



Asia Pacific Tax Developments

Australia

Australia: Research & Development tax incentive update

Back in May, the Government introduced the Tax and Superannuation Laws Amendment (2015 Measures No. 3) Bill 2015 which included a measure to reduce the R&D tax offset by 1.5 percentage points - equivalent to a 10 percent cut for most small companies and 15 percent cut for large companies, effective 1 July 2014.

The Bill passed the Lower House on 17 June 2015 and was immediately introduced to the Senate (18 June 2015). The composition of the Senate may result in either amendment of the Bill, or it not being passed into law.

[More details](#)

Australia: New employee share scheme rules

New employee share scheme rules were passed by the Senate. This means the new rules will apply to grants of shares, rights and options made on or after 1 July 2015 once the Bill gets Royal Assent.

[More details](#)

China

China: Agreement with EU on Authorised Economic Operator, trusted trader program

The representatives of the EU and China signed a joint statement about final steps before mutual recognition of their respective "trusted trader" programs will enter into force and be effective, scheduled for November 2015.

[More details](#)

Hong Kong SAR

Hong Kong: Anti-money laundering controls to address tax evasion

The Hong Kong Monetary Authority issued guidance—*Anti-Money Laundering Controls Over Tax Evasion*—that sets out practices regarding how "authorized institutions" are to address tax evasion risks in Hong Kong.

[More details](#)

Japan

Japan: Consumption tax guidance, cross-border supplies of digital services

The Japanese tax agency released an official version of English-language guidance concerning the consumption tax treatment of cross-border supplies of digital services. These measures have an effective date of 1 October 2015.

[More details](#)

India

India: Comparables must be functional similar, not identical

The Punjab and Haryana High Court affirmed a judgment of a tax appellate tribunal that certain companies could be appropriate comparable companies, regardless of the percentage of their use of a key raw material, provided that the companies selected are functionally comparable; they need not be identical.

[More details](#)

India: Income tax return forms for the financial year 2014-15

The Central Board of Direct Taxes has notified new return forms for the financial year 2014-15 making certain additions/modifications to the last year's format.

[More details](#)

India: India signs one of the first APAs in the IT – ITES industry

This being one of the first Advance Pricing Agreements (APAs) in the Information Technology (IT) – Information Technology Enabled Services (ITES) industry in India should pave the way for signing many other such APAs in due course, thereby improving the currently aggressive transfer pricing environment.

[More details](#)

India: Computation of book profit under the provisions of Minimum Alternate Tax

The Mumbai Bench of the Income-tax Appellate Tribunal held that only the net amount on sale of shares will be taken into account in computing book profit under section 115JB of the Act and not the amount of long-term capital gain computed after indexation under the normal provisions of the Act.

[More details](#)

New Zealand

New Zealand: Budget property tax rules will ring fence losses

In Budget 2015 Government announced that sales of residential land within two years would be taxable, for acquisitions on and after 1 October 2015.

Inland Revenue has released an issues paper on how this new "bright-line" test will work, including a proposal to ring fence losses generated under the rule to other land income.

[More details](#)

Singapore

Singapore: Expanded tax benefits for investment funds

The Enhanced-Tier Fund Tax Exemption Scheme (Section 13X Scheme) was first introduced in 2009 to provide Singapore-based fund managers with greater flexibility in sourcing for mandates.

In recognition of the prevailing market practice where the fund management activities are typically carried out via master-feeder fund structures, the Section 13X Scheme was subsequently enhanced to cover master-feeder funds.

[More details](#)

Vietnam

Vietnam: New corporate income tax guidance for 2015

Vietnam's Ministry of Finance issued guidance concerning corporate income tax. Circular 96 will take effect on 6 August 2015. The General Department of Taxation has also issued an official letter summarizing the major changes under Circular 96.

[More details](#)

Calendar of Events

Date	Event	Location
5 July 2015	Pakistan Budget	Pakistan
7 July 2015	Tianjin Pilot Free Trade Zone Seminar (Beijing Region) More details and registration	Beijing, China
9 July 2015	Costly mistakes to avoid in your GST Return For more details email Pershen Kaur	Petaling Jaya, Malaysia
17 August 2015	Managing Global Mobility for Outbound Assignment For more details email Carmen Yong	Petaling Jaya, Malaysia
9 September 2015	Managing Global Mobility to Malaysia For more details email Carmen Yong	Petaling Jaya, Malaysia
23 October 2015	Malaysian Tax Budget 2016	Malaysia
26-28 October 2015	2015 KPMG EMA Tax Summit More details	Lisbon, Portugal
28 October 2015	KPMG Malaysia Tax Summit 2015 For more details email Karen Lee	Malaysia
9 December 2015	Managing Employer's Tax Obligations For more details email Carmen Yong	Petaling Jaya, Malaysia

Beyond Asia Pacific

Mauritius: Income tax treaty with South Africa

A new income tax treaty between Mauritius and South Africa (signed in May 2013) has been ratified by the Mauritius government.

[More details](#)

Netherlands: Withholding tax on non-residents vs. resident's income tax

The Advocate General of the Court of Justice of the European Union issued an opinion in three joined cases, and concluded that withholding tax imposed on a non-resident may not exceed the individual income tax burden of a resident taxpayer.

[More details](#)

United Kingdom: Report on tax complexity

The UK Office of Tax Simplification has issued a report examining the complexity of the UK tax system, and providing an approach for avoiding complexity.

[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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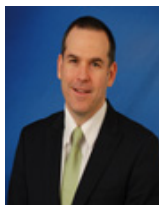
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