



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 16 March 2017



Asia Pacific Tax Developments

Australia

Australia: ATO guidance for the Australian “Local file”

The Australian Taxation Office (ATO) has published guidance on the “international related-party agreements” to be furnished in Part B of the Australian Local file for controlled transactions disclosed in Part A. The publication follows an initial round of consultation in late 2016.

[More details](#)

Australia: Considering how CbC reporting may affect globally mobile workforce

Country-by-country (CbC) reporting under the OECD’s base erosion and profit shifting (BEPS) project is effective in Australia for tax years beginning on or after 1 January 2016.

In understanding where the economic substance of multinational entities is located, a key focus will be placed by tax authorities on the number of employees that the multinational has in each country.

[More details](#)

Australia: Salary sacrificing FIFO travel costs

KPMG Australia discusses the compromises employers need to consider to encourage employees to work in remote locations on fly-in-fly-out (FIFO) arrangements.

[More details](#)

China

China: Tax Weekly Update – Issues 9 and 10

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

Issue 9:

- US: President Trump calls for tax cut in address to Congress
- Tax incentives to support technological innovations and scientific research (Cai Guan Shui [2016] No. 71)
- Further VAT implementation rules (SAT Announcement [2017] No. 4)

[More details](#)

Issue 10:

- Government sets out key tax work items for 2017
- Individual Income Tax reform under development
- Preferential IIT treatment for private retirement plans

[More details](#)

India

India: Penalty assessment for related-party transactions deleted

The Delhi High Court agreed with the tribunal's decision to remove a penalty imposed on the taxpayer for an alleged concealment of income with respect to certain related-party transactions even though the taxpayer has accepted the transfer pricing adjustment.

[More details](#)

India: Related-party relationship upheld, sales constituted 20% of total sales

The Chennai Bench of the Income-tax Appellate Tribunal held that under a provision of India's tax law, "influence" implies dominant influence when a person, who purchased more than 20% of the total sales of the taxpayer, would have a distinctly dominant influence on the pricing and can exercise a de facto control.

[More details](#)

India: Where tax is deducted on the basis of a tax treaty, higher tax rate under Section 206AA of the Income-tax Act cannot apply

The Ahmedabad Bench of the Income-tax Appellate Tribunal held that where tax has been deducted on the basis of the provisions of the tax treaties which is more beneficial than the provisions of the Income-tax Act, 1961, a higher rate of tax under Section 206AA of the Income-tax Act, 1961 cannot be invoked.

[More details](#)

Japan

Japan: Proposed changes, trade control and import/export procedures

Japan's Cabinet has approved a bill that would provide for partial revision of the Foreign Exchange and Foreign Trade Act. The revisions are aimed at strengthening Japan's trade control regime through:

- Enhanced fines and penalties for export violations

- Enhanced administrative sanction regulations (e.g., import/export bans)
- Prior notification and evaluation requirements related to foreign direct investment in Japanese companies with sensitive technology

[More details](#)

New Zealand

New Zealand: Year-end wrap and 2018 year planning

As the 2017 tax year draws to a close and 2018 awaits, KPMG in New Zealand highlights some year-end issues that should be addressed, and also focuses on new changes that will apply from 1 April 2017.

[More details](#)

Singapore

Singapore: Intellectual Property Development Incentive

In the recent Budget 2017, Minister for Finance, Heng Swee Keat, announced a new tax incentive for the commercialisation of intellectual property (IP) from Singapore. The incentive, named the Intellectual Property Development Incentive, will provide concessionary tax rates on income from qualifying patents and other IP rights.

[More details](#)

Singapore: New e-Tax Guide on Income Tax Treatment of Real Estate Investment Trusts and Approved Sub-Trusts

KPMG in Singapore summarises the key changes introduced in the latest e-tax guide on "Income Tax Treatment of Real Estate Investment Trusts and Approved Sub-Trusts". This e-Tax Guide replaces the previous e-Tax Guides on "Income Tax Treatment of Real Estate Investment Trusts (Fourth Edition)" published on 3 November 2015 and "Income Tax Treatment of Approved Sub-Trusts of a Real Estate Investment Trust" published on 14 May 2008.

[More details](#)

Thailand

Thailand: Criminal Liability of Company's Representative

The Act on Amendment of Legal Provisions in relation to Criminal Liability of Representatives of Juristic Persons was recently issued to amend the legal provisions of 76 existing laws. Under the legislation, representatives of the juristic persons (e.g. directors) can be liable to criminal prosecution if the violation is related to the action of representatives of the juristic person who are responsible for the juristic person's undertakings, or with respect to a failure or lack of instruction or action by the representatives of the juristic person who have a duty to prevent the violation.

[More details](#)

Calendar of Events

Date	Event	Location
24 March 2017	China Tax Update Seminar Contact person: Michelle Chan More details	Orchard Hotel, 442 Orchard Road, Singapore 238879
28 March 2017	Insights on the trade and customs landscape in the dynamic Asia Pacific region Contact person: Alice Yip More details	Orchard Hotel, 442 Orchard Road, Singapore 238879
11 April 2017 – 26 April 2017	KPMG 2016-2017 Annual Customs Update Conference Contact person: KPMG China Market Services More details	Hangzhou, Suzhou, Shanghai, Guangzhou, Shenzhen, Xiamen, Fuzhou, Beijing, Tianjin, Shenyang, Qingdao

Beyond Asia Pacific

Ghana: Tax measures in budget for 2017

Ghana's budget for 2017 includes a proposal to strengthen the transfer pricing unit of the Ghana Revenue Authority for purposes of "rigorous audits" of entities in the extractive sector. Multinational companies, thus, will need to have their transfer pricing documentation in place, in order to support the pricing of their related-party transactions.

[More details](#)

Serbia: VAT registration, foreign suppliers of electronically supplied services

Under the new VAT rules in Serbia, foreign entities are required to register for VAT in Serbia, via a tax proxy, on providing supplies that are taxable in Serbia to entities that are not registered for VAT purposes.

[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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