



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 08 December 2016



## Asia Pacific Tax Developments

### Australia

#### **Australia: Development opportunities abound, but watch out for Division 6C**

Where a passive trust owns a property and a development opportunity arises, it is very important to consider whether the activities of the trust continue to be 'eligible investment business' within Division 6C. In certain circumstances, Division 6C can apply to tax a trust as though it is a company for income tax purposes and can also mean, for example, the loss of managed investment trust status.

[More details](#)

#### **Australia: Tariff reductions and changes 1 January 2017**

On 23 November 2016, the *Customs Tariff Amendment (2017 Harmonized System Changes) Bill 2016* and *Customs Amendment (2017 Harmonized System Changes) Bill 2016* received Royal Assent, and on 24 November 2016, the *Customs Tariff Amendment (Expanded Information Technology Agreement Implementation and Other Measures) Bill 2016* passed the Senate.

KPMG Australia explains the changes to tariff rules that will commence in 2017.

[More details](#)

#### **Australia: Settling with the ATO**

Recent statistics published by the Australian Taxation Office (ATO) show a 31 percent increase in the number of matters settled from 2014-15 to 2015-16.

KPMG Australia analyses the numbers on the ATO's latest settlement statistics.

[More details](#)

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## China

### China: Tax Weekly Update - Issue 46

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

- Tax treatment for Shenzhen-Hong Kong Stock Connect transactions clarified (Cai Shui [2016] No. 127)
- China to further cut taxes and fees in 2017
- China adds 10% consumption tax for luxury cars °SAT and MOF introduce additional consumption tax on luxury cars (Cai Shui [2016] No.129)
- Further VAT rules for transfer of immovable property (SAT Announcement [2016] No. 73)
- SAT clarifies interest WHT relief in China-Denmark DTA (SAT Announcement [2016] No. 72)
- China customs administrative modernization (GAC Announcement [2016] No. 73)

[More details](#)

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## Hong Kong SAR

### Hong Kong: Mainland China, Hong Kong investors to trade stocks on each other's market

The Shenzhen-Hong Kong Stock Connect allows Mainland China and Hong Kong investors to trade stocks on each other's market.

Hong Kong investors will be temporarily exempt from tax on capital gains derived from the trading of PRC shares. Capital gains derived from the trading of Hong Kong shares by Mainland Chinese individual investors will be exempt from Individual Income Tax for three years.

[More details](#)

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## India

### India: Tax treatment of depreciation on the inflated value of an intangible asset

The Bangalore Bench of the Income-tax Appellate Tribunal (the Tribunal) held that the Assessing Officer (AO) is justified in denying a depreciation claim on the inflated value of an intangible asset namely 'distribution network' upon transfer by way of slump sale. This has been done by invoking Explanation 3 to Section 43(1) of the Income-tax Act dealing with 'actual cost'.

[More details](#)

### India: Updated guidance notes on FATCA and CRS regimes

India's Central Board of Direct Taxes issued an updated version of guidance notes intended to help financial institutions and other stakeholders understand and comply with the reporting requirements under the FATCA and common reporting standard (CRS) regimes.

[More details](#)

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## Indonesia

### Indonesia: New amendment to procedures for PSC VAT reimbursements

Ministry of Finance on 25 October 2016 issued Decree No. PMK 158, amending PMK 218/PMK.02/2014 on the Procedures for Value Added Tax (VAT) Reimbursements to Production Sharing Contractors under the upstream oil and gas activities.

[More details](#)

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## Myanmar

### Myanmar: New notification on trade and customs

On 22 November 2016, the Ministry of Trade and Commerce issued Notification 75/2016 which potentially allows joint ventures to obtain financing in Myanmar to fund the importation and trade and increase the volume of goods that could be imported into Myanmar.

[More details](#)

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## New Zealand

### New Zealand: Multilateral instrument will change NZ's DTAs

The text of the OECD's multilateral instrument ("MLI") to implement Base Erosion and Profit Shifting ("BEPS")-related changes to over 2,000 Double Tax Agreements ("DTAs") worldwide has been released.

In NZ, the MLI could potentially apply to all 40 of the current DTAs. KPMG in New Zealand discusses how the MLI is likely to apply in New Zealand.

[More details](#)

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## Vietnam

### Vietnam: Corporate income tax, VAT, customs guidance

Guidance from Vietnam's tax authorities addresses certain corporate income tax, VAT, labor compliance, and customs duty issues.

[More details](#)

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## 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: BEPS guidance on country-by-country reporting, country-specific information on implementation

The Organisation for Economic Cooperation and Development (OECD) announced two new documents to support the global implementation of country-by-country (CbC) reporting under Action 13 of the base erosion and profit shifting (BEPS) project.

[More details](#)

### OECD: Mutual agreement procedure (MAP) statistics for 2015

The OECD released mutual agreement procedure (MAP) statistics for 2015.

[More details](#)

### OECD: Share your insights with the OECD on tax certainty

KPMG Australia encourages stakeholders to help shape future tax policy by participating in the OECD's survey on tax certainty.

The survey is designed to better inform the G20's discussion of this issue in 2017 and for those involved in the decision-making process of investment from a tax perspective.

[More details](#)

## Beyond Asia Pacific

### Poland: New tax rules for investment funds, effective 2017

Recently enacted tax legislation in Poland revises the corporate income tax rules that apply concerning the taxation of investment funds.

[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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