



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 21 September 2017



Asia Pacific Tax Developments

Australia

Australia: Corporate Collective Investment Vehicles: A viable alternative to the MIT?

KPMG Australia explore the new Corporate Collective Investment Vehicle regime as an alternative to a Managed Investment Trust (MIT).

[More details](#)

Australia: Foreign owned group and tax consolidation: New churning measures

KPMG Australia explains what is known as the 'churning measures' and how they affect foreign owned groups under the new Consolidation Integrity Measures.

[More details](#)

Australia: Multi-family sector: A genuine investment class in Australia?

The emergence of 'multi-family' sector, defined as medium to long term investments in residential assets for rent, has been a topic of discussion in Australian business papers recently. In the 2017 Federal Budget, the Australian Government announced amendments to the MIT provisions to encourage investment in build to rent affordable housing by MIT. However, the Government recently released draft legislation enacting these measures but went further to include an integrity measure to prevent MITs investing into residential property other than affordable housing.

KPMG Australia discusses how tax will play a role in the potential viability of the multi-family sector.

[More details](#)

Australia: Treatment of liabilities under new Consolidation Integrity Measures

KPMG Australia explains the proposed Consolidation Integrity Measures affecting the treatment of liabilities when an entity joins a tax consolidated group. [More details](#)

China

China: China Tax Weekly Update - Issue 33

The following matters are covered in this issue:

- State Council measures to attract foreign investment
- China tightens regulation of outbound investment
- R&D “bonus deduction” rules clarified

[More details](#)

China: China Tax Weekly Update - Issue 34

The following matters are covered in this issue:

- VAT reform administrative clarifications
- China tightens regulation of finance guarantee companies
- China-Netherlands social security agreement

[More details](#)

China: China Tax Weekly Update - Issue 35

The following matters are covered in this issue:

- China to tighten regulation of private investment funds
- China commences trust registration
- Draft Tobacco Tax Law in development

[More details](#)

China: Customs Policy Update - August 2017

The following matters are covered in this issue:

- Announcement on Updating Product Embargo List against the Democratic People’s Republic of Korea in Accordance with UN Security Council 2371 Resolution
- Announcement on Releasing Imported Waste Management Directory
- Interim Measures of the People’s Republic of China for Managing Customs Supervision Zones
- Announcement on Repealing Customs Supervision Pattern Code
- Announcement on Issuing the Administrative Ruling on the Country of Origin
- Announcement on Releasing Annotations on Commodities and Articles under the Customs Import and Export Tariff
- Announcement on Clarifying Administrative Licensing Items of Working Places under Customs Supervision
- Announcement on Cancelling Customs Clearance Pattern Based on Regional Customs Clearance Integration
- Announcement on Issues Concerning Signing of Inspection Record for Goods Passing Machine Inspection

- Announcement on Data Access Specifications for the Cross-border E-commerce Retail Import & Export Inspection and Quarantine Informationization Management System

[More details](#)

India

India: CBDT draft notification – mechanism proposed for self-reporting of estimation of income and tax liability by companies and person to whom tax audit is applicable

Recently, the Central Board of Direct Taxes (CBDT) has issued draft Notification proposing a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by companies and person to whom tax audit is applicable on voluntary compliance basis.

[More details](#)

India: Compounding fee paid to the municipal corporation for regularising a building plan is allowable as business deduction under Section 37 of the Income-tax Act

Recently, the Hyderabad Bench of the Income-tax Appellate Tribunal held that compounding fee paid to the municipal corporation for regularising a building plan is allowable as deduction under Section 37 of the Income-tax Act, 1961 since the project was completed and the deviations are within the limits, for which the municipal corporation has approved the project. The compounding fees paid to the municipal corporation is neither in the nature of offence nor prohibited by law.

[More details](#)

India: Importance of filing Form GST TRAN-1 and precautions to be taken

The GST Council in its recent meeting on 9 September, made two important recommendations regarding filing of Form GST TRAN-1 which is used to facilitate the transitioning of input tax credits under the earlier regime. The recommendations are:

- Extension of due date for filing TRAN-1 to 31 October 2017;
- Allowing one-time revision of TRAN-1.

[More details](#)

India: Key decisions by the GST Council to address concerns of trade and industry

The GST Council met on 9 September 2017 (second meeting post implementation of GST) to resolve the transient issues faced by the trade and industry in complying with the return filing requirement, re-jig of specific tax rates/compensation cess rates and discuss other key issues. Key decisions made include:-

- Relaxation in the timelines for furnishing returns in the GST regime
- Relaxation in the timelines for furnishing transitional input tax credit/ stock statement in Form GDT TRAN – 1
- Registrations
- Dispensation from obtaining registration to persons effecting specified interstate supplies
- Changes in tax rates / compensation cess rates for specified goods
- Recommended changes in tax rates for specified services

[More details](#)

India: Tax deduction needs to be made in the hands of the legal heir in case of deceased depositor

There has been ambiguity in relation to credit for tax deducted at source (TDS) on interest earned on deposits made under the Capital Gains Accounts Scheme, 1988 (the Scheme) wherein the depositor is deceased. This was seen to be leading to mismatch in tax credits of the deceased depositor and the legal heir. Therefore, the CBDT has now issued a clarification regarding TDS on interest income earned in case of deceased depositors under the Scheme.

[More details](#)

Thailand

Thailand: New Law to amend the Labor Protection Act

Effective from 1 September 2017, the Labor Protection Act (No. 6) has been issued to amend the Labor Protection Act.

The key amendments are on the following:

- Work Rules
- Employment termination due to retirement

[More details](#)

Vietnam

Vietnam: Mandatory contributions to natural disaster fund

Domestic and foreign invested enterprises (and certain Vietnamese citizens) must contribute to a natural disaster fund. Enterprises are responsible both for contributing to the fund, and for collecting (withholding) and remitting their employees' contributions to the fund.

[More details](#)

Calendar of Events

Date	Event	Location
9 – 20 November 2017	Tax and Business Summit 2017 More details	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang
17 November 2017	Forms IR8A/IR21 remuneration reporting workshop Contact person: Hanna Surani More details	Singapore Marriott Tang Plaza Hotel, 320 Orchard Road, Singapore 238865

Significant International Tax Developments



OECD: First automatic CRS exchanges to occur this month

The Organisation for Economic Cooperation and Development (OECD) announced that this month, the first automatic exchanges of information under the common reporting standard (CRS) regime concerning offshore financial accounts to the tax authorities of the residence country of account holders will take place.

[More details](#)

OECD: IT guidelines for exchanges of country-by-country reports, CRS tax information

The OECD announced new information technology (IT) and guidelines to support technical implementation of the exchange of tax information by tax authorities under the CRS, on country-by-country reporting, and in relation to tax rulings

[More details](#)

Beyond Asia Pacific

EU: Finance Ministers discuss taxation of digital economy at Ecofin meeting

During an informal meeting of the Economic and Financial Affairs Council (Ecofin) of the European Union held in Tallinn on September 15 and 16, EU Finance Ministers discussed corporate taxation challenges of the digital economy. Although consensus was not reached, a so-called "equalisation tax" was accepted as a potential solution by some Member States.

[More details](#)

US: IRS provides hurricane-related tax relief for taxpayers in Georgia

The IRS today issued a release announcing that taxpayers affected by Hurricane Irma in the entire State of Georgia now have until January 31, 2018, to file certain individual and business tax returns and to make certain tax payments.

[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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