



International Tax Asia Pacific and MENASA September 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 September and 30 September 2016**.

Australia	Indonesia	Thailand
China	Japan	Vietnam
Hong Kong	New Zealand	
India	Singapore	

For a full summary of global tax developments, visit kpmg.com/TaxNewsFlash.

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	Anti-avoidance rules	21 Sept 2016	KPMG in Australia examines the ATO's updated guidance on the application of the general anti-avoidance rules. Read more
	Debt equity	9 Sept 2016	KPMG in Australia outlines some important issues for taxpayers considering a debt equity swap. Read more
	Income tax	5 Sept 2016	KPMG in Australia discusses some important considerations for boards regarding the tax treatment of shareholder returns. Read more
	Stamp duty	2 Sept 2016	The Chief Commissioner of State Revenue in New South Wales (NSW) has taken the unprecedented

			step of requiring taxpayers to disclose and submit valuation instructions for every valuation that is presented to the Office of State Revenue (OSR) effective 24 August 2016. Read more
Proposed legislation	Stamp duty	12 Sept 2016	At present, any relief from stamp duty on corporate restructures is only granted on an ex gratia basis by the Treasurer. The new statutory provisions replace the current administrative process and aim to provide greater certainty and transparency. Read more
Administrative and case law	Superannuation tax system	16 Sept 2016	The superannuation announcements this week by the Treasurer, Scott Morrison, provide much needed certainty to the superannuation tax system while still improving the tax equity and sustainability of the system. Read more
Other	Tax incentive	1 Sept 2016	KPMG in Australia alerts taxpayers to a recent ATO focus on refundable R&D tax offset claims. Read more

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China

Tax legislation adopted and regulatory update	VAT	5 Sept 2016	The 2016 edition of the China Country Value Added Tax (VAT) Essentials Guide provides an overview of the indirect tax system in mainland China. Read more
Administrative and case law	Trade operations procedures	7 Sept 2016	Authorities in China have repealed the examination and approval procedures for processing trade operations, and have implemented a replacement in-process and post-process regulatory mechanism. Read more

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Hong Kong

Tax legislation adopted and regulatory update	Profits tax	14 Sept 2016	The Inland Revenue Department (IRD) issued a practice note providing guidance with respect to "qualifying corporate treasury centers" (QCTC). Under the QCTC regime, certain interest income and other gains are deemed to be Hong Kong sourced, and deductions are allowed for interest incurred on certain intra-group lending transactions. Read more
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India			
Administrative and case law	Corporate tax	29 Sept 2016	KPMG in India discusses whether a depreciable asset is a short-term asset, eligible for exemption. Read more
Administrative and case law	Capital gains	14 Sept 2016	The Mumbai Bench of the Income-tax Appellate issued a decision in a case involving a transaction involving a Singapore resident that entered into a “call option” agreement with a Mauritian company. Read more
Treaties	Corporate tax	20 Sept 2016	KPMG in India reviews several treaty provisions including: the India-South Korea income tax treaty, the topic of service fees paid to subsidiary for product promotion under treaty with Russia, and the transfer of shares of an Indian company under treaty with Mauritius. Read more
Other	Capital gains	6 Sept 2016	KPMG in India discusses recent tax developments including availability of capital gains tax treatment for non-resident taxpayers involved in an amalgamation of foreign companies and taxability of capital gains from a Mauritius based investment company. Read more

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Indonesia			
KPMG publications	Tax amnesty program	13 Sept 2016	A tax amnesty program in Indonesia allows taxpayers with undisclosed assets or tax liabilities to regularize their situations with the government. Read more

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Japan			
Treaties	Income tax treaty	30 Sept 2016	Japan's Ministry of Finance announced that mutual notifications necessary for the entry into force of the income tax treaty between Japan and Germany, as signed in December 2015, were completed on 28 September 2016. Therefore, the new Japan-Germany income tax treaty will enter into force on 28 October 2016. Read more

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New Zealand			
Proposed legislation	BEPS	8 Sept 2016	A New Zealand government discussion document, <i>Addressing hybrid mismatch arrangements</i> , outlines the case for implementing the OECD's base erosion and profit shifting (BEPS) Action 2 recommendations and raises matters of technical detail to "New Zealand-ize" them. Read more

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Singapore			
Tax legislation adopted and regulatory update	Tax amnesty program	12 Sept 2016	A tax amnesty program in Indonesia offers wealthy individuals (and companies) an opportunity to disclose and repatriate their undeclared assets by paying what is described as a modest clearance levy on the declared assets. Indonesians have up to 30 September 2016 to enjoy the lowest tax bracket. Read more

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Thailand			
Administrative and case law	Foreign business license	16 Sept 2016	The Council of State has approved a draft Ministerial Regulation, which had previously been approved by the Thai Cabinet in July 2016. This Regulation will allow foreigners to conduct certain businesses without being required to obtain a foreign business license ("FBL") under the Foreign Business Act ("the FBA"). This change to the FBA is expected to be put into effect before the end of 2016. Read more

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Vietnam			
Tax legislation adopted and regulatory update	Various tax areas	28 Sept 2016	Guidance issued by the Ministry of Finance amplifies tax law provisions and rules with respect to corporate income tax, value added tax (VAT), and the "special consumption tax." Read more

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