



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[Ordinary income and the arm's length value of "uneconomic assets" \(Full Federal Court decision\)](#)

The Full Federal Court issued its decision concerning the operation of section 21A of the Income Tax Assessment Act 1936, specifically as it applies to asset participants that operate in regulated sectors.

[R&D tax benefits "reloaded"](#)

The federal budget confirmed strong support for Australia's research and development (R&D) tax incentive to foster innovation spending and to help stimulate the economy.

[Updated AEOI guidance, due diligence changes](#)

The Australian Taxation Office updated automatic exchange of information (AEOI) guidance to incorporate changes made to the due diligence procedures for new individual account self-certifications.

[Updated R&D tax incentive guidance](#)

An updated version of the research and development (R&D) tax incentive guidance follows on a consultation earlier this year with business and tax professionals.



China

[Annual advance pricing arrangement \(APA\) report; statistics for 2019 and future considerations](#)

The China advance pricing arrangement (APA) annual report for 2019 recapitulates information about the APA program in China, and highlights the determination of the State Taxation Administration to steadily promote the APA program and to improve the quality of services provided by the tax authorities to taxpayers..

India

[Power to arrest provision under GST can be invoked if the Commissioner has ‘reasons to believe’ that specified offences have been committed – Gujarat High Court](#)

The Gujarat High Court has held that the arrest provision under the GST i.e. Section 69 and punishment for offences as provided in section 132 operate in totally different fields. The attempt to canvass that unless and until adjudication proceedings determining the tax and liability is completed, the Commissioner cannot form any opinion to ‘reason to believe’ that the assesses has committed any offence, is contrary to the entire scheme of the GST Act.

Japan

[Updated FAQs on CRS regime](#)

Japan’s tax agency updated a set of “frequently asked questions” concerning common reporting standard (CRS) reporting.

Malaysia

[Expansionary Budget for all](#)

Budget 2021 is Malaysia's most expansionary budget in history with three main objectives to help the country overcome the crisis brought upon by the Covid-19 pandemic.

Gainers and losers in pandemic-era Budget 2021

The Budget 2021 saw the government move to tackle the sales of illegal cigarettes in the market by strengthening its import activities of high-duty goods, coupled with the introduction of ad valorem 10% excise duty on devices for all types of electronic cigarettes (e-cigarettes) and non-e-cigarettes-inducing vapes.

National budget bold, rightly remains expansionary

The 2021 Budget is bold and has done well to focus primarily on helping Malaysians cope with the current challenges, despite revenue constraints caused by Covid-19. Critical areas and sectors are being addressed, fully acknowledging the pain and discomfort of Malaysians, particularly the B40 and the worst affected economic sectors like tourism and travel.

Myanmar

Relief for company directors unable to comply with residence requirements (COVID-19)

Relief has been provided for company directors who have not been able to comply with the requirements that they must be “ordinarily resident” in Myanmar for a specific period of time because of travel restrictions imposed as a response to the coronavirus (COVID-19) pandemic.

New Zealand

Negative interest rates

The Reserve Bank of New Zealand has clearly voiced its willingness to use negative interest rates in helping stimulate the New Zealand economy. The impact of this is already reflected in New Zealand government bond yields which sank to minus 0.06% in September.

Thailand

IPO Readiness

Embarking on an initial public offering (IPO) journey and completing it successfully calls for strategic planning, sound advice, and understanding as well as addressing the potential risks.

[KPMG in Thailand leverages technology for smoother tax compliance – transforming data into value](#)

Tax technology is essential to helping businesses realize tax efficiencies – with the use of data to provide valuable insights as a means of increasing revenue, finding savings, and detecting errors and anomalies.

[PDPA News - It's time to prepare for Personal Data Protection Act compliance](#)

Due to the COVID-19 pandemic, the effective implementation date for PDPA compliance – particularly relevant for Data Controllers engaged in almost all types of businesses – has been postponed to 1 June 2021.



Significant International Tax Developments

[New methodology for peer review of BEPS Action 13 country-by-country reporting](#)

The Organisation for Economic Cooperation and Development (OECD) released a new methodology for peer review of base erosion and profit shifting (BEPS) Action 13 country-by-country reporting.



Calendar of events

Date	Event	Location
18 November 2020	Tax and Business Summit	Webinar



Beyond Asia Pacific

[Belgium: Extension of tax credit for loans to SMEs in Walloon region \(COVID-19\)](#)

A loan program has been available in the Walloon region since 2017, and similar to Flemish and Brussels counterparts, the program provides a tax advantage in the form of a tax credit when individuals lend money to qualifying small and medium-size enterprises (SMEs) and to the self-employed in Wallonia.

[South Africa: Proposal to amend VAT treatment of cross-border leases of ships, aircraft, rolling stock](#)

A pending legislative proposal would revise the value added tax (VAT) treatment of cross-border leases of foreign-owned ships, aircraft, and rolling stock imported for use in South Africa.



TaxNewsFlash by region

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KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax



Lewis Lu
Head of Tax & Legal
KPMG Asia Pacific
E : lewis.lu@kpmg.com

Asia Pacific Tax Centre Leader, Regional Tax Partner



Brahma D Sharma
Chief Operating Officer, Tax & Legal
KPMG Asia Pacific
E : brahmasharma@kpmg.com.sg

Service Line Specialists

Transfer Pricing Services



Tony Gorgas
Asia Pacific Regional Leader,
Transfer Pricing Services
KPMG International
E : tgorgas@kpmg.com.au

Indirect Tax Services



Lachlan Wolfers
Asia Pacific Regional Leader,
Indirect Tax Services
KPMG International
E : lachlan.wolfers@kpmg.com



KPMG Asia Pacific Tax Centre Contacts

Global Compliance Management Services and Financial Services



Jenny Clarke
Asia Pacific Regional Leader,
Global Compliance
Management Services and
Financial Services
KPMG International
E : jeclarke@kpmg.com.au

Global Mobility Services



Ben Travers
Asia Pacific Regional Leader,
Global Mobility Services
KPMG International
E : btravers1@kpmg.com.au

International Tax



Christopher Xing
Asia Pacific Regional Leader,
International Tax
KPMG International
E : christopher.xing@kpmg.com

Deal Advisory M&A Tax



Angus Wilson
Asia Pacific Regional Leader,
Deal Advisory M&A Tax
KPMG International
E : arwilson@kpmg.com.au

Dispute Resolution and Controversy



Angela Wood
Asia Pacific Regional Leader,
Dispute Resolution and
Controversy
KPMG International
E : angelawood@kpmg.com.au

Legal Services



Stuart Fuller
Asia Pacific Regional Leader,
Legal Services
KPMG International
E : stuartfuller@kpmg.com.au

Trade & Customs



Leonie Ferretter
Asia Pacific Regional Leader,
Trade & Customs Services
KPMG International
E : lferretter@kpmg.com.au



KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Energy & Natural Resources



Carlo Franchina
Asia Pacific Regional Tax
Leader, Energy & Natural
Resources Sector
KPMG International
E : cfranchina@kpmg.com.au

Insurance



John Salvaris
Asia Pacific Regional Leader,
Insurance Sector
KPMG International
E : jsalvaris@kpmg.com.au

Sovereign Wealth and Pension Funds



Angus Wilson
Asia Pacific Regional Leader,
Sovereign Wealth and Pension
Funds Sector
KPMG International
E : arwilson@kpmg.com.au



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