



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 31 January 2019



## Asia Pacific Tax Developments

### Australia

#### [ATO releases guidance to the operation of hybrid rules](#)

KPMG Australia unpack the ATO's guidance on the operation of the Australian hybrid rules.

#### [Digital economy tax note reveals focus on 'pillars'](#)

KPMG Australia discuss the policy note on the tax challenges of digitalisation released by the Inclusive Framework on BEPS.

#### [Taxpayer appeals Federal Court decision denying FITOs](#)

KPMG Australia explore the significance of the Federal Court's decision in *Burton v Commissioner of Taxation* [2018] FCA 1857.

#### [Worldwide gearing ratio under thin capitalisation rules](#)

KPMG Australia explore the worldwide gearing ratio under Australia's thin capitalisation rules in detail.



# China

## [APA report, data covering period 2005 to 2017](#)

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China's State Administration of Taxation ('SAT') released an annual report with data about advance pricing arrangements ('APA'). The APA report shows that the progress made within the APA program is consistent with the SAT's commitment to preventing double taxation and to provide certainty to taxpayers.

## [First AEOI exchange with Switzerland set for September 2019](#)

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The first exchange of information under the automatic exchange of information between China and Switzerland will take place in September 2019 regarding the year 2018.

## [KPMG report: Managing trade and customs in China](#)

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This brochure introduces some of the intricacies and complexities of import, export and customs management in China and outlines the services offered by KPMG China's Trade & Customs team.

## [Updated plan to promote comprehensive bonded zones](#)

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China's government announced plans to promote the "comprehensive bonded zone" regime.

# India

## [External Commercial Borrowings – Revised Regulations and Framework](#)

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A revised regulation viz. Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 issued for borrowing and lending between a person resident in India and outside India.

## [Updated FATCA, CRS form; generating and validating XML files](#)

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India's tax authority updated Form 61B (v2.3) that, under the FATCA and common reporting standard (CRS) regimes, allows users to generate and validate XML files to be submitted to the income tax authority.

# New Zealand

## [2018 Tax Bill report back](#)

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The Finance and Expenditure Committee of Parliament has reported back its amendments to the Taxation (Annual Rates for 2018-19, Modernising Tax Administration and Remedial Matters) Bill.



# Significant International Tax Developments

## [OECD: Initial impressions about digital economy project](#)

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The Organisation for Economic Cooperation and Development (OECD) released a “policy note” concerning the digital economy. The OECD policy note - “Addressing the Tax Challenges of the Digitalised Economy”- was approved by the entire Inclusive Framework (over 160 countries that have come together for the purpose of achieving a mutually agreed solution to these challenges) and has the consensus of a broad cross-section of developed and developing economies.

## [OECD: Progress report on harmful tax practices \(BEPS Action 5\)](#)

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The OECD issued a report on progress that certain jurisdictions have made with respect to their commitments to comply with the standard on harmful tax practices, under the implementation of Action 5 of the base erosion and profit shifting project.

## [OECD: Update on digital economy work; arm’s length implications](#)

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The OECD released a “policy note” concerning the digital economy. According to informal notes regarding the OECD presentation, there are four leading proposals that will be explored by the Inclusive Framework over the coming months, with these proposals being divided into two “pillars” of work.



## Beyond Asia Pacific

### [Italy: Tax authorities clarify mandatory e-invoicing rules, VAT implications](#)

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The Italian tax authorities have clarified certain issues relating to the mandatory “e-invoicing” rules that were effective beginning in 2019.

### [US: IRS announces tax filing season opens for individual taxpayers](#)

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The IRS announced the opening of the 2019 tax filing season for individual taxpayers. The IRS has started accepting and processing federal income tax returns for tax year 2018.



## TaxNewsFlash by region

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

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[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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