



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 27 September 2018



Asia Pacific Tax Developments

Australia

Australia: Commissioner of Taxation vs Hacon case

KPMG Australia explore the legislative background to the recent case of Hacon. The issue under consideration is on how to distinguish a case where the Commissioner can legitimately decline to make a private ruling, from one where he or she has to ask for more information from the taxpayer.

[More details](#)

China

China: New “retaliatory” customs tariffs on U.S. imports

China’s Tariff Commission this week announced new customs tariffs will be imposed on \$60 billion worth of imports from the United States, beginning 24 September 2018.

[More details](#)

Hong Kong SAR

[Hong Kong: CRS: Arrangement on automatic exchange of financial account information in tax matters between Mainland China and Hong Kong now in force](#)

An arrangement between the Mainland China and Hong Kong for conducting AEOI came into effect on 6 September 2018. With the conclusion of the arrangement, Hong Kong will conduct AEOI with the Mainland for the first time by the end of September 2018 along with another 49 jurisdictions. The list of the 49 jurisdictions has not been published yet.

[More details](#)

[Hong Kong: Visas and work opportunities for same-sex couples](#)

With effect from 19 September 2018, a person who has entered into a same-sex civil partnership, same-sex civil union, same-sex marriage, opposite-sex civil partnership or opposite-sex civil union outside Hong Kong with an eligible sponsor will become eligible to apply for a dependant visa/ entry permit for entry into Hong Kong.

[More details](#)

India

[India: Assured return received by a non-resident on advance payment to a developer is taxable as interest under the India-U.K. tax treaty](#)

The Chandigarh Bench of the Income-tax Appellate Tribunal held that the amount of “assured return” received by a non-resident on an advance payment made for commercial space prior to occupancy was taxable as interest under the Article 11 of the income tax treaty between India and the UK (and not taxable as a return on investment).

[More details](#)

[India: GST notification update — Rate of tax collection at source has been notified](#)

Electronic Commerce operators (not being agents) are required to collect tax at source ('TCS') on the net value of taxable supplies made through by other suppliers. The applicable TCS for intra-state supplies are 0.5% and 1% for instar-state supplies and inter-state supplies respectively.

[More details](#)

[India: Liberalisation of External Commercial Borrowing norms](#)

The Reserve Bank of India issued a circular liberalising some aspects of the “External Commercial Borrowings” policy including the policy on rupee-denominated bonds.

[More details](#)

[India: Companies \(Prospectus and Allotment of Securities\) Rules 2014 Rule 9A - Issue of securities in dematerialised form by unlisted public companies](#)

An amendment to the Companies (Prospectus and Allotment of Securities) Rules, 2014 (effective 2 October 2018) requires unlisted public companies to issue securities only in de-materialised form and to facilitate de-materialisation of all existing securities in accordance with provisions of the Depositories Act, 1996 and related regulations

[More details](#)

Indonesia

[Indonesia: Increased import tax rate, over 1,000 goods and products](#)

A seemingly small change in import tax rates may have significant consequences. The Indonesian Finance Ministry provided information regarding the plan to control imports by adjusting the Article 22 Income Tax rate for a list of more than 1,000 goods from 2.5 percent to up to 10 percent with effect from 13 September 2018

[More details](#)

Korea

[Korea: Transfer pricing-related proposals in 2019 tax revision legislation](#)

Under the current measures in Korean tax law, transactions with related parties must be conducted at arm's length prices. The proposed tax revision measures will enhance the effectiveness of the arm's length principle.

[More details](#)

[Korea: United States-Korea free trade agreement, negotiation outcomes](#)

The presidents of the United States and South Korea 2018 signed a revised United States-Korea free trade agreement. In connection with the signing, the Office of the U.S. Trade Representative (USTR) issued a "fact sheet" about negotiations concerning the U.S.-Korea free trade agreement.

[More details](#)

New Zealand

New Zealand: "Tax working group" interim report

New Zealand's "tax working group" released an interim report that includes discussions of two key issues:

- The taxation of capital income
- How the tax system can be used to achieve/encourage environmental and ecological outcomes

[More details](#)

Philippines

Philippines: Supreme Court: Straight to the FAN!

Every taxpayer's responsibility is to be compliant with the requirements set by the Philippine taxing authority to avoid getting imposed with unwanted penalties. However, this is not only the reason why taxpayers choose to follow the tax rules. Nowadays, taxpayers prefer to be compliant rather than to take the risk of catching the attention of the Bureau of Internal Revenue and increase the possibility of going through the process of a tax assessment.

[More details](#)

Thailand

Thailand: Bill on Trust for Private Asset Management was proposed by the Cabinet

The Thai Cabinet approved legislation referred to as the "Bill on Trust for Private Asset Management." The bill would allow for the creation of a trust for the purpose of personal asset management. Under the current law, only the trust for transactions in the capital market can be created.

[More details](#)

Thailand: New important changes under the current digital government policy

The Thai Revenue Department ('TRD') in late August 2018 announced new practices and issued an order that removes a prior policy requiring a taxpayer to present to a TRD officer a photocopy of the taxpayer's identification card or proof of house registration before being able to initiate any procedures with the TRD under the tax law or regulations.

[More details](#)

Thought Leadership



2018 Asia Pacific Country Tax Profiles - Vietnam

The 2018 edition of Vietnam Country Tax Profile has been made available at KPMG Asia Pacific Tax Centre's portal.

This guide is useful to understand the respective country's tax system, including information on Corporate Tax, International Tax, Transfer Pricing, Indirect Tax, Personal Tax, Trade & Customs and Tax Authorities.

In relation to other countries in Asia-Pacific region, their Tax Profiles will be uploaded in the following weeks.

[More details](#)

Calendar of Events

Date	Event	Location
8 November 2018	Malaysia - Tax and Business Summit 2018 Contacts: Ms. Sharon Leong Peck Sim / Ms. Fah Siew Peng / Ms. Esther Teh Mei Sum More details	One World Hotel First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Malaysia.
15 & 16 November 2018	General Principles of GST & Reverse Charge Mechanism Contacts: Sharon Ting More details	Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879

Beyond Asia Pacific

Netherlands: Tax treaty policy, designation of low-taxed states for consultation

The Dutch government launched an internet consultation seeking comments relating to (1) the Dutch tax treaty policy, and (2) the designation of low-taxed states with respect to proposed controlled foreign companies (CFCs) measures.

[More details](#)

United States: IRS provides draft instructions for Form 8992 (GILTI)

The IRS has posted draft instructions for reporting "global intangible low-taxed income" ('GILTI') on Form 8992. The IRS has also re-posted a draft version of Form 8993—the form to be used report the section 250 deduction for "foreign derived intangible income" (FDII) and GILTI. [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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