



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 01 February 2018



## Asia Pacific Tax Developments

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### Asia Pacific

#### [Asia Pacific: Eleven countries reach agreement on TPP](#)

Eleven countries have reached agreement on the final Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP).

[More details](#)

#### [Asia Pacific: General tax update for financial institutions in Asia Pacific – Issue 61](#)

There continues to be rapid development in the law and practice across the regions, with many jurisdictions making substantial changes to local tax laws

[More details](#)

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### Australia

#### [Australia: BEPS CbC reporting: the clock is ticking](#)

The extended due date given by the Australian Taxation Office (ATO) to file the Country-by-Country (CbC) report is 15 February 2018. KPMG Australia highlights some key pointers to be mindful of when filing the report.

[More details](#)

#### [Australia: Business travellers – high risk, high reward](#)

In collaboration with the Federation of European Risk Management Associations and International SOS, KPMG Australia has co-published the paper, “Workers on the Move: Managing New Risks”. The four key takeaways from the paper are:-

- Reputation and brand risk are in focus
- Traditional assignment patterns are changing
- Compliance and regulatory pressures have increased
- A broader interpretation of “duty of care”:

[More details](#)

### Australia: New law for Transparency of Business Tax Debts

Recently, the Government released exposure draft Treasury Laws Amendment (Tax 3 Transparency) Bill 2018: Transparency 4 of taxation debts. It will allow the ATO to report to registered credit reporting bureaus, the tax debt information of businesses that do not effectively engage with the ATO to manage those debts.

[More details](#)

### Australia: Recommendations to ‘refocus’ innovation funding may impact thousands of companies

The Innovation and Science Australia released its ‘Australia 2030 Prosperity through Innovation: A plan for Australia to thrive in the global innovation race’. The 117 page report contains 30 recommendations across five imperatives and a roadmap designed to improve Australia’s innovation and science performance by 2030.

[More details](#)

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## China

### China: China Tax Weekly Update – Issue 1

The following matters are covered in this issue:

- Dividend WHT deferral for China reinvestment
- Enhanced China foreign tax credit rules
- VAT rule clarifications for transport and asset management
- Supervision of outbound investment fine-tuned
- Country-by-country report exchanges clarified

[More details](#)

### China: China Tax Weekly Update – Issue 2

The following matters are covered in this issue:

- Global tax information exchange rollout guidance
- Simplified VAT general taxpayer registration measures
- Environmental protection tax implementation rules

[More details](#)

### China: China Tax Weekly Update – Issue 3

The following matters are covered in this issue:

- Guidance on reinvestment dividend WHT deferral scheme
- Enhancement to corporate income tax filing forms

[More details](#)

### China: Interim customs administrative measures on advance rulings

The General Administration of Customs issued interim administrative measures on advance rulings that are effective 1 February 2018.

[More details](#)

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## India

### India: India Economic Survey 2017-18 – Key Highlights

The Hon'ble Finance Minister, Arun Jaitley, presented the Economic Survey 2017–18 in the Parliament on 29 January 2018. This annual document contains the developments in the Indian economy during the financial year 2017–18; summarises the performance of major developmental initiatives; highlights the steps taken by the government; and, the prospects of the economy in the short-to-medium term.

[More details](#)

### India: Jaipur Tribunal's decision on revenue recognition in case of real estate developer

In a recent case with respect to the revenue recognition on registered sales deeds where entire amount of consideration is received, the Jaipur Bench of the Income-tax Appellate Tribunal held that the taxpayer should not recognise the entire revenue collected as it is obliged to perform the specified development activities even after the sale deeds have been duly executed in favour of buyers.

[More details](#)

### India: No service PE, employees worked less than nine months

The Mumbai Bench of the Income-tax Appellate Tribunal held that the UAE-based taxpayer did not have a service permanent establishment (PE) in India under terms of the India-UAE income tax treaty because the period (days) of working by the taxpayer's employees was less than nine months.

[More details](#)

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## Korea

### Korea: Korean Tax Brief – Issue 104, January 2018

The following matters are covered in this issue:

1. 2018 Korea Tax Revisions
  - 2018 Korea Tax Revisions was passed at the National Assembly plenary session
  - Introduction of Promotion on Investment and Collaborative Cooperation Tax
2. Recent Supreme Court and Tax Tribunal Cases
  - In order to deny the form of transactions and to impose taxes on the substantial transaction, the series of transactions must be meaningless individually, having only tax avoiding purposes.
  - Imposing VAT on the basis of the information derived from the tax audit results of the counterparty.

- Withholding tax penalty cannot be imposed even if the beneficial owner turned out to be different, in case the withholding agent did not know the existence of the beneficial owner.

[More details](#)

## Philippines

### Philippines: Documentary stamp tax guidance

The Bureau of Internal Revenue issued a tax advisory instructing all users of the “electronic documentary stamp tax” (eDST) system to adopt the constructive stamping procedures for DST transactions in early 2018 and pending adjustment of the new DST rates.

[More details](#)

## Significant International Tax Developments



### OECD: Multilateral risk assessment pilot program, transfer pricing information

The Organisation for Economic Cooperation and Development (OECD) on 23 January 2018 announced a new pilot program for multilateral risk assessment of large multinational entity (MNE) groups. The pilot program—the International Compliance Assurance Program—is a voluntary program that will use CbC reports and other information to facilitate open and co-operative multilateral engagements between MNE groups and tax administrations. The goal is to provide early tax certainty and assurance for both taxpayers and tax administrations.

[More details](#)

## Calendar of Events

Date	Event	Location
28 February 2018	Commitment to change: Get on the TRAIN <a href="#">More details</a>	Dusit Thani Manila The Philippines
1 March 2018	KPMG Singapore Budget 2018 Seminar Contact person: <a href="#">Kartini Rafiin</a> <a href="#">More details</a>	Orchard Hotel, 442 Orchard Rd, Singapore 238879

## Beyond Asia Pacific

### South Africa: Low-interest, interest-free loans to trusts and companies, tax implications

Proposals to expand an anti-avoidance provision when low-interest or interest-free loans are involved have been amended.

[More details](#)

## [US: Notice 2018-14: Withholding tax guidance, implementing new income tax law](#)

The IRS released an advance version of Notice 2018-14 as guidance concerning the tax withholding measures that are contained in the new U.S. tax law (Pub. L. No. 115-97). Among the tax law changes affecting the withholding tax rules are measures concerning itemized deductions, increases in the child tax credit, a new dependent credit, and repeal of dependent exemptions.

[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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