



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 12 May 2016



Asia Pacific Tax Developments

Asia Pacific

Asia Pacific: Tax update for financial institutions (May 2016)

Major value added tax (VAT) reform is being implemented in China and many jurisdictions in the Asia Pacific region are in the process of implementing the automatic exchange of information (AEOI) measures.

[More details](#)

Australia

Australia: Attribution managed investment trust (AMIT) regime benefits

The attribution managed investment trust (AMIT) bills were passed by the Senate this week and are expected to receive Royal Assent shortly.

KPMG in Australia outlines issues to consider when choosing whether to enter the new AMIT regime.

[More details](#)

Australia: Continued support for startups

As part of its National Science and Innovation Agenda (NISA), the Turnbull Government recently announced the establishment of a fourth landing pad for Australian startups in Berlin, an emerging major tech hub with an increasingly international startup community.

KPMG in Australia outlines the recent Government announcement.

[More details](#)

Australia: Insight on multinational anti-avoidance measures

KPMG in Australia analyses the Government's proposed new multinational anti-avoidance law – MAAL 2, which was announced in the Budget on Tuesday.

[More details](#)

Australia: Major Banks: from fair weather to headwinds as fortunes shift

The first half year 2016 results of the Australian major banks suggest that the record earnings growth seen in recent years is slowing, reflecting the impact of a tougher economic environment and regulatory capital requirements.

KPMG in Australia details the pressures on Australia's major banks.

[More details](#)

Australia: Proposed key features of a diverted profits tax

The Government announced as part of the 2016 Federal Budget an intention to introduce a diverted profits tax (DPT) with effect for income years beginning from 1 July 2017. No grandfathering of existing arrangements is proposed.

KPMG in Australia provides key insight into the features of the Government's introduction to DPT.

[More details](#)

Australia: What is your ETA for positive assurance?

To help reduce red tape for businesses and employers, the Australian Taxation Office (ATO) are currently consulting on an initiative called single touch payroll (STP).

ATO's vision is to simplify employer payroll reporting through new technology interfaces. In doing so, the ATO will effectively have direct access to data from employer payroll systems. It could therefore be time that you considered obtaining positive assurance over your payroll related data, before the ATO has direct access.

[More details](#)

India

India: New age limit for making contributions to pension plans

The Ministry of Labour and Employment issued a notice that amends the age ceiling for individuals making contributions to an employees' pension scheme (EPS), to 60 years (increased from the prior ceiling limit of 58 years).

[More details](#)

India: No transfer pricing adjustment for advertising, marketing, and promotion

The Mumbai Bench of the Income-tax Appellate Tribunal held that the tax officer must prove that the taxpayer's real intention in incurring an advertising, marketing, and promotion expenditure was to benefit related parties, and not the taxpayer's own business.

Because this proof was not shown, the Tribunal held that the advertising, marketing, and promotion was not an international transaction, and thus a transfer pricing adjustment was not appropriate.

[More details](#)

India: Protocol amending tax treaty with Mauritius

Representatives of the governments of India and Mauritius have signed a Protocol to amend the income tax treaty between the two countries. The Protocol is pending the ratification procedures of each country before it can enter into force.

[More details](#)

India: Proposed amendments to Finance Bill, 2016

Amendments to the Finance Bill, 2016—as introduced in the Lok Sabha in February 2016—were tabled on 5 May 2016.

Among the amendments are provisions concerning:

- The concessional tax rate benefit of 25% for certain domestic companies engaged in manufacturing or production operations
- Unlisted shares held for 24 months or less to be treated as short-term capital asset
- An additional 10% levy on dividends exceeding KR 10 lakh
- Relief for certain non-residents from tax withholding (deduction) at source
- Withdrawals from recognized provident funds and superannuation funds, etc.

[More details](#)

India: Revised rules, forms for scientific research expenditures

The Central Board of Direct Taxes (CBDT) issued guidance amending the rules and forms for reporting expenditures relating to scientific research under section 35 of the Income-tax Act, 1961. The new rules are effective 1 July 2016.

[More details](#)

India: Revised rules for tax deducted (withheld) and collected at source

The CBDT issued guidance amending the rules for tax deducted (withheld) at source and tax collected at source. These amendments are effective 1 June 2016.

[More details](#)

India: Taxpayer, as beneficial owner of royalty and interest income, is eligible for beneficial tax rate under the India-Singapore tax treaty

The Pune Bench of the Income-tax Appellate Tribunal held that a taxpayer that is the beneficial owner of royalty and interest income is eligible to claim the beneficial rate of tax under the India-Singapore income tax treaty.

[More details](#)

India: Tax treatment of income from the transfer of unlisted shares

The CBDT issued guidance to clarify that the income arising from transfer of unlisted shares is considered under the heading “capital gain” – without regards to the holding period.

[More details](#)

India: Waiver of loan taken out for acquiring capital asset is taxable as business income

The Madras High Court held that a waiver of a loan taken out for purposes of acquiring a capital asset would related to acquiring a benefit or perquisite that would be arising from the business of the taxpayer. Therefore, a waiver of such loan would be taxable to the taxpayer as business income.

[More details](#)

New Zealand

New Zealand: Omnibus tax bill introduced

The New Zealand government released a 150-page omnibus tax bill that includes measures to revise the tax rules for closely held companies, broaden the application of the non-resident withholding tax rules, and implement the recent related-party debt remission (and capitalisation) announcement.

[More details](#)

Calendar of Events

Date	Event	Location
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

Significant International Tax Developments



OECD: Bahrain, Lebanon, Nauru, Panama, Vanuatu agree to implement CRS

The Organisation for Economic Cooperation and Development (OECD) has announced that Bahrain, Lebanon, Nauru, Panama, and Vanuatu have committed to the international standard of automatic exchange of financial account information and to share financial account information automatically with other countries.

[More details](#)

Beyond Asia Pacific

Canada: Tariff consultations, trade and customs updates

The government in Canada has launched trade and customs consultations and taken other customs-related actions.

[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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