



# Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 30 November 2017



## Asia Pacific Tax Developments

### Australia

#### Australia: An interview with Pascal Saint-Amans

KPMG Australia interviewed the Director of the OECD Centre for Tax Policy and Administration, Pascal Saint-Amans, on the future of capital taxation.

[More details](#)

#### Australia: ATO grants extension of time to file country-by-country statements

The Australia Taxation Office (ATO) recently announced that it has extended the due date for filing country-by-country (CbC) statements until 15 February 2018.

[More details](#)

#### Australia: Hybridicity is History

KPMG Australia reviews the exposure draft legislation relating to "hybrid mismatches" released by the Treasury. This follows from its commitment in the 2016 Federal Budget to adopt the key recommendations set out in Action 2 of the OECD Base Erosion and Profit Shifting (BEPS) project following a review by the Board of Tax.

[More details](#)

#### Australia: Payroll tax – no need to tip...

KPMG Australia discusses how taxpayers should handle overpayment of payroll tax and other payroll tax errors. Though employers can generally apply for a refund of overpaid payroll tax relating to the last five completed financial years, it is important for employers to proceed thoughtfully rather than rush to make applications to the state revenue authorities.

[More details](#)

## Australia: Single touch payroll – the latest

The ATO hosted a seminar at which it updated the business community on progress towards the implementation of Single Touch Payroll on 1 July 2018. The seminar provided some useful practical guidance for employers.

[More details](#)

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## China

### China: China Tax Weekly Update - Issue 38

The following matters are covered in this issue:

- SAT to further simplify tax administration

*On 14 September 2017, the State Administration of Taxation issued a circular to further simplify the tax administration. 30 measures were set out in the said circular.*

- Innovation-supporting finance and administrative reforms

*On 14 September 2017, the State Council issued a circular setting out several preferential measures intended to support enhanced innovation in China, through expanded access to financing, and lessened visa and administrative burdens. Most of the changes have effect nationwide, though a few are initially being piloted in 8 zones, with nationwide expansion to come later.*

- Consolidated customs duty collection extended

*In order to bring the consolidated customs duty collection approach further, and extend the consolidated customs duty collection approach to all enterprises registered with customs offices, the General Administration of Customs issued Announcement [2017] No. 45.*

- Cross-border B2C e-commerce supervision rules delayed

*The State Council has in an executive meeting, further extended the transition period for the implementation of the list system in relation to cross-border B2C e-commerce to the end of 2018. In the same meeting, the State Council also decided to extend the successful roll out of cross-border e-commerce pilot zones to more cities across the country.*

- First CRS exchanges commence between 49 jurisdictions

*According to a posting to the OECD website on 14 September 2017, 49 jurisdictions have now launch the initial exchanges on the Common Reporting Standard (CRS). China is set to commence CRS exchanges in the 'second wave' in September 2018. To facilitate this, China's SAT along with Ministry of Finance, Peoples' Bank of China, China Banking Regulatory Commission, China Insurance Regulatory Commission and China Securities Regulatory Commission, issued "Measures on the Due Diligence of Non-resident Financial Account Information in Tax Matters", and financial institutions in China are currently putting the systems and protocols in place to enable collection and reporting of the requisite non-resident account holder information.*

[More details](#)

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## Hong Kong SAR

### **Hong Kong: Tax Alert – UK to tax gains made by non-residents on the disposal of UK immovable property from April 2019**

The UK Budget on 22 November signalled a major change to the tax treatment of UK property investment, with the announcement that the capital gains tax exemption for non-residents will be abolished from April 2019. This may well have a significant effect on investment into UK real estate by non-residents.

[More details](#)

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## India

### **India: Anti-avoidance provisions of Section 93 of the Income-tax Act do not apply where assets are transferred from a non-resident to a resident**

Recently, the Mumbai Bench of the Income-tax Appellate Tribunal in the case of Tata Industries Ltd, held that no capital gains addition is to be made under Section 93 of the Income-tax Act, 1961 on sale of Indian company's shares by a Mauritian subsidiary to another Indian company.

[More details](#)

### **India: Interest accumulated in a recognised Provident Fund account post retirement/end of employment is considered taxable**

The Bangalore Bench of the Income-tax Appellate Tribunal held that the taxpayer is responsible for tax on the interest accumulated in a provident fund account after employment ends.

[More details](#)

### **India: Income earned abroad by a non-resident cannot be taxed in India for mere receipt of salary in Indian bank account**

The Delhi Bench of the Income-tax Appellate Tribunal held that income earned by a non-resident for services rendered outside India cannot be taxed in India merely because the receipt of salary is in India.

[More details](#)

### **India: Rajasthan High Court's Larger Bench's decision on filing of appeal by the tax department contrary to the CBDT circular on monetary limits**

The Larger Bench of the Rajasthan High Court held that the tax department cannot file an appeal or seek to argue the case on merits, when such would be contrary to the requirements of Central Board of Direct Taxes (CBDT) circulars prescribing monetary limits for the filing of departmental appeals.

[More details](#)

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## Singapore

### **Singapore: Updated common reporting standard FAQs**

The Inland Revenue Authority of Singapore issued an updated version of CRS "frequently asked questions" (FAQs) that provide clarification to financial institutions on matters relating to CRS registration requirements.

[More details](#)

## Taiwan

### Taiwan: Regulations on implementation of CRS regime

The regulations provide measures for performing common reporting and due diligence procedures by Taiwanese financial institutions for the automatic exchange of financial account information under the CRS.

[More details](#)

## Thailand

### Thailand: Proposed E-commerce law - Government response

The Thai Revenue Department has issued its comments addressing some of the issues and questions raised by the public stakeholders on the proposed tax legislative amendments that will impact foreign E-commerce players available to the Thai market during the process of public consultation held in July this year.

[More details](#)

### Thailand: Preferential tax regimes, status under BEPS “harmful tax practices”

A recent OECD BEPS harmful tax practices progress report concludes that several Thai tax incentives are preferential tax regimes. Without amendments to these regimes from the Thai government, Thailand could end up on the EU’s tax haven “blacklist” (expected to be adopted by 5 December 2017).

Thai taxpayers operating under any of these identified preferential tax regimes may continue to carry on business as usual until changes to the regimes are enacted. However, prudent taxpayers would be aware there could be changes in the future.

[More details](#)

### Thailand: Proposed Transfer Pricing Law- Government response

The Thai Revenue Department has released its comments addressing the main issues and questions raised by the public stakeholders on the revised draft of the Transfer Pricing law under the process of public consultation held this year.

[More details](#)

## Calendar of Events

Date	Event	Location
29 November 2017 – 13 December 2017	2017 KPMG China Annual Tax Update Conference <a href="#">More details</a>	China

# Significant International Tax Developments



## OECD: Mutual agreement procedure (MAP) statistics for 2016

The OECD released MAP statistics for 2016.

[More details](#)

## OECD: 2017 update to the OECD Model Tax Convention approved

The OECD reported that the OECD Council on 21 November 2017 approved the contents of the 2017 Update to the OECD Model Tax Convention (the OECD Model). The 2017 update, which was previously approved by the Committee on Fiscal Affairs on 28 September 2017, will be incorporated in a revised version of the OECD Model that will be published in the next few months.

[More details](#)

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## Beyond Asia Pacific

### EU: Recent developments concerning export controls and sanctions

KPMG in Netherlands prepared a report on recent developments concerning export controls and sanctions in the European Union.

[More details](#)

### United States: Proposed regulations: Centralized partnership audit regime and international tax rules

The U.S. Treasury Department and IRS released on 30 November 2017 proposed regulations which include measures relating to tax withholding on foreign persons and tax withholding to enforce reporting on certain foreign accounts, as well as rules concerning the treatment of creditable foreign tax expenditures of a partnership.

[More details](#)

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### TaxNewsFlash by Region

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[,United States](#)

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