



Determination of tax residence during the Covid-19 period

The COVID-19 pandemic has raised many tax issues, especially for individuals who are stranded in a country that is not their country of residence.

Example 1:

a person is temporarily away from their home and gets stranded in the host country by reason of the COVID-19 crisis and attains domestic law residence there. In this case if a tax treaty is applicable, the person would not be a resident of that country for purposes of the tax treaty. Such a temporary dislocation should therefore have no tax implications.

Example 2:

a person has acquired residence status in a country, but he temporarily returns to his “previous home country” because of the COVID-19 situation. He may either never have lost his status as resident of his previous home country under its domestic legislation, or he may regain residence status on his return. In this case it is unlikely that the person would regain residence status for being temporarily and exceptionally in the previous home country. But, even if the person is or becomes a resident under such rules, if a tax treaty is applicable, the person would not become a resident of that country under the tax treaty due to such temporary dislocation.

We will happy to assist you in case of concerns related to your tax residence, to the residence status of your company, to your cross border workers and your permanent establishment.

Feel free to get in touch with us @ info@trust4trust.com .

PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.

TRUST 4 TRUST GROUP
EMAIL: INFO@TRUST4TRUST.COM
PH.: +41 91 220 4710
FAX: +41 91 220 4711