



## Asia Pacific Tax Developments

### Australia

#### Australia: Mineral Exploration Tax Credit

The minerals exploration industry is currently seeking endorsement by both major political parties to introduce a Mineral Exploration Tax Credit (METC) to help stimulate investment in greenfields exploration in Australia. Under the proposed METC, companies will forgo a deduction for eligible greenfields exploration expenditure to allow the tax benefit to be passed through to Australian resident shareholders, in the form of a tax credit at the company tax rate of 30 percent.

[More details](#)

#### Australia: Withholding on real property disposals by foreign residents

From 1 July 2016, the Australian Government proposes to introduce a non-final withholding tax when a foreign resident disposes of Australian real property interests, whether or not the interest is held on revenue or capital account. Under the proposals, the purchaser will be required to withhold and remit to the Australian Tax Office ten percent of the proceeds from the sale. The withholding regime will not apply to residential property transactions valued under \$2.5 million.

[More details](#)

#### Australia: GST and the National Disability Insurance Scheme

The introduction of the National Disability Insurance Scheme (NDIS) with effect from 1 July 2013 has important implications for entities providing disability support to participants under the NDIS. What many may not realise is that the goods and services tax (GST) status of some disability supports may have changed.

[More details](#)

#### Australia: Continuing focus on R&D tax incentive compliance

The R&D Tax Incentive is jointly administered by the Australian Tax Office (ATO) and AusIndustry. AusIndustry has responsibility for the eligibility of R&D activities whilst the ATO takes responsibility for R&D related expenditure. KPMG in Australia comment on the ATO and AusIndustry's continued focus on the R&D tax incentive, and best practice for taxpayers.

[More details](#)

#### Australia: Trans-Tasman Superannuation Portability, Temporary Residents' ESS Reporting by Employers

KPMG in Australia reports on a new guideline from the Australian Taxation Office to employers on the reporting obligations and modifications concerning Employee Share Schemes for temporary residents; and new rules for transfers of complying superannuation savings between Australia and New Zealand, beginning July 1, 2013.

[More details](#)

### China

#### China: Tax and customs planning for R&D activities of China's healthcare & life sciences industry

China's healthcare and life sciences industry sector is currently experiencing significant growth, with foreign multinational corporations continuously investing in the Chinese market. KPMG in China have produced an alert focusing on common tax and customs matters; and potential tax planning ideas for businesses in the industry.

[More details](#) | [Chinese Version](#)

## India

### **India: Stock derivative loss not to be carried forward and set-off against non-speculative business income.**

Recently, the Delhi High Court, in the case of *Commissioner of Income Tax v. DLF Commercial Developers*, held that the loss on account of derivative transactions is not to be carried forward and set-off against non-speculative business income.

[More details](#)

### **India: Tax Residency Certificate issued by the Netherlands tax authority considered sufficient evidence for beneficial ownership**

In a recent case, the Bombay High Court held that the Tax Residency Certificate issued by Netherlands tax authority had to be accepted as sufficient evidence regarding the residence of the taxpayer and the beneficial ownership of the royalty income, making the taxpayer entitled for the beneficial tax rate under the India-Netherlands tax treaty.

[More details](#)

### **India: In-house training provided by UK company not FTS under treaty**

In a recent case involving a Clinical Research company, a local bench of the Income Tax Appellate Tribunal held that the training services rendered by the UK service provider were general in nature and did not involve any transfer of technology. Such trainings did not 'make available' technical knowledge, experience, skill, know-how or processes' under the India-UK tax treaty, and hence cannot be taxed as Fees for Technical Services (FTS) in India.

[More details](#)

### **India: No withholding on mutual fund commissions, brokerage fees**

A local bench of the Income-tax Appellate Tribunal held that tax is not required to be withheld on payments by an asset management company to distributors of mutual fund units. The tribunal recognised that services provided by mutual fund distributors are specifically excluded under section 194H of the Income-tax Act, 1961 from withholding tax on commission or brokerage paid on securities.

[More details](#)

### **India: The pre/post sale activities of an Indian branch of a US parent do not constitute DAPE.**

In a recent case, a local bench of the Income Tax Appellate Tribunal held that an Indian branch of a foreign company providing pre-sales activities and incidental post-sale activities for products supplied by the parent overseas company did not constitute a Dependent Agent Permanent Establishment (DAPE)

[More details](#)

## Japan

### **Japan: Treatment of "family holdings" (SPF) clarified with Luxembourg**

The Governments of Luxembourg and Japan on 19 July 2013 exchanged notes concerning the Luxembourg-Japan 1992 Convention for the avoidance of double taxation, specifically in relation to taxation of income of "family holdings" (SPFs). It was agreed that the provisions of the Convention with respect to taxation of income will not apply to SPFs.

[More details](#)

## Singapore

### **Singapore: New Work Pass Application Requirements**

KPMG in Singapore reports that effective August 1, 2013, Singapore's Ministry of Manpower will require employers who are sponsoring work passes to update their company's past three years (2010, 2011, and 2012) of financial turnover value in the Employment Pass Online (EPOL) system in order to apply for work passes.

[More details](#)

## Sri Lanka

### **Sri Lanka – Round-up of income and indirect tax reforms**

KPMG in Sri Lanka have produced a report outlining income and indirect tax reforms for the past three years, as well as commentary on the status of provisions arising from the last three year's budget announcements.

[More details](#)

## Vietnam

### **Vietnam: Guidance on individual income tax, tax administration**

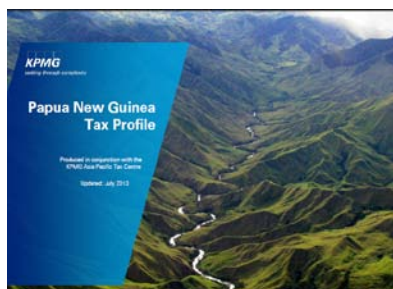
KPMG in Vietnam provides guidance intended to clarify certain individual income tax provisions, including increased housing rental terms, new amounts for individual tax relief and dependant relief, general minimum salary, additional allowances, and new regulations for long-term financial investments.

[More details](#)

# Calendar of Events

Date	Event	Location
20 August	Goods and Services Tax Seminar: Zero rating of services and difference between reimbursement and disbursement <a href="#">More information</a>	Singapore
26 – 27 August	US GAAP versus IFRS: How does it affect your business? <a href="#">More information</a>	Singapore
5 September	KPMG Annual China Shared Services and Outsourcing Summit 2013 <a href="#">More information</a>	Beijing
10 September	Effective Planning for International Mobile Employees – Malaysian Tax and Immigration Perspective <a href="#">More information</a>	Petaling Jaya
30 September – 2 October	2013 EMEA Tax Summit <a href="#">More information</a>	Berlin
8-10 October	2013 IES Global Mobility Forum <a href="#">More information</a>	Barcelona
27-28 November	KPMG Global Power & Utilities Conference 2013 <a href="#">More information</a>	Berlin

## Asia Pacific Country Tax Profiles



As part of our continuing efforts to alleviate the challenges businesses face as a result of the diversity and complexity of tax regimes across Asia Pacific, the KPMG Asia Pacific Tax Centre has recently released a number of new Country Tax Profiles covering different jurisdictions in the region.

The Papua New Guinea profile was released this week:

[Link to KPMG's Asia Pacific country tax profiles](#)

## Beyond Asia Pacific

### EU: Excise tax rates on alcohol, tobacco, energy products

The European Commission (EC) posted updated reports of excise tax (duty) rates for receipts on sales of alcohol, tobacco, and energy products within the EU Member States.

[More details](#)

### UK: Investment management, corporate debt reform proposals

Revenue & Customs has released for comments three consultations that generally would serve as starting point for future legislation affecting the investment management sector.

[More details](#)

### US: Revised timelines for compliance by U.S. withholding agents, foreign financial institutions

KPMG in the United States summarises the revised timelines for FATCA compliance by U.S. withholding agents and participating foreign financial institutions, reflecting the changes announced by the IRS in Notice 2013-43.

[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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