



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 29 September 2016



Asia Pacific Tax Developments

Australia

Australia: ATO carries out raids on phoenix advisors

The Australian Taxation Office (ATO) and Australia Securities and Investment Commission (ASIC) have recently made surprise visits to businesses and residential sites of self-proclaimed 'pre-insolvency advisors' who have been identified as promoting and facilitating illegal phoenix activity.

[More details](#)

Australia: ATO Commissioner's warning statement on Panama Papers and Tax Avoidance

The Commissioner of Taxation, Chris Jordan, announced, on 6 September 2016, the ATO's successful "week of action" in dealing with persons who have tried to avoid their tax obligations and have been exposed by the Panama Papers.

KPMG Australia analyses the ATO Commissioner's strong focus on corporate tax avoidance.

[More details](#)

Australia: ATO releases Country-by-Country Reporting exemption guidance

The ATO has published further guidance for taxpayers who are (or will be) subject to the Country-by-Country Reporting (CbCR) regime.

The guidance outlines how taxpayers can apply for a specific exemption from some or all the CbCR obligations and also the general principles the ATO will take into account in making its decision.

[More details](#)

Australia: Tax impacts of insurance accounting changes

After a number of years, consultation by the International Accounting Standards Board (IASB) on the forthcoming International Financial Reporting Standard (IFRS) for insurance contracts is now nearing completion. It is expected that the final standard should be issued by the end of 2016.

The new standard will replace IFRS 4 Insurance Contracts, with a mandatory effective date of 1 January 2020 or 2021 (with early adoption permitted).

KPMG Australia explains the tax consequences of the upcoming new accounting standard for insurance contracts.

[More details](#)

China

China: China Tax weekly update – Issue 37

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

- New tax rules to boost innovation and start-ups
- OECD: the comments received for certain BEPS discussion drafts
- Foreign investment in central and western China is further encouraged
- The sharing of government information (Guo Fa [2016] No. 51) regulated by the State Council
- The transparency on identity of tax handlers (Shui Zong Fa [2016] No. 111) regulated by SAT
- SAIC supervision method innovation (Gong Shang Qi Jian Zi [2016] No. 185)
- Updates on the VAT reform

[More details](#)

Hong Kong SAR

Hong Kong: Intra-group financing activities in Hong Kong and Hong Kong treasury centres

Intra-group financing arrangements now form a key part in the transfer pricing master file under the OECD Base Erosion and Profit Shifting initiatives, together with the increase in information transparency these arrangements now need to be properly supported and documented. In addition, Hong Kong is promoting itself as a potential regional treasury hub and has introduced tax incentives.

KPMG in Hong Kong has released a report that provides a brief overview of the newly introduced Corporate Treasury Centre incentives and highlights typical treasury related transactions or areas which companies should consider with respect to transfer pricing.

[More details](#)

India

India: Employee-related benefits reimbursed qualify as business expenditure

The Bombay High Court held that reimbursement of employee-related benefits (including retrenchment compensation and other retirement payments made with respect to employees of a transferred unit) are amounts paid for a business purpose, and as such, are an allowable business expenditure.

[More details](#)

India: Is “trade discount” an eligible deduction under the model GST law?

Courts have applied conflicting standards concerning the treatment of trade discounts for goods and services tax (GST) purposes.

[More details](#)

Vietnam

Vietnam: Guidance clarifying corporate income tax, VAT, special consumption tax

The Ministry of Finance in Vietnam has issued a Circular providing implementation guidance of a number of tax laws on Corporate Income Tax, Value Added Tax (VAT), and the Special Consumption Tax.

[More details](#)

Calendar of Events

| Date | Event | Location |
|-----------------|---|--|
| 21 October 2016 | 2017 Budget Announcement Contact person: Karen Lee | Parliament House, Kuala Lumpur, Malaysia |
| 26 October 2016 | KPMG in Malaysia Tax Summit 2016 Contact person: Karen Lee | One World Hotel, Petaling Jaya, Malaysia |

Significant International Tax Developments



OECD: Comments on “branch mismatch structures” under BEPS Action 2

The Organisation for Economic Cooperation and Development (OECD) released comments received with respect to a discussion draft on “branch mismatch structures” under the base erosion and profit shifting (BEP) project.

[More details](#)

OECD: Public consultation on BEPS-related transfer pricing matters, 11-12 October

The OECD announced a public consultation on transfer pricing matters, for 11-12 October 2016 at the OECD facilities in Paris, France.

[More details](#)

Beyond Asia Pacific

Sweden: Tax proposals in budget bill for 2017

The budget bill for 2017, reflects an agreement between the formal coalition governing parties (the Social Democrat and Green parties) and the Left Party. In general, the budget primarily focuses on social issues (welfare, jobs, accommodating refugees, gender equality, etc.), and it contains very few reforms in the corporate tax area, except for some changes affecting taxation in the energy sector. There is also a focus on efforts to counter tax evasion and tax avoidance.

[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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