



Asia Pacific Tax Developments

Australia

Australia: 2015: A big year for Foreign Investment Review Board

2015 is proving to be a year of significant change in relation to Australia's foreign investment regime. The Government announced that it would introduce legislative reforms in relation to a number of proposals, with a view to implementing the reforms with effect from 1 December 2015.

They have also taken a significant step in calling upon the Australian Taxation Office to assist Foreign Investment Review Board in relation to the residential real estate and agricultural sectors.

[More details](#)

Australia: ATO compliance approach to new MIT regime

The Australian Taxation Office (ATO) recently released on its website administrative guidance for early adopters of the new Attribution Managed Investment Trust (AMIT) regime, where trustees choose to apply the rules from 1 July 2015, instead of the proposed 1 July 2016 start date.

[More details](#)

Australia: Light at the end of the tunnel: Taxation Ruling TR 2014/7

It is pleasing to see the ATO taking steps to form a clearer view of when a contract is formed in respect of FX trades as part of its new consultation process, with a view to potentially providing a new safe harbour. It is a positive step forward and indicates there is light at the end of the tunnel for the superannuation industry.

[More details](#)

Australia: Managing your payroll tax costs

In today's market there is an increasing focus on effectively managing costs. Below are some suggestions for managing your payroll tax obligations:

- Defined Benefit Funds
- Adjustments for forfeited Employee Share Scheme interests
- Superannuation salary sacrifice duplication
- Car parking benefits in Queensland

[More details](#)

China

China: Implementation of Announcement 16

Tax authorities across the country have strengthened their administration and management of cross-border payments of service fees and royalties to various degrees. While we have not witnessed a significant increase in formal Announcement 16 related transfer pricing audits, these varying levels of tightened efforts have led to many challenges to taxpayers. This alert looks at the key areas of Announcement 16 and some of the different practices adopted by tax authorities across the country.

[More details](#) | [Chinese version](#)

India

India: CBDT notifies revised income tax return forms for the Assessment Year 2015-16

The Central Board of Direct Taxes (CBDT) has notified the revised form ITR 6 (for companies) and other forms such as ITR 3, ITR 4, ITR 5 and ITR 7 for filing of Income-tax Return for specified taxpayers for the Assessment Year 2015-16.

KPMG member firm has prepared a report summarising key changes in these forms.

[More details](#)

India: India's Social Security Agreement with Canada comes into effect

Social Security Agreement (SSA) signed between India and Canada has come into effect from 1 August 2015. This SSA aims at achieving equality on the principle of reciprocity to benefit the employees posted in another country, by their employers.

[More details](#)

India: Interest on tax refund is taxable as business income under the India-U.K. tax treaty

The Uttarakhand High Court held that interest earned on tax refund is taxable as business income under the India-U.K. tax treaty since the debt claim in respect of which interest is paid, is effectively connected with a Permanent Establishment in India.

They also stated that Section 44BB of the Act is not applicable to such interest since the amount of such interest is not on account of the provision of services and facilities in connection with, or supply of plant and machinery on hire in the prospecting for, or extraction or production of mineral oils.

[More details](#)

India: Loss on sale of mutual fund units is allowed as a business loss

The Madras High Court held that the taxpayer is entitled to claim the business loss on the sale of mutual fund units. The transaction

would not attract the provisions of Section 14A of the Income-tax Act, 1961.

[More details](#)

India: Revised Modified Special Incentives Package Scheme notified by the Government of India

In order to promote electronic manufacturing in India and to build an ecosystem for supporting a globally competitive Electronic System Design & Manufacturing sector, the government of India, under the National Policy on Electronics 2012, notified the Modified Special Incentive Package Scheme (the scheme).

KPMG member firm has prepared a report summarising key modifications to the scheme.

[More details](#)

India: Tax is not to be deducted at a higher rate of 20 per cent under Section 206AA of the Income-tax Act when the benefit of tax treaty is available

The Bangalore Bench of the Income-tax Appellate Tribunal held that there is no scope for tax deduction at source at a higher rate of 20 per cent as per provisions of Section 206 AA of the Income Tax Act, 1961 when the benefit of tax is available to a non-resident.

The Tribunal also held that the question of applying the rate of 20 per cent under Section 206AA of the Act is an issue that requires long drawn reasoning and finding. Therefore, applying the rate of 20 per cent without considering the provisions of the tax treaty and consequent adjustment is beyond the scope of the said provision.

[More details](#)

Calendar of Events

Date	Event	Location
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
27 August 2015	Costly Mistakes To Avoid in Your GST Return (Run 2) More details	Petaling Jaya, Malaysia
9 September 2015	Managing Global Mobility to Malaysia For more details email Carmen Yong	Petaling Jaya, Malaysia
11 September 2015	Shared Services Round Table Discussion More details	Shanghai
17-18 September 2015	Banking Tax Workshop More details	Singapore
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

Portugal - FATCA reporting deadline extended to 30 November

The tax authorities in Portugal today announced that the initial reporting deadline for foreign financial institutions has been extended to 30 November 2015 (from the original deadline of 31 July 2015).

[More details](#)

UK - Patent box transfers, early closing date

The OECD's Forum on Harmful Tax Practices met earlier this month to finalise details of the modified "nexus approach" that limits the benefits of preferential intellectual property regimes like the UK patent box.

[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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