



Asia Pacific Tax Developments

Australia

Australia: “Look-through” treatment of earnout arrangements

In late April, the Australian Government released Exposure Draft legislation which proposed to amend the capital gains tax treatment of payments made under earnout arrangements.

Submissions on the draft legislation close on 21 May.

[More details](#)

China

China – China (Tianjin) Pilot Free Trade Zone is officially launched

The China (Tianjin) Pilot Free Trade Zone (“Tianjin FTZ”) was officially launched in late April. At the same time, the Overall Plan and Administrative Measures of Tianjin FTZ were introduced by the State Council and Tianjin Municipal Government respectively. KPMG provides further insights for domestic and aboard investors.

[More details](#)

India

India: High Court Decision on settlements regarding Non Performing Assets (NPAs)

To recover Non Performing Assets (NPAs), often banks or financial institutions will settle by offering certain loan or interest amounts as a waiver. Taxation of such settlements has historically been a matter of litigation. In a decision of the High Court, it was held either the interest amount has to be allowed as a deduction or the sum offered for tax (as waived by the bank) has to be reduced by the amount of interest paid.

[More details](#)

New Zealand

New Zealand: FATCA guidance on “recalcitrant accounts”

The Inland Revenue has issued guidance on the reporting of “recalcitrant accounts” under the FATCA regime. The approach generally is to treat recalcitrant individuals as specified U.S. persons and recalcitrant entities as passive non-financial foreign entities.

[More Details](#)

New Zealand: Proposals will increase tax on related-party debt

Inland Revenue and Treasury have released an issues paper with proposals to address “potential weaknesses in the tax treatment of interest earned by non-residents”. This will increase the cost of related-party debt funding for New Zealand business. It proposes to change the way the NRWT and AIL regimes operate for related-party cross-border debt.

[More Details](#)

Thailand

Thailand: Draft transfer pricing legislation

The Thai Cabinet has approved draft transfer pricing legislation that will, if enacted, amend the tax law of Thailand to apply transfer pricing rules to transactions between related parties.

[More Details](#)

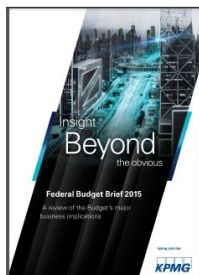
Vietnam

Vietnam: Determining a permanent establishment (PE)

Vietnam's tax authorities have adopted a stricter view as to the presence of permanent establishments (PEs) of foreign entities in Vietnam. This publication from KPMG in Vietnam analyses the tax authorities' views on the PE, especially for some typical transactions.

[More Details](#)

2015 Budget Highlights



Australia - Budget 2015

Australia's 2015 budget was presented on 12th May. A strong focus in this Budget is providing small businesses with incentives to employ more staff and for the second income earner in families to be encouraged to look for more work. There is also a focus on integrity measures, looking to address fiscal risks and fairness concerns in both the taxation and welfare systems.

KPMG's Federal Budget Brief 2015 provides insights against a changing business backdrop.

Key insights:

- A small business package includes reductions in tax rates as well as accelerated tax write-offs for a fixed period.
- Streamlining and extending existing child care arrangements, while restricting the ability to access both government and employer-provided parental leave entitlements.
- Large business tax integrity measures directed towards increasing the types of activities that are brought within the Australian tax base and tax disclosures.

[Publication](#)

OECD Update



OECD releases public comments on BEPS draft discussion paper on data analysis

The Organisation for Economic Co-operation and Development (OECD) has published comments received in response to the discussion draft of proposals on Action 11 (Improving analysis of Base Erosion and Profit Shifting (BEPS)) of the BEPS Action Plan.

[Public Comments and Discussion Draft](#)

Calendar of Events

Date	Event	Location
21 May 2015	New Zealand Budget announcement	New Zealand
26 October 2015	2015 KPMG EMA Tax Summit For more information, contact your local KPMG Tax Partner	Portugal

Beyond Asia Pacific

Canada: Federal budget update

The Department of Finance released a Notice of Ways of Means Motion (NWMM) to implement selected measures announced in the 2015 budget as well as certain previously announced tax measures.

[More details](#)

EU: VAT provisions under proposed digital single market

The European Commission has released a series of “questions and answers” specifically concerning a proposal for a digital single market. The proposed digital single market would reduce VAT-related burdens and obstacles for those selling across border.

[More details](#)

TaxNewsFlash by Region

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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