



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[ATO updated information on accelerated depreciation](#)

The Australian Taxation Office (ATO) updated information for businesses regarding pending changes to the accelerated depreciation rules.

[Industrial relations reform on the horizon with Fair Work Bill introduced in Parliament](#)

The Federal Government has introduced legislation into Parliament which proposes to amend the Fair Work Act 2009.

[Leveraging payroll for best practice wage compliance](#)

KPMG Australia discusses how it is more important than ever for organisations to understand how changing hours and patterns of work may impact employees' entitlements.

[Updated ATO guidance, cross-border related-party financing arrangements](#)

The ATO released an updated practical compliance guideline regarding cross-border related-party financing arrangements and related transactions.

Bangladesh

[Overview of tax measures, including VAT and other changes made in 2020](#)

A KPMG report incorporates provisions of the Income Tax Ordinance 1984 as amended up to the Finance Act 2020, and also reflects changes under the Finance Act 2020 in respect of the value added tax (VAT) and Supplementary Duty Act 2012 and Rules 2016.

Cambodia

[Change to e-VAT refund system, effective 2021](#)

Taxpayers seeking a refund of value added tax (VAT) will have only one electronic refund mechanism available to them beginning 1 January 2021.

Hong Kong(SAR), China

[Guidance on tax concessions and incentives for ship leasing operations](#)

The Inland Revenue Department (IRD) released guidance—Departmental Interpretation and Practice Note 62 — setting out its position on the implementation of the ship leasing and ship leasing management concessions introduced in the Inland Revenue Ordinance 2020.

India

[Gifting of shares to a group company pursuant to restructuring is not valid due to absence of voluntariness and thus it is taxable as capital gains](#)

The Madras High Court in the case of Redington Limited held that gift of shares by a company to its step-down subsidiary was not covered within the capital gains tax exemption provisions as it was a transfer of a capital asset.

[Indian subsidiary of a foreign company constitutes a PE in India. Income from supply of telecom equipment, its installation and commissioning is taxable in India](#)

The Delhi Bench of Income-tax Appellate Tribunal in the case of Huawei Technologies Co. Ltd held that the income from supply of telecommunication network equipment is taxable in India.

[Interest and fees earned by a foreign bank in connection with providing loans to Indian clients are taxable as interest income and not as business income under the India-Germany tax treaty](#)

The Mumbai Bench of the Income-tax Appellate Tribunal in the case of DZ Bank AG – India Representative Office held that interest income, commitment charges and agency fees earned by the taxpayer from Indian clients are taxable as interest income under Article 11 and not as business income under Article 7 of the India Germany tax treaty.

Singapore

[Changes to risk-based capital framework, taxation of insurers](#)

The Inland Revenue Authority of Singapore (IRAS) issued guidelines regarding the taxation of insurers and reflecting changes made to the risk-based capital framework.

Vietnam

[Guidance on VAT, mandatory e-invoicing delayed to 1 July 2022](#)

Guidance concerning the rules for electronic invoicing has delayed the effective date of e-invoicing to 1 July 2022.

[Transfer pricing rules are updated](#)

A new decree revises the transfer pricing rules in Vietnam and replaces earlier guidance.

[Various decrees on corporate and individual income tax, foreign contractor tax, tax administration](#)

The KPMG member firm in Vietnam prepared reports that briefly describe recent tax guidance and developments, as follows:

- Corporate income tax
- Foreign contractor tax
- Individual (personal) income tax
- Export / import tax
- Special consumption tax
- Tax administration and customs administration
- Foreign exchange control



Significant International Tax Developments

[OECD: Transfer pricing rules and implementation of hard-to-value-intangibles approach](#)

The Organisation for Economic Cooperation and Development (OECD) announced the publication of jurisdiction-specific information on the implementation of the hard-to-value-intangibles approach.

[OECD: Transparency on tax rulings, status of spontaneous exchanges of information](#)

The OECD issued a report on the progress made by 124 jurisdictions in spontaneously exchanging information on tax rulings, in accordance with the BEPS Action 5 minimum standard.



Calendar of events

Date	Event	Location
5-6 January 2021	<u>Tax Obligation of an Employer</u> Contact: <u>Kavitta Loganathan</u> , <u>Zulaiha Omar</u>	Webinar
26 January 2021	<u>Interest Deductibility, Earning Stripping Rules and Cross-Border Transactions</u>	Webinar



Beyond Asia Pacific

[Canada: Reminder of deadline for refund claims, pension plan contributions and employer insurance premiums](#)

Eligible businesses that overpaid their Canada pension plan contributions in 2016 or employer insurance premiums in 2017 must file a refund claim application by 31 December 2020.

[Spain: Rules for post-Brexit recovery of VAT paid in UK](#)

Claims for refunds of value added tax paid in the United Kingdom by Spanish businesses will be affected when the Brexit transitional period ends 31 December 2020.



TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax & Legal



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

Global Head of Tax & Legal Clients & Markets Leader



Brahma D Sharma
Global Head of Tax & Legal Clients & Markets
KPMG International Services Limited
E : brahmasharma@kpmg.com.sg

Service Line Specialists

Transfer Pricing Services



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

Indirect Tax Services



Lachlan Wolfers
Global Head of Indirect Taxes
KPMG International Services Limited
Partner, KPMG China
E : lachlan.wolfers@kpmg.com



KPMG Asia Pacific Tax Centre Contacts

Global Compliance Management Services and Financial Services



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

Global Mobility Services



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

International Tax



Dean Rolfe
International Tax Services Leader
KPMG Asia Pacific
Partner, KPMG in Singapore
E : deanrolfe@kpmg.com.sg

Deal Advisory M&A Tax



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

Dispute Resolution and Controversy



Angela Wood
Dispute Resolution and Controversy Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : angelawood@kpmg.com.au

Legal Services



Stuart Fuller
Global Head of Legal Services
KPMG International Services Limited
Partner, KPMG Australia
E : stuartfuller@kpmg.com.au

Trade & Customs



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

Tax Policy



Grant Wardell-Johnson
Tax Policy Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : gwardelljohn@kpmg.com.au



KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Energy & Natural Resources



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

Insurance



John Salvaris
Insurance Tax Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : jsalvaris@kpmg.com.au

Sovereign Wealth and Pension Funds



Angus Wilson
Sovereign Wealth and Pension
Funds Tax Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : arwilson@kpmg.com.au

Asset Management



Darren Bowdern
Asset Management Tax Leader
KPMG Asia Pacific
Partner, KPMG China
E : darren.bowdern@kpmg.com

Banking



John Timpany
Banking Sector Leader
KPMG Asia Pacific
Partner, KPMG China
E : john.timpany@kpmg.com



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