



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 16 June 2016



Asia Pacific Tax Developments

Australia

Australia: Tax consolidation and deferred tax liabilities

The Australian Government has announced that it will amend the consolidation regime's treatment of deferred tax liabilities (DTLs) by removing adjustments relating to deferred tax liabilities from the consolidation entry and exit tax cost-setting rules.

This change will apply to joining and leaving events under transactions that commence after the date amending legislation is introduced in Parliament.

[More details](#)

Australia: Stamp duty surcharge, foreign buyers of residential real estate

KPMG Australia highlights the changes to stamp duty charges for non-resident buyers of residential property.

The aim of the stamp duty surcharges imposed on foreign buyers of residential real estate is to provide Australian residents an advantage in entering the booming housing market. However, some see there would be a temptation to raise state revenue by extending the scope of these laws.

[More details](#)

Australia: UK Government seeks comments on investment initiatives

KPMG Australia discusses two consultation papers published by the UK Government: one in relation to the Substantial Shareholdings Exemption (SSE), and the other in relation to the Double Taxation Treaty Passport (DTTP) scheme. Both consultation papers are seeking comments aimed at making investment activities in the UK more internationally competitive.

[More details](#)

Australia: Using technology to solve employment tax challenges

As the financial year end rapidly approaches, now is a great time to consider how technology can assist in relation to your company's employment tax obligations.

KPMG Australia provides insight into KPMG's technology solutions to assist with employment tax challenges highlighting Employee share scheme (ESS) reporting and use of data and analytics.

[More details](#)

Cambodia

Cambodia: Income Tax Treaty with Singapore; Cambodia's First Tax Treaty

Cambodia and Singapore on 20 May 2016 signed an Agreement for the Avoidance of Double Taxation (DTA), with entry into force pending ratification of the agreement by both countries. This is Cambodia's first DTA which is a welcomed development, and is expected to reduce barriers to cross-border investment and trade between the two countries, as well as fostering future economic growth for Cambodia.

[More details](#)

China

China: Various tax and customs developments

KPMG China has issued a newsletter that provides various updates on:

- Discussion draft on multilateral instrument to implement tax-treaty related BEPS measures released
- Trade in services and investments by HK and Macao service providers in mainland China facilitated (Guo Fa [2016] No. 32)
- Regulations on China (Guangdong) Pilot Free Trade Zone (FTZ) introduced (Standing Committee of the twelfth Guangdong Province People's Congress Announcement No. 60)
- Joint reporting of annual investment & operating information of FIEs for year 2015 commenced (Shang Zi Han [2016] No. 223)
- Tax incentives on rental market of residential houses initiated by the State Council (Guo Ban Fa [2016] No. 39)
- Further local VAT reform implementation rules.

[More details](#)

India

India: FAQs on newly introduced tax withholding provisions

Existing provisions require tax withholding (collection) at source and impose a requirement on the seller of certain goods to withhold and collect tax at the specified rates from the buyer of the goods. Given changes made by the Finance Act, 2016, the Central Board of Direct Taxes issued a list of “frequently asked questions” (FAQs) to clarify the rules.

[More details](#)

India: Levy and collection of cess

With the introduction of Krishi Kalyan Cess (KKC), the Ministry of Finance has issued guidance to give effect to the levy and collection of KKC.

[More details](#)

India: Net global profits attributed to Indian permanent establishment

Delhi Bench of the Income-tax Appellate Tribunal held that almost all sales functions, including marketing, banking, and after-sales service, were conducted by the taxpayer’s permanent establishment (PE) in India; and therefore, 35% of the net global profits are attributed to the PE in India in respect of hardware and software supplied to Indian customers.

[More details](#)

India: Payments for crude oil “single point mooring” (offshore) installation not taxable as royalty

The Delhi High Court held that consideration received for offshore construction and installation of “single point mooring”, including anchor chains and floating and subsea hoses to enable unloading of crude oil from “very large” crude oil carriers to meet the crude oil requirement of taxpayer’s refineries located in the eastern part of India, is not taxable as either a royalty or “fees for technical services” in India.

[More details](#)

Japan

Japan: Japan-Taiwan tax agreement – Enacted

The Interchange Association on 15 June 2016 announced that the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income entered into force on 13 June 2016.

Please see [KPMG e-Tax News No. 102](#), released on 26 November 2015, for the main points of the Tax Agreement.

[More details](#)

Korea

Korea: Tax brief – May 2016

KPMG in Korea has prepared a report discussing various tax updates on:

- Notification by Ministry of Strategy and Finance stipulating corporations subject to creation of an integrated report.
- Tax credit for R&D investment in new industries, such as IoT, Smart Car, and Bio, is available.
- Determination regarding the controlling shareholder liable for deemed acquisition tax.

[More details](#)

Thailand

Thailand: Additional tax deduction, incentive for new capital expenditures

In Thailand, guidance was issued providing additional deductions with respect to investments and capital investment spending for certain assets.

The new measures provide that, in addition to the standard depreciation that can be claimed on assets for tax purposes, a tax deduction for costs incurred by a taxpayer to acquire, expand, change or improve (but not repair) an eligible asset can be claimed as a tax deduction, with this additional deduction to be apportioned over a number of years.

[More details](#)

Calendar of Events

Date	Event	Location
24 June – 12 July 2016	Automotive Industry Tax Workshop More details	Shanghai, China
12- 13 July 2016	Corporate Treasury Management Course 2016: Insight for bankers Contact person: Kieran Marnell More details	Singapore Marriott Tang Plaza Hotel, Singapore
16 August 2016	Tax/Immigration Planning for Global Mobility Employees to Malaysia and GST from HR Perspective Contact person: Carmen Yong	Malaysia
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: BEPS amendments incorporated into Transfer Pricing Guidelines

The Organisation for Economic Cooperation and Development (OECD) has announced that the OECD Council has approved the incorporation of certain base erosion and profit shifting (BEPS) amendments into the OECD's Transfer Pricing Guidelines.

[More details](#)

Beyond Asia Pacific

Hungary: Corporate, individual tax changes are pending enactment

The Hungarian Parliament passed tax legislation that was proposed by the government in May 2016, and the legislation is currently pending enactment assuming that the president will sign it.

[More details](#)

Switzerland: Corporate tax reform legislation advances

Switzerland's National Council, following action of the Council of States, has adopted a final decision concerning a package of corporate tax reform referred to as "CTR III" or "corporate tax reform III."

[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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