



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 18 May 2017



## Asia Pacific Tax Developments

### Australia

#### **Australia: ATO guidance on related party financing arrangements post Chevron**

The Australian Taxation Office (ATO) recently released its draft Practical Compliance Guideline (PCG) 2017/D4: ATO compliance approach to taxation issues associated with cross-border related party financing arrangements and related transactions. This draft Guideline will have effect from 1 July 2017 and will apply to existing and newly created financing arrangements.

[More details](#)

#### **Australia: Qualifying for the small business tax rate**

To qualify for the reduced small business tax rate of 27.5 percent, the company must be “carrying on a business” in addition to not breaching the turnover test. KPMG Australia discusses ATO guidance on the definition of “carrying on a business”.

[More details](#)

#### **Australia: Stapled Structures Consultation Update**

The Treasury released a consultation paper on Stapled Structures. The paper addressed integrity concerns around the recharacterisation of trading income into concessionally taxed passive income by way of the inappropriate fragmentation of an integrated business.

[More details](#)

#### **Australia: Three things employers of expatriates need to know about #Budget2017**

KPMG Australia highlights the three items from Budget 2017 that employers of expatriates should note:

- Levy on visa sponsors for Skilling Australians Fund
- Tax rate changes
- Changes to taxation of Australian housing [More details](#)

---

## India

### **India: Brand development not separate international transaction**

The Chennai Bench of the Income-tax Appellate Tribunal rejected a transfer pricing adjustment based on the tax administration's treatment of brand development as a separate international transaction.

[More details](#)

### **India: Expenditure is to be disallowed under Section 14A in relation to dividend income which is subject to dividend distribution tax – Supreme Court**

The Supreme Court of India agreed to the disallowance of an expenditure under Section 14A of the Income-tax Act, 1961 with respect to dividend income that is subject to dividend distribution tax.

[More details](#)

### **India: Levy of penalty for non-filing of Form 3CEB for share investment transaction, upheld**

The Mumbai Bench of Income-tax Appellate Tribunal upheld a penalty levy for the taxpayer's failure to file an audit report with respect to its international transaction of receiving foreign remittance from its non-resident Indian director (also a beneficial shareholder) on account of share capital and share premium.

[More details](#)

### **India: The process of matching input tax credit under GST**

The Goods and Services tax (GST) in India differs from other indirect tax systems in two important aspects:

1. The levy of an integrated GST on an interstate supply of goods or services, or both; and
2. The requirement for matching the claim of input tax credit.

[More details](#)

### **India: CBDT issues draft ICDS on real estate transactions**

A draft Income Computation and Disclosure Standards (ICDS) has been issued on real estate transactions. The draft ICDS is based on a guidance note on real estate transactions issued by the Institute of Chartered Accountants of India in 2012.

[More details](#)

### **India: Aadhaar number not mandatory for foreign national and non-resident for PAN and Income –tax return**

The Central Board of Direct Taxes issued guidance clarifying that the mandatory quoting of an Aadhaar number / Enrolment ID listing for filing of Income –tax return and making an application for Permanent Account Number shall apply only to a person who is eligible to obtain an Aadhaar number.

[More details](#)

---

## Singapore

### Singapore: Tax treatment of employer contributions to foreign pension funds

The Inland Revenue Authority of Singapore (IRAS) has changed the tax treatment of employer contributions to foreign pension or provident fund plans under the “not ordinarily resident” (NOR) regime. The IRAS now excludes employees from the NOR concession where the employer’s contribution is not charged or recharged to any Singapore entity.

[More details](#)

## Calendar of Events

Date	Event	Location
12 May 2017 - 2 June 2017	VAT reforms 1 year on - Effectively managing VAT audits, risks and opportunities; impact of future Golden Tax system Contact person: <a href="#">KPMG China Market Services</a> <a href="#">More details</a>	Hong Kong, Shanghai, Guangzhou, Shenzhen and Beijing
22 May 2017	Understanding Withholding Tax [Re-run] Contact person: <a href="#">Ms Elaine Cheam</a> <a href="#">More details</a>	One World Hotel, Petaling Jaya, Selangor
23 May 2017	GST seminar: Zero-rating of services and difference between reimbursement and disbursement Contact person: <a href="#">Shirley Tay</a> <a href="#">More details</a>	Orchard Hotel, 442 Orchard Road, Singapore 238879

## Significant International Tax Developments



### OECD: Lebanon signs CRS, mutual assistance in tax matters agreements

The OECD announced that representatives of the government of Lebanon signed the common reporting standard multilateral competent authority agreement (CRS MCAA), thereby re-confirming Lebanon’s commitment to implementing the automatic exchange of financial account information pursuant to the OECD/G20 CRS in time to commence exchanges in 2018. Lebanon is the 89th jurisdiction to sign the CRS MCAA.

[More details](#)

## Beyond Asia Pacific

### **UK: Tax policies of political parties, in advance of general election**

KPMG in the UK reviews the tax policies announced by parties across the UK in light of the upcoming general election on 8 June 2017.

[More details](#)

### **United States: Senate Finance's Thune introduces bill to simplify, reform tax law**

John Thune introduced a bill to simplify accounting rules and reform key parts of the tax law.

[More details](#)

---

### **TaxNewsFlash by Region**

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

---

# KPMG Asia Pacific Tax Centre Contacts

## Asia Pacific Regional Leader, Tax



**Khoon Ming Ho**  
**Head of Tax, KPMG Asia Pacific**  
T : +8610 8508 7082  
E : [khoonming.ho@kpmg.com](mailto:khoonming.ho@kpmg.com)

## Asia Pacific Tax Centre Leader, Regional Tax Partner



**Brahma Sharma – KPMG Asia Pacific Limited**  
**Asia Pacific Tax Centre Leader, Regional Tax Partner**  
T : +65 8186 7369  
E : [brahmasharma@kpmg.com.sg](mailto:brahmasharma@kpmg.com.sg)

## Service Line Specialists

### Transfer Pricing Services



**Tony Gorgas – KPMG in Australia**  
**Asia Pacific Regional Leader, Transfer Pricing Services**  
T : +61 2 9335 8851  
E : [tgorgas@kpmg.com.au](mailto:tgorgas@kpmg.com.au)

### Financial Services Transfer Pricing



**John Kondos – KPMG in China**  
**Asia Pacific Regional Leader, Transfer Pricing Services in the Financial Services Sector**  
T : +852 2685 7457  
E : [john.kondos@kpmg.com](mailto:john.kondos@kpmg.com)

### Indirect Tax Services



**Lachlan Wolfers – KPMG in China**  
**Asia Pacific Regional Leader, Indirect Tax Services**  
T : +852 2685 7791  
E : [lachlan.wolfers@kpmg.com](mailto:lachlan.wolfers@kpmg.com)

### Trade & Customs



**Angelia Chew – KPMG in Singapore**  
**Asia Pacific Regional Leader, Trade & Customs Services**  
T : +65 6213 3768  
E : [angeliachew@kpmg.com.sg](mailto:angeliachew@kpmg.com.sg)

### Global Compliance Management Services



**Oi Leng Mak – KPMG in Singapore**  
**Asia Pacific Regional Leader, Global Compliance Management Services**  
T : +65 6213 7319  
E : [omak@kpmg.com.sg](mailto:omak@kpmg.com.sg)

### Global Mobility Services



**Ben Travers – KPMG in Australia**  
**Asia Pacific Regional Leader, Global Mobility Services**  
T : +61 3 9288 5279  
E : [btravers1@kpmg.com.au](mailto:btravers1@kpmg.com.au)

### International Tax



**Christopher Xing – KPMG in China**  
**Asia Pacific Regional Leader,**  
**International Tax**  
T : +8610 8508 7072  
E : [christopher.xing@kpmg.com](mailto:christopher.xing@kpmg.com)

### Deal Advisory M&A Tax



**Angus Wilson – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Deal Advisory M&A Tax**  
T: +61 2 9335 8288  
E: [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

### Research & Development (R&D) Tax Incentives



**Alan Garcia – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**R&D Tax Incentives**  
T : +61 3 9288 6094  
E: [afgarcia@kpmg.com.au](mailto:afgarcia@kpmg.com.au)

### Dispute Resolution and Controversy



**Angela Wood – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Dispute Resolution and Controversy**  
T: +61 3 9288 6408  
E: [angelawood@kpmg.com.au](mailto:angelawood@kpmg.com.au)

### Legal Services



**David Morris – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Legal Services**  
T: +61 2 9455 9999  
E: [davidpmorris@kpmg.com.au](mailto:davidpmorris@kpmg.com.au)

## Market Sector Specialists

### Financial Services



**Christopher Abbiss – KPMG in China**  
**Asia Pacific Regional Tax Leader,**  
**Financial Services and Banking Sector**  
T: +852 2826 7226  
E: [chris.abbiss@kpmg.com](mailto:chris.abbiss@kpmg.com)

### Alternative Investments & Private Equity



**Simon Clark – KPMG in Singapore**  
**Asia Pacific Regional Tax Leader, Alternative Investments and Private Equity sector**  
T : +65 6213 2152  
E : [simonclark1@kpmg.com.sg](mailto:simonclark1@kpmg.com.sg)

### Sovereign Wealth and Pension Funds



**Angus Wilson – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Sovereign Wealth and Pension Funds Sector**  
T: +61 2 9335 8288  
E: [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

### Energy & Natural Resources



**Carlo Franchina – KPMG in Australia**  
**Asia Pacific Regional Tax Leader,**  
**Energy & Natural Resources Sector**  
T: +61 8 9263 7239  
E: [cfranchina@kpmg.com.au](mailto:cfranchina@kpmg.com.au)

## Insurance



### **John Salvaris – KPMG in Australia**

**Asia Pacific Regional Leader,  
Insurance Sector**

**T** : +61 3 9288 5744

**E** : [jsalvaris@kpmg.com.au](mailto:jsalvaris@kpmg.com.au)

<https://home.kpmg.com/xx/en/home/services/tax/regional-tax-centers/asia-pacific-tax-centre.html>

[www.kpmg.com/tax](http://www.kpmg.com/tax)

---

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

[kpmg.com/app](http://kpmg.com/app)



© 2017 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.