



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[Business traveller compliance made easy](#)

KPMG's Global Mobility Services team has just released a new app that ensures tax and immigration compliance for the business travellers. KPMG Business Visitor Assist app, provides personalized visa, tax and superannuation assessments, and enables employees to apply for the correct business visitor visa online, all before they get on the plane.

[Child Care Subsidy Estimator - Estimating the cost of coming back for working mothers](#)

KPMG has released a Child Care Subsidy ('CCS') Estimator which illustrates the potential financial challenges faced by mothers who are returning to work. KPMG's CCS Estimator may be used to compare an estimate of a family's current CCS amount for 2018-19 against the amount the same family might potentially receive under an alternative work or salary arrangement

[Tax implications for cryptocurrencies](#)

KPMG Australia explore the current and future tax implications for cryptocurrencies.

[The tax authorities at both federal and state levels are focused on identifying the payroll tax implications for businesses that engage independent contractors](#)

Identifying the tax implications for businesses that engage independent contractors is one of several issues under the microscope for tax authorities at both federal and state levels.

Common expenditure should be allocated to the tax holiday unit while computing deduction under Section 80-IA of the Income-tax Act

The Jaipur Bench of the Income-tax Appellate Tribunal ('the Tribunal') dealt with the issue of apportionment of common expenditure to a tax holiday unit for computing deduction. The Tribunal observed that the activities at the strategic, managerial, regulatory and overall oversight level had a nexus with the eligible undertakings and the expenditure incurred in relation thereto needs to be allocated to the eligible undertakings.

Cost of the tools supplied for free should be added to the value of goods supplied – AAR

The Authority for Advance Ruling ('AAR'), Karnataka held that amortized cost of tools which are supplied to the applicant free of cost shall be added to the value of the components for determining the value of supply.

Jurisdictions where “passive non-financial entity” status not considered for CRS

Central Board of Direct Taxes issued a notification that contains the list of jurisdictions that will not be considered for the purposes of determining a “Passive Non-Financial Entity” for the CRS regime.

Liquidation of shares allotted under ESOP to be taxed as capital gains and not as a perquisite

The Chennai Bench of the Tribunal held that gains arising on sale of shares sold by parent company on behalf of the taxpayer should be treated as capital gains considering the value of shares at allotment as a cost of acquisition.

Perquisite arises as on date of allotment of shares under ESOP

The Hyderabad bench of the Tribunal held that the obligation for withholding tax at source is triggered only when the shares are allotted and not on the date of exercise.

Recovery of penal interest cannot be construed as additional interest – AAR

The AAR, Maharashtra held that amount collected as penal interest cannot be construed as additional interest. It is recovered towards tolerating an act of delayed payment of equated monthly installments by the customer.

Salary received in India by non-resident for services rendered outside India not taxable in India despite the absence of TRC

The Bangalore Bench of the Tribunal held that salary received in India by a non-resident individual taxpayer for services rendered in the U.S is not taxable in India under the Income-tax Act despite taxpayer's failure to furnish Tax Residency Certificate as all evidence relating to stay and taxation in the U.S was furnished in the course of assessment.

[Service Tax – Credit availed on telecom towers, shelter and accessories are admissible under the CENVAT Credit Rules – Delhi High Court](#)

High Court of Delhi has held that denial of CENVAT credit on the premise that the towers erected result in immovable property, is erroneous and contrary to the ratio laid by Hon'ble Supreme Court in Solid and Correct Engineering case.

Malaysia

[Budget 2019 includes service tax on digital products, excise tax on sweetened beverages](#)

The 2019 Budget carries the theme “A Resurgent Malaysia, Dynamic Economy, A Prosperous Rakyat” which highlights the Government’s focus towards the Rakyat’s welfare and well-being while ensuring the country’s economic growth remains sustainable.



Significant International Tax Developments

[OECD: Peer review of dispute resolution \(MAP\); BEPS Action 14](#)

The Organization for Economic Cooperation and Development ('OECD') issued a request for comments and input on a peer review of the tax treaty dispute resolution process under Action 14 of the base erosion and profit shifting ('BEPS') project.



Calendar of events

Date	Event	Location
27 November 2018	<u>2018 KPMG China Annual Tax Update Conference</u> Contacts: <u>KPMG China Market Services</u>	Beijing, China



Beyond Asia Pacific

[Spain: Draft bill for financial transactions tax](#)

The Ministry of Finance has published text of a draft bill for a financial transactions tax.

[Tier 2 tax rates for railroads, no changes for 2019](#)

The U.S. Treasury Department and IRS released for publication in the Federal Register a notice providing the tier 2 tax rates for 2019 (that is, with respect to compensation paid in 2019). Tier 2 taxes imposed on railroad employees, employers, and employee representatives are a source of funding for benefits under the Railroad Retirement Act.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax



Khoon Ming Ho
Head of Tax,
KPMG Asia Pacific
T : +8610 8508 7082
E : khoonming.ho@kpmg.com

Asia Pacific Tax Centre Leader, Regional Tax Partner



Brahma D Sharma
Global Head of Clients and Markets
Tax & Regional Partner
KPMG Asia Pacific
T : +65 8186 7369
E : brahmasharma@kpmg.com.sg

Service Line Specialists

Transfer Pricing Services



Tony Gorgas
Asia Pacific Regional Leader,
Transfer Pricing Services
KPMG Australia
T : +61 2 9335 8851
E : tgorgas@kpmg.com.au

Indirect Tax Services



Lachlan Wolfers
Asia Pacific Regional Leader,
Indirect Tax Services
KPMG China
T : +852 2685 7791
E : lachlan.wolfers@kpmg.com

Research & Development (R&D) Tax Incentives



Alan Garcia
Asia Pacific Regional Leader,
R&D Tax Incentives
KPMG Australia
T : +61 3 9288 6094
E : afgarcia@kpmg.com.au



KPMG Asia Pacific Tax Centre Contacts

Global Compliance Management Services and Financial Services



Jenny Clarke
Asia Pacific Regional Leader,
Global Compliance
Management Services and
Financial Services
KPMG Australia
T : +61 2 9335 7213
E : jeclarke@kpmg.com.au

Global Mobility Services



Ben Travers
Asia Pacific Regional Leader,
Global Mobility Services
KPMG Australia
T : +61 3 9288 5279
E : btravers1@kpmg.com.au

International Tax



Christopher Xing
Asia Pacific Regional Leader,
International Tax
KPMG China
T : +8610 8508 7072
E : christopher.xing@kpmg.com

Deal Advisory M&A Tax



Angus Wilson
Asia Pacific Regional Leader,
Deal Advisory M&A Tax
KPMG Australia
T : +61 2 9335 8288
E : arwilson@kpmg.com.au

Dispute Resolution and Controversy



Angela Wood
Asia Pacific Regional Leader,
Dispute Resolution and
Controversy
KPMG Australia
T : +61 3 9288 6408
E : angelawood@kpmg.com.au

Legal Services



Stuart Fuller
Asia Pacific Regional Leader,
Legal Services
KPMG Australia
T : +61 2 9458 1590
E : stuartfuller@kpmg.com.au

Trade & Customs



Leonie Ferretter
Asia Pacific Regional Leader,
Trade & Customs Services
KPMG Australia
T : +61 2 9455 9330
E : lferretter@kpmg.com.au



KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Alternative Investments & Private Equity



Simon Clark
Asia Pacific Regional Tax
Leader, Alternative Investments
and Private Equity sector
KPMG in Singapore
T : +65 6213 2152
E : simonclark1@kpmg.com.sg

Energy & Natural Resources



Carlo Franchina
Asia Pacific Regional Tax
Leader, Energy & Natural
Resources Sector
KPMG Australia
T : +61 8 9263 7239
E : cfranchina@kpmg.com.au

Sovereign Wealth and Pension Funds



Angus Wilson
Asia Pacific Regional Leader,
Sovereign Wealth and Pension
Funds Sector
KPMG Australia
T : +61 2 9335 8288
E : arwilson@kpmg.com.au

Insurance



John Salvaris
Asia Pacific Regional Leader,
Insurance Sector
KPMG Australia
T : +61 3 9288 5744
E : jsalvaris@kpmg.com.au



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