



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 12 January 2017



Asia Pacific Tax Developments

Australia

Australia: 2017 – The year of shifting fault lines

KPMG Australia speculates about the changes and challenges 2017 may bring for the world and for tax.

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Australia: Innovators wake up – the Fire Rooster about to crow?

KPMG Australia discusses the new year challenges for entrepreneurs and innovators and Government support on the R&D efforts of Australian companies.

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China

China: Custom Policy Update, December 2016

KPMG China provides various customs policy updates such as:

- The State Council Approved the Tariff Adjustment Plan of 2017
- The Ministry of Finance, the General Administration of Customs and the State Administration of Taxation Jointly Announced a Notice Concerning Import Tariff Policy Supporting Industrial Development of New Display Devices
- The Ministry of Commerce, the General Administration of Customs and the General Administration of Quality Supervision, Inspection and Quarantine Jointly Announced the Catalogue of Goods Subject to Import and Export Licenses for 2017
- The General Administration of Customs Issued an Announcement Concerning Implementing Consumption Tax Policy Adjustments for Cars at Import Linkage

- China Customs Added Supervision Model Code “1239” (“Bonded Cross-Border Trade E-Commerce A”)
- Announcement of the General Administration of Customs on Release of Origin Criteria for Newly-added Hong Kong/Macau Goods Entitled to Zero Duty and Related Matters
- China Customs Announced Administrative Rulings on Commodity Classification for 2016 (V)
- China Customs Announced Decisions on Commodity Classification for 2016 (VI)
- Adding the Ports for Cross-border Transportation of Domestic Trade Goods Originated from Heilongjiang Province
- The General Administration of Customs Further Specifies Direct Withdrawal of Imported Goods
- “China-New Zealand Country of Origin Electronic Information Exchange System” Formally Launched
- China Customs Simplified Requests for Country of Origin Certificates under the China-Korea Free Trade Agreement
- The General Administration of Customs Issued an Announcement Concerning Management of Bonded Goods Circulation in the Customs Specially-Supervised Zones and Bonded Supervision Places

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India

India: Claim of depreciation on goodwill is allowed without filing revised return of income

The Ahmedabad Bench of Income Tax Appellate Tribunal (Tribunal) in the case of Zydus Wellness Limited (the taxpayer) allowed the claim of depreciation on goodwill under Section 32 of the Income-tax Act, 1961 (the Act) even though the same was made through revised computation of income during the course of assessment proceedings without filing revised return of income.

[More details](#)

India: Employee liability to pay interest

The Supreme Court of India held that an employee is not liable to pay interest in relation to any income taxable as the employee’s salary, since tax on such income would be the responsibility of the employer.

[More details](#)

India: Employees’ Provident Fund Organisation issues FAQs on Employees’ Enrolment Campaign, 2017

Government of India has implemented the Employees’ Enrolment Campaign, 2017 through various notifications. These changes have also been communicated by the Employees’ Provident Fund Organisation (EPFO) to its officials through circulars. Now, the EPFO has issued FAQs with regard to the Employees’ Enrolment Campaign, 2017.

[More details](#)

India: Extension of deadline for conversion of Person of Indian Origin (PIO) card into Overseas Citizen of India (OCI) card

The due date for the submission of applications for conversion of PIO card to OCI card has been extended by six months to 30 June 2017.

[More details](#)

India: FAQs on indirect transfers

The Central Board of Direct Taxes (CBDT) issued a list of "frequently asked questions" (FAQs) clarifying provisions of indirect transfer under the Income-tax Act, 1961.

[More details](#)

India: Protocol signed with Singapore, amending income tax treaty

A Protocol has been signed by India and Singapore to amend the India-Singapore income tax treaty.

[More details](#)

India: Provident funds campaign

An Employee Enrolment Campaign for 2017 began 1 January 2017 and runs through 31 March 2017.

[More details](#)

India: Relief proposals for provident funds

Proposals have been presented to the government concerning: (1) the Provident Fund interest rate; (2) relief for past defaults; (3) guidelines for streamlining surrender of exemption; and (4) reduction of administrative charges.

[More details](#)

India: Salary received by a non-resident for services rendered abroad accrues outside India. Not chargeable to tax in India

The Calcutta High Court has recently held that salary received by a non-resident for services rendered abroad, accrues outside India and is not chargeable to tax in India irrespective of the source of income.

[More details](#)

Malaysia

Malaysia: Final rules on annual country-by-country reporting

Final rules for annual country-by-country (CbC) reporting by certain taxpayers are effective in Malaysia from 1 January 2017.

[More details](#)

Malaysia: Implementing regulations, AEOI under CRS regime

Regulations published in late December 2016 establish rules and procedures to be followed by Malaysian financial institutions for the automatic exchange of information (AEOI) of financial accounts under the common reporting standard (CRS) regime.

[More details](#)

Singapore

Singapore: Amendments to FATCA regulations

The government of Singapore in early January 2017 issued regulations to amend the 2015 FATCA regulations. The purpose of the new regulations is to align the description of accounts or investments under the Central Provident Fund (CPF) rules with recent amendments to the CPF Act that were effective 1 January 2017.

[More details](#)

Singapore: Changes to R&D tax incentive regime

Singapore offers a combination of targeted and broad-based policy tools to promote innovation, one being in the form of the research and development (R&D) tax incentive— and later as part of the productivity and innovation credit (PIC) regime.

[More details](#)

Singapore: Updated list of jurisdictions, AEOI for CRS purposes

Singapore has entered into bilateral and multilateral agreements with a number of jurisdictions to exchange financial account information on an automatic basis under the common reporting standard (CRS).

[More details](#)

Taiwan

Taiwan: Model 2 IGA signed with United States

Representative offices for Taiwan and the United States in late December 2016 signed an intergovernmental agreement (IGA) for purposes of implementing the FATCA regime. The IGA follows the Model 2 agreement.

[More details](#)

Significant International Tax Developments



OECD: BEPS Action 6 interaction with treaty entitlement of non-CIV funds

The Organisation for Economic Cooperation and Development (OECD) today announced the release of a discussion draft on follow-up work on the interaction between the treaty provisions of the report on the base erosion and profit shifting (BEPS) Action 6 and the treaty entitlement of non-CIV funds.

[More details](#)

Beyond Asia Pacific

United States: FATCA regulations; final QI and FFI agreements

The U.S. Treasury Department and IRS released for publication in the Federal Register several packages of regulations concerning FATCA reporting and withholding.

[More details](#)

South Africa: Country-by-country reports, final regulations

Regulations to implement country-by-country (CbC) reporting requirements for the OECD's base erosion and profit shifting (BEPS) project have been finalized in South Africa.

[More details](#)

TaxNewsFlash by Region

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

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[Americas](#)

[Europe](#)

[United States](#)

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