



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 24 August 2017



Asia Pacific Tax Developments

Australia

Australia: AASB 15 - Time to revisit revenue recognition

KPMG Australia discuss the new and broad reaching revenue recognition accounting standard AASB 15. AASB 15 Revenues from Contracts with Customers is the new revenue recognition accounting standard that could affect the way companies account for revenue from 1 January 2018.

[More details](#)

Australia: Australian Local Files – we're up and running

KPMG Australia discusses their recent experiences lodging Part A of the Australian Local Files for some Significant Global Entities.

[More details](#)

Australia: Five ways global mobility can help retain your best people

KPMG Australia outlines some ways to plan Global Mobility programs to retain people.

[More details](#)

Australia: Grant funding for clean technology projects

Recently, the National Energy Resources Australia Growth Centre launched the Clean Technology Projects grant program. The purpose of the grant is to provide funding to projects that demonstrate the integration of clean technology solutions within the energy sector (being oil, gas, uranium and coal extraction and processing operations) with the objective of improving energy efficiency, productivity and sustainability.

[More details](#)

Australia: Modernising your tax function for the digital age

KPMG Australia explores the new paradigm for tax and three key ways in which tax functions can evolve their tax operating model to meet these expectations. The three key ways are:

- Manage risk
- Drive value through stakeholder engagement
- Improve performance through technology

[More details](#)

Australia: Propagation arrangements – finally some public guidance

The Australian Taxation Office has recently released the draft Practical Compliance Guideline (PCG), which now provides public guidance on propagation arrangements. Once finalised, provided both custodians' systems for propagation and the particular fund's proposed use of propagation are consistent with the PCG, this should negate the need for funds to seek private rulings on these issues in future.

[More details](#)

China

China: China to boost foreign direct investment – Limits on foreign equity stakes in Chinese enterprises to be lifted

At meetings of the State Council on 28 July and 8 August 2017, it was indicated that there is to be a relaxation of the requirements for foreign investors to have Chinese co-investors for their China investments. Details are expected by September 2017, and initial considerations are set out in this Alert.

[More details](#)

China: World Customs Organization opinion on royalties/license fees - China relevance

The Technical Committee on Customs Valuation of the World Customs Organization, issued Advisory Opinion 4.17 on the inclusion of royalties and license fees in the customs value of imported goods, at its 44th session held in Brussels in May 2017. The opinion could be influential as guidance for China Customs in dealing with similar cases.

[More details](#)

India

India: CBDT amends the report on computation of book profits for Ind AS compliant companies

To enable the Ind AS compliant companies to report and accountants to certify the Form No. 29B appropriately, the Central Board of Direct Taxes (CBDT) has issued revised Form No. 29B and aligned it with the requirements of Ind AS.

[More details](#)

India: Higher rentals received from third party sub-lessees taxable in the hands of the first lessor where the lease is shown to be sham

KPMG in India summarizes and comments the Supreme Court decision on Maneklal Agarwal case, which discussed Section 4 of the Income-tax Act, 1961. This Section provides for a charge

of income tax on every person. The Court held that it is the prerogative of the revenue to take a decision on who would be the 'right person' for such charge of tax.

[More details](#)

India: No disallowance can be made for belated TDS remittances applying non-discrimination article under the tax treaty

The Chennai Bench of the Income-tax Appellate Tribunal held that no disallowance can be made under section 40(a)(i) of the Income-tax Act, 1961 for late tax withheld-at-source remittances on payment of professional charges and corporate maintenance charges, thereby applying non-discrimination articles under the respective tax treaties (India-Germany and India-UK tax treaties). The tribunal also addressed payment for server maintenance charges, and testing and development charges under the India-Italy tax treaty.

[More details](#)

India: Profits from offshore and onshore services are taxable in India, and it is attributable to the supervisory PE in India

Recently, the Delhi Bench of the Income-tax Appellate Tribunal held that the taxpayer is having a supervisory Permanent Establishment in India. The Tribunal observed that Indian clients contracted the taxpayer to carry out the work of supply, supervision, erection, installation and successful commissioning of plants.

[More details](#)

Indonesia

Indonesia: Amended controlled foreign company (CFC) rules

Following a change made in the regulation, CFC rules now apply with respect to indirectly owned (non-listed) CFCs. This, in turn, may affect the rules that apply for the foreign tax credits available for dividends paid by a CFC.

[More details](#)

Indonesia: New "certificate of domicile" forms for non-resident taxpayers

The Director General of Tax issued guidance (Regulation PER-10/PJ/2017) that introduces a new "certificate of domicile" standard for non-resident taxpayers.

[More details](#)

Singapore

Singapore: CRS registration due 31 March 2018

The IRAS announced that an entity that is currently or becomes a reporting Singapore-based financial institution from 1 January 2017 to 31 December 2017 must apply for the CRS registration by 21 March 2018.

[More details](#)

Singapore: Tax perspectives on the re-domiciliation of companies to Singapore

An inward re-domiciliation regime was introduced in March 2017 to increase Singapore's competitiveness as an international business hub. The Ministry of Finance recently issued the draft Income Tax (Amendment) Bill for public consultation, which includes the proposed tax framework for companies re-domiciled in Singapore. [More details](#)

Calendar of Events

Date	Event	Location
5 September 2017	Assignment of Employees to Overseas – Tax and Related Assignment Issues Contact person: Carmen Yong / Katherine Subramaniam More details	One World Hotel, Petaling Jaya, Selangor
11 September 2017	Belt and Road Summit Contact person: Anita Chau More details	Hall 5F&G, Hong Kong Convention and Exhibition Centre
14 September 2017	Understanding Withholding Tax[Re-run] Contact person: Nora Kassim / Haleena Azman More details	One World Hotel, Petaling Jaya, Selangor
26 – 27 September 2017	KPMG Goods and Services Tax (GST) Seminar 2017 Contact person: Shirley Tay More details	Orchard Hotel, 442 Orchard Rd, Singapore 238879
9 – 20 November 2017	Tax and Business Summit 2017 Contact person: Ms Karen Lee More details	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang

Significant International Tax Developments



OECD: Nigeria signs multilateral instrument, CRS multilateral competent authority agreements

The OECD announced that representative of the government of Nigeria signed both the multilateral instrument or convention and the multilateral competent authority agreement under the common reporting standard.

[More details](#)

Beyond Asia Pacific

UK: Customs considerations in light of “Brexit”

As the UK readies itself for exiting the EU—“Brexit”—a transition period incorporating customs issues may be needed so that authorities and businesses can make adequate preparations. Customs authorities may need to prepare for an unprecedented burden on resources, but the costs ultimately could be expected to fall on business.

[More details](#)

US: Lifetime gifts, marital deduction asserted in summary judgment motions

The U.S. Tax Court released an opinion in summary judgment motion proceedings concerning the federal estate and gift taxes.

[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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