



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 6 August 2020



## Asia Pacific Tax Developments

### Australia

#### [ATO guidance on treatment of JobKeeper overpayments \(COVID-19\)](#)

The Australian Taxation Office (ATO) released information as guidance for employers regarding overpayments of JobKeeper payments when there has been an incorrect self-assessment. The ATO stated that such overpayments need to be identified, but in some instances, may not need to be repaid.

#### [Tax treatment of suspended loans, debt forgiveness \(COVID-19\)](#)

The Australian Taxation Office (ATO) issued a release to clarify its position regarding loans that have been “put on hold” during the coronavirus (COVID-19) pandemic.

### Cambodia

#### [Health – Temporary suspension of flights from Malaysia and Indonesia from 1 August 2020](#)

Ministry of Health announced temporary suspension of flights from Malaysia and Indonesia starting from 1 August 2020 onwards.



## India

### [Disallowance under Section 14A is justified since the tax officer has followed the prescribed procedure](#)

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The Madras High Court in the case of Tamil Nadu Industrial Development Corporation Limited held that the findings recorded by the Assessing officer is sufficient and clear indication of his compliance of the procedure under Section 14A of the Income-tax Act, 1961 ('the Act'). Therefore, there was no failure in following the procedures laid down under Section 14(2).

### [Payment for hiring vehicles to a truck operator is liable for TDS since it was a payment made to a sub-contractor. Further the disallowance under Section 40\(a\)\(ia\) not only covers the amount 'payable' but also when it is 'paid' and tax has not been deducted on the same – Supreme Court](#)

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The Supreme Court in the case of Shree Choudhary Transport Company held that the taxpayer is under an obligation to deduct tax at source in relation to the payments for hiring vehicles for the purpose of its business of transportation of goods under Section 194C of the Act.

### [Payment for infrastructure and data centre services is not taxable as royalty under the India-Singapore tax treaty. Further management service fees and referral fees are not taxable as FTS](#)

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The Mumbai Bench of Income-tax Appellate Tribunal held that management consultancy services and referral services are not taxable as Fees for Technical services since make available conditions under the India-Singapore tax treaty were not fulfilled.

## Malaysia

### [Stamp tax, real property gains tax exemptions for certain residential property transfers \(COVID-19\)](#)

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Exemption orders were released to implement proposals announced under an economic recovery plan, in response to the COVID-19 pandemic.

# Myanmar

## [Changes to commercial tax, income tax for 2019-2020](#)

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The Ministry of Planning, Finance and Industry announced the release of guidance amending the commercial tax and income tax rules for the 2019-2020 tax period.



## Calendar of events

Date	Event	Location
26 August 2020	<a href="#">Hong Kong's New Limited Partnership Fund Regime</a>	Webinar



## Beyond Asia Pacific

### [EU: Agreement for new rules regarding excise taxes on alcohol](#)

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The European Commission announced an agreement has been reached in the Council regarding new rules concerning the excise taxes (duties) imposed on alcohol within the EU.

### [Nigeria: Interest and penalties on tax audit liabilities, Delta State \(COVID-19\)](#)

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The tax authority of the Nigerian state of Delta State announced that it would waive interest and penalties on outstanding tax liabilities arising from tax audits of “affected taxpayers” (including education institutions, eateries, and hotels) for the period from 2011 to 2019. The waiver is provided as a relief measure in response to the COVID-19 pandemic.



## TaxNewsFlash by region

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

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[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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