



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 17 August 2017



Asia Pacific Tax Developments

Australia

Australia: Justified Trust initiative now in flight across the large market

KPMG Australia discusses the launch of the Australian Taxation Office's Justified Trust initiative and its implementation in two parallel work streams – Top 100 and Top 1000. These taxpayers are subject to ongoing engagement and review through Pre-lodgement Compliance Reviews (PCRs) or Annual Compliance Arrangements (ACAs). These engagements will have a greater focus on tax performance and tax governance this year, in addition to the tax risks and significant transactions that are already a core part of these reviews.

[More details](#)

Australia: Understanding your employer obligations for cross-border executives

KPMG Australia outlines some tax considerations for Australian companies with executives based overseas.

[More details](#)

China

China: Customs Policy Update - July 2017

The following matters are covered in this issue:

- Notification on Taxing Policy for Beijing 2022 Olympic and Paralympic Winter Games
- Notification on Tax-exempt Import Plans for Seed and Provenance for 2017

- Announcement on Conducting Follow-up Verification
- Announcement on Establishing Reform Pilot Zone for Company-based Processing Trading Supervision Model Development
- Announcement on Issues Concerning the Catalogue of Industries for Guiding Foreign Investment
- Announcement on Issuing Administrative Ruling on Commodity Classification for 2017
- Announcement on Further Specifying Issuing Concerning Late Tax Payment Surcharge Relief
- Announcement of Shenzhen Customs District on Launching Bonded Display and Trading Business

[More details](#)

China: China Tax Weekly Update

Issue 30

The following matters are covered in this issue:

- China announces measures to boost foreign investment
- Implementation plan on central SOE reform
- SAT clarifies filing requirements for TP reporting
- Protocol to China-Pakistan DTA comes into force
- New regulations for Public-Private Partnership projects

[More details](#)

Issue 31

The following matters are covered in this issue:

- Outbound investing SOEs required to upgrade investment evaluation procedures
- FIE establishment and alteration rules clarified
- Environmental protection tax enforcement measures
- OECD branch mismatch rules under BEPS Action 2

[More details](#)

India

India: Research & Development (R&D) expenditure incurred prior to DSIR approval are eligible for weighted deduction under Section 35(2AB) of the Income-tax Act (the Act)

Recently, the Delhi High Court held that R&D expenditure incurred in earlier years is eligible for weighted deduction even though the R&D facility was only approved subsequently. To avail for benefits under the Act, what is relevant is the existence of the recognition of the R&D facility.

[More details](#)

India: The activity of bottling of Liquefied Petroleum Gas (LPG) is treated as production/manufacture for the purpose of deduction under Section 80-IA of the Income-tax Act

Recently, the Supreme Court in the case of Hindustan Petroleum Corporation Ltd.¹ held that the activity of bottling of LPG is treated as production/manufacture for the purpose of deduction under Section 80-IA of the Income-tax Act, 1961. The Supreme Court observed that the word 'production' has a wider connotation in comparison to 'manufacture', and any activity which brings a commercially new product into existence constitutes production.

[More details](#)

Singapore

Singapore: Global Trader Programme (GTP)

Recently, the International Enterprise Singapore has released further details of changes to the GTP, which are applicable to GTP qualifying income derived and new or renewal incentive awards approved on or after 21 February 2017.

In this issue, KPMG in Singapore will provide details on the enhancements made to the GTP, and comments on the changes.

[More details](#)

Thailand

Thailand: New draft legislation regarding foreign functional currency in computation of corporate income tax

Under the current tax law, the use of foreign functional currency (FFC) is not permitted. The Revenue Department is currently considering amending the Revenue Code to allow companies to adopt the FFC application in computing the corporate income tax.

The objective of this legislative amendment is to reduce compliance cost and the need to maintain separate books for accounting and tax purposes, enhance competitiveness and create fairness for companies that do not use Thai Baht as their functional currency.

[More details](#)

Calendar of Events

Date	Event	Location
5 September 2017	Assignment of Employees to Overseas – Tax and Related Assignment Issues Contact person: Carmen Yong / Katherine Subramaniam More details	One World Hotel, Petaling Jaya, Selangor

11 September 2017	Belt and Road Summit Contact person: Anita Chau More details	Hall 5F&G, Hong Kong Convention and Exhibition Centre
14 September 2017	Understanding Withholding Tax[Re-run] Contact person: Nora Kassim / Haleena Azman More details	One World Hotel, Petaling Jaya, Selangor
26 September 2017	KPMG Goods and Services Tax (GST) Seminar 2017 Contact person: Shirley Tay More details	Orchard Hotel, 442 Orchard Rd, Singapore 238879
9 – 20 November 2017	Tax and Business Summit 2017 Contact person: Abdullah Abu Samah More details	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang

Beyond Asia Pacific

Brazil: Tax amnesty would allow settlement using tax losses

Changes have been made to a proposed tax amnesty program that, if finalized, would allow Brazilian taxpayers to resolve outstanding tax liabilities using a combination of cash and net operating losses.

[More details](#)

US: NAFTA re-negotiations begin

Representatives of the United States, Canada, and Mexico are staking out their opening positions in the NAFTA re-negotiations, with the first round of re-negotiations beginning in Washington, D.C

[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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