



## Asia Pacific Tax Developments

### Australia

#### Australia: A new BEPS world dawns

Base Erosion and Profit Shifting (BEPS) has come to life with the recent signing of the new tax treaty between Australia and Germany.

The new treaty contains updates to the definition of permanent establishment (PE) that were recommended in the Organisation for Economic Co-operation and Development BEPS 2015 Final Report on *Action 7: Preventing the Artificial Avoidance of Permanent Establishment Status*.

[More details](#)

#### Australia: Concept of justified trust over published tax numbers

The tax data will be placed on the data.gov.au website in the week commencing 14 December 2015 in Excel format. But beyond analysis of the data lies another story of how and why the numbers are what they are, and thus how one can be sure that they are both correct and 'fair'. To this point, the ATO has recently spoken of 'justified trust'.

KPMG in Australia discusses the upcoming ATO tax data release and the concept of justified trust over published tax numbers which will soon be of interest to the media and public as well as the ATO.

[More details](#)

#### Australia: Looking to employ? Want a tax break with that?

With calls for tax reform to regenerate the economy in full swing, one could be forgiven for overlooking the fact there are considerable incentives already in place.

One area that is often overlooked is the payroll tax incentives and wage subsidies for taking on unemployed people.

KPMG in Australia gives an insight at some of the employment incentives that are currently available. [More details](#)

#### Australia: Technology CEOs focused on growth for the future

Uncertainty. Disruption. Innovation. Standing at the forefront of change, companies in the technology space are often the first to feel the impact of a shifting global economy - positive or negative.

C-suite executives surveyed as part of KPMG's 2015 Global CEO Outlook report, told us that despite the constantly evolving global business environment, they are feeling more confident in their growth prospects within the sector than they did last year.

KPMG in Australia gives an insight into KPMG's 2015 Global CEO Outlook Report in regards to Technology CEO's and the importance of growth.

[More details](#)

### China

#### China: Announcement released by the General Administration of Customs to Develop Work Order Write-Off of the Processing Trade

The General Administration of Customs released the Announcement on Developing Work Order Write-off of the Processing Trade (Announcement No. 53 [2015]) on 6 November 2015 to develop the practice of work order write-off of the processing trade.

[More details | Chinese version](#)

## India

### **India: Enhanced profit due to the disallowance of expenditure under Section 40(a)(ia) is eligible for a benefit of Section 10B of the Income-tax Act**

The Pune Bench of the Income-tax Appellate Tribunal held that enhanced profits due to the disallowance of expenditures under section 40(a)(ia) of the Income-tax Act, 1961, are to be considered as “eligible profits” for purposes of computing the deduction under section 10B.

[More details](#)

### **India: Remission of a liability credited to the profit and loss account is liable for MAT under the Income-tax Act**

The Bangalore Bench of the Income-tax Appellate Tribunal held that remission of a liability under a one-time settlement credited to the profit and loss account is subject to India’s MAT.

[More details](#)

### **India: The CBDT Press Release on phasing out plan of deductions under the Income-tax Act**

The Finance Minister in his 2015 budget speech announced that the rate of corporate tax would be reduced from 30% to 25% over the next four years along with a corresponding phase out of exemptions and deductions available under the Income-tax Act, 1961.

The Central Board of Direct Taxes (CBDT) subsequently issued a press release, announcing this would be a step towards the simplification of tax laws, thus bringing about transparency and clarity.

[More details](#)

### **India: Transfer of a unit is not taxable as slump sale**

The Kolkata Bench of the Income-tax Appellate Tribunal held that because (1) consideration in the sales agreement was split between identified moveable and immoveable assets and (2) the sales agreement did not include liabilities, receivables, stock, and other current assets, the sale of the tea estate would be taxed as an itemised sale, not as a “slump sale.”

[More details](#)

## Japan

### **Japan: Taxation in Japan 2015**

KPMG in Japan has released a booklet ‘Taxation in Japan’ which intends to provide a general overview of taxation system in Japan up to 1 October 2015.

[More details](#)

## Singapore

### **Singapore: Income tax treatment of gains derived from the disposal of investments of insurers**

The Inland Revenue Authority of Singapore issued guidance addressing the income tax treatment of gains derived from the disposal of investments of insurers.

The guidance reflects the tax authority’s position concerning the tax treatment of investments held by insurers, reflecting a 2014 decision of the Singapore Court of Appeal. The guidance states that the tax authority will continue to treat the investments of insurers as their “revenue assets” and accordingly tax the gains realized on disposal of these investments as “trade income” (on the basis that the investment activities are an integral part of the insurance business of the insurer). Any investment income derived from the investments prior to disposal, such as dividends, interest, or rental, also would be taxable as “trade income.”

[More details](#)

## Indonesia

### **Indonesia: Elimination of cumbersome procedures for employing foreigners**

KPMG in Indonesia has prepared a bulletin which highlights the elimination of cumbersome procedures in the amended regulation governing the procedures for utilizing foreign manpower. It also discusses the applicable regulations in view of the upcoming Automatic Exchange of Information.

[More details](#)

# Significant International Tax Developments



## Legislative update: Congressional hearings on BEPS

The Senate Finance Committee and the House Ways and Means Committee's Subcommittee on Tax Policy today both announced hearings relating to the OECD's BEPS project. Both hearings are scheduled for Tuesday, December 1, 2015.

[More details](#)

## OECD: Frequently asked questions, CRS

The OECD has provided an updated list of "frequently asked questions" (FAQs) concerning the common reporting standard (CRS).

[More details](#)

## OECD: Treaty-related MAP statistics for 2014 reporting period

The OECD released annual statistics on the mutual agreement procedure (MAP) caseloads of all its member countries and of non-OECD economies that agree to provide such statistics for the 2014 reporting period.

[More details](#)

# Thought Leadership



## KPMG's Transfer Pricing Review (2015)

Transfer pricing is at the core of international trade within multinationals. Thus it is important to stay current with transfer pricing rules worldwide. This Review provides a wealth of local country transfer pricing information, including documentation requirements, deadlines, transfer pricing methods, penalties, special considerations, advance pricing agreements, and competent authority matters.

[More details](#)

# Calendar of Events

Date	Event	Location
24 November - 16 December 2015	2015 KPMG China Annual Tax Update Conference <a href="#">More details</a>	Multiple Location
2-3 December 2015	U.S. Tax Training Hosted by TEI Asia Chapter & Sponsored by KPMG <a href="#">More details</a>	Beijing, China
8 December 2015	Tax Compliance and Administration Measures on Employer's Tax Obligations For more details email <a href="#">Carmen Yong</a>	Petaling Jaya, Malaysia
11 December 2015	KPMG Financial Reporting Seminar: Navigating through the changing accounting and regulatory landscape <a href="#">More details</a>	Singapore
8 January 2016	Remuneration Reporting in Forms IR8A/IR21 Workshop 2016 <a href="#">More details</a>	Singapore

# Beyond Asia Pacific

## France: New requirements for recording VAT for customer payments

A provision in pending legislation would impose new compliance requirements with respect to value added tax (VAT). Article 38 of the pending Finance Bill for 2016 provides that payments from customers, that are currently recorded by means of an accounting or management software or by means of a cash system, must be processed using a “certified secure software” or system.

[More details](#)

## Mexico: Common reporting standard, AEOI rules are implemented

An amendment to Mexico’s income tax law, published in the official gazette on 19 November 2015, implements measures pursuant to the common reporting standard (CRS), and requires Mexican financial institutions to comply with the CRS and automatic exchange of information (AEOI) rules.

[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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