



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 08 February 2018



Asia Pacific Tax Developments

Australia

[Australia: Criminal penalties for superannuation underpayments](#)

The Government recently released a draft legislation to strengthen the integrity of the superannuation system for mandatory employer superannuation contributions. If enacted, the draft legislation would provide the Australian Taxation Office (ATO) with additional powers

[More details](#)

[Australia: Diverted Profits Tax – the PCG is no longer MIA](#)

The draft Diverted Profits Tax Practical Compliance Guide released by the ATO contains a number of useful framing questions for assessing risk which are categorised into those that are transaction specific, relevant both to the consideration of the application of the sufficient economic substance test and the principal purpose test. It also sets out the types of documents that will likely be requested to evidence a position and a client engagement framework.

[More details](#)

[Australia: ISA Annual Report 2017 - R&D Tax Incentive Outcomes](#)

KPMG Australia discusses key highlights from Innovation and Science Australia (ISA)'s 2017 Annual Report. It is pleasing to see an increase in R&D Tax Incentive Program participation and particularly from the SME sector. It will be interesting to monitor whether there will be an increase in reviews and other compliance activity by AusIndustry and the ATO commensurate to this surge in

[More details](#)

[Australia: KPMG hosted Tax forum discussion](#)

KPMG Australia has recently hosted a tax discussion forum. The forum covered a wide range of topics in respect of infrastructure specifically but does have wider impact, including:

- Emerging tax landscape
- Debt funding
- Stapled structures
- Public Private Partnerships and
- Other issues, including Infrastructure Framework, Negative Control, Corporate Collective Investment Vehicle (CCIV), Sovereign immunity and Foreign Hybrids

[More details](#)

[Australia: KPMG submission on the tax framework for the CCIV regime](#)

KPMG Australia provides an outline of KPMG's submission to Treasury on proposed legislation regarding the CCIV regime. The CCIV will broaden the suite of investment vehicles available to Australian fund managers by introducing a new corporate vehicle that is more commonly offered in overseas markets and therefore potentially more exportable

[More details](#)

China

[China: China Tax Weekly Update – Issue 4](#)

The following matters are covered in this issue:

- National tax work conference sets tax tasks for 2018
- China's Customs introduces Advance Ruling regime
- Environmental protection tax in development

[More details](#)

India

[India: CBDT issues FAQs on new taxation regime of long-term capital gains proposed in Finance Bill, 2018](#)

The Finance Bill, 2018 proposed to withdraw the exemption of the Income-tax Act, 1961 and to introduce a new Section 112A to provide that Long Term Capital Gain(s) arising from the transfer of long-term capital asset exceeding INR1 lakh will be taxed at a concessional rate of 10 per cent.

[More details](#)

[India: Proposed penalties for late FATCA-CRS returns](#)

The government in India in February 2018 introduced the Finance Bill 2018—containing a proposal to amend section 271F of the Income-tax Act that lists the penalties for the late filing of certain reports, including the FATCA-CRS (common reporting standard) return (Form 61B).

[More details](#)

[India: The Supreme Court refers matter to the larger bench on the issue of applicability of deemed dividend provisions](#)

Recently, the division bench of the Supreme Court in the case of National Travel Services referred a matter to the larger bench on the issue of applicability of deemed dividend provisions under Section 2(22)(e) of the Income-tax Act, 1961. The Supreme Court observed that the 'shareholder' has only to be a person who is the beneficial owner of shares. [More details](#)

India: Union Budget 2018-19

The Union Budget 2018-19 holds special significance being the first Budget post the implementation of GST in July 2017. The year witnessed remarkable policy and structural reforms. The announcement of recapitalisation of public sector banks and proactive steps towards resolution of nonperforming loans are few of the key initiatives which endeavour to address weaknesses in India's banking and credit profile.

[More details](#)

India: Union Budget 2018 – Transfer pricing proposals relating to Country-by-Country Report regulations

The Finance Minister presented the Union Budget 2018 on 1 February 2018. From a transfer pricing perspective, the Finance Bill, 2018 proposes certain amendments, clarificatory in nature, with respect to the implementation of Country-by-Country Report (CbCR) filing obligations. The amendments would take effect retrospectively from 1 April 2017 and will, accordingly, apply in relation to the assessment year 2017-18 and subsequent years.

[More details](#)

Malaysia

Malaysia: Revisions, updates to APA rules and MAP guidelines

The Malaysia Inland Revenue Board amended the rules that apply with respect to the advance pricing arrangement (APA) regime, and revised the mutual agreement procedure (MAP) guidelines

[More details](#)

Philippines

Philippines: Multinational company employees subject to regular income tax rates

The Bureau of Internal Revenue issued a tax advisory (31 January 2018) in connection with amendments to the tax law. The tax advisory states that employees of regional headquarters and regional operating headquarters of multinational companies and who were enjoying preferential tax treatment prior to 2018 are now subject to regular income tax rates.

[More details](#)

Philippines: Special InTAX: February 2018 Issue 2 | Vol. 1

The Department of Finance issued a Revenue Regulations No. 07-2018, 22 January 2018, which reinstates the provision for the preparation of a Notice of Informal Conference in relation to the issuance of deficiency tax assessment.

[More details](#)

Philippines: Special InTAX: Let's Get on the TRAIN (Tax Alert 7)

The Bureau of Internal Revenue issued a tax advisory dated 31 January 2018 that taxes withheld within the first two (2) months of every taxable quarter shall be remitted thru BIR Form No. 0605 on or before the tenth (10th) day following the month of withholding.

On the other hand, taxes withheld on the third (3rd) month of every taxable quarter shall be remitted thru BIR Form 1601EQ (or the applicable quarterly withholding tax return), not later than the last day of the month following the close of the taxable quarter during which the withholding tax was made. [More details](#)

Singapore

Singapore: New “public key” for preparing FATCA reporting packet

The Inland Revenue Authority of Singapore issued a new “public key” for preparing a FATCA reporting packet.

[More details](#)

Taiwan

Taiwan: Income tax law measures affecting corporate, individual taxpayers

The legislature in January 2018 approved provisions to reform Taiwan’s income tax law.

The tax reform measures would:

- Adjust the tax rate structure of the individual income tax, the corporate income tax, and the surtax on undistributed earnings
- Ease the income tax burden on wage earners and mid- and low-income earners

[More details](#)

Calendar of Events

Date	Event	Location
28 February 2018	Commitment to change: Get on the TRAIN More details	Dusit Thani Manila The Philippines
1 March 2018	KPMG Singapore Budget 2018 Seminar Contact person: Kartini Rafiin More details	Orchard Hotel, 442 Orchard Rd, Singapore 238879
6 March 2018	Understanding Withholding Tax Contact person: Nora Kassimat / Haleena Azmanat More details	MYT Petaling Jaya, Malaysia
13 March 2018	A Practical Guide to Corporate Income Tax and Deferred Tax Contact person: Nora Kassimat / Haleena Azmanat More details	MYT Petaling Jaya, Malaysia
13 & 14 March 2018	KPMG Goods & Services Tax (GST) Seminar 2018 Contact person: Sharon Ting More details	InterContinental Hotel Singapore, 80 Middle Road Singapore 188966

Beyond Asia Pacific

[Netherlands: Update, definitions of “ultimate beneficial owner”](#)

A draft decree provides definitions of who is an “ultimate beneficial owner” (UBO) and clarifies the categories of persons regarded as the UBO for purposes of the UBO register.

[More details](#)

[United States: How does U.S. BEAT apply to inbound companies?](#)

The new U.S. base erosion and anti-abuse tax (BEAT) may be imposed on U.S. subsidiaries and branches of foreign companies. This article considers how related companies will be aggregated to determine whether the BEAT applies, and cautions about new related reporting requirements.

[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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