



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 14 September 2017



## Asia Pacific Tax Developments

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### Australia

#### Australia: GST and Customer Owned Banking Institutions

KPMG Australia discusses the recent Practical Compliance Guideline released by the Australian Taxation Office that aims to minimise compliance costs for Customer Owned Banking Institutions.

[More details](#)

#### Australia: Key revenue highlights from the Western Australian Budget

The key revenue highlights from the Western Australia's State Budget are:-

- Federal/State relations
- Jumping on the Foreign Purchaser Duty bandwagon
- Taking aim at banks
- Going for gold
- New scale to Payroll Tax
- Point of Consumption Wagering Tax

[More details](#)

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### Cambodia

#### Cambodia: Tax and Corporate Services Technical Updates

The following matters are covered in this issue:

- Management of Risky Machinery and Equipment in Factories & Handicraft Production
- Prices for Goods and Services to be in Cambodian Currency (Khmer Riels)

- [Permission for Information and Communication Technology Operations](#)

[More details](#)

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## India

### **India: India Tax Konnect – September 2017**

KPMG in India publishes a monthly newsletter on tax updates in the country.

[More details](#)

### **India: Overseas taxes and Medicare would not constitute taxable salary in India**

Recently, the Bangalore Bench of the Income-tax Appellate Tribunal held that overseas taxes and Medicare would not constitute taxable salary in India, while offering overseas salary to tax in India.

[More details](#)

### **India: TDS provisions are not applicable where the taxpayer has not claimed any expenditure and made suo-motu disallowance under Section 40(a)(ia) of the Income-tax Act**

Recently, the Mumbai Bench of the Income-tax Appellate Tribunal held that the provision of Tax Deducted at Source (TDS) is not applicable where the taxpayer has not made a claim on the expenditure and has made a suo-motu disallowance under Section 40(a)(ia) of the Income-tax Act, 1961.

[More details](#)

### **India: The non-compete fee is not taxable because it is in the nature of capital receipt and it was not a camouflage to avoid payment of tax**

Recently, the Delhi High Court held that the non-compete fee received by the taxpayer is in the nature of capital receipt. The taxpayer enjoyed stature in the advertising industry and vide the non-compete agreement, she agreed not to compete in India with the company.

[More details](#)

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## New Zealand

As New Zealand goes to polls on 23 September 2017, KPMG in New Zealand summarises various political parties' tax policies.

[More details](#)

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## Taiwan

### **Taiwan: Tax reform proposals affecting both corporate and individual taxpayers**

The Ministry of Finance has proposed changes to Taiwan's tax system. The tax reform would adjust the tax rate structure for both individual and corporate income taxpayers; reduce the tax burden for domestic investors on dividend income; reduce the individual income tax rate; raise the corporate income tax rate; reduce the surtax rate; implement a new passthrough regime for the

taxation of sole proprietorships and partnerships, among other items. [More details](#)

## Vietnam

### Vietnam: Proposals to amend direct and indirect taxes

The Ministry of Finance submitted a proposal for draft legislation which includes proposals to amend the corporate income tax, the individual (personal) income tax, the value added tax (VAT), the special consumption tax, the foreign contractor tax, and the natural resources tax regimes. If passed, the legislation would be effective 1 January 2019.

[More details](#)

## Calendar of Events

Date	Event	Location
26 – 27 September 2017	KPMG Goods and Services Tax (GST) Seminar 2017 Contact person: <a href="#">Shirley Tay</a> <a href="#">More details</a>	Orchard Hotel, 442 Orchard Rd, Singapore 238879
9 – 20 November 2017	Tax and Business Summit 2017 Contact person: <a href="#">Ms Karen Lee</a> <a href="#">More details</a>	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang

## Beyond Asia Pacific

### Ireland: Recommendations for changes to Ireland's corporation tax regime; no changes to 12.5% tax rate

In Ireland, a report on Review of Ireland's Corporation Tax Code includes recommendations for future changes to Ireland's corporation tax regime, which mainly reflects commitments that Ireland has made as part of the multilateral measures to enact further protections against base erosion profits shifting. No recommendations for changes to the 12.5% rate of corporation tax has been made.

[More details](#)

### Italy: New rules, tax benefits under "allowance for corporate equity"

In Italy, a decree re-defines the anti-avoidance rules that apply with respect to the "allowance for corporate equity". Under the "allowance for corporate equity," Italian enterprises and Italian permanent establishments of foreign entities can benefit from increases made to their net equity by applying a nominal rate of interest to such equity increases. Under this allowance regime, an amount of interest that is determined to be the "allowance for corporate equity" is deducted from the company's net taxable income. If in a given year, the amount of the allowance exceeds the company's net taxable income, the surplus can be carried forward indefinitely.

[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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