



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 17 March 2016



Asia Pacific Tax Developments

Australia

Australia: FBT 2016: Are your processes stuck in the 90s?

In a year lacking significant fringe benefits tax (FBT) legislative reform, the focus for CFOs and Tax Managers needs to be on process improvement, cost savings and risk management. Too many teams waste hours of valuable time collecting paper declarations and staring at general ledger dumps.

[More details](#)

Australia: Tax losses are a valuable asset: how to protect them?

Even where losses are not expected to be utilised in the current year, it is important for companies to be aware of events that may impact their future ability to recoup these losses, such as takeovers, mergers, buybacks and capital raisings or other capital injections.

It is necessary for companies to maintain appropriate records both substantiating their carry forward tax losses and testing their ability to utilise those carry forward tax losses each year under the loss recoupment rules.

[More details](#)

China

China: Customs developments (January-February 2016)

KPMG in China has released a report of trade and customs developments covering the period from January 2016 to February 2016. [More details](#)

India

India: Consultancy services in the fields of exploration, mining and extraction, India-Germany tax treaty

The Mumbai Bench of the Income-tax Appellate Tribunal held that consultancy services in the fields of exploration, mining and extraction rendered by a German company do not constitute a Permanent Establishment in India under the India-Germany tax treaty (the tax treaty).

The services will not be governed by Article 7, but are taxable as Fees for Technical Services under Article 12 of the tax treaty.

[More details](#)

India: Ministry of Corporate Affairs permits buyback of shares on the basis of limited review financials

The Ministry of Corporate Affairs (MCA) has issued the Companies (Share Capital and Debentures) Amendment Rules, 2016 (Amendment Rules) relating to the buyback of shares and securities by private companies and unlisted public companies.

Amendment Rules provide that where the audited accounts are more than six months old, the calculations with reference to buyback should be on the basis of unaudited accounts not older than six months from the date of offer document which is subjected to limited review by the auditors of the company.

[More details](#)

India: New guidelines for transfer pricing referrals

The Central Board of Direct Taxes (CBDT) issued new guidelines concerning the criteria for selecting cases for specialised transfer pricing scrutiny, clarifying the role of Assessing Officers and Transfer Pricing Officers, and providing guidance for maintenance of the tax authorities' database of transfer pricing case referrals.

[More details](#)

India: The Bombay High Court's decision on Section 14A of the Income-tax Act and the binding precedent

The Bombay High Court dealt with the issue of disallowance under Section 14A of the Income-tax Act, 1961 (the Act) of interest paid on borrowed funds in respect of investments made in tax-free securities when the taxpayer had owned funds in excess of investments.

[More details](#)

Indonesia

Indonesia: FAQs on transfer pricing

Transfer pricing has been at the top of the agenda of both taxpayers and the Indonesian tax authorities ever since the first Indonesian transfer pricing regulations were issued in 2010.

KPMG in Indonesia has prepared a report addressing Frequently Asked Questions on Transfer Pricing.

[More details](#)

Singapore

Singapore: Boosting value creation through Budget 2016

The current “production and innovation credit” regime was designed with an objective of spurring productivity growth and promoting innovation. Some believe that this goal has not been met, and it has been suggested that the credit would benefit from being “more calibrated” to address different needs that businesses have.

[More details](#)

Singapore: Growing Singapore's biomedical R&D

Singapore’s research and development (R&D) incentives for the biomedical sector include the productivity and innovation credit that provides a 400% tax deduction on R&D – but subject to a cap. Singapore also has an “angel investor’s tax deduction” program that provides a tax deduction for 50% of the investment amount, up to a cap of S\$500,000.

Concerning both incentives, it has been asserted that the dollar-amount caps are too low to benefit the biomedical sector and the risks associated with R&D in this sector.

[More details](#)

Calendar of Events

Date	Event	Location
13 – 14 April 2016	KPMG Goods and Services Tax (GST) seminar 2016 More details	Orchard Hotel, Singapore
9 – 12 May 2016	2016 KPMG Asia Pacific Tax Summit More details	Beijing
21 October 2016	2017 Budget Announcement Contact person: Karen Lee	Parliament House, Kuala Lumpur, Malaysia
26 October 2016	KPMG in Malaysia Tax Summit 2016 Contact person: Karen Lee	One World Hotel, Petaling Jaya, Malaysia

Beyond Asia Pacific

Africa: 2016 Africa Indirect Tax Country Guide

KPMG's 2016 Africa Indirect Tax Country Guide is a summary of the indirect tax regimes of 23 countries in Africa.

[More details](#)

Canada: Recommendations for tax measures, federal budget

The House of Commons Standing Committee on Finance released its recommendations for measures that could be included in the federal budget on 22 March 2016.

[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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