



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 28 July 2016



## Asia Pacific Tax Developments

### Australia

#### **Australia: CEO survey indicates time for change is 'now or never'**

The 2016 KPMG Global CEO Outlook Survey indicates many Chief Executive Officers (CEOs) are struggling to prioritise time to think strategically about disruption and innovation, particularly locally.

KPMG Australia highlights why the time for change, regarding innovation, is now – based on results from KPMG's Global CEO Outlook Survey.

[More details](#)

#### **Australia: Is it possible to pay \$nil?**

There has been some uncertainty for a number of years as to whether it is possible to make a payment of \$nil. In the context of clear exit payments, an entity can leave a tax consolidated group clear of any group liability if, before the leaving time, the leaving entity pays to the head company an amount equal to the leaving entity's contribution amount.

KPMG Australia discusses the context of clear exit payments and the possibility of a \$nil payment.

[More details](#)

#### **Australia: To withhold, or not to withhold?**

In today's world, it is commonplace to engage foreign contractors, particularly where construction, substantial repairs or upgrades of specialised equipment is required. The payments made to the foreign contractors may be subject to withholding tax. However, internal tax teams won't initially be aware of, or be consulted in, negotiating terms for these arrangements.

KPMG Australia discusses exemption to withholding tax eligibility.

[More details](#)

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## China

### China: China Tax weekly update – Issue 28

KPMG China has issued a newsletter that provides various tax updates on:

- Foreign investment in FTZs facilitated (Guo Fa [2016] No. 41)
- Scope of service outsourcing industry clarified (Joint Announcement [2016] No. 29 by MOFCOM, MOF and GAC)
- Private securities fund management businesses are open for foreign investors
- Listed company use of equity incentive plans facilitated (CSRC Order No. 126)
- The 3rd Protocol to mainland China-Macao DTA signed
- Further VAT implementation rules
- SAT summarizes its work for 2016 H1
- Shanghai launches 2016 high-tech enterprises recognition
- Beijing adjusts Resource Tax rate to implement the reform (Jing Cai Shui [2016] No.1130)
- Shenzhen clarifies recordal filing for enjoyment of preferential CIT policies for software and IC enterprises (Shenzhen STB and Shenzhen LTB Announcement [2016] No. 9)

[More details](#)

### China: New 'Working Guidance of Administrative Measures for Recognition of High and New Technology Enterprise (HNTE)' released

The Ministry of Science and Technology (MOST), Ministry of Finance (MOF) and State Administration of Taxation (SAT) jointly released an announcement regarding the revision of "Working Guidance of Administrative Measures for Recognition of High and New Technology Enterprise".

The new guidance sees significant change concerning HNTE compliance thresholds. It also shows that the government will continue to strengthen its supervision of HNTE status.

[More details](#)

### China: Private securities fund management businesses are now open for foreign investors: Access and Opportunity

A list of "questions and answers" (Q&As) concerning private securities fund registration was issued in late June 2016 by the Asset Management Association of China. Of the Q&As on this list, Q&A 10 describes the rules for allowing qualified wholly foreign-owned enterprises and Sino-foreign joint venture enterprises to establish private securities fund management institutions to conduct private securities fund management business, including investments in securities on the secondary market.

[More details](#)

### China: Trade and customs resource

To master the intricacies of import, export, and customs management in China, a clear understanding of the regulatory environment, including the structure of related government authorities, is needed. With this understanding, companies can move towards strategic planning options that can be applied when products are imported into China or are produced in China using imported components. [More details](#)

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## India

### India: Cross-charge transactions under GST

An update on the draft GST law concerns: (1) the taxability of typical transactions between a head office and its branch offices, and (2) credit optimisation in case of centralised billing from the head office when branch offices are located at multiple locations and credit of common expenses incurred by the head office which pertains to different branch offices.

[More details](#)

### India: Determining distributed income with respect to buy-back of shares

The Central Board of Direct Taxes (CBDT) issued draft rules concerning the method for determining the amount received by companies under different circumstances when shares have been issued.

[More details](#)

### India: Mobilisation / demobilisation of vessels used in exploration for oil and gas

The Delhi Bench of the Income-tax Appellate Tribunal held that reimbursements paid by customers for the mobilisation / demobilisation of vessels used by the taxpayer in exploration for oil and gas and attributable to the distance travelled outside India are taxable.

[More details](#)

### India: Paperless PAN and TAN application process

The CBDT announced a digital signature certificate-based application procedure to companies to apply via portals of Permanent Account Number (PAN) service providers. Under the new process, PAN and TAN will be assigned within one day after completion of a valid on-line application.

[More details](#)

### India: Social security agreement (SSA) with Japan

The SSA between India and Japan (signed in November 2012) has entered into force, and is effective 1 October 2016.

[More details](#)

### India: Transfer Pricing Officer's authority to examine arm's length price

The Delhi Bench of the Income-tax Appellate Tribunal held that Transfer Pricing Officers have the authority to determine the arm's length price of any international transaction that comes to their attention, whether or not such transactions are the subject of a referral from the Assessing Officer.

[More details](#)

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## Myanmar

### Myanmar: Foreign investment expansion; imports of construction materials allowed

The Ministry of Trade and Commerce issued notification 56/2016 (7 July 2016) that adds imports of construction materials to the list of goods that can be imported and sold by joint ventures between Myanmar companies and foreign investors. [More details](#)

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## Calendar of Events

Date	Event	Location
16 August 2016	Tax/Immigration Planning for Global Mobility Employees to Malaysia and GST from HR Perspective Contact person: <a href="#">Carmen Yong</a>	Malaysia
21 October 2016	2017 Budget Announcement Contact person: <a href="#">Karen Lee</a>	Parliament House, Kuala Lumpur, Malaysia
26 October 2016	KPMG in Malaysia Tax Summit 2016 Contact person: <a href="#">Karen Lee</a>	One World Hotel, Petaling Jaya, Malaysia

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## Significant International Tax Developments



### OECD: Report on AEOI, tax transparency project

The Organisation for Economic Cooperation and Development (OECD) presented a report to the finance ministers of the G20 countries at a 23-24 July meeting in Chengdu, China.

[More details](#)

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## Beyond Asia Pacific

### Brexit: The tax impact for business

KPMG in the UK's tax practice has joined forces with colleagues across advisory group to deliver a cross-functional workshop to a group with operations spanning Europe.

[More details](#)

### South Africa: More clarity on the South African Special Voluntary Disclosure Programme

KPMG South Africa, outlines the latest developments in South Africa's Special Voluntary Disclosure Programme.

[More details](#)

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### TaxNewsFlash by Region

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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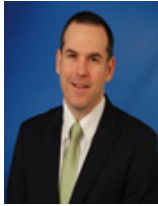
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