



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 28 February 2019



Asia Pacific Tax Developments

Australia

[Taxpayer win: "Permanent place of abode" outside Australia](#)

The full bench of the Federal Court of Australia overturned last year's decision by the single judge, and found that the taxpayer was a non-resident of Australia by virtue of having established a permanent place of abode in Bahrain.

India

[100% deduction allowed under Section 80-IC of the Act on substantial expansion subject to conditions](#)

The Supreme Court allowed 100% deduction under Section 80-IC of the Income-tax Act, 1961 ('the Act') for fresh 5 years from the year of completion of the substantial expansion subject to a total period of deduction not exceeding 10 years.

[Amnesty Scheme to settle pre-GST regime disputes in Maharashtra state](#)

The Maharashtra state government approved an amnesty program for taxpayers to settle their state tax disputes arising before the goods and services tax ('GST') measures were in effect. The proposed GST amnesty program would apply and be available for two periods - first, for the period up to 31 March 2010, and second, from 1 April 2010 to 30 June 2017.



[Updated FATCA, CRS form allows for XML files](#)

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

[Form C and products used in manufacturing process](#)

The Value Added Tax department of the Maharashtra government withdrew prior guidance (circular No. 47T of 2017) that had restricted the issuance of "Form C." Previously, Form C was issued with respect to products that were used by the taxpayer in the manufacture of its eligible goods.

[Ministry of Commerce and Industry clears proposal to encourage investments into startups \(Angel Tax Notification\)](#)

With this notification, the definition of startup has been enhanced. Now an entity shall be considered as a startup up to 10 years from the date of incorporation in place of earlier duration of 7 years. Similarly, an entity will continue to be recognized as a startup if turnover of the entity for any of the financial years since incorporation has not exceeded INR 1000m in place of INR 250m earlier.

[No reversal of CENVAT credit required for statutory investments](#)

Customs, Excise and Service Tax Appellate Tribunal, Hyderabad held that activity of mandatory investment in securities is not exempt service for the purpose of determining reversal under the CENVAT Credit Rules.

[Pre-fabricated structure not eligible for input tax credit, since immovable property](#)

The Authority for Advance Ruling, West Bengal, denied a request for an input tax credit with respect to "inward supplies" used in the construction of a pre-fabricated warehouse structure. The ruling concludes that the pre-fabricated warehouse structure was immovable property, and thus ineligible for an input tax credit.

[Undisclosed foreign bank accounts](#)

A taxpayer that is determined to be a "resident" and an "ordinary resident" in India pursuant to the Income Tax Act, 1961 and having assets located outside India must provide details about these assets and about the income earned outside India on the taxpayer's individual income tax returns.

Sales tax – Bond to bond sale does not qualify as high seas sale, hence liable to tax – Bombay High Court

Recently, the Bombay High Court while determining what constitutes the term 'crossing the customs frontiers of India' held that presenting of a bill of entry for home consumption or for warehousing denotes that goods which are imported have been cleared and accordingly have crossed the customs frontiers.

Transfer of shares in company having an undertaking doesnot result into slump-sale

The Bombay High Court addressed whether a transaction was a mere transfer of shares or was a transfer of an undertaking of the company by means of a "slump sale" and thus subject to short-term capital gains taxation under section 50B. The court found that the sale of shares of a company is not tantamount to a sale of the company's assets.

New Zealand

Tax Working Group Final Report – 99 not out!

Highlights of the TWG's key recommendations and relevant design features from an initial review. The following points are discussed:-

- Key TWG recommendations
- Extending taxation of capital gains (CGT)
- Other key recommendations



Calendar of events

Date	Event	Location
8 March 2019	Tax Compliance in 2019: Preparing you for a New Era Contact: KPMG China Market Services	KPMG Office, Hong Kong
14 March 2019	General Principles of GST & Reverse Charge Mechanism Contact: Sharon Ting	Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595



Beyond Asia Pacific

[Netherlands: Near-term implications of Brexit for Dutch businesses](#)

A Dutch governmental agency has issued a report that examines possible near-term implications of the UK's departure from the European Union - Brexit.

[United States: U.S. investigation of steel racks imported from China](#)

The U.S. Department of Commerce announced an affirmative preliminary determination in the antidumping duty investigation of imports of steel racks from China.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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