



Asia Pacific Tax Developments

Australia

Australia: Considering deferred consideration

There has recently been an increase in transactional activity in the resources sector and it is widely expected that there is more to come. We have seen and expect to continue to see various forms of deferred consideration being used in these transactions.

Unfortunately, the taxation of deferred consideration can be highly problematic.

[More details](#)

Australia: If not, why not for Tax

Tax is a topic today more so than ever following the release of the Australian Taxation Office's (ATO) new tax risk management and governance review guide, which elevates the ATO's expectations of how a Board should manage tax risk. This is a key part of the ATO's own transformation agenda.

[More details](#)

Australia: Inspector-General of Taxation's recommendations on ATO debt recovery

The Inspector-General of Taxation released his report titled Debt Collection following a review into the Australian Taxation Office's management of debt collection.

Taxpayers should be aware of the Commissioner's powers of debt recovery, including being able to issue garnishee notices to third parties without requiring a court order.

[More details](#)

Australia: Tax on FIFO workers – are you keeping up?

An increasing number of employers have used fly-in, fly-out (FIFO) arrangements to attract skilled personnel to projects which are often located in remote areas of Australia and offshore. Both the legislature and the judiciary have needed to consider how this 'new' workplace practice fits with pre-existing taxation law which has resulted in a number of important changes, requiring employers to keep up.

[More details](#)

Japan

Japan: New tax treaty with Germany (agreement in principle)

The governments of Japan and Germany reached an "agreement in principle" for a new income tax treaty. The new treaty would replace the existing agreement signed in 1966, and subsequently amended in 1979 and in 1983.

It is expected that the treaty will be signed after Japan and Germany each complete certain domestic procedures, and at that time, details of the amendment will be clarified.

[More details](#)

India

India: Concessional rate of central excise duty is available only to manufacturers and not to importers

The central government recently issued the Amendment Notifications which provide that the concessional rate of central excise duty shall be available if no credit of central excise duty or additional duty of customs on inputs or service tax on input services

has been taken by the manufacturer of such goods (and not the buyer of such goods), under the provisions of CENVAT Credit Rules.

[More details](#)

India: Interest adjustments on advances made to related entity upheld and the meaning of quasi capital elucidated

The Ahmedabad Bench of the Income-tax Appellate Tribunal upheld an interest adjustment on a loan that the taxpayer advanced to a related entity.

The Ahmedabad Tribunal agreed, and set out clear parameters regarding the concept of “quasi capital” with respect to funds advanced between related entities (i.e. whether the funds were to be considered as loans or as quasi equity).

[More details](#)

India: Manufacturer’s transfer pricing dispute resolved through a MAP with Japan

A large manufacturing company has resolved its transfer pricing issues by means of a mutual agreement procedure (MAP) reached between India and Japan.

[More details](#)

India: No penalty or interest is imposed on the taxpayer for their delay in filing return of income due to failure of the deductor

The Bombay High Court held that the taxpayer cannot be subject to any penal or financial consequences on account of a delay in uploading of their return of income because of the failure of the deductor who had not deposited the tax deducted at source with the government.

[More details](#)

India: Reserve Bank of India amends provisions governing issue of shares under an ESOP scheme to a person resident outside India

The Reserve Bank of India has amended the regulations on the issue of shares under an Employee Stock Option Scheme (ESOP) to a person resident outside India. A circular in this regard was issued on 16 July 2015.

The amendment is expected to bring consistency in the provisions governing ESOP/sweat equity shares under Companies Act, SEBI and the Foreign Exchange Management Act.

The circular brings in clarity by covering the issue of sweat equity shares. An Indian company can now issue shares to non-resident employees/directors of its holding company.

[More details](#)

India: Services relating to review of designs and drawings will not be considered as technical services under India – Finland tax treaty

The Delhi Bench of the income – tax appellate Tribunal held that mere provision of technical/consultancy services comprising of review of design, construction plans would not fall within the ambit fees for technical services under the India – Finland tax treaty, since the service provider has not “made available” any technical knowledge, skill or experience to the tax payer.

[More details](#)

Calendar of Events

Date	Event	Location
29 July 2015	Changing Face of Commerce - When 10,000 Chinese Shop More details	Hong Kong
30 July 2015	Global FinTech Forum 2015 - A comparison of FinTech ecosystems in Asia and around the world More details	Hong Kong
30 July 2015	TEI R&D Tax Conference More details	Shanghai
30 July – 1 August 2015	RISE Conference More details	Hong Kong
17 August 2015	Managing Global Mobility for Outbound Assignment For more details email Carmen Yong	Petaling Jaya, Malaysia
18 August 2015	Corporate Tax, GST and SFA Regulations Updates for REITs, RBTs and SPVs More details	Singapore
9 September 2015	Managing Global Mobility to Malaysia For more details email Carmen Yong	Petaling Jaya, Malaysia
22-23 September 2015	AFR Tax Reform Summit – an opportunity to influence the future More details	Sydney
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

Ireland - Updated FAQs for FATCA, CRS

The Irish Revenue Commissioners updated a list of “frequently asked questions” (FAQs) concerning FATCA reporting obligations of Irish reporting financial institutions. A list of FAQs concerning the Common Reporting Standard (CRS) was also released.

[More details](#)

France - Product warranty exempt from VAT, as insurance

The Court of Justice of the European Union issued a judgment in a case concerning the value added tax (VAT) exemption available for insurance—specifically, extending the VAT exemption for a warranty granted for a particular period at a predetermined fixed price.

[More details](#)

Germany - VAT deduction for holding companies (CJEU judgment)

The Court of Justice of the European Union issued a judgment concerning the value added tax deduction position of holding companies and the conditions for a VAT group.

[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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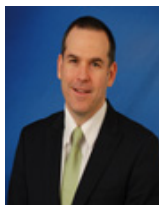
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