



## 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 lump 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 <a href="#">More details and registration</a>	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 <a href="#">Karen Lee</a>	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](#)

# KPMG Asia Pacific Tax Centre Contacts

## Asia Pacific Regional Leader, Tax



**Warrick Cleine**  
**Partner & CEO, KPMG in Vietnam**  
**T:** +84 8 3821 9266  
**E:** [warrickcleine@kpmg.com.vn](mailto:warrickcleine@kpmg.com.vn)

## Asia Pacific Tax Centre Leader, Regional Partner & Tax COO



**Brahma Sharma**  
**Asia Pacific Tax Centre Leader & Tax COO**  
**T:** +65 8186 7369  
**E:** [brahmasharma@kpmg.com.sg](mailto:brahmasharma@kpmg.com.sg)

## Asia Pacific Regional Client Service Team

### Regional Client Partner



**Rick Asquini**  
**Regional Client Partner**  
**T:** +65 6213 3300  
**E:** [rickasquini@kpmg.com.sg](mailto:rickasquini@kpmg.com.sg)

### Regional Client Business Development Director



**Van Mumby**  
**Regional Client Business Development Director**  
**T:** +65 6597 5061  
**E:** [yanmumby@kpmg.com.sg](mailto:yanmumby@kpmg.com.sg)

## Asia Pacific Indirect Tax Compliance Centre of Excellence



**Adrienne McStocker**  
**Regional Leader, Asia Pacific Indirect Tax Compliance**  
**T:** +65 6213 2111  
**E:** [amcstocker1@kpmg.com.sg](mailto:amcstocker1@kpmg.com.sg)

## Service Line Specialists

### Transfer Pricing Services



**Kari Pahlman**  
**Asia Pacific Regional Leader, Transfer Pricing Services**  
**T:** +852 2143 8777  
**E:** [kari.pahlman@kpmg.com](mailto:kari.pahlman@kpmg.com)

### Financial Services Transfer Pricing



**John Kondos**  
**Asia Pacific Regional Leader, Transfer Pricing Services in the Financial Services Sector**  
**T:** +852 2685 7457  
**E:** [john.kondos@kpmg.com](mailto:john.kondos@kpmg.com)

### Indirect Tax Services



**Lachlan Wolfers**  
**Asia Pacific Regional Leader, Indirect Tax Services**  
**T:** +85 22 685 7791  
**E:** [lachlan.wolfers@kpmg.com](mailto:lachlan.wolfers@kpmg.com)

### Trade & Customs



**Eric Zhou**  
**Asia Pacific Regional Leader, Trade & Customs Services**  
**T:** +86 10 850 87610  
**E:** [ec.zhou@kpmg.com](mailto:ec.zhou@kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International, a Swiss entity.

## Global Compliance Management Services



### Oi Leng Mak

**Asia Pacific Regional Leader,  
Global Compliance Management Services**  
**T: +65 6213 7319**  
**E: [omak@kpmg.com.sg](mailto:omak@kpmg.com.sg)**

## Global Mobility Services



### Andy Hutt

**Asia Pacific Regional Leader,  
Global Mobility Services**  
**T: +61 2 9335 8655**  
**E: [ahutt@kpmg.com.au](mailto:ahutt@kpmg.com.au)**

## International Tax



### Christopher Xing

**Asia Pacific Regional Leader,  
International Tax**  
**T: +852 2978 8965**  
**E: [christopher.xing@kpmg.com](mailto:christopher.xing@kpmg.com)**

## Mergers & Acquisitions Tax



### Vaughn Barber

**Asia Pacific Regional Leader,  
Mergers & Acquisitions Tax**  
**T: +86 10 8508 7071**  
**E: [vaughn.barber@kpmg.com](mailto:vaughn.barber@kpmg.com)**

## Research & Development (R&D) Tax Incentives



### Alan Garcia

**Asia Pacific Regional Leader,  
R&D Tax Incentives**  
**T: +61 3 9288 6094**  
**E: [afgarcia@kpmg.com.au](mailto:afgarcia@kpmg.com.au)**

## Dispute Resolution and Controversy



### Jeremy Geale

**Asia Pacific Regional Leader,  
Dispute Resolution and Controversy**  
**T: +61 2 9335 8422**  
**E: [jgeale@kpmg.com.au](mailto:jgeale@kpmg.com.au)**

## Market Sector Specialists

### Financial Services



#### Chris Abbiss

**Asia Pacific Regional Tax Leader,  
Financial Services Sector**  
**T: +852 2826 7226**  
**E: [chris.abbiss@kpmg.com](mailto:chris.abbiss@kpmg.com)**

### Alternative Investments



#### Simon Clark

**Asia Pacific Regional Tax Leader,  
Alternative Investments**  
**T: +65 6213 2152**  
**E: [simonclark1@kpmg.com.sg](mailto:simonclark1@kpmg.com.sg)**

### Energy & Natural Resources



#### Rod Henderson

**Asia Pacific Regional Tax Leader,  
Energy & Natural Resources Sector**  
**T: +61 2 9335 8787**  
**E: [rbhenderson@kpmg.com.au](mailto:rbhenderson@kpmg.com.au)**

[www.kpmg.com/asiapacifictaxcentre](http://www.kpmg.com/asiapacifictaxcentre)

[www.kpmg.com/tax](http://www.kpmg.com/tax)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International, a Swiss entity.