



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 3 August 2017



Asia Pacific Tax Developments

Australia

Australia: Immigration and Visa Changes - Is the Defence Industry Ready?

The Federal Government has made a strong commitment to continuous shipbuilding in Australia, and alongside this comes a need to stimulate workforce growth in order to meet the demands of the build program. KPMG Australia outlines the implication on the defence industry of Australia's changing visa and immigration policies.

[More details](#)

Australia: Removal of CGT main residence exemption for foreign residents

The Exposure Draft released by the Treasury has proposed that the entitlement to the Capital Gain Tax main residence exemption will be removed for all foreign residents (i.e. taxpayers that are not resident for Australian tax purposes). Accordingly, any capital gain or loss arising upon disposal of an Australian main residence by a foreign resident must be declared.

[More details](#)

China

China: China Tax Weekly Update – Issue 28

The following matters are covered in this issue:

- OECD releases updated transfer pricing guidelines
- Updated OECD Model Tax Convention and Commentary
- VAT implementation rules for construction and finance

- Venture capital CIT and IIT incentives clarified

[More details](#)

China: Tax impacts of public-private partnership projects (PPP) in China

KPMG China examines the impact of tax policies through the lifecycle of public-private partnership projects in China.

[More details](#)

Hong Kong SAR

Hong Kong: Consultation report on BEPS lays out the foundation for Hong Kong's transfer pricing regime

The Hong Kong Government issued a follow-up BEPS Consultation Report addressing public feedback and laying out its intentions on the forthcoming transfer pricing rules. There has been a positive development to the exemption thresholds for the preparation of master and local files – they are now two-folded based on: (i) size of business; and (ii) related party transaction amount. The relaxing of the thresholds helps to reduce the compliance burden for taxpayers. Domestic transactions will continue to be included in the scope of the amendment bill.

Further clarifications on intellectual property, penalties, advance pricing arrangements, multilateral instruments, etc. are also included in the Consultation Report.

[More details](#)

India

India: Applicability of time limit proceedings under Section 201 of the Income-tax Act for non-compliance of TDS provisions

Recently, the Allahabad High Court held that since no time limit has been prescribed for Tax Deducted at Source (TDS) proceedings under Section 201(1) and 201(1A) of the Income-tax Act, it can be executed at any time, especially when the law of limitation is not there.

[More details](#)

India: CBDT issues FAQs on computation of book profit for levy of MAT and proposes amendment to Section 115JB of the Income-tax Act

The Central Board of Direct Taxes has issued a list of “frequently asked questions” (FAQs) about the computation of book profit for the purposes of the minimum alternate tax.

[More details](#)

India: Foreign exchange fluctuation gain or loss, arm's length pricing

The Ahmedabad Bench of the Income-tax Appellate Tribunal held that foreign exchange fluctuation gain or loss was an operating item, and was not to be excluded under the arm's length price standard. The Tribunal also held that the expenses that arose from the income of its business division that is not part of its operating income need to be excluded for the purpose of computing arm's length pricing.

[More details](#)

India: “Location savings” not sole basis for arm’s length price

The Bangalore Bench of Income-tax Appellate Tribunal held that savings from locating clinical trials in India may be relevant for purposes of making a business decision about the transaction, but “location savings” itself is not relevant for the limited purpose of examining and investigating the transaction for its arm’s length price.

[More details](#)

India: OECD release Updated Guidance on the Implementation of Country by Country Reporting

KPMG in India reviews the implementation guidelines issued by the Organisation for Economic Cooperation and Development (OECD) on Country-by-Country reporting, addressing some issues relating to the definition of items and entities to be reported.

[More details](#)

Pakistan

Pakistan: A brief on the Companies Act, 2017

KPMG in Pakistan publication contains an analysis of the pertinent differences between the repealed and the new Act.

[More details](#)

Pakistan: CRS guidance for financial institutions

The Federal Board of Revenue issued a circular that provides guidance to Pakistan’s financial institutions on aspects of the common reporting standard (CRS) optional provisions.

[More details](#)

Thought Leadership

INTERNATIONAL TAX REVIEW

Asia Transfer Pricing



Asia Pacific: Transfer pricing review, third quarter 2017

The International Tax Review, in conjunction with KPMG, released a publication on the transfer pricing developments in the Asia Pacific region.

[More details](#)

Significant International Tax Developments



OECD: Draft toolkit, addressing taxation of offshore indirect transfers of assets

A joint initiative of the IMF, OECD, UN, and World Bank Group is seeking public feedback on a “draft toolkit” that is intended to help developing countries address the complexities of taxing offshore indirect transfers of assets.

[More details](#)

Beyond Asia Pacific

Germany: VAT invoice addresses; zero-rated services concerning imports and exports

KPMG in Germany highlights recent value added tax (VAT) developments that may affect businesses in Germany.

[More details](#)

United States: FAQ on missed deadline for FFI agreement renewal

The IRS issued a release updating a list of “FAQs” concerning foreign financial institution (FFI) agreement renewal and specifically concerning entities that missed the July 31, 2017 renewal deadline.

[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

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

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

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

Indirect Tax Services



Lachlan Wolfers – KPMG in China
Asia Pacific Regional Leader, Indirect Tax Services
T : +852 2685 7791
E : 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

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

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

International Tax



Christopher Xing – KPMG in China
Asia Pacific Regional Leader,
International Tax
T : +8610 8508 7072
E : 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

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

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

Legal Services



David Morris – KPMG in Australia
Asia Pacific Regional Leader,
Legal Services
T: +61 2 9455 9999
E: 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

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

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

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

Insurance



John Salvaris – KPMG in Australia

**Asia Pacific Regional Leader,
Insurance Sector**

T : +61 3 9288 5744

E : jsalvaris@kpmg.com.au

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