



Asia Pacific Tax Developments

Australia

Australia: Australia's double tax treaties: Vive la difference!

Before investing overseas, it is critical that you check whether your target country has a double tax treaty (DTT) with Australia and, if it does, to carefully consider the nuances of that treaty.

Whilst Australia's treaties are generally based on the OECD's model treaty, each DTT is individually negotiated and therefore properly understanding the specifics of a treaty cannot be overstated.

[More details](#)

Australia: Non-Final WHT on disposals in Australian real property

The Government's proposed 10 percent non-final withholding tax on transactions involving the disposal by foreign residents of certain Australian real property interests is intended to assist with the collection of foreign resident income tax liabilities in relation to the disposal of real property interests.

[More details](#)

Australia: Simplification of company loss recoupment rules providing greater certainty

On 16 September 2015, the Tax and Superannuation Laws Amendment (2015 Measures No. 2) 2015 Act was granted royal assent. The new law includes changes to simplify the loss recoupment rules to provide greater certainty to taxpayers.

The proposed changes focus on overcoming some of the technical challenges of satisfying the Continuity of Ownership Test.

[More details](#)

Australia: Thoughts on the Abbott Legacy

The twenty-eighth Prime Minister of Australia Tony Abbott commissioned various reviews including the Tax and Federation White Papers. These are important initiatives. It is expected and hoped that the new Prime Minister will take these forward. Tax reform is too important to be put on a back-burner.

[More details](#)

China

China: China ratifies WTO's Trade Facilitation Agreement

On 4 September 2015, China rectified WTO's protocol of the Trade Facilitation Agreement, and became the 16th member accepting this specific protocol. According to WTO's rule, the Agreement will enter into force once two-thirds of the WTO members complete their respective ratification process. With regard to China, implementation of the Agreement will reduce trade costs and raise the level of trade facilitation.

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

India

India: Various tax regulatory developments

The KPMG member firm in India has prepared a report to keep you informed of the developments on tax and regulatory front and its implications on the way you do business in India.

[More details](#)

India: No expense disallowance if no related exempt income is received during the year

The Delhi High Court held that there must be an actual receipt of exempt income during the relevant year, for the purpose of the rules that apply to disallow a deduction for an expenditure incurred in relation to such income. Section 14A of the Income-tax Act, 1961 will not apply if no exempt income is received during the year.

[More details](#)

India: Revenue earned from distribution of news and financial information products is not taxable in India, in the absence of a dependent agent PE and service PE under the India-UK tax treaty

The Mumbai Tribunal held that the revenue earned from distribution of news and financial information products by the taxpayer is not taxable in India, in the absence of a dependent Agency Permanent Establishment (PE) and service PE under the India-U.K. tax treaty.

Also, the Delhi High Court held that the subsidiary by itself cannot be considered to be a dependent agent PE of the principal.

[More details](#)

Japan

Japan: CRS implementation, effective 2017

In Japan, legislation and regulations implementing the OECD's Common Reporting Standard (CRS) and Automatic Exchange of Information (AEOI) provisions are effective 1 January 2017. A Cabinet Ordinance and a Ministerial Ordinance have been issued to supplement the legislation.

[More details](#)

Malaysia

Malaysia: Guidance for FATCA compliance

The Inland Revenue Board of Malaysia in September 2015 issued guidance concerning the requirements for compliance with an

intergovernmental agreement (IGA) to implement the FATCA regime.

The FATCA guidance notes provide guidelines and practical information for Malaysian-based financial institutions, businesses, their advisers, and officials dealing with application of the FATCA rules.

[More details](#)

New Zealand

New Zealand: Proposed tax changes for “close-companies”

An “issues paper” in New Zealand includes suggested changes to the current tax rules for “close-companies” (privately owned companies with five or fewer shareholders). As proposed, the amendments would:

- remove restrictions on expense deductibility under the “look-through company” (LTC) tax rules;
- strengthen entry requirements to become an LTC;
- remove the “tainting” of capital gains made with associates; and
- remove withholding tax on dividends paid to shareholders in a number of circumstances.

[More details](#)

New Zealand: Proposal to reduce tax cost to shareholders

Officials have released a proposal to make it easier for companies to ensure their shareholders, particularly minority shareholders, are not tax disadvantaged when tax losses are offset and dividends paid.

[More details](#)

Calendar of Events

Date	Event	Location
22-23 September 2015	AFR Tax Reform Summit – an opportunity to influence the future More details	Sydney
2 October 2015	Managing Global Mobility to Malaysia For more details email Carmen Yong	Petaling Jaya, Malaysia
6-8 October 2015	2015 Global Mobility Services Forum	Rome, Italy
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
9 December 2015	Managing Employer's Tax Obligations For more details email Carmen Yong	Petaling Jaya, Malaysia

Beyond Asia Pacific

Mexico: Tax provisions in economic package presented to Congress

Mexico's Executive Branch on 8 September 2015 presented to the Mexican Congress an economic package for fiscal year 2016. There are no proposals for tax reform that would result in an increase in taxes or in the creation of new taxes, certain modifications have been proposed that would affect certain provisions of the 2014 tax reform.

[More details](#)

Switzerland: VAT returns filed electronically, online

Value added tax (VAT) returns, as of 8 September 2015, can be filed electronically in Switzerland. This new service may provide opportunity for companies to review and optimize their accounting and VAT processes.

[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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