

KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 19 July 2018



Asia Pacific Tax Developments

Australia

Australia: Benefit for employers in new guidance on work vehicles

KPMG Australia discuss the Australian Tax Officer's ('ATO') latest guidance on work vehicles and FBT. The ATO states that it will generally accept that the exemption criteria are satisfied where all of the following apply:

- The employer has a strict policy of limiting wholly private trips
- The vehicle's base value for FBT purposes is below the luxury car threshold
- The vehicle is not provided under a salary packaging arrangement, or other arrangement where the employee's salary would be higher but for the provision of the vehicle
- The aggregate distance travelled on wholly private trips in the year of tax is less than 1,000 kilometres, and no one return trip exceeds 200 kilometres.

[More details](#)

Australia: When does the ATO owe interest on overpaid GST?

KPMG Australia analyse a recent Federal Court decision regarding interest on overpaid Goods and Service Tax ('GST'). The Federal Court ruled in case of *Travelex Limited v Commissioner of Taxation [2018] FCA 1051* that in determining an entitlement to any delayed refund interest, the relevant date in calculating the interest owing was when the entitlement to a refund arose. This was a date earlier than when the taxpayer gave notice of the overpayment of GST.

[More details](#)

China

China: Tax Weekly Update – Issue 24

The following matters are covered in this issue :

- Merger of state and local tax bureaus progresses
- Supporting documents for CIT deduction clarified
- Implementation rules for IIT incentives for scientific and technical staff
- New rules on requesting VAT invoices by new taxpayers

[More details](#)

China: Tax Weekly Update – Issue 23

The following matters are covered in this issue :

- Continuation of VAT incentives for publishing, book sales
- China to further regulate online taxi services
- OECD peer reviews on BEPS Action 13 Country-by-Country reporting

India

India: CBDT Circular – revision of monetary limits and certain conditions for the tax department to file appeals before the Income-tax Appellate Tribunal, High Courts and Supreme Court

The Central Board of Direct Taxes ('CBDT') vide its Circular No.3/2018 dated 11 July 2018 has revised the monetary limits and other conditions with respect to the filing of appeals by the tax department on merits before the Income-tax Appellate Tribunal, High Courts and Special Leave Petitions before the Supreme Court.

[More details](#)

India: CBDT issues guidance on confidentiality and appropriate use of CBC Reports

The CBDT has recently issued Instruction No. 2/2018 providing guidance on appropriate use of CBC Reports, to meet the minimum standard of BEPS Action 13 implementation. The CBDT instruction also provides guidance around maintaining confidentiality as well as prescribes a framework to monitor, control and review the appropriate use of information received from CBC Reports.

[More details](#)

India: Global payment solution provider company has a permanent establishment in India

India Authority for Advance Rulings (AAR) in case of MasterCard Asia Pacific Pte. Ltd dealt with an issue whether the global payment solution provider company facilitating various stake holders worldwide to use electronic forms of payment has a Permanent Establishment (PE) in India and whether payments for such services are taxable in India.

[More details](#)

India: India signs first ever substantive revision to India-U.K. Bilateral APA

The Indian Advance Pricing Agreement (APA) programme provides an option for revision of an APA when there is a change in facts, critical assumptions or there is a failure to meet a condition subject to which the agreement has been entered into, etc. Reaching another important milestone in the Indian APA's success story, the Central Board of Direct Taxes has signed the first ever substantive revision to an India-U.K. Bilateral APA.

[More details](#)

[India: KPMG India Tax Konnect – July 2018](#)

KPMG in India has released the Konnect's July edition covering the latest developments on the tax and regulatory front and its implications. This edition includes:

- International Tax
- Corporate Tax
- Transfer Pricing
- Indirect Tax
- Personal Tax

[More details](#)

[India: Section 56\(2\)\(vii\)\(a\) of the Act is not applicable to a buy-back transaction](#)

The Mumbai bench of the Income tax Appellate Tribunal ('Tribunal') in case of Vora Financial Services P Ltd held that the provisions of Section 56(2)(vii)(a) of the Income-tax Act, 1961 ('the Act') are applicable only in case where the receipt of shares become property in the hands of the recipient and the shares shall become the property of the recipient only if it is 'shares of any other company'. In the present case, the taxpayer purchased his own shares under the buyback scheme and the same has been extinguished by reducing the capital and hence, tests of 'becoming property' and also 'shares of any other company' fail in the present case.

[More details](#)

[India: The Limitation of Relief provisions under Article 24 of the India-Singapore tax treaty do not apply to capital gain which is taxable in Singapore under Article 13\(4\) of the tax treaty](#)

The Mumbai Bench of the Tribunal held that the Limitation of Relief provisions do not apply to capital gain derived from the sale of shares, debt instruments and derivatives of an Indian company which is taxable in Singapore under Article 13(4) of the Tax Treaty.

[More details](#)

New Zealand

[New Zealand: R&D tax credit; draft legislation expected in September 2018](#)

Draft legislation concerning a new research and development tax credit is expected in September 2018, now that the period for submissions has closed.

[More details](#)

Philippines

[Philippines: Special InTAX: Let's Get on the TRAIN \(Tax Alert 18\)](#)

The Bureau of Internal Revenue issued Revenue Memorandum Order No. 31-2018 to facilitate the proper identification and monitoring of tax collection from Excise Tax on petroleum products.

[More details](#)

Calendar of Events

Date	Event	Location
8 August 2018	Tax and Immigration Considerations for Global Mobility Employees Contacts: Ms Katherine Subramaniam / Ms Zulaiha Omar More details	One World Hotel, Petaling Jaya, Malaysia

Beyond Asia Pacific

Germany: VAT liability proposed for online marketplaces

Germany moves closer towards implementing new legislation that would affect the value added tax ('VAT') treatment of online trading platforms (marketplaces). The draft law—scheduled to be effective 1 January 2019 - would potentially hold online marketplaces liable for VAT on the supplies of goods made by online traders if such traders are not registered for VAT purposes in Germany.

[More details](#)

United States: KPMG report: Initial analysis of final regulations addressing "inversions"

The U.S. Treasury Department and IRS on July 11, 2018, released for publication in the Federal Register final regulations (T.D. 9834) addressing "inversions" - the generic term for a domestic corporation's adoption of a foreign-parented corporate structure - and certain post-inversion restructuring transactions.

[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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