



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 03 November 2016



Asia Pacific Tax Developments

Australia

Australia: Is your unit trust fixed?

With the release of draft Practical Compliance Guideline 2016/D16, the Australian Taxation Office (ATO) has provided guidance in relation to when the Commissioner will exercise his discretion to treat a trust as fixed for the purposes of the trust loss provisions.

[More details](#)

Australia: Employee share schemes – a question of trust

An employee share trust (EST) is a common structure that employers (both listed and unlisted) use to manage the sale restrictions and forfeiture conditions that are often associated with their share-based incentive programs. However this is not the only practical benefit that an EST can deliver.

KPMG Australia highlights some practical benefits of EST.

[More details](#)

China

China: Tax Weekly Update - Issue 41

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

- OECD advances BEPS continuity work
- EU Commission sets out EU corporate tax reform plans
- China to adopt measures to boost personal incomes (Guo Fa [2016] No. 56)
- SAT further clarifies consumption tax administration for cosmetics (SAT Announcement [2016] No. 66)
- SAT briefs on the tax revenue collected for the first three quarters of 2016
- SAIC simplifies enterprise setup – name registration (Gong Shang Qi Zhu Zi [2016] No. 203)
- Name list of integrated circuit (IC) manufacturing enterprises released

[More details](#)

Hong Kong SAR

Hong Kong: Consultation paper on BEPS launched

The Hong Kong Government launched a public consultation exercise on 26 October 2016 to gauge views on the implementation of the OECD's base erosion and profit shifting (BEPS) initiatives. This is a far reaching development for Hong Kong taxpayers.

The most significant proposal is for the adoption of a formal transfer pricing regime in Hong Kong, with mandatory documentation requirements.

[More details](#)

India

India: Depreciation of brand value

The Chennai Bench of the Income-tax Appellate Tribunal held that a taxpayer is eligible to claim depreciation with respect to a "brand value". The Tribunal found that merely because there was subsequent amalgamation was not a basis for finding the taxpayer had not acquired any brand name.

When the taxpayer acquired the brand name by making payment through banking channel before amalgamation, the taxpayer was eligible to claim depreciation.

[More details](#)

India: Management support services not “fees for technical services” under tax treaty with Finland

The Kolkata Bench of the Income-tax Appellate Tribunal held that no technology, know-how, or skills were made available by the taxpayer while rendering management support and other services to enable the Indian group company to function on its own without the taxpayer. Therefore, such services were not taxable as “fees for technical services” under a provision of the India-Finland income tax treaty.

[More details](#)

India: Transfer of jurisdiction

The Supreme Court of India held that concerning the transfer of a taxpayer’s case from one Assessing Officer (AO) to another, an agreement between the two officers and their superiors was required prior to the transfer.

[More details](#)

Malaysia

Malaysia: No change to GST rate; reduced tax on SMEs in budget for 2017

There was no change to the goods and services tax (GST) rate proposed in the budget for 2017. The government, instead, will be relying on the collection of GST to cope with expenses and to reduce the dependence on revenue from the oil and gas industry. Thus, there will be no reduction in GST in the short-term.

[More details](#)

Vietnam

Vietnam: Taxation of branch offices, permanent establishments; customs duty updates

KPMG in Vietnam alerts taxpayers to various official letters and circulars issued by the tax authorities on corporate income tax, personal income tax, customs duty.

[More details](#)

Thailand

Thailand: Information sharing between Customs, Revenue departments results in assessments

Thailand’s Customs Department and Revenue Department have started sharing their taxpayer databases. Each department can now access the other’s database in order to obtain taxpayers’ tax and duty payments records, primarily for use in tax audits.

[More details](#)

Calendar of Events

Date	Event	Location
08 November 2016	Unlock value from your indirect tax data using Data and Analytics – A must for every tax department Contact person: KPMG China Market Services More details	KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing

Significant International Tax Developments



OECD: Automatic exchange of tax information agreement, signed by Cook Islands

The Organisation for Economic Cooperation and Development (OECD) announced that a representative of the Cook Islands signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

[More details](#)

OECD: BEPS Action 14, peer reviews schedule

The OECD announced the schedule concerning Action 14 concerning the mutual agreement procedure (MAP) under the base erosion and profit shifting (BEPS) project.

[More details](#)

OECD: Panama signs agreement for automatic exchange of tax information

The OECD announced that Panama has signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

[More details](#)

OECD: Reminder about business survey on tax certainty

The OECD earlier this month launched a business survey that requests comments from businesses regarding tax certainty. The survey, intended to support the G20's future tax policy work, will run to 16 December 2016.

[More details](#)

OECD: Taxpayer questionnaire, input into MAP process

The OECD released a questionnaire for taxpayers to provide input into the MAP process under Action 14 of the BEPS project for the first scheduled peer review concerning Belgium, Canada, Netherlands, Switzerland, the United Kingdom, and the United States.

[More details](#)

Beyond Asia Pacific

Germany: VAT input tax apportionment; division of rented property

KPMG in Germany has prepared a report that summarizes the recent indirect or value added tax (VAT) developments:

- Input tax apportionment for mixed-use buildings
- Division of rented property when business is sold
- Complete invoice address

[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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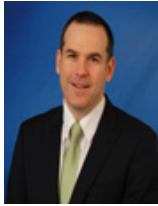
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