



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 24 November 2016



## Asia Pacific Tax Developments

### China

#### China: Tax Weekly Update - Issue 44

KPMG China issues a newsletter that provides various tax updates on the followings:

- Updated “China Country Practice” Chapter of the UN Practical Manual on TP for Developing Countries
- China-Cambodia DTA signed
- China to promote FTZ reforms throughout the country (Guo Fa [2016] No. 63)
- SAT and SAFE promote information sharing and implement joint supervision
- China to promote transformation of offline retail sector (Guo Ban Fa [2016] No. 78)
- China promotes innovation in domestic trade (Shang Yi Fa [2016] No. 427)
- New cross-border B2C e-commerce supervision rules delayed in implementation until end of 2017
- Measures to revitalize the economy of northeast China (Guo Fa [2016] No.62)
- More cities to give tax incentives for service outsourcing (Cai Shui [2016] No.108)
- VAT exemption on cross-border taxable services (SAT Announcement [2016] No. 69)
- Internet booked taxi services – Regulation further clarified

[More details](#)

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## India

### **India: Changes to rules when PAN to be furnished in documents, statements of financial transactions**

India's Central Board of Direct Taxes (CBDT) issued guidance amending the rules with respect to furnishing all documents and financial statement information pertaining to transactions in which the "permanent account number" (PAN) is to be provided.

[More details](#)

### **India: Guidance on regulation of "inoperative accounts" under the Employees' Provident Funds Scheme, 1952**

Interest is not credited to the retirement account of a member from the date when the account has become an "inoperative account." The Ministry of Labour and Employment, Government of India issued a notification (11 November 2016) to amend the provisions relating to inoperative accounts.

[More details](#)

### **India: MAP, bilateral APA case resolution with United States**

India's CBDT on 17 November 2016 announced that agreements have been reached to resolve more than 100 cases under the mutual agreement procedure (MAP) between India and the United States, and that there has been an agreement reached on the terms and conditions of the first bilateral advance pricing agreement (APA) involving India and United States.

[More details](#)

### **India: Transfer of computer software by an Indian branch, to foreign head office, is an export eligible for section 10A tax benefit**

The Delhi High Court held that the transfer of computer software by the Indian branch to the foreign head office could be considered to be a "sale" to a party located outside India; therefore, the taxpayer can claim application of the tax benefit under section 10A of India's tax law.

[More details](#)

### **India: Transfer pricing method applies uniformly to all international transactions**

The Delhi High Court agreed with the taxpayer, that once the Transfer Pricing Officer accepted the use of the Transactional Net Margin Method (TNMM) as the most appropriate method for all but one international transaction, it was not appropriate to subject that only one transaction to an entirely different method.

[More details](#)

### **India: Unascertainable commission payment is not an allowable expenditure**

The Ahmedabad Bench of the Income-tax Appellate Tribunal held that a claim relating to the provision of a commission payment by the taxpayer was unascertainable, and thus not an allowable expenditure.

[More details](#)

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## Japan

### Japan: Consumption tax, delayed rate increase; new invoicing system

The Japanese Diet on 18 November 2016 passed legislation that would postpone the consumption tax rate increase by two and one-half years. Thus, the consumption tax rate increase, from 8% to 10%, would be effective 1 October 2019.

[More details](#)

### Japan: Delayed consumption tax rate increase affects local corporation taxation

Amendments to the local taxation on corporations in Japan were scheduled to be effective when the consumption tax rate increase went into effect.

Given that the consumption tax rate increase would be postponed until October 2019, the timing of the pending changes to the local taxation of corporations would also be postponed to October 2019.

[More details](#)

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## New Zealand

### New Zealand: Entities, accounts identified as “excluded” under CRS

New Zealand’s Inland Revenue Department on 21 November 2016 requested financial institutions and interested parties to submit details of entities and/or accounts that they believe may meet the criteria of “other low risk” excluded entities and excluded accounts under the common reporting standard (CRS).

[More details](#)

### New Zealand: Inland Revenue focus on tax governance

Inland Revenue has formally launched its 2015/16 Multinational Enterprises Compliance Focus guide.

This latest version updates the 2013/14 document. It provides insights into Inland Revenue’s monitoring of all New Zealand businesses.

[More details](#)

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## Singapore

### Singapore: Creating value in a digitised economy

KPMG in Singapore discusses some of the measures that can help firms stay ahead of the curve even as new technology offers novel solutions to age-old problems.

[More details](#)

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## Thailand

### Thailand: DBD has formally adopted corporate meetings via electronic media

The Department of Business Development (“DBD”), the Ministry of Commerce has formally announced its clarification and adoption of corporate meetings via electronic media in line with an announcement by the National Council for Peace and Order (“NCPO”) issued in June 2014.

[More details](#)

## Vietnam

### Vietnam: Transfer of right to use trademark subject to VAT

The Ministry of Finance issued an “official letter” providing that the transfer of a right to use a trademark is subject to value added tax (VAT) and reaffirming the “foreign contractor tax” rates that apply to a transfer of a right to use a trademark.

[More details](#)

## Calendar of Events

Date	Event	Location
10 January 2017	Forms IR8A/IR21 remuneration reporting workshop Contact person: <a href="#">Surani Hanna</a> <a href="#">More details</a>	Singapore

## Significant International Tax Developments



### OECD: Saint Lucia signs agreement on mutual assistance in tax matters

The Organisation for Economic Cooperation and Development (OECD) announced that Saint Lucia has signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, bringing the number of jurisdictions to join the agreement to 107.

[More details](#)

### OECD: Update on “tax inspectors without borders”

The OECD issued an update on an international program designed to enhance developing countries' ability to bolster domestic revenue collection through strengthening of tax audit capacities – Tax inspectors without borders.

[More details](#)

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## Beyond Asia Pacific

### **Netherlands: Country-by-country reporting, 2016 notification deadline is extended**

The Dutch Deputy Minister of Finance on 21 November 2016 issued a policy statement granting Dutch subsidiaries of multinational enterprises (MNEs) that are subject to country-by-country (CbC) reporting a one-off extension for filing the 2016 CbC reporting notification. The new deadline is 1 September 2017.

[More details](#)

### **Nigeria: Update on activities, programs of the tax authorities**

The Executive Chairman of the Federal Inland Revenue Service (FIRS) on 18 November 2016 at a KPMG-sponsored event commented on:

- The waiver of interest and penalties under a tax amnesty program
- The rules for carry forwards of withholding tax and value added tax (VAT) credits
- Currency for making remittances of withholding tax and VAT
- An on-going review of tax refunds by FIRS

[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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