



Asia Pacific Tax Developments

Australia

Australia: Does your MIT have negative control of a trading business?

The issue of “negative control” is particularly relevant in the context of the upcoming wave of privatisations and infrastructure investments for investors looking to hold their investment via a managed investment trust (“MIT”). KPMG comments on the ATO’s current consultation into when a power of veto can constitute control, or the ability to control in terms of the definition of a trading trust, and what businesses should be thinking about.

[More details](#)

China

China - Preparing for the implementation of the China-South Korea Free Trade Agreement

China and the Republic of Korea (ROK) have initialled the text of the China-ROK Free Trade Agreement (FTA), which is scheduled to be signed within the first half of this year. KPMG in China comments on what companies should be reviewing in preparation for the FTA coming into force.

[More details](#)

China - Amendments to customs tariff regime in 2016

Recently, key points about the amendment to the Customs Tariff in 2016 were conveyed by the General Administration of Customs to all regional Customs offices. KPMG suggests that enterprises investigate their import and export commodities which are related to the key points of the Customs Tariff amendment in 2016 and submit their amendment proposals to Customs.

[More details](#)

China - Taxation of indirect share transfers

Recent changes to China's tax regime now cast a wider net regarding potential tax obligations for foreign investors into China. Though some safe harbour options are proffered, key changes include a more precise definition of “Chinese taxable property” and the introduction of a withholding tax mechanism.

[More details](#)

Korea

Korea: Korean Tax Brief

KPMG in Korea has produced an update on current tax issues and trends in the country, including:

- Proposed amendments to the tax enforcement regulations, including: to the treatment of land and buildings under the cash reserve taxation rules; and the treatment of purchases of treaty stock under the dividend increment taxation rule.
- Tax Information Exchange Agreement between South Korea and Bermuda

[More details](#)

Korea: Related-party marketing fee subject to customs duty

An administrative court in South Korea has agreed with the Korean Customs Service that a Korean entity was liable for additional customs duty on international marketing fees paid by the Korean entity to its corporate international headquarters. KPMG comments on the case and the Court’s interpretation of royalty payments.

[More details](#)

OECD Update



OECD - Discussion draft, BEPS Action 8 (cost contribution arrangements)

The OECD has released a discussion draft concerning an action item under the base erosion and profit shifting (BEPS) project—Action 8. BEPS Action 8 requires the development of "rules to prevent BEPS by moving intangibles amongst group members" and involves updating the guidance on cost contribution arrangements. The Action 8 discussion draft sets out a proposed revision to Chapter VIII of the Transfer Pricing Guidelines, and is intended to align the guidance in that chapter with the other elements of Action 8 that were addressed last year.

[More details](#)

Beyond Asia Pacific

Cayman Islands: No penalties for certain late FATCA notifications

The Cayman Islands Tax Information Authority has announced that no compliance penalties will be imposed for FATCA notifications submitted on or before 12 May 2015 (i.e. after the 30 April 2015 deadline).

[More details](#)

United Kingdom: Corporate tax update

The KPMG member firm in the UK has prepared a report that includes discussions on updates to tax policy, corporate tax, indirect tax, employment tax, and personal tax.

[More details](#)

TaxNewsFlash by Region

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

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[Americas](#)

[Europe](#)

[United States](#)

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