



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 5 October 2017



## Asia Pacific Tax Developments

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### Australia

#### **Australia: Changes to reduced Company Tax Rate**

KPMG Australia discusses the recently released Treasury Exposure Draft that seeks to clarify how small businesses qualify for the reduced company tax rate. Companies seeking to qualify for the reduced small business tax rate of 27.5 percent must, in addition to not breaching the turnover test (currently AUD\$25 million), be “carrying on a business”.

[More details](#)

#### **Australia: Consolidation measures regarding Churning and DTLs**

Last month, the Australian Treasury released the updated exposure draft legislation that is an amalgamation of tax integrity announcements across a number of years. Two of the measures the exposure draft discusses are the churning and deferred tax liability measures.

[More details](#)

#### **Australia: Less sacrifice in future superannuation contributions?**

KPMG Australia discusses proposed changes to salary sacrificed super contribution rules, and how employers may be affected.

[More details](#)

#### **Australia: Proprietary companies to gain access to Crowd-Sourced Equity Funding**

The Corporations Amendment (Crowd-Sourced Funding for Proprietary Companies) Bill 2017, was introduced to the House of Representatives recently following the proposed extension of the Crowd-Sourced Equity Funding (CSEF) model for public companies to proprietary companies during the 2017 Federal Budget. The extension of the CSEF model will allow proprietary companies, who are not ready to go public, to bridge a funding gap encountered by early stage and developing companies, where they have been unable to access more traditional methods of seed fundraising. [More details](#)

## **Australia: What does the draft BEAR legislation mean for executive remuneration?**

KPMG Australia outlines the following main changes Boards need to be aware of after the release of the proposed Banking Executive Accountability Regime (BEAR) legislation:-

- Remuneration Policy providing for reduction in Variable Remuneration
- Mandatory deferral of Variable Remuneration

[More details](#)

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## **Hong Kong SAR**

### **Hong Kong: Unified Framework for U.S. Tax Reform**

The Trump Administration and Republican leadership in Congress released a tax reform framework that will be used to craft U.S. tax reform legislation. The framework is expected to serve as a template for tax-writing committees that will develop legislation through a transparent and inclusive committee process. With the uncertainties of the legislative process, it remains unclear whether the tax legislation will be enacted in the near future

[More details](#)

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## **India**

### **India: Transaction-by-transaction analysis to be considered; Bundled benchmarking approach is neither automatic nor mandate of law; provision for warranty not created on historical trend is allowable as deduction both under normal and MAT provisions**

The Kolkata Bench of Income-tax Appellate Tribunal in the case of Landis+Gyr Limited, has issued a favourable ruling on Transfer Pricing asserting the use of transaction-by-transaction approach over entity level approach for determining Arm's Length Price for varied nature of international transactions.

[More details](#)

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## **Japan**

### **Japan: NTA – Release of Guidance on MAPs**

The Japanese National Tax Agency has released Guidance for Taxpayers on the Mutual Agreement Procedure (Q&A) on their website. This guidance has been prepared based on the recommendation 2.1 indicated in the final report on Action 14 (Making Dispute Resolution Mechanisms More Effective) of the Base Erosion and Profit Shifting (BEPS) project as a supplemental information to the Commissioner's Directive on the Mutual Agreement Procedure (Administrative Guidelines).

[More details](#)

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## Malaysia

### Malaysia: Country-by-country reporting guidance

The Inland Revenue Board (IRB) issued guidance for implementing and complying with the country-by-country reporting requirements. The IRB guidance includes instructions, templates and samples of notification letter for reporting and non-reporting entity.

[More details](#)

## Pakistan

### Pakistan: Notification of CRS multilateral competent authority agreements

The Federal Board of Revenue issued detailed procedures for the automatic exchange of financial account information under the multilateral competent authority agreement for purposes of the common reporting standard.

[More details](#)

## Calendar of Events

Date	Event	Location
31 October 2017 - 1 November 2017	2017 KPMG Asia Pacific Tax Summit <a href="#">More details</a>	Kerry Hotel, Hong Kong (A Shangri-La Group Hotel) 38 Hung Luen Road, Hung Hom Bay, Kowloon, Hong Kong
9 – 20 November 2017	Tax and Business Summit 2017 <a href="#">More details</a>	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang
17 November 2017	Forms IR8A/IR21 remuneration reporting workshop Contact person: <a href="#">Hanna Surani</a> <a href="#">More details</a>	Singapore Marriott Tang Plaza Hotel, 320 Orchard Road, Singapore 238865

## Significant International Tax Developments



### OECD: BEPS delivery, exchanges of information, shared economy addressed at meeting of tax commissioners

The Organisation for Economic Cooperation and Development (OECD) issued a release following a meeting of tax commissioners from 50 countries on effective delivery of BEPS outcomes, automatic exchange of information, and tax certainty and with respect to collaboration on taxing users of the sharing economy. [More details](#)

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## Thought Leadership

### Tax dispute resolution quarterly

In this Issue, we bring you the Quarterly Global Tax Disputes Update (September 2017 edition) highlighting the latest news in tax controversy around the world.

With tax audit and dispute activity rising in almost every country, keeping up with trends and developments is more important than ever. In this edition, you'll find briefings on key news, events and thought leadership submitted by Global Tax Dispute Resolution & Controversy professionals in KPMG member firms worldwide. Staying informed can be a crucial first line of defense as you manage your disputes around the globe.

[More details](#)

### KPMG report: Common-sense transfer pricing compliance in a BEPS world

The need for comprehensive and consistent transfer pricing documentation has never been stronger.

The OECD BEPS project—combined with a sharper focus on intercompany fees and allocations by some non-tax regulators—is causing multinational companies to reassess their compliance processes and resource requirements. To navigate this increasingly onerous regulatory environment, multinational companies must take a common-sense approach. This requires having in place efficient processes to analyze, benchmark, document, and defend their related-party transactions. To that end, certain “rules of the road” need to be considered.

[More details](#)

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## Beyond Asia Pacific

### EU: Reform of VAT system proposed

The European Commission announced a proposal for reforming the value added tax (VAT) rules in the EU. As noted in an EC release, a goal would be to enhance the collection of VAT revenue—especially revenue that is lost every year, in particular to cross-border VAT fraud.

[More details](#)

### U.S.: Framework for tax reform: Implications for banking and capital markets

The White House, Republican leaders of the U.S. House and Senate, and the chairs of the House and Senate tax-writing committees on September 27, 2017, released a “unified framework” for tax reform. While lacking many details, the framework offers some insight into the possible provisions of a tax reform bill, the timing of which is still uncertain.

[More details](#)

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## TaxNewsFlash by Region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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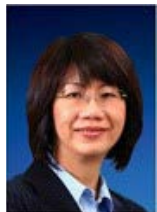
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