



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 18 April 2019



## Asia Pacific Tax Developments

### Australia

#### [CRS reporting extension, update](#)

The Australian Taxation Office (ATO) announced that reporting financial institutions that are unable to file a common reporting standard (CRS) report by 31 July 2019 can request an extension of time through the ATO business and tax agents portal.

### India

#### [Amounts paid to property buyers for surrender of rights held a business expenditure](#)

The Delhi High Court held that the compensation paid to property buyers for surrendering their rights to complete the purchase of the property should be allowed as a business expenditure.

#### [Deputed employee salaries not subject to service tax](#)

The Supreme Court of India dismissed an appeal filed by the tax authorities, thereby effectively upholding a decision of a tribunal finding that an Indian company did not owe service tax on the salaries paid to employees deputed (assigned) by a foreign parent company to work for the taxpayer in India.



## [Income tax return Forms for Assessment Year 2019-20](#)

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The Central Board of Direct Taxes issued a notification amending the income tax return forms for Assessment Year 2019-20.

## [Tax department issues income tax notices to multinational companies](#)

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The notices have been issued to tax Global companies who do not have Permanent establishment ('PE') in India but have large volume of transactions and number of consumers in digital space. In this regard, the Act has already been amended to include the concept of 'significant economic presence' or digital PE within domestic legislation. The tax department seeks to establish that aforesaid development have led to MNC having taxable presence in India

## Indonesia

### [Regulation imposing VAT on e-commerce transactions revoked](#)

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The Minister of Finance in late March 2019 withdrew and revoked a regulation concerning the imposition of value added tax (VAT) on e-commerce transactions before the regulation was effective.

### [Restrictions on allowable foreign tax credits](#)

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The Ministry of Finance issued a regulation (No.192/PMK.03/2018) concerning tax credits on overseas income and specifically concerning the availability to claim foreign tax credits in Indonesia.

### [Revised rules, corporate tax holiday](#)

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The Ministry of Finance issued a regulation (No. 150/PMK.010/2018) that amends the "corporate tax holiday" rules that are available to encourage investment in Indonesia.

## New Zealand

### [No capital gains tax, government responds to recommendations](#)

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New Zealand's government today responded to the Tax Working Group (TWG) final report recommendations, and the headline is: no capital gains tax (CGT).

### [Status of R&D tax incentive bill](#)

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A bill that would introduce a research and development (R&D) tax incentive to support and further promote R&D for New Zealand businesses has passed its first reading in Parliament.

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# Singapore

## [FATCA hardcopy “nil return” available \(reporting year 2018\)](#)

The Inland Revenue Authority of Singapore (IRAS) has announced that the FATCA paper (hardcopy) “nil return” for the reporting year 2018 is available for download on its website.

# Taiwan

## [Updated FAQs provide CRS guidance](#)

The tax authority of Taiwan issued an updated version of “frequently asked questions” (FAQs) as guidance relating to the common reporting standard (CRS) implementation and due diligence procedures.



## Calendar of events

Date	Event	Location
7 May 2019	<a href="#">Goods &amp; Services Tax (GST) Seminar 2019</a> Contact: <a href="#">Sharon Ting</a>	Orchard Hotel, 442 Orchard Road, Singapore 238879



## Beyond Asia Pacific

### [South Africa: Tax authority's error, mineral and petroleum resources royalty tax return](#)

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A formula error has been identified on the mineral and petroleum resources royalty tax return (MPR3).

### [United States: Proposed regulations - Nonresident aliens, potential current beneficiaries of electing small business trusts](#)

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The U.S. Treasury Department and IRS today released for publication in the Federal Register proposed regulations (REG-117062-18) as guidance under measures enacted in December 2017 that expand the class of permissible potential current beneficiaries of an electing small business trust (ESBT) to include nonresident aliens.



## TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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