



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 04 February 2016



Asia Pacific Tax Developments

Australia

Australia: Acquiring or selling a business? Do earnout amendments affect you?

The much anticipated final 'earnout legislation' *Tax and Superannuation Laws Amendment (2015 Measures No. 6) Bill 2015* is now before Parliament. An earnout arrangement is generally a right to future financial benefits linked to the economic performance of the business or an asset after the sale of a business.

KPMG in Australia discusses about what the proposed new earnout rules might mean for business taxpayers.

[More details](#)

Australia: Changes to FY16 employee share scheme reporting

Employers will need to change the way they manage their FY16 Employee Share Scheme (ESS) reporting obligations if:

- they have internationally mobile employees participating in an ESS; and/or
- they previously relied on paper lodgements or the Australian Taxation Office (ATO) Bulk Load Excel Spreadsheet to lodge reports.

KPMG in Australia highlights for employers the reporting obligations and changes for the FY16 Employee Share Scheme.

[More details](#)

Australia: The new AMIT regime

The Attribution Managed Investment Trusts (AMIT) Bills package was introduced into Parliament in early December 2015. Once the bills pass into law, Managed Investment Trusts (MITs) will need to decide whether to elect to become an AMIT and, if so, when to make such election.

KPMG in Australia highlights the advantages and considerations for trusts becoming an AMIT regime.

[More details](#)

Australia: New year, new effective life?

Whilst many assess how effective their own life is at this time of year, how many consider the effective lives of their assets? The resources sector, in particular, has had to adjust to tough economic conditions over the past year. Depressed commodity prices are causing taxpayers to re-evaluate key aspects of their projects including production profiles and project lives.

KPMG in Australia notes the potential tax benefits of re-assessing the effective lives of depreciating assets and how KPMG's capital allowances data analytics tool can assist you.

[More details](#)

Cambodia

Cambodia: Technical updates – Tax and Corporate Services

KPMG in Cambodia discusses various technical updates regarding:

- Classification of taxpayers under Real Regime System
- Procedure for the management of patent tax collection and instruction on the declaration and payment of the 2016 patent tax
- Determination of rules and procedures for the implementation of the simplified accounting and bookkeeping for small taxpayers
- Extension of Prepayment of Profit Tax suspension validation for Garment and Footwear production enterprises
- Tax mechanisms on financial lease transactions

For more details, please click on [here](#) and [here](#)

Cambodia: Online business registration and re-registration requirement

On 29 December 2015, the Ministry of Commerce ('MoC') issued Prakas no. 299 and 300 informing that enterprises/establishments shall be obliged to register or re-register online with the MoC via www.businessregistration.moc.gov.kh. The new system is intended to allow companies to apply for business registrations, keep their official information up to date, and complete their filings without having to be physically present at the MoC.

[More details](#)

Hong Kong SAR

Hong Kong: New income tax treaty with Russia

Representatives of the governments of Hong Kong and Russia in January 2016 signed a new income tax treaty that allocates taxing rights between the two jurisdictions, provides for reduced withholding tax rates, and is intended to provide investors greater certainty on their potential tax liabilities arising from cross-border activities.

[More details](#)

India

India: Bilateral APAs with UK, concerning management charges, brand royalty

The tax authorities in India have signed the first two bilateral advance pricing agreements (APAs) with the United Kingdom, with respect to transactions concerning management charges and brand royalty.

[More details](#)

India: Consolidated guidelines, compliance for overseas assignments

India has signed several social security agreements with other countries with a view to obtaining an exemption from contributions towards social security in the host countries for outbound employees, provided that there are contributions made to social security in India. To obtain this exemption, an outbound employee must have a “certificate of coverage” from the designated agency, the Employees’ Provident Fund Organisation (EPFO), which serves as a proof of social security contribution in India.

[More details](#)

India: Fees for supply management services not taxable as fees for technical services or as royalty under India-UK tax treaty

The Authority for Advance Rulings (AAR) concluded amounts received by a foreign company for rendering supply management services to its Indian group company are not to be treated under the India-United Kingdom income tax treaty as (1) fees for technical services because the foreign company did not make available any technical knowledge, experience or know-how; or (2) a royalty because the services were not related to the use of any copyright, patent, trademark, design or model, plan, secret formula or process.

[More details](#)

India: Project office not permanent establishment under UAE treaty

The Delhi High Court held that activities of the taxpayer’s project office came under the exclusionary clause of Article 5(3)(e) of the India-UAE income tax treaty (tax treaty). Accordingly, the project office did not constitute a permanent establishment (PE) under these tax treaty provisions.

[More details](#)

India: Settlement amount received by FII for giving up the ‘right to sue’ is not taxable under the Income-tax Act

The AAR concluded that the settlement amount received by foreign institutional investors (that had invested in the Indian company’s shares (American depository receipts)) for giving up the

“right to sue” the Indian company was a capital receipt. As such, this amount was not taxable as “income” because it did not replace any business income.

[More details](#)

Korea

Korea: 2016, January Tax Brief

Ministry of Strategy and Finance announced the proposed amendments to Enforcement Decree to regulate the 2016 tax amendments passed by the National Assembly on 2 December 2015, and announced “2016 Subsequent Amendments to Enforcement Decree” on 23 December 2015.

KPMG in Korea has released a report summarising key amendments to Enforcement Decree.

[More details | Korean Version](#)

Myanmar

Myanmar: Myanmar Tax Alert - Stamp Duty

The Internal Revenue Department issued a notification on 16 January 2016 to remind tax payers of the need to pay stamp duty on the relevant contracts.

[More details](#)

Singapore

Singapore: Good Services Tax (GST) updates

KPMG in Singapore has released a report providing a summary of GST updates impacting businesses in Singapore. This report covers:

- GST implications for overseas company/s, who enter into a contract with a Singapore GST-registered service provider/s
- GST implications for bunker suppliers and barge owners
- GST implications on transfer pricing adjustments
- Importance of GST Compliance

[More details](#)

Singapore: Income tax implications arising from the Adoption of FRS 115 Revenue from Contracts with Customers

KPMG in Singapore has released a report highlighting the income tax implications which may arise with the introduction of the accounting standard FRS 115 *Revenue from Contracts with Customers*.

[More details](#)

Singapore: Opportunities in India for Singapore builders

Liberalisation of the construction sector rules in India may afford opportunities for Singapore builders. Under the new rules, businesses can establish wholly owned companies without any

conditions relating to minimum capitalisation and minimum area development provisions prior to entering India's construction market.

[More details](#)

Vietnam

Vietnam: Increased social insurance, minimum wage amounts

Changes to the labour and compulsory insurance regulations in Vietnam reflect new policies introduced and effective generally beginning 1 January 2016. Some changes are effective later this year. The new policies and changes may result in increases to a company's employment costs.

[More details](#)

Calendar of Events

Date	Event	Location
23 February 2016	150% Super Deduction: Tax savings for the building/architectural, technology and multi-media design industries More details	Shanghai, China
26 February 2016	KPMG Webinar: R&D 150% Super Deduction and High and New Technology Enterprise - ("HNTE") regulation changes for Automotive Industry (China) More details	Webinar
26 February 2016	KPMG China Tax Update Seminar More details	Singapore
9 March 2016	KPMG keeping abreast with tax regulations in insurance and reinsurance seminar More details	Singapore
16 March 2016	Understanding the fundamental principles of Malaysian GST and latest developments More details Contact person: Ms Pershen Kaur	Petaling Jaya, Malaysia
Week of 9 May 2016	2016 KPMG Asia Pacific Tax Summit More details	Beijing

Beyond Asia Pacific

Canada: New tax relief deadline, foreign employers of cross-border employees

Non-Canadian resident employers that have non-resident employees working in Canada now have until 1 March 2016 to request that a new exception from the withholding tax rules applies to them retroactively as of 1 January 2016. Previously, the deadline for these applications was 1 February 2016.

[More details](#)

EU: New anti-tax avoidance package focused on corporations

The European Commission today unveiled new measures to address corporation tax avoidance. The EC presented an anti-tax avoidance package that includes two legislative proposals addressing certain anti-base erosion and profit shifting (BEPS) issues and non-public country-by-country (CBC) reporting as well as a common approach to tax good governance towards third countries and recommendations to address treaty abuse.

[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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