



Asia Pacific Tax Developments

Australia

Australia: FIFO flights not subject to FBT

The Full Federal Court has ruled that the cost of flights incurred for Fly in Fly Out (FIFO) employees travelling between their point of hire, to the project location, is not subjected to fringe benefits tax (FBT) under the 'otherwise deductible' rule.

The FBT provisions only provides a specific exemption from FBT for flights provided to FIFO employees who work in a 'remote' location as defined for tax purposes.

[More details](#)

China

China: Implementation guidance issued for new indirect offshore disposal rules.

The Chinese State Administration of Taxation (SAT) issued Circular 68 which provides instructions to local tax authorities in relation to the PRC tax authorities' administration and implementation of the new indirect offshore disposal rules. Important aspects include:

- Issuance of an official receipt for taxpayer transaction reporting under Announcement 7
- GAAR case evaluation at the 'verification' stage
- Procedures for launching GAAR investigation and adjustment, etc.

[More details](#) | [Chinese version](#)

India

India: CBDT issues FAQs on Advance Pricing Agreement (APA) Rollback Provisions

Some important FAQs and responses/clarification in connection with return of income, appeal before the tax authorities, cancellation of APA, mutual agreement procedure, determination of arm's length price, and withdrawal of rollback application provided by India's Central Board of Direct Taxes (CBDT) have been briefly explained.

[More details](#)

India: Delhi High Court confirms exclusion of period of wrongful impounding of passport while determining residential status in India

The Delhi High Court held that while determining the residential status of an individual under Section 6(1) (a) of the Income-tax Act, any involuntary period of stay can be excluded.

[More details](#)

India: Various Tax Regulatory Developments

The KPMG member firm has prepared reports of following developments:

- Extended due date for individuals to file income tax returns for tax year 2014-15
- Aircraft maintenance and repair-related services: the payments were made to earn income from sources outside India not deemed to accrue or arise in India
- Revised guidelines for "clubbing" of advance authorisations
- Approved scheme of amalgamation
- Tax withheld on a provision for expenses

[More details](#)

India: Fees for delay in filing of TDS statements cannot be levied before 1 June 2015 since there was no enabling provision for raising such a demand

The Amritsar Bench of the Income-tax Appellate Tribunal held that fees under Section 234E of the Income tax Act, 1961 for delay in furnishing a Tax Deducted at Source (TDS) statement cannot be levied before 1 June 2015 since there were no enabling provisions under Section 200A of the Act for raising a demand with respect to levy of such fees.

[More details](#)

India: Transfer Pricing on international issue of share capital

The Income-tax Appellate Tribunal held that an international transaction of a capital nature may not lead to generation of income itself, but the resultant transaction may impact on the income of the taxpayer, which must be at Arm's Length Price (ALP).

[More details](#)

India: License fees and management charges are not in the nature of head office expenditure and therefore cannot be disallowed under Section 44C of the income-tax Act

The Mumbai Bench of the Income-tax Appellate Tribunal held that the payment of license fees and management charges are not in the nature of head office expenditure and therefore cannot be disallowed under Section 44C of the Act.

[More details](#)

Japan

Japan: Agreement with EU for digitalized customs procedures

Top-level customs officials of the European Union and Japan have signed an agreement to allow for the creation of an IT system that would support an automated data exchange between Japanese and EU customs authorities for the mutual recognition of Authorised Economic Operators (AEOs).

[More details](#)

Korea

Korea: VAT on electronic services

Electronic services provided to persons in Korea by non-residents operating via a foreign open market will be considered a taxable transaction, starting 1 July 2015.

[More details](#)

Singapore

Singapore: Owners of Rental Property Can Claim Deemed Expenses

The Singapore Government first announced in Budget 2015 that property owners who derive passive rental income from residential properties can elect to claim rental expenses on a 'deemed' basis in lieu of actual expenses in determining net taxable income.

The Inland Revenue Authority of Singapore (IRAS) has published an e-Tax Guide providing additional guidance. This tax alert summarises the deemed expense election rule.

[More details](#)

OECD Updates



Webcast provides BEPS status update

The Organisation for Economic Co-operation and Development (OECD) hosted its seventh webcast earlier this week, to update the global tax community on the status of its base erosion and profit shifting (BEPS) project. KPMG comments on points arising in the webcast.

[More details](#)

Calendar of Events

Date	Event	Location
3 July 2015	KPMG Trade and Customs breakfast briefing More details and registration	InterContinental Hotel, Singapore
5 July 2015	Pakistan Budget	Pakistan
9 July 2015	Costly mistakes to avoid in your GST Return For more details email Pershen Kaur	Petaling Jaya, Malaysia
23 October 2015	Malaysian Tax Budget 2016	Malaysia
26-28 October 2015	2015 KPMG EMA Tax Summit More details	Lisbon, Portugal
28 October 2015	KPMG Malaysia Tax Summit 2015 For more details email Karen Lee	Malaysia

Beyond Asia Pacific

Africa: Tax proposals in 2015 budget

The 2015 Budgets for Kenya, Rwanda, Tanzania and Uganda have been released, and each contain proposals affecting corporate, individual and indirect taxes in the respective countries.

More details: [Kenya](#) | [Rwanda](#) | [Tanzania](#) | [Uganda](#)

Canada: "Global FATCA" agreement is signed

The Canada Revenue Agency (CRA) signed an international Multilateral Competent Authority Agreement (MCAA) that will activate the automatic exchange of financial information between tax jurisdictions, including balances, interest, dividends, and sales proceeds from financial assets as of 2018.

[More details](#)

EU: Plan to curb corporate tax avoidance

The European Commission has presented an action plan that would reform corporate taxation in the EU, and that would set forth a series of initiatives to address tax avoidance, secure sustainable revenues, and strengthen the EU single market for businesses.

[More details](#)

Netherlands: Official translation of FATCA guidance

An English version of the guidance concerning the Foreign Account Tax Compliance Act (FATCA), issued by the Dutch Ministry of Finance, is now available. It includes technical explanatory notes to the intergovernmental agreement (IGA) between the Netherlands and the United States.

[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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