



International Tax Asia Pacific and MENASA June 2017

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG firms in the Asia Pacific & MENASA regions between **1 June and 30 June 2017**.

Australia	Indonesia	Vietnam
China	Kazakhstan	
India	Singapore	

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To contact the International Tax Team email internationaltax@kpmg.com.

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	Tax area concerned	Relevant date	Description of measures and publication link
Australia			
Proposed legislation	Financial services taxation	5 Jun 2017	Exactly 3 weeks after being announced in the government's 2017 budget, two bills introducing the Major Bank Levy were introduced into parliament: Major Bank Levy Bill 2017 introduces the levy itself and Treasury Laws Amendment (Major Bank Levy) Bill 2017 amends several existing Acts to specify the administrative features associated with the levy. As announced, the levy will apply from 1 July this year to authorized deposit taking institutions (ADI) with total liabilities of more than AUD\$100 billion. The levy will be imposed on a quarterly basis at a rate of 0.015 percent on an ADI's 'applicable liabilities amount'. Read more .
Administrative and case law	Reporting requirements	15 Jun 2017	The Australian Taxation Office has made further amendments to the 2017 Reportable Tax Position Schedule and its Guide to Reportable Tax Positions 2017. Four additional questions related to payments

			to flow-through entities, R&D incentives, cross-border related party debt and exploration expenditures are now included. Read more.
Administrative and case law	Residency	15 Jun 2017	A recent High Court decision that various foreign-incorporated entities had, in reality, been centrally managed and controlled in Australia and also carried on business in Australia, and had thereby become Australian residents. It is timely for Australian groups with foreign-incorporated subsidiaries to consider whether they are appropriately managing tax residency risk from a go-forward perspective. This can include re-visiting and/or implementing tax residency protocols and ensuring that they can be applied practically. Read more.
KPMG publication	R&D	6 Jun 2017	The KPMG member firm in Australia outlines the top R&D issues to consider as the end of the financial year approaches. Read more.

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China

Regulatory update	Various	9 Jun 2017	In China, a range of tax incentives including certain reduced rates aim to facilitate the development of the Chinese economy. Measures include an increase to the research and development (R&D) expense 'super deduction' for science and technology-related small and medium enterprises, a 3 year extension applied to package of current tax incentive policies due to expire at the end of 2016 and much more. Read more.
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India

Administrative and case law	Residency	16 Jun 2017	The Central Board of Direct Taxes issued a draft notification concerning when a foreign company would be determined a resident in India on account of its 'place of effective management'. Read more.
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Indonesia

Regulatory update	Book value in M&A	20 Jun 2017	The Ministry of Finance released a regulation — No. 52/PMK.10/2017 — regarding the use of book value for the transfer and acquisition of assets in the context of mergers, consolidations, expansions or acquisitions involving corporate taxpayers. Read more.
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Kazakhstan

KPMG publication	Bank restructuring	6 Jun 2017	The KPMG member firm in Kazakhstan has prepared a report about provisions regulating the tax treatment of simultaneous exchanges of assets and liabilities between parent and subsidiary banks (i.e. bank restructuring). Read more.
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Singapore

Regulatory update	FS tax	9 Jun 2017	The Monetary Authority of Singapore released details on revisions to the financial sector incentive (FSI) schemes — changes that aim to enhance the financial intermediation and deepen capabilities in key financial services and banking activities in Singapore. Read more.
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Vietnam

KPMG publication	Digital taxation	9 Jun 2017	With the advent of information and communication technology, businesses have witnessed changes in the way they do business. For direct taxes, three key issues arise from the characteristics of the digital economy — (1) digital presence vs. traditional tax presence; (2) data/value creation; and (3) characterization of income derived from the digital economy. For more information, read the prepared by the KPMG member firm in Vietnam on the topic. Read more.
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