



Asia Pacific Tax Development

Australia

Australia: Assessable income on buying shares in a company?

Recent exposure draft legislation proposed that the “deductible liabilities” would be assessable to a purchaser in a tax consolidation scenario.

Taxpayers should closely consider the treatment of any “deductible liabilities” inherited as a result of an entity joining their tax consolidation group since May 2013, and should ensure that they do not attribute value to deferred tax assets for deductible liabilities in acquisitions

[More details](#)

Australia: Tax free and taxable components of superannuation disability lumps sums

The Australian Taxation Office (ATO) has recently released an alert in respect of the calculation of the tax-free and taxable components of superannuation disability lump sums, colloquially known as total and permanent disability payments.

The ATO has taken a pragmatic approach in interpreting the relevant legislation to ensure that there is no double counting of days in calculating the tax-free and taxable components of total and permanent disability payments.

[More details](#)

Australia: So much more than digital supplies

The Exposure Draft Bill released as part of Australia’s 2015 Federal Budget seeks to tax all imported intangibles and services that are consumed by Australian resident end users, including supplies made through digital marketplaces. A simplified registration system will be put in place for non-residents caught by these new measures from 1 July 2017.

[More details](#)

Cambodia

Cambodia: Circulars on the completion of the application for tax registration or information update

Taxpayers have faced difficulties in fulfilling the registration and information update requirements as set out in the Prakas no. 1139 (October 2014). The General Department of Taxation has recently released circulars providing clarification and instructing taxpayers point by point on how to complete and provide information.

[More details](#)

Cambodia: Notification on the delay of the 2015 patent tax for enterprise under the self-assessment regime

The deadline for the 2015 patent tax declaration has now been extended until 31 May 2015.

As per the Prakas no. 1139 circular, enterprises that registered with the General Department of Taxation (GDT) prior to November 2014 are required to update their information with GDT.

[More details \(opens in same link as above article\)](#)

China

China: Pilot program promoting commercial health insurance products coupled with individual income tax break

The Ministry of Finance, State Administration of Taxation and China Insurance Regulatory Commission joined forces and issued Cai Shui [2015], introducing favourable tax treatment on premiums paid for qualified commercial health insurance products.

A major city of each province will be nominated for the implementation of the pilot program. All the areas of Beijing, Shanghai, Tianjin and Chongqing, municipalities directly under the Central Government, are included in the program.

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

Hong Kong SAR

Hong Kong: Hong Kong launches the Consultation on Automatic Exchange of Information

The Hong Kong Government recently issued a consultation paper on the automatic exchange of information on tax matters in Hong Kong. This document summarises the key aspects of the consultation and their implications for financial institutions and taxpayers.

[More details](#)

India

India: Draft scheme for range concept in determining arm's length price

In July 2014, the Finance minister announced that the 'range' concept for determination of arm's length price would be introduced into the Indian transfer pricing regime. The Central Board of Direct Taxes has now issued the draft scheme of the proposed rules.

[More details](#)

India: Deadline for filings under M-SIPS

The Department of Electronics & Information Technology (DeitY) has released detailed deadlines for filing an initial application under M-SIPS. These applications can provide a cash subsidy of up to 25 percent on capital expenditure incurred on manufacture, assembly, testing and packaging of state-of-the-art electronic products in an Electronic System Design and Manufacturing facility.

[More details](#)

India: High Court Decision: Losses with respect to sale of shares and diminution in the value of stock of shares are not allowed

In a recent High Court decision, it was held that a claim of loss on account of sale and purchase of shares and diminution in the value of stock cannot be allowed since the transactions were a sham – they were done by book entries and no payment was made for this purchase. Even though the companies in question may have been listed on the stock exchange, their shares were not actively traded and the transactions were amongst inter-related parties.

[More details](#)

India: Supreme Court Decision: Outstanding fee payable to the state government is allowed only on actual payment basis

The Supreme Court of India has upheld that outstanding vend fees, even if it does not directly fall within the expression 'fee,' is payable to the state government, and will be allowed as a deduction.

[More details](#)

India: High Court Decision: Determination on factors to consider for goodwill valuations

In a recent decision, the Delhi High Court has held that a monopoly enjoyed by the taxpayer in respect of the product manufactured, and the large volume of orders at hand when the collaboration transaction took place, were sufficient basis for valuation of goodwill. There is no stipulated matrix of factors which are to be taken into consideration for goodwill valuations.

[More details](#)

Malaysia

Malaysia: FATCA reporting deadline is extended

The Inland Revenue Board of Malaysia has informed Malaysian financial institutions that the deadline for filing FATCA reports for 2014 has been extended from June 30, 2015 and will notify the new filing deadline date in due course.

[More details](#)

Vietnam

Vietnam: Technical Tax Update for May

KPMG in Vietnam have produced a round-up of Tax technical updates for May, which include updates in Corporate Income Tax, Value Added Tax, Personal Income Tax, and Environmental Protection Tax.

[More details](#)

OECD Updates



OECD – Revised Discussion draft, BEPS Action 6 (treaty abuse)

The Organisation for Economic Co-operation and Development (OECD) has released a new, revised discussion draft containing proposals for addressing the follow-up work on an action to prevent treaty abuse under the base erosion and profit shifting (BEPS) project.

[More details](#)

OECD – Revised Discussion draft, BEPS Action 7 (artificial avoidance of PE status)

The Organisation for Economic Co-operation and Development (OECD) has released a revised discussion draft pursuant to Action 7 (preventing the artificial avoidance of permanent establishment (PE) status) under the base erosion and profit shifting (BEPS) project. The OECD has requested that comments be sent by June 12, 2015.

[More details](#)

Calendar of Events

Date	Event	Location
3 July 2015	KPMG Trade and Customs breakfast briefing More details and registration	InterContinental Hotel, Singapore
5 July 2015	Pakistan Budget	Pakistan
23 October 2015	Malaysian Tax Budget 2016	Malaysia
28 October 2015	KPMG in Malaysia Tax Summit 2015 For more details email Karen Lee	Malaysia

Beyond Asia Pacific

EU: Proposals for EU company-ownership registers

The European Parliament has formally approved proposals to require EU Member States to maintain public registers of ultimate ownership of EU companies and similar entities. The proposals form part of a new anti-money laundering directive aimed at addressing tax crimes and terrorist financing.

[More details](#)

Germany: FATCA-reporting draft guidance

The German tax authorities have released draft guidance notes in connection with FATCA reporting.

[More details](#)

United Kingdom: Second budget 2015 expected 8 July

Following the Conservatives' win at the general election, the Chancellor of the Exchequer has announced a summer budget will be delivered on Wednesday, 8 July 2015.

[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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