



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 21 June 2018



## Asia Pacific Tax Developments

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### Australia

#### [Australia: 2018-19 Australian Capital Territory \('ACT'\) Budget: focus on property development](#)

KPMG Australia discuss the recently launched ACT 2018-19 budget. The key ACT revenue initiatives are:

- Transfer duty will be abolished on commercial property transactions of \$1.5 million or less. Commercial property transactions greater than \$1.5 million will incur a flat 5 percent rate.
- The ACT will amend its first home buyer concession from a property value test to a household income test. Under the change, first home buyers with a household income below \$160,000 will not pay stamp duty regardless of the value of the first home.
- Foreign investors who own residential property in the ACT will be liable for a surcharge of 0.75 percent of the property's average unimproved value, in addition to the applicable marginal land tax rate.
- The Government will develop a business intelligence and data analytics compliance program for landholder duty. Details are not yet available.

[More details](#)

#### [Australia: Australian National Audit Office \('ANAO'\) identifies compliance revenue underperformance](#)

On 6 June 2018, the ANAO issued its key findings on the integration of the Department of Immigration and Border Protection and the former Australian Customs and Border Protection Service.

[More details](#)

## Australia: Tasmanian Budget 2018-19: On the cusp of a golden age

KPMG Australia discuss highlights of the 2018-19 Tasmanian Budget. The Tasmanian Government has allocated a record \$2.6 billion in funding for new job creating infrastructure initiatives over a four year period.

Notable projects include:

- \$1.1 billion investment in roads and bridges infrastructure
- \$475.6 million investment in health spending
- \$192.2 million investment in schools and education
- \$142.2 million investment in tourism, recreation and culture.

[More details](#)

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## Hong Kong SAR

### Hong Kong to implement Open-ended Fund Companies ('OFC') regime in July 2018

On 18 May 2018, the government gazetted the Securities and Futures (Open-ended Fund Companies) Rules and the Securities and Futures (Open-ended Fund Companies)(Fees) Regulations, both subsidiary legislation under the Securities and Futures Ordinance. The OFC regime is targeted to come into effect on 30 July 2018.

[More details](#)

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## India

**India: The majority members of the special bench of the Delhi Tribunal hold that foreign telecom company does not have a PE in India. However, dissenting view by the third member**

The Special Bench of Delhi Income-tax Appellate Tribunal ('the Tribunal') in case of Nokia Networks OY dealt with issues with respect to Permanent Establishment, business connection and profit attribution. The majority (two) members of the Special Bench of the Tribunal held that Indian subsidiary of the taxpayer does not constitute a fixed place PE under the India-Finland tax treaty since place of business is not at the disposal of the taxpayer..

[More details](#)

**India: Share premium received from the foreign holding companies is on account of capital transaction and is not an income chargeable to tax in India**

The Mumbai Bench of the Tribunal in case of Finproject India (P) Ltd held that share premium received by the taxpayer from its non-resident holding companies is on account capital transaction and it is not an income chargeable to tax in India.

[More details](#)

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## Japan

### Japan: Update on status of Trans-Pacific Partnership trade agreement

Japan's Diet on 13 June 2018 passed a bill for ratification of a "comprehensive progressive agreement" for the Trans-Pacific Partnership trade agreement. [More details](#)

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## Thailand

### Thailand: Draft Transfer Pricing law proposed to the National Legislative Assembly for enforcement for Fiscal Year 2019

Referring to the approval by the Cabinet of Thailand on the draft transfer pricing law on 3 January 2018, the Government submitted the draft of law amending the Revenue Code on transfer pricing to the National Legislative Assembly for consideration on 5 June 2018.

[More details](#)

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## Vietnam

### Vietnam: FATCA guidance on reporting software

The banking authority of Vietnam issued guidance for implementing the FATCA report. The guidance provides additional information regarding the FATCA reporting software.

[More details](#)

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## Significant International Tax Developments



### OECD: Developing countries, mining investors and tax incentives

The Organisation for Economic Cooperation and Development (OECD) issued a release intended for resource-rich developing countries and the attempts by multinational mining enterprises to avoid taxes through the use of tax incentives.

[More details](#)

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## Beyond Asia Pacific

### Luxembourg: European Commission ('EC') finds illegal tax benefits granted in tax rulings

The EC issued a release stating that Luxembourg allowed two group companies to avoid paying taxes on almost all their profits for about a decade—found to be “illegal” under EU State aid rules because the rulings provided an undue advantage. Luxembourg must now recover about €120 million in unpaid tax.

[More details](#)

### EU: Additional customs duty, reaction to U.S. steel, aluminum tariffs

The European Commission announced the adoption of regulation as the EU's rebalancing measures in response to the U.S. tariffs on steel and aluminum. The measures will immediately target a list of products having a value of €2.8 billion and have an effective date of 22 June 2018.

[More details](#)

### East Africa: KPMG 2018 East Africa Budget Analysis

As has been the tradition, the East African Community Finance Ministers presented their countries' respective budgets modelled along the theme of industrialization for job creation and shared prosperity.

[More details](#)

## [Colombia: VAT registration proposed for non-resident service providers, digital services](#)

The Colombian tax authorities have proposed regulations concerning rules for value added tax registration and compliance by non-resident service providers—including providers of digital services

[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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