



## Asia Pacific Tax Developments

### Australia

#### **Australia: Assessing the risk on the allocation of professional firm profits**

The Australian Taxation Office (ATO) finalised and published risk guidelines on allocation of profits within professional firms.

These guidelines provide some welcome clarity in assessing their ATO risk rating in respect of allocation arrangements used within their business.

[More details](#)

#### **Australia: Amendments to the loss rules**

The amendments to the loss rules in Tax and Superannuation Laws Amendment (2015 Measures No.2) Bill 2015 introduced into Parliament provide certainty on whether your prior year revenue or capital losses can be utilised.

The Bill contains amendments to ensure that companies will not have to trace through complying superannuation funds; foreign superannuation funds; complying approved deposit fund; special companies or managed investment schemes in applying continuity of ownership to determine loss utilisation.

[More details](#)

#### **Australia: The Commissioner's information gathering powers - recent updates**

From 1 July 2015, Section 264 and 263 notices are no longer effective. Instead, the relevant statutory powers have now been consolidated with existing powers within Division 353 of Schedule 1 to the Taxation Administration Act 1953. Going forward notices will need to be issued pursuant to the Commissioner's powers under Division 353.

[More details](#)

#### **Australia: The "Pub Test"**

The story of tax is one which is changing and developing beyond the technical. It is an analysis which involves us all, and one that is playing out both locally and globally.

The time to understand your own tax history and information in Australia and beyond, including how to articulate it correctly and openly to your stakeholders, whether it be at the Senate, on social media or down the pub, is now.

[More details](#)

### China

#### **China: Sharing from Guangzhou expatriate employees individual income tax conference**

The Guangzhou local tax bureau (GZ LTB) hosted an Individual Income Tax (IIT) conference related to expatriate employees.

The State Administration of Taxation has made it clear that the IIT of high income individuals is one of their tax audit targets in 2015. The GZ LTB always pays close attention to the taxation administration of Expatriates' IIT, and they have long experiences and effective measures for IIT tax audits and examinations.

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

#### **China: Standardization of the administration on cost sharing agreement**

The State Administration of Taxation ("SAT") has promulgated the Announcement on standardizing the administration of cost sharing agreement.

The Announcement aims to implement the Decision of the State Council on cancelling items requiring non-administrative approval, streamline the administration process, as well as strengthen the

follow-up administration, so as to improve and standardize the administration of cost sharing agreements.

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

## India

**India: Consideration for providing various services in connection with prospecting, extraction or production of mineral oil are taxable on a presumptive basis under 44BB of the Income-tax Act**

The Supreme Court of India in the case of a taxpayer operating in the oil & gas industry held that consideration for providing various services in connection with prospecting, extraction or production of mineral oil are taxable on a presumptive basis under 44BB of the Income-tax Act, as the Supreme Court observed that each of the contracts/agreements entered into by the taxpayer with a foreign company are inextricably connected with prospecting, extraction or production of mineral oil.

[More details](#)

**India: Disallowance of statutory liabilities under Section 43B is to be made even though income has been offered under presumptive provisions of Section 44AF of the Income-tax Act**

The Panaji Tribunal in the case of a taxpayer (a dealer in two wheelers) held that disallowance under Section 43B of the Act in respect of statutory liabilities is to be made even though the taxpayer's income has been offered and assessed under the presumptive provisions of Section 44AF of the Act.

[More details](#)

## Japan

**Japan: Business tax rates in Tokyo**

By virtue of the 2015 tax reform, the standard business tax rates applicable to a company which is liable for size-based business taxes (broadly, a company whose stated capital is over JPY100 million) were amended in two phases (i.e. fiscal years beginning on or after 1 April 2015 and those beginning on or after 1 April 2016).

The ordinance to amend the tax rates for fiscal years beginning on or after 1 April 2016 was passed by the Tokyo Metropolitan Assembly on 24 June 2015 and promulgated on 1 July 2015.

[More details](#)

## Korea

**Korea: VAT registration required for foreign electronic service providers**

New provisions require non-resident vendors to register for and charge value added tax (VAT) on sales of electronic services to the end-user consumer in South Korea. The changes are effective 1 July 2015.

With the new rules, non-Korean application developers or open-market operators must register their businesses with the tax authorities and fulfil their tax obligations.

[More details](#)

## New Zealand

**New Zealand: New Tax Bill introduced/Tax treaty with Canada in force**

The new Tax Bill contains:

- Changes to progress Inland Revenue's Business Transformation by enabling electronic communications with taxpayers and information sharing in a greater range of circumstances.
- New rules for collecting tax on employee share scheme benefits.

The new Canada DTA will reduce withholding tax rates from 1 August.

[More details](#)

## Singapore

**Singapore: Update on Singapore's 2015 budget**

After Singapore's 2015 budget, the authorities issued details concerning the following four tax changes:

- Extending and refining the tax incentive scheme for insurance businesses
- Extending the tax concessions for listed Real Estate Investment Trusts (REITs)
- Extending and enhancing the Goods and Services Tax concession for REITs and qualifying Registered Business Trusts listed in Singapore
- Tax exemption for income derived by non-Singapore tax resident mediators

[More details](#)

# Calendar of Events

Date	Event	Location
29 July 2015	Changing Face of Commerce - When 10,000 Chinese Shop <a href="#">More details</a>	Hong Kong
30 July 2015	Global FinTech Forum 2015 - A comparison of FinTech ecosystems in Asia and around the world <a href="#">More details</a>	Hong Kong
17 August 2015	Managing Global Mobility for Outbound Assignment For more details email <a href="#">Carmen Yong</a>	Petaling Jaya, Malaysia
18 August 2015	Corporate Tax, GST and SFA Regulations Updates for REITs, RBTs and SPVs <a href="#">More details</a>	Singapore
9 September 2015	Managing Global Mobility to Malaysia For more details email <a href="#">Carmen Yong</a>	Petaling Jaya, Malaysia
23 October 2015	Malaysian Tax Budget 2016	Malaysia
26-28 October 2015	2015 KPMG EMA Tax Summit <a href="#">More details</a>	Lisbon, Portugal
28 October 2015	KPMG Malaysia Tax Summit 2015 For more details email <a href="#">Karen Lee</a>	Malaysia
9 December 2015	Managing Employer's Tax Obligations For more details email <a href="#">Carmen Yong</a>	Petaling Jaya, Malaysia

## Beyond Asia Pacific

### Austria - Taxable dividends vs. capital repayments

The Austrian Ministry of Finance in June 2015 published a draft bill regarding provisions under the Austrian tax reform 2015/2016. The proposal would affect the determination as to whether a company's distribution of profits is a qualified dividend or a repayment of capital.

[More details](#)

### Cayman Islands - Guidance notes under FATCA intergovernmental agreements

The Cayman Islands tax authority has issued Version 2.1 of guidance notes for implementing the intergovernmental agreements (IGAs) between the Cayman Island and the United Kingdom and the United States.

[More details](#)

### Mauritius: Reminder, initial FATCA report due 31 July

"Reporting financial institutions" in Mauritius must make their first report to the Mauritius Revenue Authority under the FATCA regime by end of this month.

[More details](#)

### **United Kingdom - Summer budget scheduled for 8 July**

The “Summer budget” will be presented this week. It is expected that because deficit reduction will continue to be a goal, the Summer budget could include some revenue-raising measures as well as some spending cuts.

[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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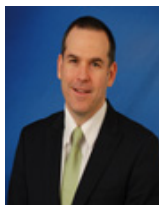
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