



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 10 December 2015



Asia Pacific Tax Developments

Australia

Australia: AMIT arrives – what does it mean for you?

The Bills containing the long-awaited Attribution Managed Investment Trust (AMIT) regime has been introduced into Parliament. KPMG in Australia gives insight to the proposed new Bills for AMIT.

[More details](#)

Australia: Country-by-country reporting, public disclosure, other transparency measures passed

Australia's Parliament on 2 December 2015 concluded legislative action for this calendar year, with the following outcomes in respect of a number of major tax developments:

- The multinational anti-avoidance rule (i.e. Australia's 'de facto' diverted profits tax regime) has now been passed by Parliament.
- The Country-by-Country reporting regime has now been passed by Parliament.
- Tax laws governing the Australian Taxation Office (ATO) public disclosures of tax return data have been amended to now include Australian owned private companies with annual income of A\$200 million or more.
- Australian businesses of multinational corporations with global income of A\$1 billion or more will now be required to prepare general purpose financial reports for years commencing on or after 1 July 2016.

[More details](#)

Australia: Finding our tax innovation mojo

KPMG in Australia provides insight into the release of the National Innovation and Science Agenda.

The agenda involves 24 recommendations, four of which involve taxation and the other 20 measures involve additional funding for start-ups, incubators and accelerators, changes to the bankruptcy laws, a refocus for research grants, new Visas, raising the profile of science and technology in schools and as a career choice for women.

[More details](#)

Australia: Foreign ownership of agricultural land

A new requirement has been imposed under the Register of Foreign Ownership of Agricultural Land Act 2015 that received royal assent on 25 November 2015, i.e. foreign persons with interest in agricultural land are required to report those interests to the Australian Taxation Office before 30 December 2015.

[More details](#)

Australia: New foreign investment rules – what do we do now?

Australia's foreign investment landscape has been significantly rewritten by the new Foreign Acquisitions and Takeovers Legislation Amendment Act 2015 and related legislation. The new rules impact just about all aspects of the regime, including foreign person thresholds, role of the Australian Taxation Office, new fee regime and new penalty regime.

KPMG in Australia provides insight into the new foreign investment rules and the actions that can be taken now that these are in place.

[More details](#)

Australia: Capital contributions and tax

You may find yourself in need of access to infrastructure that does not yet exist. Or you may find yourself being gifted a shiny new asset that cost someone else millions of dollars to construct (but that is arguably of little value). And you may ask yourself about tax.

KPMG in Australia discusses capital contributions and the tax treatment for the contributing taxpayer.

[More details](#)

India

India: ESOP survey report 2015 released

KPMG in India carried out a survey collating data regarding existing practices and market trends relating to Employee Stock Options Plans (ESOPs) across various multinational and Indian companies.

The survey conducted collates inputs from nearly 460 respondents, both multinational and Indian listed companies, out of which 215 companies had either implemented or were planning to implement ESOPs. [More details](#)

India: Exempt capital gains, deemed dividend provisions

The Kolkata Bench of the Income-tax Appellate Tribunal held that exempt capital gain is to be excluded from the accumulated profits for purposes of deemed dividend provisions under section 2(22)(e) of the Income-tax Act, 1961.

[More details](#)

India: External Commercial Borrowings Policy – Revised framework

The Reserve Bank of India (RBI) has revised the framework for overseas borrowing. The revised framework, released vide RBI circular dated 30 November 2015 (Revised Framework), bifurcates External Commercial Borrowings (ECB) based on foreign currency (FCY) risk profile of each type of ECB i.e. short term ECB, long term ECB and ECB denominated in Indian Rupee (INR) into Track I, Track II and Track III.

The revised framework also liberalizes end-use restrictions and expands the list of overseas lenders, and more interestingly has brought most ECBs under the automatic route.

[More details](#)

India: Foreign investment allowed in AIFs, REITs and InvITs under automatic route

In a development that expected to benefit the private equity/venture capital industry, foreign investment would be permitted in Alternative Investment Funds (AIFs), Real Estate Investment Trusts (REITs), and REITs and Infrastructure Investment Funds (InvITs) under the automatic route. The change would also allow foreign investors to invest directly in Indian pooling instruments rather than routing their investments through foreign pooling vehicles.

[More details](#)

India: GST Sub-Committee recommendations on the possible tax rates

The Empowered Committee of State Finance Ministers formed a sub-committee to determine the possible tax rates under the goods and services tax (GST) and submitted its report to the Finance Minister, providing a range of proposed GST rates to achieve a revenue-neutral rate.

[More details](#)

India: Identifying stock-in-trade

The Delhi High Court held that income on the sale of shares and renunciation of rights is business income—and not capital gains—because the taxpayer had treated the shares as stock-in-trade. Also, the closing stock was valued at the lower of cost or market value, and this treatment could only be accorded to shares held as stock-in-trade and not as an investment.

[More details](#)

Mauritius

Mauritius: CRS draft guidance

The Mauritius Revenue Authority in November 2015 released draft guidance concerning implementation of the common reporting standard (CRS) in Mauritius.

[More details](#)

Singapore

Singapore: Harnessing the power of digital disruption

KPMG in Singapore has released a report discussing the power of digital disruption and various actions that local enterprises should consider to harness such power, such as:

- Having wide digital strategy
- Weaving innovation into products and services
- Having an international mindset
- Having a scalable and moveable process
- Developing adequate skills and new talent to stay relevant
- Dealing with data diligently
- Embracing the new customer experience

[More details](#)

Vietnam

Vietnam: Corporate income tax incentives, investment project guidance

Guidance—issued as decisions and official letters by the Ministry of Finance and General Department of Taxation—concerns:

- The corporate income tax incentive for large-scale projects
- The requirements for initial applications for investment projects
- Whether income from trading activities is eligible for corporate income tax incentives
- Value added tax (VAT) invoices not required for interest payments made to “non-business individuals”
- VAT invoices and lists of goods and services not required for the transfer of land use rights from non-business individuals
- Policies for the development of support industries

[More details](#)

Calendar of Events

Date	Event	Location
24 November - 16 December 2015	2015 KPMG China Annual Tax Update Conference More details	Multiple Location
8 January 2016	Remuneration Reporting in Forms IR8A/IR21 Workshop 2016 More details	Singapore
Week of 9 May 2016	2016 KPMG Asia Pacific Tax Summit	Beijing

Beyond Asia Pacific

Canada: Individual (personal) tax rate changes for 2016

Canada's new federal government on 7 December 2015 announced two tax rate changes for individuals, to be effective 1 January 2016.

[More details](#)

FATCA: New general compliance FAQs

The IRS has announced updates to the frequently asked questions (FAQs) on the FATCA webpage.

[More details](#)

UK: Diverted profits tax guidance

HM Revenue & Customs has updated its diverted profits tax guidance to clarify the tax authority's interpretation of the legislation and proposed administrative practice.

[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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