



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 26 June 2018



## Asia Pacific Tax Developments

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### Australia

#### [Australia: Attribution Managed Investment Trusts \('AMIT'\) Technical Amendments – Long awaited 'fix ups' finally arrive](#)

The Government has released for consultation an Exposure Draft of the Treasury Laws Amendment (2018 Measures No. 5) Bill 2018: AMIT Technical Amendments, more commonly referred to as the "AMIT Fix-up Bill".

[More details](#)

#### [Australia: Point of consumption gaming tax: where are you punting?](#)

The New South Wales Government recently announced in the 2018-19 Budget the introduction of a 10 percent point of consumption wagering tax, to apply from 1 July 2019.

[More details](#)

#### [Australia: Tax reform creeps ahead](#)

The Tax Laws Amendment (Personal Income Tax Plan) Act 2018 was passed by the Senate, and received Royal Assent on 21 June 2018. The Act seeks to reduce the tax burden on individual taxpayers with a phased plan to reduce personal tax rates over the next seven years.

[More details](#)

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### Cambodia

[Cambodia: Technical update on tax and corporate services](#)

- Implementation of the Double Taxation Avoidance Agreements
- Clarification on the existing tax law and additional requirements to strengthen the Associations and Non-Government Organisations' tax obligations
- Rules and procedures for Tax on income for insurance companies

[More details](#)

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## China

### China: Tax Weekly Update – Issue 22

The following matters are covered in this issue :

- Nationwide tax incentives for advanced tech services (Cai Shui [2018] No. 44)
- IIT incentives for scientific and technical staff (Cai Shui [2018] No. 58)
- Import tariff reduction for consumer goods (Shui Wei Hui Announcement [2018] No. 4)
- Revised Corporate Income Tax (CIT) Filing Forms (SAT Announcement [2018] No. 26)

[More details](#)

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## Hong Kong SAR

### Hong Kong: Equity-based compensation for new-economy companies

A look at how the increase in new-economy companies in Hong Kong is changing equity-based compensation.

[More details](#)

### Hong Kong: Proposed Individual Income Tax amendments signal significant changes to the taxation of individuals in China

On 19 June 2018, during the third session of the Thirteenth National People's Congress of the People's Republic of China ('PRC'), Mr Liu Kun, the Minister of Finance, Ministry of Finance of the PRC, outlined the proposed amendments to China's individual income tax ("IIT") rules. Mr Liu confirmed that the draft amendments have been agreed by the State Council.

[More details](#)

### Hong Kong: Tax implications of recent accounting changes – HKFRS 9, 15 and 16

In recent years, there have been various accounting changes which have significant tax implications on how certain items are accounted for and potentially taxed. The main changes are: (i) HKFRS 9 (Financial Instruments); (ii) HKFRS 15 (Revenue from Contracts with Customers); and (iii) IFRS 16 (Leases).

[More details](#)

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## India

India: Amount received for providing training services and access to Centralized Reservation System is not chargeable as Fees for Technical Services under the India-Netherlands tax treaty

The Mumbai Bench of the Income-tax Appellate Tribunal ('the Tribunal') in the case of Renaissance Services BV held that consideration received by the taxpayer for providing training services is for the managerial/leadership training provided to the employees of the Indian Hotels and is not chargeable as Fees for Technical Services (FTS) under the India-Netherlands tax treaty.

[More details](#)

### India: Foreign Investment Reporting - Single Master Form

With the objective of integrating the extant reporting structures of various types of foreign investment in India, the Reserve Bank of India vide its A.P (DIR Series) Circular No.30 dated 7 June 2018 has introduced a Single Master Form.

[More details](#)

### India: India Tax Connect

The Bangalore Tribunal in the case of Google India Private Limited held that the payment for marketing and distribution rights of Google Adwords Programme is taxable as royalty. Under the Adwords Programme distribution agreement and the service agreement, the taxpayer was given the license to use the confidential information, technical know-how, trade mark, brand features and derivative works.

[More details](#)

### India: Indian subsidiary does not constitute a PE of a foreign company in India under the India-Saudi Arabia tax treaty

The Authority for Advance Rulings (AAR) in the case of Saudi Arabian Oil Company held that the Indian subsidiary of the applicant does not constitute a fixed place Permanent Establishment in India under Article 5(1) of India-Saudi Arabia tax treaty since the applicant is not carrying on its main business from the premises of its subsidiary and the fixed place is not available to the foreign company at its disposal.

[More details](#)

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## Myanmar

### Myanmar: Withholding tax changes effective 1 July 2018

The notification 47/2018 was issued on 18 June 2018 to make some significant changes to the withholding tax system that take effect from 1 July 2018.

[More details](#)

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## Significant International Tax Developments



### OECD: Guidance on hard-to-value intangibles, transactional profit split method

The Organization for Economic Cooperation and Development (OECD) released new guidance on the application of the approach to hard-to-value intangibles and the transactional profit split method under Action 8 and Action 10, respectively, of the base erosion and profit shifting project.

[More details](#)

### OECD: KPMG comments on future revisions to Transfer Pricing Guidelines

The OECD in May 2018 announced it was considering two new projects to revise guidance in the OECD's Transfer Pricing Guidelines—specifically possible changes to Chapter IV (administrative approaches) and Chapter VII (intra-group services).

[More details](#)

### OECD: Updated CRS frequently asked questions (FAQs)

The OECD issued an updated version of frequently asked questions (FAQs) for implementing the common reporting standard (CRS).

[More details](#)

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## Calendar of Events

Date	Event	Location
8 August 2018	Tax and Immigration Considerations for Global Mobility Employees <a href="#">More details</a>	Malaysia

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## Beyond Asia Pacific

### EU: Annual VAT recovery rate adjustment review

A reminder for all businesses involved in both VAT exempt and VAT taxable activities with a 31 December year end and filing VAT returns on a bimonthly basis, that your annual VAT recovery rate adjustment for 2017 should, at the latest, be included in the May/June 2018 VAT return, which will be due by 23 July 2018.

[More details](#)

### Mauritius: Annual information return of dividends due 15 August 2018

Companies that pay dividends exceeding MUR 100,000 (~ U.S. \$2,850) must submit an annual information return of dividends distributed. The first return of dividends relates to the income year beginning on 1 July 2017 and ending 30 June 2018, and must be filed by 15 August 2018.

[More details](#)

### Canada: New Private Company Tax Rules – Now Law

This bill implements the passive investment income tax rules and the new tax on split income rules, among several other measures that were announced in the 2018 federal budget. It also contains other tax measures, such as reductions to the small business tax rate for 2018 and 2019.

[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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