



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 26 July 2018



## Asia Pacific Tax Developments

---

### Australia

#### Australia: Black economy measures gathering momentum

KPMG Australia discuss the latest measures proposed by the Government to expand Tax Payable Report System and remove tax deductibility of certain payments.

[More details](#)

#### Australia: Building on the R&D exclusions

KPMG Australia look at the recent Australian Taxation Office ('ATO') focus on R&D expenditure in relation to construction activity. AusIndustry is the regulator responsible for considering whether claimed activities meet the eligibility criteria, whereas the ATO are responsible for determining whether the expenditure in respect of the claimed activities gives rise to a notional deduction for R&D

[More details](#)

#### Australia: To be or not to be an SGE for CbC

Treasury released an exposure draft for consultation which will extend the Significant Global Entity ('SGE') definition and, amongst other things, align Australia's Country-by-Country ('CbC') reporting framework with the OECD model requirements.

[More details](#)

#### Australia: Updates to CRS reporting

The ATO issued common reporting standard ('CRS') updates concerning:

- Invalid characters
- "Nil" reports

- Applications for an extension of time
- Enquiries after lodgment (filing)

[More details](#)

---

## China

### China: Tax Weekly Update – Issue 27

The following matters are covered in this issue :

- Lowered interest withholding tax rates in China-Chile DTA
- Tax administration for cross-tax district operations
- Global CRS information exchange network enlarged

[More details](#)

### China: Tax Weekly Update – Issue 26

The following matters are covered in this issue :

- Details of China individual income tax reform released
- VAT support for innovative activities
- CIT super deduction for R&D outsourced overseas
- New nationwide and free trade zone negative lists for foreign investment

[More details](#)

### China: Tax Weekly Update – Issue 25

The following matters are covered in this issue :

- Proposed amendments to China Individual Income Tax
- Further guidance on attracting foreign investment
- Simplified customs supervision for processing trade

[More details](#)

---

## Hong Kong SAR

### Hong Kong: Updated FAQs for AEOI

The Inland Revenue Department of Hong Kong updated a list of “frequently asked questions” (FAQs) concerning the automatic exchange of financial account information by adding new FAQs under the section on “Technical Explanations.”

[More details](#)

---

## India

### India: Benefits and limitations of Protocol apply to tax treaty because the protocol is a part of tax treaty

The Delhi Bench of the Income-tax Appellate Tribunal in case of Ericsson Telephone Corporation India AB (India Branch) addressed applicability of 'Most Favoured Nation' clause of a Protocol to the India-Sweden income tax treaty - observed that the Protocol must be considered to be part of the underlying tax treaty. A protocol cannot be viewed as a document independent of the tax treaty and has to be considered as its addendum.

[More details](#)

### India: Indian LLP and Company can amalgamate

The Chennai Bench of the National Company Law Tribunal held that a limited liability partnership ('LLP') and an Indian company could amalgamate under provisions of Indian law including the Companies Act, 2013.

[More details](#)

### India: Expenses and salary reimbursed by foreign head office to its Indian liaising office is not liable to GST

The Authority for Advance Rulings (AAR) in case of Habufa Meubelen B.V held that since the liaison office in India does not make any income in India and gets entire payment for running of its office from its Head Office, the two offices cannot be treated as separate person for GST Levy.

[More details](#)

## Mauritius

### Mauritius: Tax measures in proposed finance legislation

The Finance (Miscellaneous Provisions) Bill 2018 was released in July 2018 for consultation and introduced in Parliament. The draft legislation incorporates tax measures that would affect corporate and individual taxpayers and were previously announced in the Minister of Finance's budget speech.

[More details](#)

## Pakistan

### Pakistan: CRS reporting deadline extended to 31 July

The Federal Board of Revenue announced that the reporting deadline for submission of CRS returns, related to reporting year 2017, has been extended to 31 July 2018.

[More details](#)

## Significant International Tax Developments



### OECD: Annual report on status of BEPS Inclusive Framework

The Organisation for Economic Cooperation and Development ('OECD') issued a report on the status of the Inclusive Framework on base erosion and profit shifting ('BEPS') project for the period July 2017 – June 2018.

[More details](#)

---

## Calendar of Events

Date	Event	Location
24 July to 2 August 2018	People's Republic of China Individual Income Tax Reform Seminar <a href="#">More details</a>	Shenzhen, Shanghai, Hong Kong, Guangzhou and Beijing
8 August 2018	Tax and Immigration Considerations for Global Mobility Employees  Contacts: <a href="#">Ms Katherine Subramaniam</a> / <a href="#">Ms Zulaiha Omar</a>  <a href="#">More details</a>	One World Hotel, Petaling Jaya, Malaysia
17 August 2018	Zero-rating of International Services and Reverse Charge Mechanism  Contacts: <a href="#">Sharon Ting</a>  <a href="#">More details</a>	Mandarin Oriental Singapore, 5 Raffles Ave, Singapore

---

## Beyond Asia Pacific

### [UK: Tax implications of government's "Brexit" white paper](#)

Following an eventful month for Brexit, the Government published their Brexit White Paper on 12 July 2018 and debated the Customs Trade Bills in the House of Commons.

[More details](#)

---

### [TaxNewsFlash by Region](#)

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

---

# KPMG Asia Pacific Tax Centre Contacts

## Asia Pacific Regional Leader, Tax



Khoon Ming Ho  
Head of Tax, KPMG Asia Pacific  
T : +8610 8508 7082  
E : [khoonming.ho@kpmg.com](mailto:khoonming.ho@kpmg.com)

## Asia Pacific Tax Centre Leader, Regional Tax Partner



Brahma D Sharma – KPMG Asia Pacific Limited  
Global Head of Clients and Markets Tax & Regional Partner  
T : +65 8186 7369  
E : [brahmasharma@kpmg.com.sg](mailto:brahmasharma@kpmg.com.sg)

## Service Line Specialists

### Transfer Pricing Services



Tony Gorgas – KPMG Australia  
Asia Pacific Regional Leader,  
Transfer Pricing Services  
T : +61 2 9335 8851  
E : [tgorgas@kpmg.com.au](mailto:tgorgas@kpmg.com.au)

### Financial Services Transfer Pricing



John Kondos – KPMG China  
Asia Pacific Regional Leader,  
Transfer Pricing Services in the  
Financial Services Sector  
T : +852 2685 7457  
E : [john.kondos@kpmg.com](mailto:john.kondos@kpmg.com)

### Indirect Tax Services



Lachlan Wolfers – KPMG China  
Asia Pacific Regional Leader,  
Indirect Tax Services  
T : +852 2685 7791  
E : [lachlan.wolfers@kpmg.com](mailto:lachlan.wolfers@kpmg.com)

### Research & Development (R&D) Tax Incentives



Alan Garcia – KPMG Australia  
Asia Pacific Regional Leader,  
R&D Tax Incentives  
T : +61 3 9288 6094  
E : [afgarcia@kpmg.com.au](mailto:afgarcia@kpmg.com.au)

### Global Compliance Management Services



Jenny Clarke – KPMG Australia  
Asia Pacific Regional Leader,  
Global Compliance Management  
Services  
T : +61 2 9335 7213  
E : [jeclarke@kpmg.com.au](mailto:jeclarke@kpmg.com.au)

### Global Mobility Services



Ben Travers – KPMG Australia  
Asia Pacific Regional Leader,  
Global Mobility Services  
T : +61 3 9288 5279  
E : [btravers1@kpmg.com.au](mailto:btravers1@kpmg.com.au)

#### International Tax



**Christopher Xing – KPMG China**  
Asia Pacific Regional Leader,  
International Tax  
T : +8610 8508 7072  
E : [christopher.xing@kpmg.com](mailto:christopher.xing@kpmg.com)

#### Deal Advisory M&A Tax



**Angus Wilson – KPMG Australia**  
Asia Pacific Regional Leader,  
Deal Advisory M&A Tax  
T: +61 2 9335 8288  
E: [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

#### Dispute Resolution and Controversy



**Angela Wood – KPMG Australia**  
Asia Pacific Regional Leader,  
Dispute Resolution and Controversy  
T: +61 3 9288 6408  
E: [angelawood@kpmg.com.au](mailto:angelawood@kpmg.com.au)

#### Legal Services



**Stuart Fuller – KPMG Australia**  
Asia Pacific Regional Leader,  
Legal Services  
T: +61 2 9458 1590  
E: [stuartfuller@kpmg.com.au](mailto:stuartfuller@kpmg.com.au)

#### Trade & Customs



**Leonie Ferretter – KPMG Australia**  
Asia Pacific Regional Leader,  
Trade & Customs Services  
T: +61 2 9455 9330  
E: [lferretter@kpmg.com.au](mailto:lferretter@kpmg.com.au)

### Market Sector Specialists

#### Financial Services



**Christopher Abbiss – KPMG China**  
Asia Pacific Regional Tax Leader,  
Financial Services and Banking  
Sector  
T: +852 2826 7226  
E: [chris.abbiss@kpmg.com](mailto:chris.abbiss@kpmg.com)

#### Alternative Investments & Private Equity



**Simon Clark – KPMG in Singapore**  
Asia Pacific Regional Tax Leader,  
Alternative Investments and Private  
Equity sector  
T : +65 6213 2152  
E : [simonclark1@kpmg.com.sg](mailto:simonclark1@kpmg.com.sg)

#### Sovereign Wealth and Pension Funds



**Angus Wilson – KPMG Australia**  
Asia Pacific Regional Leader,  
Sovereign Wealth and Pension  
Funds Sector  
T: +61 2 9335 8288  
E: [arwilson@kpmg.com.au](mailto:arwilson@kpmg.com.au)

#### Energy & Natural Resources



**Carlo Franchina – KPMG Australia**  
Asia Pacific Regional Tax Leader,  
Energy & Natural Resources Sector  
T: +61 8 9263 7239  
E: [cfranchina@kpmg.com.au](mailto:cfranchina@kpmg.com.au)

#### Insurance



**John Salvaris – KPMG Australia**  
Asia Pacific Regional Leader,  
Insurance Sector  
T : +61 3 9288 5744  
E : [jsalvaris@kpmg.com.au](mailto:jsalvaris@kpmg.com.au)

<https://home.kpmg.com/xx/en/home/services/tax/regional-tax-centers/asia-pacific-tax-centre.html>

[www.kpmg.com/tax](http://www.kpmg.com/tax)

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



[kpmg.com/app](http://kpmg.com/app)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2018 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.