



Asia Pacific Tax Developments

Australia

Australia: ATO and US IRS automatic data sharing commences

The Australian Taxation Office (ATO) recently undertook its first automatic sharing of financial account information with the United States of America (US) Internal Revenue Service (IRS).

The details of more than 30,000 Australian financial accounts of individuals with a connection to the US were provided to the IRS under the new US Foreign Account Tax Compliance Act (FATCA) regime.

[More details](#)

Australia: Dr Alan Finkel announced as Commonwealth Chief Scientist

The Government announced Dr Alan Finkel AO as the successor to Professor Ian Chubb AC as Australia's Commonwealth Chief Scientist, effective January 2016.

KPMG in Australia discusses the appointment of Dr Finkel and the exciting future for Australia's innovation ecosystem.

[More details](#)

Australia: The experts and the statutory task, the Federal Court opines

The Federal Court of Australia's decision in *Chevron Australia Holdings Pty Ltd (CAHPL) v Commissioner of Taxation* [2015] FCA 1092, delivered on Friday 23 October 2015, has key implications for transfer pricing of intercompany financing transactions, and also other broader intercompany arrangements.

KPMG in Australia summarises the key lessons regarding intercompany financing transactions of the *Chevron v Commissioner of Taxation* case.

[More details](#)

Australia: What's the FSI legacy for legacy products?

KPMG in Australia provides insight into the Government's response to the Financial System Inquiry (FSI) recommendation 43 regarding legacy products and what this could mean for the future of legacy products.

[More details](#)

Australia: Superannuation funds and foreign currency hedging transactions – TR2014/7

The ATO is reviewing the income tax compliance for large superannuation funds and considering the likely approaches by funds to the source of Foreign Exchange (FX) gains and the treatment of FX losses as 'reasonably related' to FX gains within the same hedging arrangements in 2015 tax returns of the funds.

These issues were dealt with in TR 2014/7, and the ATO is currently consulting with industry in relation to developing a go-forward approach.

[More details](#)

China

China: R&D Super Deduction and Innovation Demonstration Zones expanded and improved

Premier Li Keqiang chaired a State Council executive meeting on 21 October 2015 and announced (1) improvements to the R&D Super Deduction policy, and (2) increased enterprise support to increase innovation.

KPMG in China has prepared a report summarising the key changes and their implications for taxpayers.

[More details | Chinese Version](#)

Hong Kong SAR

Hong Kong: Hong Kong's tax co-operation status clarified by Spain

As ten EU member states (including Spain) listed Hong Kong as a non-cooperative tax jurisdiction, Hong Kong was named as one of the thirty non-cooperative tax jurisdictions by the European Commission on 17 June 2015.

Spain has rectified the technical error of including Hong Kong on the national list of non-cooperative tax jurisdictions. It is hoped that other EU member states will follow Spain's decision to remove Hong Kong from their national lists.

[More details](#)

India

India: Joint committee report on the Goods and Services Tax return process

Concerning goods and services tax (GST) registration, payments, and refunds, the Joint Committee on GST issued a report on the GST return process. The report provides eight types of returns for different taxpayers.

[More details](#)

India: Limited liability partnerships to report foreign liabilities and assets

The Reserve Bank of India (RBI) issued guidance providing that a limited liability partnership (LLP) must file an annual "return" reporting its foreign assets and liabilities with the RBI.

The annual return will have to be filed by all Indian LLPs that have received foreign direct investments and/or made overseas investment in the previous year(s) as well as the current year. The annual return on foreign assets and liabilities is mandatory under the exchange control regulations, and will be required to be submitted by 15 July of every year.

[More details](#)

India: Electronic filing of customs documents

India's Central Board of Excise and Customs (CBEC) issued guidance that expands the requirements for importers and exporters to file customs documents electronically using a "digital signature certificate." The new rules are effective 1 January 2016.

The goal of this guidance is to simplify the customs procedures. The expectation is that transaction cost and clearance time for imports and exports of goods will be reduced.

[More details](#)

Japan

Japan: New reporting requirements for individual taxpayers

There are new reporting requirements for individual taxpayers, whose income exceeds JPY20 million (approximately U.S. \$166,000),

to report assets and liabilities. These new reporting rules, part of the 2015 tax reform legislation, are effective for individual income tax returns relating to 2015 income.

Before the 2015 tax reform, individuals were already required to file a statement of assets and liabilities with their income tax returns if their income exceeded JPY20 million. The 2015 tax reform, however, amended these requirements and now provides new rules relating to this reporting requirement.

[More details](#)

Singapore

Singapore: Signed Trans-Pacific Partnership kicks off further trade liberalisation in the Asia Pacific region

After years of negotiations, the 12 countries involved in the Trans-Pacific Partnership (TPP) have signed the historic trade deal on 5 October.

Although the TPP is expected to bring greater growth in the Asia Pacific region, it will take a few years for all ratifications to be completed.

[More details](#)

Singapore: Transfer pricing documentation, due 30 November

As a reminder, the due date for filing certain transfer pricing documentation in Singapore is 30 November 2015.

The rules governing transfer pricing documentation provide that it must be maintained on a "contemporaneous" basis—that is, the documentation must be in existence prior to or at the time when the transactions are undertaken.

However, documentation will be accepted if "adequately completed" before the tax filing due date—i.e., 30 November of the year following the financial year-end of the taxpayer.

The guidelines further set out information to be included in the transfer pricing documentation, and organized by group-level and entity-level information.

[More details](#)

Vietnam

Vietnam: Corporate income taxation of profits of permanent establishment

The tax authorities in Vietnam issued guidance (in the form of an "official letter") clarifying the corporate income tax treatment of profits or income arising in Vietnam if: (1) a foreign contractor does not follow Vietnamese accounting standards; and (2) there is an income tax treaty between Vietnam and the country of the foreign contractor's residence and that treaty addresses the treatment of profits attributable to a permanent establishment.

[More details](#)

Calendar of Events

Date	Event	Location
12 November 2015	KPMG Banking Risk & Regulations Conference 2015 More details	Singapore
24 November 2015	KPMG Goods and Services Tax (GST) Seminar: Zero-rating of Services and Difference Between Reimbursement and Disbursement More details	Singapore
9 December 2015	Managing Employer's Tax Obligations For more details email Carmen Yong	Petaling Jaya, Malaysia

Beyond Asia Pacific

Netherlands: Tax treaty with Germany; effective 2016

The Netherlands has completed its ratification procedures for the entry into force of a new income tax treaty between the Netherlands and Germany. Therefore, the treaty will be effective beginning 1 January 2016.

[More details](#)

Nigeria: Determining when foreign companies have a "fixed base"

The Federal High Court, Lagos, reversed a decision of the Tax Appeal Tribunal in a case concerning whether a corporation had a "fixed base" in Nigeria, and concluded that the foreign corporation did not have a fixed base in Nigeria and thus was not liable for corporate income tax.

[More details](#)

Sweden: "Bitcoin" virtual currency transactions are VAT-exempt, holds CJEU

The Court of Justice of the European Union (CJEU) issued a judgment concluding that exchanges of traditional currency for the "bitcoin" virtual currency (and vice versa) are exempt from value added tax (VAT).

[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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