



International Tax Asia Pacific and MENASA July 2016

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG firms in the Asia Pacific & MENASA regions between **1 July and 30 July 2016**.

Australia	India	Myanmar	Thailand
Asia	Indonesia	New Zealand	Vietnam
China	Malaysia	Qatar	

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To contact the International Tax Team email internationaltax@kpmg.com.

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	Tax area concerned	Relevant date/Case reference	Description of measures and publication link (<i>Considerations in italic where necessary</i>)
Australia			
Tax legislation adopted and regulatory update	Withholding tax	1 July 2016	New measures for withholding tax with respect to foreign residents and real estate transactions in Australia have been enacted and are now effective. Read more
Proposed legislation	Corporate tax	July 2016	Gerorgia King-Siem, R&D Tax Specialist, highlights the issues that require further clarification following the release of the new angel investor tax break. Read more
Administrative and case law	Corporate tax	22 June 2016	Jenny Wong analyzes a recent decision of the Full Federal Court regarding limited partnerships and debt interests. Read more
KPMG publications	Withholding Tax	July 2016	Kurt Burrows and Andrew Bath, Corporate Tax Specialists, discuss exemption to withholding tax

			eligibility. Read more
	Brexit implications	July 2016	Leonie Ferretter, Customs and Trade Specialist, discusses Brexit implications for Australian companies importing and exporting from the UK. Read more
	Tax compliance	July 2016	John Cantin and Darshana Elwela outline common tax traps for Australian companies operating in New Zealand. Read more
	BEPS	July 2016	Denis Larkin, Corporate Tax Specialist, considers the Australian Government's approach to key BEPS Actions following the 2016 Federal Election. Read more

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Asia			
KPMG publications	Brexit implications	24 June 2016	With the UK's decision to leave the European Union – the “Brexit” – a question for businesses in Asia is what will be the effect on free trade agreements between countries in Asia and the EU. Read more

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China			
Administrative and case law	VAT	1 May 2016	Guidance issued by the tax authorities in China expands upon the value added tax (VAT) exemptions made available for the financial services sector. Read more
KPMG publications	Import/export	July 2016	A KPMG Report discusses the intricacies of import, export, and customs management in China and helps develop a clear understanding of the regulatory environment – including the structure of related government. Read more
Other	Financial services	30 June 2016	The Asset Management Association of China created a list of 10 Q&As concerning private securities fund registration. This list covers the rules for allowing qualified wholly foreign-owned enterprises and Sino-foreign joint venture enterprises to establish private securities fund management institutions to conduct private securities fund management business – including investments in securities on the secondary

			market. Read more
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India			
Tax legislation adopted and regulatory updates		July 2016	2016 Foreign tax credit rules: The Central Board of Direct Taxes issued new rules with respect to the allowance of a foreign tax credit. The new rules have an effective date of 1 April 2017. Read more
Proposed legislation		26 July 2016	An update on the draft GST law concerns: (1) the taxability of typical transactions between a head office and its branch offices; and (2) credit optimization in situations of centralized billing from the head office when the branch offices are located at multiple locations and credit of common expenses incurred by the head office which pertain to different branch offices. Read more
Administrative and case law		26 July 2016	Determining distributed income with respect to buy-back of shares: The Central Board of Direct Taxes (CBDT) issued draft rules concerning the method for determining the amount received by companies under different circumstances when shares have been issued. Read more
		11 July 2016	Services rendered in India: The Chennai Bench of the Income-tax Appellate Tribunal held that a taxpayer – providing satellite capacity and related services to Indian customers by means of communication system monitoring equipment owned by a related party in India – was rendering services in India. The case is: <i>Intelsat Global Sales and Marketing Ltd.</i> Read more
		5 July 2016	Fair market value and reporting requirements in relation to indirect transfers: The Central Board of Direct Taxes issued draft rules to prescribe the manner of computation of the fair market value of assets of a foreign company and the reporting requirements by the Indian concern. Draft forms for reporting requirements have also been provided. Read more
Treaties		19 July 2016	Tie-breaker provisions of India-Sri Lanka tax treaty: The Mumbai Bench of the Income-tax Appellate Tribunal held that the taxpayer was a resident of India

			based on the tie-breaker provisions of the India-Sri Lanka income tax treaty. The case is: <i>Shalini Seekond</i> . Read more
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Indonesia			
Tax legislation adopted and regulatory update	Corporate income tax/Tax compliance	July 2016	New regulations in Indonesia provide for a 50 percent increase to the standard amounts of income that, for individual taxpayers, are not subject to tax. Read more
	GST/Customs	July 2016	The Ministry of Finance issued a regulation concerning the voluntary declaration of customs value for purposes of calculating customs entries. Read more
	Corporate tax	7 May 2016	A government regulation expands the locations where tax incentives are available for investments made by certain business lines. Read more

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Malaysia			
Tax legislation adopted and regulatory update	Corporate income tax/Tax compliance	11 July 2016	Orders providing for incentives—including income tax exemptions, tax deduction rules, and stamp duty exemptions— with respect to investments made in the “East Coast Economic Region” have been published in the official gazette. Read more

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Myanmar			
Treaties	Import/export	7 July 2016	Myanmar has expanded the types of goods that can be imported for joint ventures between Myanmar companies and foreign investors. Read more

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New Zealand

Proposed legislation		14 July 2016	The New Zealand government has accepted recommendations, made by an independent review of foreign trusts, to expand disclosure and reporting requirements (with some modifications) by foreign trusts. Read more
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Qatar			
Proposed legislation	VAT	July 2016	Qatar along with other members of the Gulf Cooperation Council are to introduce a value added tax (VAT). The VAT rate on supplies of goods and services will range between 3 percent to 5 percent. Read more

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Thailand			
Tax legislation adopted and regulatory update	Corporate tax	July 2016	Businesses contemplating increasing their capital asset investments in Thailand need to consider completing the arrangements for the acquisition of (and payment for) the asset before 31 December 2016 so as to take full advantage of an additional tax deduction provided under recent tax law changes. Read more

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Vietnam			
Tax legislation adopted and regulatory update	VAT/ Corporate income tax	July 2016	"Official letters" and other releases issued by the tax authorities in Vietnam contain guidance on VAT and corporate tax incentives. Read more

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