

in the retail prices of goods spiking or falling. The answer will be largely dependent on several factors such as the range of products or services covered, the types of tax exemptions granted, the mitigation measures to be taken by the government to regularise these adverse effects, and the business

strategy adopted by the businesses regarding whether to include it as a cost or 'pass on' to consumers.

Despite the fact that GST has been effectively adopted by over 160 countries worldwide, Malaysia is the first country in the world to retract the GST and return to the

SST regime. The transition within such a relatively short time frame may require careful management. Nevertheless, the businesses need focus and resources to put their billing and accounting systems well ready in place to ensure SST compliance and a seamless transition.

# Blockchain – New packaging for old processes

## Opinion

By Prof Robert Anthony

With this issue, I wish to be relatively brief and state the necessity to be serious as to the importance of the subject. I would appreciate from my colleagues or readers your thoughts as to whether you agree with my definition of Blockchain. In the current world of artificial intelligence, our traditional methods of evaluation and values are being put into question. As someone trained in Coopers and Lybrand, which pioneered flow charts in the early 1970s, I thought it would be interesting to use old methods to define new semantics.

'A Blockchain is a flowchart of connected controlled transactions with a database represented by information technology being introduced to a central hub by way of unlimited variants which



**Prof Robert Anthony**

introduce connected sourcing vectors. The hub is frequently evolving by its own modification with the creation of additional data/substance made by a programmed origination (known as mining) or also obsolescence reducing the volume. The hub ownership has a value with a clear audit trail with security tags to avoid hacking and fraud. The proprietorship is represented by an electronic reference known as a wallet, often held by an exchange platform as a custodian. The ownership is normally in reality by way of a coin electronically issued which

is transferable and can be backed by real substance, whether tangible or intangible, and has a market value.'

I invite you to send emails to exchange your thoughts on this concept as well as the implementation of corporate governance. Does this mean that the current monetary system is becoming obsolete? Will it revolutionise share registers? Will currencies be bypassed by the ICO (Initial Coin Offering)? Will currencies become a thing of the past? Will there be a consolidation of the several issues already made? How does one deal with virtual value and the supply and demand chain? So many questions and more could be asked, but, as you the readers can see, there is a real intellectual challenge and it is necessary for all of us to be very careful and ensure we are not left behind, nor financially penalised, in this fin tech revolution. Fraud and security are fundamental issues which require all our competencies and know-how.

As many of the readers are professional people, we have civil liability for our actions. If our clients own cyber currencies, we have to consider how we treat money laundering, tax evasion and the valuation for capital

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values. Take the USA for example - would there be tax on increased market values as capital growth? What happens with a negative fluctuation, does this mean a capital loss? How do we determine the valuation of this

new market place? Owning through corporate entities just creates more confusion. Regulations internationally are not in place everywhere. Exchange of information and exit taxes may apply where appropriate, depending

on whether governments consider their current legislation to be adequate or that they need to modify it.

Please write to me at robert@antco.com and let me know your thoughts... #blockchain

# New Dutch employment law to repair the flaws of the Work and Security Act

By Paulien van der Grinten

In 2015, the Work and Security Act entered into effect, drastically changing Dutch employment law. These changes, however, were criticized for – in short – being too complex. Recently, a legislative proposal (the proposal) has been published which should make employment law more unambiguous, simpler and cheaper for employers. The adjustments will most likely take effect from January 2020. The most interesting changes are discussed below.



*Paulien van der Grinten*

## Successive employment

When the proposal takes effect, the successive contracts rule will state that an employer can provide employees with three fixed-term employment

contracts within three years (currently two years), before being obliged to provide a permanent employment contract. When an employer wants to avoid a permanent contract, he has to interrupt the employment for a period of six months.

## Dismissal

Currently, Dutch dismissal law contains eight 'reasonable grounds' for dismissal. An employer needs to completely meet the requirements of one of those grounds before he is allowed to dismiss an employee. The proposal introduces a ninth cumulation ground, allowing an employer to mix several grounds to dismiss an employee.

## Transition payment

Dutch employees are, in most cases, entitled to a 'transition payment' (which amounts to 1/3 month's salary per year of service) paid by the employer if they are dismissed and they have worked for an employer for two years or more. This proposal states that employees will be entitled to the transition payment from day one of their employment.

In addition to the abovementioned, this proposal contains changes to payrolling, on-call contracts, a longer probationary period in a permanent contract and non-compete clauses. The expectation is that all these changes combined will repair the flaws of the Work and Security Act.

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