



## Asia Pacific Tax Developments

### Australia

#### **Australia: Across the Board – Tax in the spotlight**

Disruption in both the business and tax worlds is transforming the approach companies are taking to manage tax and shedding a new light on tax risk, with a growing focus by boards on reputation and brand risks.

KPMG in Australia provides insight into the disruption in the business and tax worlds, highlighting the importance of tax objectives and tax risk measures.

[More details](#)

#### **Australia: Employee/Contractor Distinction - Avoiding Legal and Tax Risks**

The independent contractor model is an enticing alternative to a traditional employment relationship. However, employers need to be mindful of the many risks inherent in engaging individual contractors and ensure that contractor arrangements are not simply used as an alternative way of hiring employees.

KPMG in Australia discusses the independent contractor model and the risks that can arise from this contracting arrangement.

[More details](#)

#### **Australia: How to address hybrid financial instrument mismatches**

To address hybrid instrument mismatches the OECD proposes a primary rule (deny the payer a deduction to the extent of a deduction/no-inclusion outcome) and a defensive rule (include in the payee's ordinary income to the extent of a deduction/non-inclusion outcome).

A handful of countries (Germany, Netherlands, France, Japan) have given indications of where they are heading with the OECD's proposals on anti-hybrids rules for hybrid financial instruments.

[More details](#)

#### **Australia: Land tax surcharge for foreign controlled companies**

KPMG in Australia discusses the land tax surcharge effective in Victoria from 31 December, which will apply for all land owned by foreign controlled companies or trusts, and the impact this could have to organisations.

The land owner must notify the Victorian State Revenue Office of it's (or the group's) foreign ownership before 15 January 2016. Failure to do so may give rise to penalties in addition to the land tax surcharge.

[More details](#)

### India

#### **India: Allowability of a deduction under Section 80E in respect of higher education pursued outside India**

The Pune Bench of the Income-tax Appellate Tribunal held that interest on an education loan availed for pursuing higher education outside India is eligible for a deduction under Section 80E of the Act.

[More details](#)

## India: Major FDI Policy reforms notified

The Department of Industrial Policy and Promotion (DIPP) has codified the amendments proposed to the Foreign Direct Investment Policy on 10 November 2015. These amendments are aimed at:

- Increasing in sectorial caps in select sectors to permit more foreign investments.
- Bringing in more activities under the automatic route.
- Easing some entry conditionalities for foreign investment in certain key sectors.

KPMG in India has prepared a report summarising the changes introduced by the DIPP, which came into effect from 24 November 2015.

[More details](#)

## Indonesia

### Indonesia: Changes for “importer licence holders” effective in 2016

The Ministry of Trade issued a regulation that revises the types of goods that can be imported by each “general importer license holder” (API-U) and “production and manufacturing importer license holder” (API-P). The new provisions are effective 1 January 2016.

For an API-U, the new regulation provides more flexibility in importing goods in accordance with the license. For an API-P, after the license expires, the API-P must consider other means to import certain industrial and complementary goods and may need to consider changing its existing business model.

[More details](#)

## Japan

### Japan: Tax agreement signed with Taiwan

Associations in Japan and Taiwan on 26 November 2015 signed an agreement for the avoidance of double taxation.

The tax agreement provides for a withholding tax rate of 10% on payments of dividends, interest, and royalties. The agreement also includes rules for the tax treatment of business profits, international transportation, capital gains, and workers under a short-term visitor exemption.

[More details](#)

## Korea

### Korea: Various tax developments

KPMG in Korea has released a report discussing the following tax issues:

- The OECD’s final report for Base Erosion and Profit Shifting (“BEPS”) action plan
- The Korean tax authority will shorten the approval period of one-sided Advance Pricing Agreements (“APAs”) for transfer pricing of intangible assets
- The Ministry of Government Administration and Home Affairs has included a provision for expanding the acquisition tax on trust assets in the proposed tax amendments for 2016
- Large companies won a lawsuit on surety commissions paid by foreign subsidiaries.
- The NTS rejected current deduction of class-action lawsuit settlement costs

[More details](#)

## Budget Announcement



### Sri Lanka: Tax proposals in budget for 2016

The budget proposals for 2016 were presented in Parliament on 20th of November, focusing on simplifying the tax and regulatory environment and moving to a low tax regime.

This publication has been compiled on a high-level review of the proposals in the limited time available to us. We may also emphasize that these proposals need to be enacted by Parliament for legal enforcement.

[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
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
Week of 9 May 2016	2016 KPMG Asia Pacific Tax Summit	Beijing

## Beyond Asia Pacific

### Belgium: New rules VAT chargeability, VAT groupings, small business exemption

Parliament has passed legislation concerning the value added tax (VAT). Specifically, the legislative measures concern the chargeability of VAT, implement a judgment of the Court of Justice of the European Union on VAT groupings, and increase the VAT exemption amount for small businesses.

[More details](#)

### UK: Commentary on tax changes in Autumn Statement

The KPMG member firm in the UK has prepared a report proving commentary and analysis of the tax changes for businesses, employers, and individuals.

[More details](#)

## TaxNewsFlash by Region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

# KPMG Asia Pacific Tax Centre Contacts

## Asia Pacific Regional Leader, Tax



**Warrick Cleine**  
**Partner & CEO, KPMG in Vietnam**  
T: +84 8 3821 9266  
E: [warrickcleine@kpmg.com.vn](mailto:warrickcleine@kpmg.com.vn)

## Asia Pacific Tax Centre Leader, Regional Tax Partner



**Brahma Sharma - KPMG Asia Pacific Limited**  
**Asia Pacific Tax Centre Leader, Regional Tax Partner**  
T: +65 8186 7369  
E: [brahmasharma@kpmg.com.sg](mailto:brahmasharma@kpmg.com.sg)

## Asia Pacific Regional Client Service Team

### Regional Client Partner



**Rick Asquini - KPMG in Singapore**  
**Regional Client Partner**  
T: +65 6213 3300  
E: [rickasquini@kpmg.com.sg](mailto:rickasquini@kpmg.com.sg)

## Asia Pacific Indirect Tax Compliance Centre of Excellence



**Adrienne Mcstocker - KPMG in Singapore**  
**Regional Leader, Asia Pacific Indirect Tax Compliance**  
T: +65 6597 5810  
E: [amcstocker1@kpmg.com.sg](mailto:amcstocker1@kpmg.com.sg)

## Service Line Specialists

### Transfer Pricing Services



**Tony Gorgas - KPMG in Australia**  
**Asia Pacific Regional Leader, Transfer Pricing Services**  
T: +61 2 9335 8851  
E: [tgorgas@kpmg.com.au](mailto:tgorgas@kpmg.com.au)

### Financial Services Transfer Pricing



**John Kondos - KPMG in China**  
**Asia Pacific Regional Leader, Transfer Pricing Services in the Financial Services Sector**  
T: +852 2685 7457  
E: [john.kondos@kpmg.com](mailto:john.kondos@kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International, a Swiss entity.

## Indirect Tax Services



**Lachlan Wolfers - KPMG in China**  
Asia Pacific Regional Leader,  
Indirect Tax Services  
T: +85 22 685 7791  
E: [lachlan.wolfers@kpmg.com](mailto:lachlan.wolfers@kpmg.com)

## Trade & Customs



**Angelia Chew - KPMG in Singapore**  
Asia Pacific Regional Leader,  
Trade & Customs Services  
T: +65 6213 3768  
E: [angeliachew@kpmg.com.sg](mailto:angeliachew@kpmg.com.sg)

## Global Compliance Management Services



**Oi Leng Mak - KPMG in Singapore**  
Asia Pacific Regional Leader,  
Global Compliance Management Services  
T: +65 6213 7319  
E: [omak@kpmg.com.sg](mailto:omak@kpmg.com.sg)

## Global Mobility Services



**Andy Hutt - KPMG in Australia**  
Asia Pacific Regional Leader,  
Global Mobility Services  
T: +61 2 9335 8655  
E: [ahutt@kpmg.com.au](mailto:ahutt@kpmg.com.au)

## International Tax



**Christopher Xing - KPMG in China**  
Asia Pacific Regional Leader,  
International Tax  
T: +852 2978 8965  
E: [christopher.xing@kpmg.com](mailto:christopher.xing@kpmg.com)

## Deal Advisory M&A Tax



**Angus Wilson - KPMG in Australia**  
Asia Pacific Regional Leader,  
Deal Advisory M&A Tax  
T: +61 2 9335 8288  
E: [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

## Research & Development (R&D) Tax Incentives



**Alan Garcia - KPMG in China**  
Asia Pacific Regional Leader,  
R&D Tax Incentives  
T: +86 21 2212 3509  
E: [alan.garcia@kpmg.com](mailto:alan.garcia@kpmg.com)

## Dispute Resolution and Controversy



**Angela Wood - KPMG in Australia**  
Asia Pacific Regional Leader,  
Dispute Resolution and Controversy  
T: +61 3 9288 6408  
E: [angelawood@kpmg.com.au](mailto:angelawood@kpmg.com.au)

## Legal Services



**David Morris - KPMG in Australia**  
Asia Pacific Regional Leader,  
Legal Services  
T: +61 2 9455 9999  
E: [davidpmorris@kpmg.com.au](mailto:davidpmorris@kpmg.com.au)

## Market Sector Specialists

### Financial Services



**Christopher Abbiss - KPMG in China**  
Asia Pacific Regional Tax Leader,  
Financial Services and Banking Sector  
T: +852 2826 7226  
E: [chris.abbiss@kpmg.com](mailto:chris.abbiss@kpmg.com)

### Alternative Investments & Private Equity



**Simon Clark - KPMG in Singapore**  
Asia Pacific Regional Tax Leader,  
Alternative Investments and Private  
Equity sector  
T: +65 6213 2152  
E: [simonclark1@kpmg.com.sg](mailto:simonclark1@kpmg.com.sg)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International, a Swiss entity.

## Sovereign Wealth and Pension Funds



**Angus Wilson - KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Sovereign Wealth and Pension Funds**  
**Sector**

**T:** +61 2 9335 8288

**E:** [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

## Energy & Natural Resources



**Carlo Franchina - KPMG in Australia**  
**Asia Pacific Regional Tax Leader,**  
**Energy & Natural Resources Sector**

**T:** +61 8 9263 7239

**E:** [cfranchina@kpmg.com.au](mailto:cfranchina@kpmg.com.au)

## Insurance



**John Salvaris – KPMG in Australia**  
**Asia Pacific Regional Leader,**  
**Insurance Sector**

**T:** +61 3 9288 5744

**E:** [jsalvaris@kpmg.com.au](mailto:jsalvaris@kpmg.com.au)

<https://home.kpmg.com/xx/en/home/services/tax/regional-tax-centers/asia-pacific-tax-centre.html>

[www.kpmg.com/tax](http://www.kpmg.com/tax)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International, a Swiss entity.