employer must have obtained the MOM's prior approval for the employee to return from abroad (if they are a work pass holder); • Affected employees should not be able to work from home; and • The employee must have been working for the employer prior to their return and being placed on LOA or SHN. <p>Note**: Self-employed people are also eligible to apply for the support, provided they are a Singaporean citizen or a permanent resident and they have been placed on LOA or SHN.</p> <p>3. Temporary scheme to help businesses managing manpower disruption. This scheme has been implemented from 2 March 2020 by the Ministry of Manpower (MoM), in an effort to support companies in the manufacturing and service sectors and provide them with some flexibility to manage their manpower.</p>

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Singapore 	<p>In terms of this scheme, businesses in the manufacturing and service sectors will be able to hire People’s Republic of China (PRC) work pass holders who are already employed by another in SG. This allows for businesses who need manpower to take on employees from which other businesses have an excess. This scheme is applicable for the next 6 months.</p> <p>4. Levy waiver and payment extension The MoM has introduced a levy waiver and payment extension measures to further support businesses during this period. The following measures have been implemented since 24 March 2020:</p> <ul style="list-style-type: none"> • 3 month extension of the levy payment for SMEs (foreign worker levy); • Levy waiver for up to 90 days for foreign workers on overseas leave; • Man-Year Entitlement refund for affected construction companies, effective from 1 April 2020 • Waiver of the foreign worker levy due in April 2020, for each work permit and S pass holder. <p><u>Support measures for businesses</u> The following stabilization and support measures were introduced in an effort to provide support to the Singaporean economy and help businesses maintain their cash flow during the COVID-19 period:</p> <p>1. Corporate income tax rebate All companies that are taxed under Corporate Income Tax (CIT) will be eligible for a CIT rebate of 25% of tax payable for the year assessment of 2020. This means that the financial year of 2019 will be capped at an amount of SGD 15,000.</p> <p>2. Automatic extension of instalment payments and deferment of income tax payable This is applicable to companies that have to file their Estimated Chargeable Income. These companies will have an additional 2 months of interest free installments in order to pay their CIT.</p> <p>3. Other reductions This includes the option to accelerate write-offs and deductions, property tax rebates and the carrying back of unabsorbed capital allowances and trade losses.</p>

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<p>Singapore</p> 	<p>3. Other reductions This includes the option to accelerate write-offs and deductions, property tax rebates and the carrying back of unabsorbed capital allowances and trade losses.</p> <p>Loan programs There are various loan schemes available for both SME's and large enterprises such as:</p> <ul style="list-style-type: none"> • Small and medium enterprise working capital loan – a working capital loan for SME's. • Trade loan – supports trade financing needs of companies based in Singapore, which includes the financing of short term import, export and guaranteed needs. • Temporary bridging loan program – Introduced in March 2020 in order to provide additional cash flow support to various sectors until 31 March 2021.



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