



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 22 February 2017



## Budget Announcement



### Singapore: Budget 2017

The Minister for Finance, Mr Heng Swee Keat presented the 2017 Budget statement in Parliament on 20 February 2017.

From investing in the workforce to digitalising and growing Singapore enterprises, this year's Budget enacts policies to help Singapore stay agile and adaptive while remaining fiscally prudent.

This publication provides a synopsis of the main initiatives of the Budget statement for businesses as well as individuals in Singapore. You may also refer to the Singapore Tax Facts 2017 supplement which sums up the prevailing and new tax rates for individual tax, corporate tax and double taxation agreements.

[More details](#)

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## Asia Pacific Tax Developments

### Australia

#### Australia: Senate Committee recommends crowdsourced equity funding legislation

On 24 November 2016, the Government introduced the Corporations Amendment (Crowd-sourced Funding) Bill 2016, which aims to amend the Corporations Act 2001 to provide a framework for the regulation and implementation of crowdsourced equity funding.

Under existing legislation, eligible companies can already fundraise from sophisticated and professional investors and, in very limited circumstances, retail. However to fuel the 'ideas boom', the government appears to be of the view that reform is required to provide early stage companies with greater access to retail investors in appropriate circumstances. [More details](#)

## **Australia: The end of Goods and Services Tax (GST) exemptions for low value imported goods**

The Australian Government introduced the Treasury Laws Amendment (GST Low Value Goods) Bill 2017 on 16 February 2017, to impose GST on supplies of low value imported goods to Australian consumers.

This is to be achieved through taxing supplies of low value imported goods where they are supplied to Australian consumers. In some situations, operators of electronic marketplaces and entities that assist consumers acquire goods from overseas (referred to as re-deliverers) are deemed to make the supply and thus liable to account for GST.

[More details](#)

## **Australia: South African Special Voluntary Disclosure Programme (SVDP) update**

The SVDP legislation was promulgated recently in early 2017. KPMG Australia provides an update on the South African SVDP in respect of offshore assets and income.

[More details](#)

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## **China**

### **China: Pilot implementation of registration process for importation of non-special cosmetics in Pudong New Area of Shanghai**

A notice regarding the pilot implementation of registration process for importation of non-special cosmetics in the Pudong New Area of Shanghai has been issued. The notice enabled the cosmetics companies registered in Pudong to use registration process to shorten product launch timeline.

[More details](#)

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## **Hong Kong SAR**

### **Hong Kong: Expectations for the budget, to be presented 22 February 2017**

This report looks at the key findings from the survey with over 200 senior business executives about their expectations of the 2017-2018 Hong Kong Budget.

[More details](#)

### **Hong Kong: The Trump Administration and U.S. Tax Reform**

While on the campaign trail, President Trump outlined a tax plan that borrows heavily from the Republican Party's "Blueprint on Tax Reform" released in June 2016. While the blueprint and President Trump's proposed tax reform policies are closely aligned, there are differences between the proposals.

[More details](#)

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## India

### **India: Assessing Officer's action when not satisfied with correctness of taxpayer's claim**

The Punjab and Haryana High Court held that an Assessing Officer may resort to asserting Rule 8D, but only if the Assessing Officer is not satisfied with the correctness of the taxpayer's claim in respect of the expenditure in relation to the income that does not form part of total income under the Income-tax Act, 1961.

[More details](#)

### **India: No disallowance of expenditure for securities held as stock-in-trade**

The Punjab and Haryana High Court and the Calcutta High Court each held that because the securities in questions were held as stock-in-trade, there was to be no disallowance of expenditure.

[More details](#)

### **India: Payment for technology services not taxable as "royalty" or "fees for technical services"**

The Mumbai Bench of the Income-tax Appellate Tribunal held that a payment for technology services in the form of data centre, infrastructure, connectivity and application technology is not taxable as royalty income or as fees for technical services.

[More details](#)

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## Japan

### **Japan: Delay to tax rate changes for companies in Tokyo**

The metropolitan government of Tokyo has proposed measures that would postpone the timing of amendments to local tax rates for businesses. The proposal will be discussed in the 2017 first ordinary session of the Tokyo metropolitan assembly held from 22 February 2017 to 30 March 2017.

[More details](#)

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## Korea

### **Korea: Revised regulations, automatic exchange of financial information**

The government of South Korea in February 2017 issued a revised version of regulations for implementing the automatic exchange of financial information with foreign countries (territories) for tax purposes under the common reporting standard (CRS) and Foreign Account Tax Compliance Act (FATCA) regimes.

[More details](#)

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## New Zealand

### **New Zealand: CRS user guide revisions**

The Inland Revenue Department in February 2017 released a document highlighting changes to the CRS user guide and CRS XML Schema v1.0.

[More details](#)

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## Singapore

### **Singapore: Can Singapore companies be globally competitive?**

KPMG in Singapore examines what the Singapore government can do to help Singapore businesses expand internationally.

[More details](#)

### **Singapore: Singapore's talent, tax regime and ease of doing business make it a solid choice for treasury and finance centres**

KPMG in Singapore analyses Singapore's pull as a regional Finance and Treasury Centre for international companies.

[More details](#)

### **Singapore: Updated CRS FAQs**

The Inland Revenue Authority of Singapore issued an updated version of the FAQs to provide guidance on the implementation of the CRS in Singapore.

[More details](#)

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## Thailand

### **Thailand: Self-employed income earners may be forced to itemize their actual expenses under the new personal income tax regime**

Recent changes to the personal income tax regime which are effective from tax year 2017 onwards, serve to reduce the overall tax burden on individuals and increase personal disposable income by taking into account the current cost of living and economic situation in Thailand. However, while the new law increases a typical wage earner's standard deduction, it is noted that a self-employed income earner's standard expense deduction has been reduced.

[More details](#)

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## Vietnam

### Vietnam: Competent Authority Arrangement with United States, implementing FATCA

State Bank of Vietnam in February 2017 announced that the competent authorities of Vietnam and the United States of America entered into a Competent Authority Arrangement in October 2016 concerning implementation of the FATCA regime in Vietnam.

[More details](#)

## Calendar of Events

Date	Event	Location
2 March 2017	Singapore Budget 2017 Seminar Contact person: <a href="#">Kartini Rafiin</a> <a href="#">More details</a>	Orchard Hotel, 442 Orchard Road, Singapore 238879

## Significant International Tax Developments



### OECD: Developing countries, lack of comparables for transfer pricing analyses

The Organisation for Economic Cooperation and Development (OECD) in late January 2017 made a request for comments concerning a “draft toolkit” designed to help developing countries address the lack of comparables for transfer pricing analyses.

[More details](#)

## Beyond Asia Pacific

### EU: Directive on hybrid mismatches with third countries

The EU Member States on 21 February 2017 reached an agreement on a directive that will amend the Anti-Tax Avoidance Directive (ATAD). The new directive (ATAD 2) amends Article 9 of ATAD 1 (concerning certain hybrid mismatches between EU Member States). The scope of Article 9 is extended to include hybrid mismatches between EU Member States and third countries. ATAD 2 provides for rules consistent with the rules recommended by the OECD in the 2015 base erosion and profit shifting (BEPS) final report on BEPS Action 2.

[More details](#)

### EU: Proposals to simplify, modernise VAT rules on e-commerce

The European Commission has released its proposals to simplify and modernise the VAT rules on e-commerce in stages between now and 2021. The changes will initially introduce thresholds for small businesses and simplified rules under the mini-one stop shop (MOSS) compliance scheme. These will be followed by an extension of the MOSS to include B2C goods and other services,

along with the removal of distance selling thresholds and low value consignment relief for imported goods.

[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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