



International Tax Asia Pacific and MENASA August 2017

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG firms in the Asia Pacific & MENASA regions between **1 August and 31 August 2017**.

Australia	Indonesia	Thailand
China	Pakistan	UAE
India	Singapore	Vietnam

For a full summary of global tax developments, visit kpmg.com/TaxNewsFlash.

To contact the International Tax Team email internationaltax@kpmg.com.

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	Tax area concerned	Relevant date	Description of measures and publication link
Australia			
Tax legislation approved and regulatory update	Attribution managed investment trust	19 July 2017	The Minister for Revenue and Financial Services announced a number of changes to the Attribution Managed Investment Trust regime. Read more
Tax legislation approved and regulatory update	Tax compliance	August 2017	The Australian Taxation Office (ATO) confirmed that they are extending the obligation to complete the Reportable Tax Position (RTP) schedule to companies in economic groups with a turnover of greater than AUD 250 million, commencing from years ending on or after 30 June 2018. A company will only be required to complete the RTP schedule if notified to do so by the ATO. Read more
Proposed legislation	Capital gains tax	21 July 2017	The Federal Budget 2017-18 announcements include proposals to change the capital gains tax treatment for foreign residents that have small interests, through shareholdings, in Australian real property. Read more

Proposed legislation	Collective investment vehicle	25 August 2017	Treasury released an Exposure Draft of framework legislation to implement the corporate collective investment vehicle regime. Read more
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China			
Tax legislation approved and regulatory update	Customs	1 July 2017	The General Administration of Customs announced the implementation of a national plan for customs clearance integration-regime reform. The customs clearance integration regime expands a pilot program (originally launched in Shanghai and then expanded for a number of ports), and is scheduled for a nationwide rollout. Read more
Proposed legislation	Foreign investments / Market entry	September 2017	At meetings of the State Council it was indicated that there is to be a relaxation of the requirements for foreign investors to have Chinese co-investors for their China investments. Details are expected by September 2017. Read more
Proposed legislation	Foreign investments / WHT	September 2017	A new State Council measure may temporarily permit the deferral of dividend withholding tax (WHT), otherwise levied on the distributed profits of a foreign invested enterprise, where the relevant amounts are reinvested in 'encouraged' projects. Read more
Administrative and case law	Customs	August 2017	An advisory opinion of the World Customs Organization on the inclusion of royalties and license fees in the customs value of imported goods has implications for China customs-related matters. Read more
KPMG Publications	Various tax areas	August 2017	KPMG in China prepared a report which examines the impact of tax policies through the lifecycle of public-private partnership projects in China. Read more

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India			
Administrative and case law	PE	August 2017	The Delhi Bench of the Income-tax Appellate Tribunal held that profits relating to services rendered in and outside India by the taxpayer, in respect of Indian projects were taxable in India, as being attributable to the supervisory permanent establishment (PE) because the taxpayer and the PE were effectively connected with each other. The case is: <i>Shanghai Electric Group Co. Ltd.</i> Read more

Various tax areas	August 2017	<p>KPMG in India has prepared reports about the following tax developments:</p> <ul style="list-style-type: none"> — R&D expenditure eligible for deduction prior to approval. The case is: <i>Maruti Suzuki India Ltd.</i> — Liaison and project offices were not PE under tax treaty with Japan. The case is: <i>Mitsui & Co. Ltd.</i> — Tax exemption for educational activities denied. The case is: <i>FRP Institute.</i> <p>Read more</p>
		<p>KPMG in India has prepared reports about the following tax developments:</p> <ul style="list-style-type: none"> — Transfer of shares by Mauritian company under group reorganization. The case is: <i>JSH Mauritius Ltd.</i> — Certificate of coverage, social security agreements — Capital gains credited to capital reserve for book profit purposes. The case is: <i>Bhagwan Industries Ltd.</i> <p>Read more</p>
		<p>KPMG in India has prepared reports about the following tax developments:</p> <ul style="list-style-type: none"> — “Right person” to be charged for income tax. The case is: <i>Maneklal Agarwal</i> — CBDT amends the report on computation of book profit — Belated tax withheld at source remittances under tax treaties. The case is: <i>Cooper Standard Automotive India Pvt Ltd.</i> <p>Read more</p>

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Indonesia			
Tax legislation approved and regulatory update	CFC	2017	<p>The controlled foreign company (CFC) rules were amended by a regulation released in late July 2017 by the Ministry of Finance—effective for fiscal year 2017. A change made by the regulation is that the CFC rules now apply with respect to indirectly owned (non-listed) CFCs.</p> <p>Read more</p>

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Pakistan			
KPMG publications	Companies Act	August 2017	<p>KPMG in Pakistan prepared a report on the new Companies Act.</p> <p>Read more</p>

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Singapore			
Tax legislation approved and regulatory update	Tax incentives	August 2017	A “global trading programme” in Singapore aims to support global trading companies that undertake certain qualifying transactions with respect to certain commodities and products. The programme offers a concessionary income tax rate of 5 percent or 10 percent on qualifying income for a period of three (entry-level award) or five years (renewable, subject to approval). Read more
Proposed legislation	Tax incentives	August 2017	The Ministry of Finance issued a draft Income Tax (Amendment) Bill for public consultation that includes a proposed tax framework for companies re-domiciled in Singapore. Read more

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Thailand			
Proposed legislation	Corporate income tax	August 2017	New draft legislation was issued regarding foreign functional currency in computation of corporate income tax. Read more

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UAE			
Tax legislation approved and regulatory update	Various tax areas	August 2017	A new law establishes the foundation for the tax system in the UAE. With the new law, there is a requirement for any person conducting business in the UAE to keep accounting records and commercial books as well as any tax-related information. Read more
Proposed legislation	VAT / Excise tax	August 2017	The Ministry of Finance has officially launched the second phase of a VAT awareness campaign, and confirmed that VAT and excise tax legislation is expected to be published by the end of the third quarter of 2017, to be followed by the release of implementing regulations in the last quarter of 2017. Read more

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Vietnam

Administrative and case law	Audis	August 2017	Guidance issued as regulations by the Ministry of Finance is to be followed to coordinate the audit of corporate finance mechanisms and policies at foreign-invested enterprises (FIEs). Read more
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