



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 24 August 2017



## Asia Pacific Tax Developments

---

### Australia

#### **Australia: AASB 15 - Time to revisit revenue recognition**

KPMG Australia discuss the new and broad reaching revenue recognition accounting standard AASB 15. AASB 15 Revenues from Contracts with Customers is the new revenue recognition accounting standard that could affect the way companies account for revenue from 1 January 2018.

[More details](#)

#### **Australia: Australian Local Files – we're up and running**

KPMG Australia discusses their recent experiences lodging Part A of the Australian Local Files for some Significant Global Entities.

[More details](#)

#### **Australia: Five ways global mobility can help retain your best people**

KPMG Australia outlines some ways to plan Global Mobility programs to retain people.

[More details](#)

#### **Australia: Grant funding for clean technology projects**

Recently, the National Energy Resources Australia Growth Centre launched the Clean Technology Projects grant program. The purpose of the grant is to provide funding to projects that demonstrate the integration of clean technology solutions within the energy sector (being oil, gas, uranium and coal extraction and processing operations) with the objective of improving energy efficiency, productivity and sustainability.

[More details](#)

## Australia: Modernising your tax function for the digital age

KPMG Australia explores the new paradigm for tax and three key ways in which tax functions can evolve their tax operating model to meet these expectations. The three key ways are:

- Manage risk
- Drive value through stakeholder engagement
- Improve performance through technology

[More details](#)

## Australia: Propagation arrangements – finally some public guidance

The Australian Taxation Office has recently released the draft Practical Compliance Guideline (PCG), which now provides public guidance on propagation arrangements. Once finalised, provided both custodians' systems for propagation and the particular fund's proposed use of propagation are consistent with the PCG, this should negate the need for funds to seek private rulings on these issues in future.

[More details](#)

---

## China

### China: China to boost foreign direct investment – Limits on foreign equity stakes in Chinese enterprises to be lifted

At meetings of the State Council on 28 July and 8 August 2017, it was indicated that there is to be a relaxation of the requirements for foreign investors to have Chinese co-investors for their China investments. Details are expected by September 2017, and initial considerations are set out in this Alert.

[More details](#)

### China: World Customs Organization opinion on royalties/license fees - China relevance

The Technical Committee on Customs Valuation of the World Customs Organization, issued Advisory Opinion 4.17 on the inclusion of royalties and license fees in the customs value of imported goods, at its 44th session held in Brussels in May 2017. The opinion could be influential as guidance for China Customs in dealing with similar cases.

[More details](#)

---

## India

### India: CBDT amends the report on computation of book profits for Ind AS compliant companies

To enable the Ind AS compliant companies to report and accountants to certify the Form No. 29B appropriately, the Central Board of Direct Taxes (CBDT) has issued revised Form No. 29B and aligned it with the requirements of Ind AS.

[More details](#)

### India: Higher rentals received from third party sub-lessees taxable in the hands of the first lessor where the lease is shown to be sham

KPMG in India summarizes and comments the Supreme Court decision on Maneklal Agarwal case, which discussed Section 4 of the Income-tax Act, 1961. This Section provides for a charge

of income tax on every person. The Court held that it is the prerogative of the revenue to take a decision on who would be the 'right person' for such charge of tax.

[More details](#)

### **India: No disallowance can be made for belated TDS remittances applying non-discrimination article under the tax treaty**

The Chennai Bench of the Income-tax Appellate Tribunal held that no disallowance can be made under section 40(a)(i) of the Income-tax Act, 1961 for late tax withheld-at-source remittances on payment of professional charges and corporate maintenance charges, thereby applying non-discrimination articles under the respective tax treaties (India-Germany and India-UK tax treaties). The tribunal also addressed payment for server maintenance charges, and testing and development charges under the India-Italy tax treaty.

[More details](#)

### **India: Profits from offshore and onshore services are taxable in India, and it is attributable to the supervisory PE in India**

Recently, the Delhi Bench of the Income-tax Appellate Tribunal held that the taxpayer is having a supervisory Permanent Establishment in India. The Tribunal observed that Indian clients contracted the taxpayer to carry out the work of supply, supervision, erection, installation and successful commissioning of plants.

[More details](#)

---

## **Indonesia**

### **Indonesia: Amended controlled foreign company (CFC) rules**

Following a change made in the regulation, CFC rules now apply with respect to indirectly owned (non-listed) CFCs. This, in turn, may affect the rules that apply for the foreign tax credits available for dividends paid by a CFC.

[More details](#)

### **Indonesia: New "certificate of domicile" forms for non-resident taxpayers**

The Director General of Tax issued guidance (Regulation PER-10/PJ/2017) that introduces a new "certificate of domicile" standard for non-resident taxpayers.

[More details](#)

---

## **Singapore**

### **Singapore: CRS registration due 31 March 2018**

The IRAS announced that an entity that is currently or becomes a reporting Singapore-based financial institution from 1 January 2017 to 31 December 2017 must apply for the CRS registration by 21 March 2018.

[More details](#)

### **Singapore: Tax perspectives on the re-domiciliation of companies to Singapore**

An inward re-domiciliation regime was introduced in March 2017 to increase Singapore's competitiveness as an international business hub. The Ministry of Finance recently issued the draft Income Tax (Amendment) Bill for public consultation, which includes the proposed tax framework for companies re-domiciled in Singapore. [More details](#)

## Calendar of Events

Date	Event	Location
5 September 2017	Assignment of Employees to Overseas – Tax and Related Assignment Issues Contact person: <a href="#">Carmen Yong</a> / <a href="#">Katherine Subramaniam</a> <a href="#">More details</a>	One World Hotel, Petaling Jaya, Selangor
11 September 2017	Belt and Road Summit Contact person: <a href="#">Anita Chau</a> <a href="#">More details</a>	Hall 5F&G, Hong Kong Convention and Exhibition Centre
14 September 2017	Understanding Withholding Tax[Re-run] Contact person: <a href="#">Nora Kassim</a> / <a href="#">Haleena Azman</a> <a href="#">More details</a>	One World Hotel, Petaling Jaya, Selangor
26 – 27 September 2017	KPMG Goods and Services Tax (GST) Seminar 2017 Contact person: <a href="#">Shirley Tay</a> <a href="#">More details</a>	Orchard Hotel, 442 Orchard Rd, Singapore 238879
9 – 20 November 2017	Tax and Business Summit 2017 Contact person: <a href="#">Ms Karen Lee</a> <a href="#">More details</a>	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang

## Significant International Tax Developments



### OECD: Nigeria signs multilateral instrument, CRS multilateral competent authority agreements

The OECD announced that representative of the government of Nigeria signed both the multilateral instrument or convention and the multilateral competent authority agreement under the common reporting standard.

[More details](#)

## Beyond Asia Pacific

### UK: Customs considerations in light of “Brexit”

As the UK readies itself for exiting the EU—“Brexit”—a transition period incorporating customs issues may be needed so that authorities and businesses can make adequate preparations. Customs authorities may need to prepare for an unprecedented burden on resources, but the costs ultimately could be expected to fall on business.

[More details](#)

### **US: Lifetime gifts, marital deduction asserted in summary judgment motions**

The U.S. Tax Court released an opinion in summary judgment motion proceedings concerning the federal estate and gift taxes.

[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

Deal Advisory M&A 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)



**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

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)



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



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.

© 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.