



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 09 November 2017



Asia Pacific Tax Developments

Australia

Australia: Calling all employers – Single Touch Payroll ATO webinar

KPMG Australia discusses the Australian Taxation Office (ATO)'s live stream webinar as part of its Employer Engagement Forum. With the advent of Single Touch Payroll looming ever closer, the ATO has accordingly been ramping up its client engagement activities to ensure the process runs as smoothly as possible for all involved

[More details](#)

Australia: Chairman Brady kicks off the US Tax Reform process

After a number of delays, the United States (US) tax reform process is under way with the chairman of the House Ways and Means Committee, Kevin Brady releasing a "Chairman's mark" of a tax reform bill, titled the 'Tax Cuts and Jobs Act'.

[More details](#)

Australia: Changes to remission of GST on new residential premises

KPMG Australia discusses the proposed new rules for goods and services tax (GST) on new residential premises. The Government has this week released an exposure draft of legislation requiring purchasers of new residential premises and home sites to remit the GST on the purchase price directly to the ATO.

[More details](#)

Australia: That's entertainment: keeping track of employee benefits

KPMG Australia examines how employers can stay on top of the entertainment benefits provided to their employees. The key to being able to optimise the fringe benefits tax consequences of your employees attending racing carnivals and similar events is to keep contemporary records of who is receiving tickets or attending corporate enclosures. This is easier said than done.

[More details](#)

Australia: Victoria takes steps to trust rather than tax absentee owners

KPMG Australia discusses a proposed change to how Victoria's absentee land tax surcharge applies to trusts. The change may assist foreign owned trusts who conduct development activities through a trust, rather than a standard structure, to ensure foreign tax credits for Australian income tax are available in the ultimate investor's jurisdiction.

[More details](#)

Bangladesh

Bangladesh: New VAT law, tax holidays, corporate tax rate changes

KPMG in Bangladesh presents highlights of the country's Finance Act 2017 and related regulations, which preserve current tax holidays for certain investments, make corporate tax rate changes, and introduce an income tax exemption for certain infrastructure work done through public-private partnerships.

[More details](#)

Hong Kong SAR

Hong Kong: The Trump Administration and U.S. Tax Reform

The Chairman of the House Ways and Means Committee, Kevin Brady released a "Chairman's mark" of a tax reform bill called the Tax Cuts and Jobs Act. The Chairman's mark generally represents the Ways and Means Chairman's—and by proxy, the committee staff's—proposal for tax reform.

[More details](#)

India

India: CBDT cannot issue any Circular/Instruction having retrospective operation – Supreme Court

Recently, the Supreme Court in the case of Gemini Distilleries, dealt with the retrospective applicability of Circular/Instruction issued by the Central Board of Direct Taxes (CBDT). In February 2011, the CBDT revised the minimum monetary tax effect for the filing of revenue appeals. The taxpayer, based on revised monetary limits contended that the instruction applies even in the past pending cases. However, the Supreme Court held that the CBDT cannot issue any circular having retrospective operation.

[More details](#)

India: India Tax Konnect – November 2017

KPMG in India provides developments on the tax and regulatory front and its implications on the way you do business in India.

[More details](#)

India: Mobilisation fees received for transportation of rigs for providing services and facilities in connection with the extraction of mineral oil in India are taxable under Section 44BB of the Income-tax Act

Recently, the Supreme Court in the case of Sedco Forex International Inc, held that the mobilisation fees for movement of rig from a foreign country to the off-shore site in India for providing services and facilities in connection with the extraction of mineral oil is taxable under Section 44BB of the Income-tax Act, 1961. It was also concluded that the provisions contained in Section 44BB has to be read in conjunction with Sections 5 and 9 of the Act.

[More details](#)

India: Pension Fund Regulatory and Development Authority increases the maximum age of joining National Pension System (NPS) from 60 years to 65 years, under NPS all citizen model and corporate sector model

The Pension Fund Regulatory and Development Authority (PFRDA) regulates National Pension System (NPS) which is subscribed by employees of Government of India, State Governments and by employees of private sector and unorganised sectors. Recently, the PFRDA issued a circular with regards to increasing the maximum age of joining NPS under the private sector model.

[More details](#)

Indonesia

Indonesia: Guidelines for tax audits of individual taxpayers

There are new procedures and requirements for initiating tax audits of individual taxpayers in Indonesia. New guidelines clarify these tax audit procedures so that taxpayers are aware of their rights and obligations during a tax audit.

[More details](#)

Malaysia

Malaysia: Earning Stripping Rules

A significant Budget 2018 announcement potentially affecting many corporates, is the Earning Stripping Rules (ESR). The Prime Minister has announced that the ESR, advocated by the Organisation for Economic Cooperation and Development (OECD), will replace the existing thin capitalisation legislation which has been in abeyance since 2009. In view of this proposal, corporates should review their debt to EBIT or EBITDA profiles to consider whether a limitation on the tax deduction for interest expense is likely.

The ESR will be effective from 1 January 2019.

[More details](#)

Malaysia: Finance (No.2) Bill 2017 Highlights

KPMG in Malaysia provides the Finance (No.2) Bill 2017 Highlights with a general overview of the proposed tax changes announced in Malaysia's 2018 budget.

[More details](#)

Singapore

Singapore: Updated FAQs on common reporting standard

The Inland Revenue Authority of Singapore on 2 November 2017 issued an updated version of “frequently asked questions” on the common reporting standard (CRS). The updated version clarifies certain obligations of Singapore-based financial institutions under the CRS regulations.

[More details](#)

Sri Lanka

Sri Lanka: New revenue and foreign exchange laws

KPMG in Sri Lanka discusses the country’s new Inland Revenue Act and new Foreign Exchange Act. The Parliament of Sri Lanka passed a new Inland Revenue Act on 7 September 2017, although it is yet to be certified by the Speaker of the Parliament. The new act will take effect on 1 April 2018 for the 2018/19 Year of Assessment and later years.

The Sri Lankan Parliament has also enacted the new Foreign Exchange Act, No. 12 of 2017 in July 2017, replacing Exchange Control Act (Chapter 423). According to a gazette, the new Foreign Exchange Act will have effect from 15 October 2017, although the regulations are not yet issued.

[More details](#)

Calendar of Events

Date	Event	Location
9 – 20 November 2017	Tax and Business Summit 2017 More details	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang
17 November 2017	Forms IR8A/IR21 remuneration reporting workshop Contact person: Hanna Surani More details	Singapore Marriott Tang Plaza Hotel, 320 Orchard Road, Singapore 238865
29 November 2017 – 13 December 2017	2017 KPMG China Annual Tax Update Conference More details	China

Significant International Tax Developments



OECD: Updated transfer pricing profiles from 31 countries

The OECD announced the release of updated versions of transfer pricing country profiles that reflect the current transfer pricing rules and practices of 31 participating countries.

[More details](#)

Beyond Asia Pacific

Netherlands: Update on dividend withholding tax proposal

The Deputy Minister of Finance addressed concerns of certain members of the Lower House of the Dutch Parliament about a dividend withholding tax proposal. The new Cabinet has decided to pursue the bill, in view of state aid risks and the intention to address tax avoidance (the bill is intended to serve as a basis for the new tax on dividends, interest, and royalties paid to low tax jurisdictions and in tax-abuse situations). Thus, it is expected that the parliamentary debate on the proposal would continue, with the dividend withholding tax anticipated to be repealed as of 1 January 2020, except in tax-abuse situations and with respect to dividend distributions to low tax jurisdictions.

[More details](#)

United States: IRS audit-related rule changes, financial reporting of partnership tax underpayments

Partnerships, beginning in 2018, may need to make certain changes to their financial reporting to account for tax underpayments in light of recent IRS rules that concern partnership audits.

[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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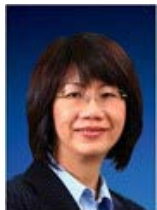
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