



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 24 August 2018



Asia Pacific Tax Developments

Australia

[Australia: Australian Anti-Hybrids Measures passed – Two key unpleasant surprises](#)

KPMG Australia look at legislation to pass the Australian Parliament targeting multi-national tax avoidance. The Anti-Hybrid Measures, apply from income years starting on or after 1 January 2019, with an exception for the indirect and direct imported hybrid mismatch rules, which apply to income years starting on or after 1 January 2020.

[More details](#)

[Australia: Black Economy measure: Expanding the Taxable Payments Reporting System](#)

KPMG Australia look at a specific Black Economy measure currently before Parliament: the expansion of the Taxable Payments Reporting System.

[More details](#)

[Australia: Companies to be tested on Research and Development spending](#)

KPMG Australia look at proposed changes to the Research and Development Tax Incentive. Companies with an annual turnover greater than \$20 million may soon be placed on a tiered scale for the tax offset for research and development (R&D) spending, if new legislation is passed.

[More details](#)

[Australia: Property investors may meet their \(data\) match](#)

KPMG Australia explore two data matching programs targeting rental property owners launched by the Australian Tax Office.

[More details](#)

China

[China: Revised system for HS customs codes](#)

The customs authority in China revised the HS codes that apply for commodities.

[More details](#)

[China: Tax Weekly Update – Issue 30](#)

The following matters are covered in this issue :

- Government support for innovation and investment
- Support for international shipping in Hainan
- MOFCOM to review filing compliance by FIEs and others
- Consolidated guide on restructuring tax policies

[More details](#)

India

[India: CBDT circular - amendments to Tax Audit Report pertaining to GAAR and GST kept in abeyance till 31 March 2019](#)

The amended Tax Audit Report (Form 3CD) requires disclosure with respect to 'impermissible avoidance agreement' as per General Anti Avoidance Rule ('GAAR') under the Indian Income-tax Act and as per the Goods and Service tax ('GST') provisions. Based on various representations, the Central Board of direct taxes has issued an circular with respect to deferment of disclosures relating to GAAR and GST till 31 March 2019.

[More details](#)

[India: Derivative contracts - Conversion of electronic vault receipts representing diamonds to e-units \(securities\) would constitute supply](#)

The Authority for Advance Rulings ('AAR') held that both conversion of EVR into e-units and e-units into diamonds are to be treated as a supply for the purpose of levy of GST.

[More details](#)

India: GST Notification updates on GSTR-1 and GSTR 3B

Central Board of Indirect Taxes and Customs (CBIC) has issued a notification on the date of furnishing of details of outward supply of goods or services or both in form GSTR-1 and on GSTR-3B.

[More details](#)

India: Services by employees at the corporate office to units located in other states shall be treated as supply

AAR held that activities performed by employees at the corporate office to a distinct person shall be treated as a supply of services between distinct/related persons.

[More details](#)

India: Taxpayer's methodology to set off and carry forward unabsorbed loss/depreciation for the purpose of MAT computation has been rejected

The Ahmedabad Bench of the Income-tax Appellate Tribunal has examined the methodology of set off and carry forward of unabsorbed loss/depreciation for the purpose of Minimum Alternate Tax computation. The Tribunal rejected the taxpayer's methodology and observed that though the taxpayer restricted the quantification of set off to lower of unabsorbed loss or unabsorbed depreciation, it had given preference to unabsorbed loss over unabsorbed depreciation for quantifying carry forward of amount for set off in the succeeding year. The Tribunal held that if the lower of the two happens to be unabsorbed depreciation, reduction needs to be done from unabsorbed depreciation and not from unabsorbed loss.

[More details](#)

India: Update in Customs circular – Simplification and rationalisation of processing of the AEO-T1 application

Directorate of International Customs (DIC) have with an intent to ease out the compliance requirements for AEO – T1 issued circular no. 26/2018 – Customs dated 10 August 2018, prescribing a new procedure to be adopted for processing AEO T1 application.

[More details](#)

Korea

Korea: Tax authority's focus on compliance; tax decision review

The tax authority intends to provide the tax administrations of some 60 countries with the South Korean financial account information of their residents by the end of September 2018.

[More details](#)

Taiwan

Taiwan: Updated FAQs on CRS

The tax authority of Taiwan issued an updated version of "frequently asked questions" (FAQs) related to common reporting standard (CRS) implementation and due diligence procedures.

[More details](#)

Calendar of Events

Date	Event	Location
27 August 2018	Transfer Pricing Masterclass on Intra-group Services Contacts: Ms. Sharon Leong Peck Sim More details	Junior Ballroom, One World Hotel, Petaling Jaya, Malaysia
18 September 2018	Corporate Treasury Management Contacts: Sharon Ting More details	Mandarin Oriental Singapore, 5 Raffles Ave, Marina Square, Singapore 039797
8 November 2018	Malaysia - Tax and Business Summit 2018 Contacts: Ms. Sharon Leong Peck Sim / Ms. Fah Siew Peng / Ms. Esther Teh Mei Sum More details	One World Hotel First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Malaysia.

Beyond Asia Pacific

[UK: Regulatory system in the event of “no deal” Brexit](#)

As part of the UK’s official planning to mitigate potential risks to the financial services sector of a “no deal” Brexit scenario, HM Treasury published on 24 July a draft of the regulations that will enable the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) to operate a “temporary permissions regime” (TPR). The regime will come into effect only if the EU and the UK do not ratify the Withdrawal Agreement.

[More details](#)

[United States: Rev. Proc. 2018-44: Accounting method change, “eligible terminated S corporation”](#)

The IRS released an advance version of Rev. Proc. 2018-44 that provides guidance for “eligible terminated S corporations” that, because the S corporation election is terminated or revoked, realize a positive or negative adjustment on changing from the overall cash method of accounting to the overall accrual method.

[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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