



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 29 June 2017



Asia Pacific Tax Developments

Asia Pacific

Asia Pacific: Financial institutions tax update – June 2017

The implementation of BEPS measures is now well underway as are the AEOI local implementation processes. Financial Institutions can expect a rapid series of measures over the coming months putting significant pressure on both internal and external resources.

[More details](#)

Australia

Australia: 2018 Budget Measures – South Australia

KPMG Australia discusses new measures introduced in the South Australian Budget.

Following are some measures contained in Budget Measures Bill 2017:

- Stamp duty surcharge for foreign purchasers – From 1 January 2018, a stamp duty surcharge of 4 percent will apply to direct and indirect acquisitions of residential land by foreign purchasers.
- Major Bank levy

[More details](#)

Australia: Changes to the Reportable Tax Position Schedule Part 3

The Australian Taxation Office (ATO) has made further amendments to the 2017 Reportable Tax Position (RTP) Schedule and its Guide to Reportable Tax Positions 2017. The changes include:-

- Expand Category C to include four additional questions (there are now 15)

- The exemption from lodging the RTP schedule previously available for taxpayers in an Annual Compliance Agreement has been revised
- Significant global entities SGE will be subject to increase administrative and failure to lodge penalties from 1 July 2017
- Intention of the ATO to extend the RTP requirements to companies in economic groups with turnovers above \$250 million and with income years ending on or after 30 June 2018

[More details](#)

Australia: Securitised licence structure for PPPs – ATO's concerns

KPMG Australia discusses areas of concern identified by the ATO regarding the securitised licence structure for PPPs. For nearly 15 years, the securitised licence structure has been used for social infrastructure Public Private Partnership projects (PPP). However, in recent PPP projects, the ATO has issued 'Open letters' to bidders warning bidders that they have seen alternative structures which they have "serious concerns" about, and which they would discourage potential investors from considering.

[More details](#)

India

India: APA concerning severance pay to information technology-enabled service employees

India's Central Board of Direct Taxes entered into a unilateral advance pricing agreement (APA) with a taxpayer in the information technology-enabled services sector. This APA marks a significant development in India as it specifically addresses issues arising from reduction and shutdown of captive activities in India and resulting severance compensation for employees.

[More details](#)

India: FATCA, CRS guidance on reporting dividends and interest

The Securities and Exchange Board of India, in consultation with the Central Board of Direct Taxes, issued guidance concerning the reporting of information about certain "corporate actions"—that is dividends and interest—under the FATCA and common reporting standard regimes.

[More details](#)

Singapore

Singapore: CRS multilateral competent authority agreement is signed

Government officials of Singapore on 21 June 2017 signed the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information under the common reporting standard.

[More details](#)

Vietnam

Vietnam: Corporate and individual income tax guidance, VAT and customs

Tax-related developments in Vietnam reflect the following guidance from decisions and official letters:

- Guidance from the Ministry of Finance addresses the permitted ratio of commission payable for the insurance to construction investment activities that is capped at 5% of the actual insurance premiums. The allowable ratio of insurance commission for other activities remains unchanged.
- The list of high technology items that are assigned priority for tax incentives has been expanded to include the “internet of things” technology, virtual reality technology, and “smart television.”
- An individual that earned income from both employment sources and a business source is not required to file an individual (personal) income tax finalisation for the business income.
- Income paid to an individual under a contract breach compensation clause is not subject to individual (personal) income tax.
- A project operation office of a foreign contractor that registered to declare value added tax (VAT) according to a “hybrid method” is allowed to apply VAT at a rate of 0% for its service provision.
- There is no VAT refund available for goods imported and preliminarily processed by one company before the goods are sold to a second company for export.
- When a company purchases goods and services under a deferred payment term, and the seller has issued an output VAT invoice and declared VAT for such output VT, but the buyer has not settled the payment as of the due date of the payment term, the buyer is still allowed to claim the input VAT credit for this invoice.
- An updated list of import goods subject to customs clearance at the import border gate is effective 1 July 2017.

[More details](#)

Calendar of Events

Date	Event	Location
18 July -19 July 2017	KPMG Corporate Treasury Management Course Contact person: Mr Andre Roscoe More details	The St. Regis Singapore

Significant International Tax Developments



OECD: Attribution of profits to permanent establishments and transactional profit splits

The OECD released two discussion drafts for public comments under the BEPS project. The discussion drafts contain additional guidance on the attribution of profits to permanent establishments and profit splits. Comments are due by 15 September 2017.

[More details](#)

OECD: BEPS inclusive framework, update on country-by-country reporting exchanges

OECD reported that more than 200 delegates from 83 countries and jurisdictions as well as 12 international and regional organisations met for the third meeting of the “inclusive framework” on BEPS. At this meeting, it was announced that Vietnam is the newest member of the inclusive framework.

[More details](#)

OECD: Toolkit for “developing countries” to address lack of comparables

The OECD announced that the “Platform for Collaboration on Tax”—a joint initiative of the International Monetary Fund, the OECD, the United Nations, and the World Bank—released a toolkit in an effort to provide practical guidance to “developing countries” as they address transfer pricing issues.

[More details](#)

OECD: Update on international tax transparency

The OECD reported at a global forum on tax transparency, that both developing and developed countries continue to face challenges as work progresses to address global tax transparency, banking secrecy, and tax evasion. Part of the international efforts on tax transparency include actions under the BEPS project.

[More details](#)

Beyond Asia Pacific

EU: Implications of Qatar boycott on trade

Due to the sanctions imposed on Qatar, many EU companies face challenges due to the fact that much EU-Qatar trade goes via hubs in the region (for example, via the ports of the UAE). As a consequence of the current sanctions, it is no longer possible to use these “normal” shipping routes to Qatar.

Alternative shipping routes, for example via Oman, may be considered. In this respect, note that the current situation in the region is highly insecure and fragile. It is therefore very difficult to predict what the next moves of the various parties involved will be and whether other countries in the region (e.g., Oman) would impose similar sanctions.

[More details](#)

United States: FAQs on tax reform (substantially updated)

KPMG in the United States has substantially updated the FAQs about the tax reform process to reflect recent developments, given that some of the material in the 2016 version of the FAQs has been superseded by more recent developments. The new version takes into account developments through June 21, 2017.

[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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