



## Asia Pacific Tax Developments

### Australia

#### Australia: Arm's Length Test - 5 key Board of Taxation recommendations

The Assistant Treasurer has released Board of Taxation recommendations on the arm's length debt test in the thin capitalisation rules. The recommendations are to:

- Keep the arm's length debt test;
- Not limit its scope;
- Change the law to factor in credit support;
- Minimise gateway compliance costs using the 'tax risk integrity framework'; and
- Enhance ATO administrative guidance.

The report has been released for public discussion for the purposes of the tax reform debate.

[More details](#)

### China

#### China: China tax planning to be impacted by BEPS Action 7 permanent establishment (PE) proposals

The BEPS PE work in Action Plan Item 7 aims to adjust the definition of PE to prevent the artificial avoidance of PE status.

It is considered that the BEPS PE proposals may foreshadow a significant tightening of Chinese PE enforcement for Multinational Enterprises (MNEs), which may in turn prompt extensive restructuring of existing China operating arrangements. MNEs are advised to monitor these trends and consider the implications for their existing structures and future planning.

[More details](#)

### India

#### India: Tax is to be deducted on entries relating to provision for expenses passed in the books of account

The Income-tax Appellate Tribunal in the case of IBM India Private Ltd dealt with the issue of levy of interest vis-à-vis applicability of tax deducted at source provisions.

KPMG in India comments on the decision.

[More details](#)

#### India: Two enterprises treated as Associated Enterprises without satisfaction of the deeming fiction

The Mumbai Bench of the Income-tax Appellate Tribunal held that two enterprises will be treated as Associated Enterprises (AEs) if the conditions of Section 92A(1) of the Income-tax Act are satisfied irrespective of the deeming fiction set out under Section 92A(2) of the Act.

KPMG in India comments on the decision.

[More details](#)

### Korea

#### Korea: Transfer pricing, customs valuations advance arrangements

The Korean government has made various amendments to the Korean transfer pricing rules and the Korean customs law to allow taxpayers to arrange for the advance coordination of valuation for both transfer pricing and customs purposes.

[More details](#)

# OECD Updates



## BEPS Action 8 (hard-to-value intangibles)

The Organisation for Economic Co-operation and Development (OECD) has released a discussion draft concerning work in relation to Action 8 under the base erosion and profit shifting (BEPS) project concerning hard-to-value intangibles.

[More details](#)

## Implementation package for BEPS country-by-country reporting

The OECD has released a package for implementing a new country-by-country reporting plan developed under the OECD/G20 base erosion and profit shifting (BEPS) project.

[More details](#)

## Seven more countries agree to automatic exchange of information

Representatives of the governments of Australia, Canada, Chile, Costa Rica, India, Indonesia and New Zealand have signed a multilateral agreement in OECD headquarters for the automatic exchange of information (AEOI).

[More details](#)

# Calendar of Events

Date	Event	Location
3 July 2015	KPMG Trade and Customs breakfast briefing <a href="#">More details and registration</a>	InterContinental Hotel, Singapore
5 July 2015	Pakistan Budget	Pakistan
9 July 2015	Costly mistakes to avoid in your GST Return For more details email <a href="#">Pershen Kaur</a>	Petaling Jaya, Malaysia
23 October 2015	Malaysian Tax Budget 2016	Malaysia
28 October 2015	KPMG Malaysia Tax Summit 2015 For more details email <a href="#">Karen Lee</a>	Malaysia

# Beyond Asia Pacific

## [EU: Specific tax rulings requested from countries](#)

The European Commission is continuing its efforts concerning “tax rulings” issued by tax authorities to an individual company on a specific tax matter. It is also working toward greater transparency on tax rulings, as part of its agenda against tax avoidance and harmful tax competition.

[More details](#)

## [South Africa: FATCA guide for financial institutions](#)

The South African Revenue Service has issued a general guide for South African financial institutions to follow with respect to implementation of the FATCA regime and the intergovernmental agreement between South Africa and the United States.

[More details](#)

## [Switzerland: Corporate tax reform proposals](#)

The Swiss Federal Council has defined the parameters for the third series of corporate tax reform in a dispatch for a federal law on tax-related measures to strengthen the competitiveness of Switzerland as a business location.

[More details](#)

## [United Kingdom: Government’s business tax plans](#)

The Financial Secretary to the Treasury has outlined the government’s business taxation plans. KPMG in the UK has prepared a report on the key points.

[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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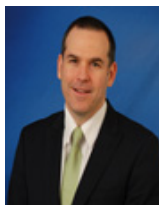
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