



Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 02 November 2017



Budget Announcement

Malaysia: 2018 Budget Snapshots

Malaysia's 2018 Budget carries the theme "Prospering an Inclusive Economy, Balancing between Worldly and Hereafter, for the Wellbeing of Rakyat, towards the TN50 Aspiration" which underlines the Government's intention to be fiscally prudent to ensure that the economic growth of the country remains sustainable, and to promote the well-being of the rakyat.

This snapshot is a high-level summary of the 2018 Budget prepared by KPMG in Malaysia, compressed into bite-sized information and presented with easy to read infographics.

[More details](#)

Asia Pacific Tax Developments

Australia

Australia: ATO fills in more of tax gap picture

KPMG Australia reviews the 'tax gap' measures released by the Australian Taxation Office (ATO) recently. The latest release covers Pay As You Go Withholding (PAYGW), Goods and Services Tax (GST) and some lesser indirect taxes.

[More details](#)

Australia: Don't miss out – Recognising opportunity in international markets

KPMG Australia discusses opportunities for Australians in international markets. The Trade & Investment team is dedicated to helping Australian organisations enter global markets and navigate some of the challenges and complexity associated with developing and executing an international growth plan.

[More details](#)

Australia: Pension “tax bonuses” – take care with member equity

KPMG Australia discusses the issues arising from the introduction of pension bonus by some industry super funds.

[More details](#)

India

India: CBDT signs unilateral APA with taxpayer operating in the travel industry

Continuing with the tremendous work rate shown in the last two years, the Central Board of Direct Taxes (CBDT) of India signed yet another unilateral Advance Pricing Agreement (APA) involving complex transactions for taxpayer operating in the travel industry.

[More details](#)

India: Deemed dividend is not taxable in the hands of a loan recipient concern if such concern is not a shareholder of the lender company – Supreme Court

The Delhi High Court held that deemed dividend would not be taxable in the hands of loan recipient concern if he / she is not a shareholder of the lender company. It is taxable in the hands of common shareholders having substantial interest in both entities.

[More details](#)

India: Final rules on country-by-country reporting, Master file requirements

The CBDT released final rules concerning country-by-country (CbC) reporting. In addition to the final CbC rules, there are measures for implementing Master file requirements.

[More details](#)

India: No permanent establishment under tax treaty with United States

The Supreme Court of India held that the outsourcing of work to India—a subsidiary of a U.S. company, providing back-office support services—does not constitute a fixed-place PE in India. The case is: *E-Funds IT Solution Inc.*

[More details](#)

India: Payment for distribution agreement

The Bangalore Bench of the Income-tax Appellate Tribunal held that the payment for distribution rights is taxable as royalty income under the provisions of the Income-tax Act, 1961 as well as under the India-Ireland income tax treaty. Further, the Tribunal held that the taxpayer cannot claim that the royalty is chargeable to tax in the hands of non-resident on receipt basis. The case is: *Google India Private Ltd.*

[More details](#)

India: Unilateral APA addresses marketing, trading, and assembly activities

A unilateral advance pricing agreement (APA) that covers three business activities—marketing service, trading, and assembly activities—of a U.S.-based multilateral corporation was recently signed.

[More details](#)

Japan

Japan: Updated FAQs on CRS reporting

Japan's tax agency issued an updated version of "frequently asked questions" (FAQs) as guidance for Japanese financial institutions concerning the technical description and specification for filing reports under the common reporting standard (CRS).

[More details](#)

New Zealand

New Zealand: Post-election tax policy

New Zealand has a new government, led by the Labour Party with New Zealand First and the Green Party as support partners. The new government has put forward an ambitious agenda, including tax policy positions (or expected positions). There will be much interest in the Tax Working Group (expected to be set up by December 2017), as well as the progress of other tax policy changes in Labour's election manifesto.

[More details](#)

Philippines

Philippines: Proposed excise tax on sugar-sweetened beverages

Legislation that would impose an excise tax on certain sugar-sweetened beverages is being considered. A bill including an excise tax on sugar-sweetened beverages was passed by the House of Representatives in late May 2017, and as of September 2017, was pending consideration in the Senate.

[More details](#)

Singapore

Singapore: Can property tax promote Industry 4.0?

Singapore's industrial economy is heading towards a brave new world and Industry 4.0 is the roadmap for getting there. Singapore needs to take a closer look at its tax policies aimed at spurring advanced manufacturing and the use of technologies in business..

[More details](#)

Thailand

Thailand: Tax & Legal News Flash Issue 26: Cambodia-Thailand DTA – Key features

On 7 September 2017 Thailand and Cambodia signed an agreement for the avoidance of double taxation. The newly signed DTA which is expected to become effective on January 2018.

[More details](#)

Calendar of Events

Date	Event	Location
9 – 20 November 2017	Tax and Business Summit 2017 More details	Petaling Jaya, Kota Kinabalu, Johor, Kuching, Ipoh, Penang
14 November 2017	Employer's Tax Obligations Workshop (Fundamental) Contact person: Carmen Yong or Katherine Subramaniam More details	One World Hotel, Petaling Jaya, Selangor, Malaysia
17 November 2017	Forms IR8A/IR21 remuneration reporting workshop Contact person: Hanna Surani More details	Singapore Marriott Tang Plaza Hotel, 320 Orchard Road, Singapore 238865

Beyond Asia Pacific

EU: Combined Nomenclature (CN) for 2018

The European Commission announced the publication of the latest version of the Combined Nomenclature applicable as from 1 January 2018. In the EU, the Combined Nomenclature forms the basis for the declaration of goods—and thus, the rate of customs duty:

- At importation or exportation or
- When subject to intra-EU trade statistics (i.e., how the goods are treated for statistical purposes)

[More details](#)

U.S. House Ways and Means Committee releases tax reform bill

Kevin Brady (R-TX) initiated the tax reform process in the House with the release of a “Chairman’s mark” of a tax reform bill. The Chairman’s mark generally represents the Ways and Means Chairman’s—and by proxy, the committee staff’s—proposal for tax reform. It does not necessarily include the input and priorities of the full committee.

[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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