



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 13 September 2018



Asia Pacific Tax Developments

Asia Pacific

Asia Pacific: Transfer pricing review (2018)

Articles about the transfer pricing environment in various countries in the Asia Pacific region reflect the tax rules and the experience of KPMG tax professionals in their local countries.

[More details](#)

China

China: Customs Policy Update for the Period of August 2018

KPMG China just released its August 2018 Edition of its Customs Policy Update newsletter. This series is released every two months, providing the latest customs-related policy and views on the opportunities and challenges in customs policy.

[More details](#)

China: Release of Guide to Customs Valuation and Transfer Pricing (2018 Edition)

Recently, the World Customs Organization (WCO) issued the *2018 edition of the Guide to Customs Valuation and Transfer Pricing* ("2018 Guide"). The 2018 Guide summarized the principles of customs valuation and transfer pricing, and also provided guidance on how to use transfer pricing documentations during customs valuation. 2018 Guide is the first-time update since WCO released the guide in June 2015.

[More details](#)

India

India: CBDT issues draft notification amending Income-tax Rules and forms for PAN application

The Finance Act, 2018 amended the provisions of Section 139A of the Income-tax Act, 1961 ('the Act') which provide that every person being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to INR 250,000 or more in a financial year shall apply for allotment of Permanent Account Number ('PAN'). Recently, Central Board of Direct Taxes ('CBDT') has issued draft notification proposing amendments in the forms and that the PAN application shall be made by the specified person on or before 31 May, immediately following the financial year in which such transaction is entered into.

[More details](#)

India: CBDT notification - Rules for determination of FMV for taxability of conversion of inventory into capital asset

Recently, CBDT issued a notification to introduce Rule 11UAB in the Income-tax Rules, 1962 for prescribing the manner of determination of Fair Market Value ('FMV') of inventory which has been converted into, or treated as capital asset.

[More details](#)

India: CENVAT credit admissible on payments made for discharging CSR activities

The Customs, Excise and Service Tax Appellate Tribunal, Mumbai (CESTAT) has held that Corporate Social Responsibility ('CSR') is an input service in relation to business, and accordingly, the credit of the same shall be available.

[More details](#)

India: Deduction under Section 80-IA of the Income-tax Act is available on the interest on fixed deposits and compensation received for non-supply of spare parts

The Bombay High Court in the case of Tema Exchangers Manufactures Pvt. Ltd.¹ held that deduction under Section 80-IA of the Act cannot be denied on the interest on fixed deposits and compensation received for non-supply of spare parts.

[More details](#)

[India: Foreign companies may attract penalties and prosecution proceedings for non-filing of a tax return in India](#)

Under the Act, a company is mandatorily required to file its tax return in India on or before the specified due date. Pursuant to the amendments in Finance Act 2018, Foreign company may attract penalty and prosecution related provisions upon failure to file tax returns in India.

[More details](#)

[India: GST circular updates on an alternate procedure for recovery and clarifies issues concerning refund applications](#)

The Central Board of Indirect Tax and Customs ('CBIC') has issued circulars in order to provide clarification on the scope of the principal-agent relationship, an alternate procedure for recovery of wrongly availed CENVAT Credit, issues relating to refund applications, etc.

[More details](#)

[India: GST Notification updates – changes in GST Rules](#)

The CBIC has issued various notifications, primarily to notify the GST Annual Return format, the procedure to be adopted for cancellation of registration in certain cases, relaxation in availing input tax credit, manner of calculating adjusted total turnover for refund cases and e-way bill procedure for imports.

[More details](#)

[India: GST notification updates on GSTR 1 and GSTR-3B](#)

The CBIC has issued various notifications to encourage taxpayers to file GSTR-1 and outline a one-time scheme to waive off late fees payable for the delayed furnishing of the returns.

[More details](#)

[India: Service tax liability and “revenue neutrality” defense](#)

The Customs, Excise and Service Tax Appellate Tribunal issued its findings in a matter concerning the imposition of service tax on “live feeds” of professional cricket matches over various TV channels.

[More details](#)

Korea

[Korea: Tax Brief – September 2018](#)

This edition covers 2019 Tax Revision Proposal, and KPMG in Korea summarized the major tax revisions that may materially affect to foreign investors and foreign, including:

- Corporate Income Tax Law
- Tax Incentive Limitation Law

- International Tax Coordination Law
- Value Added Tax
- Other tax laws
- Local Tax

[More details](#)

Philippines

Philippines: Special InTAX: September 2018 Issue 1 | Vol. 1

The Bureau of Internal Revenue ('BIR') has issued Revenue Memorandum Circular (RMC) No. 73-2018, dated 31 August, 2018, circularizing the availability of the new BIR Form Nos. 0619-E [Monthly Remittance Form of Creditable Income Taxes Withheld (Expanded)] and 0619-F (Monthly Remittance Form of Final Income Taxes Withheld).

[More details](#)

Taiwan

Taiwan: CRS form and instructions

The tax authority of Taiwan issued the form and related instructions for common reporting standard ('CRS') purposes.

[More details](#)

Significant International Tax Developments

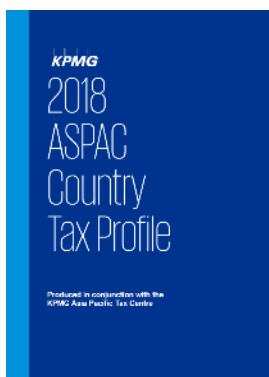


OECD: New transfer pricing country profiles

The Organisation for Economic Cooperation and Development ('OECD') announced the release of new transfer pricing country profiles for Costa Rica, Greece, South Korea, Panama, Seychelles, South Africa, and Turkey, and announced that the information in the transfer pricing country profile for Singapore has been updated.

[More details](#)

Thought Leadership



2018 Asia Pacific Country Tax Profiles

The 2018 edition of Country Tax Profiles – Thailand and Laos have been made available at KPMG Asia Pacific Tax Centre's portal.

These guides are useful to understand the respective country's tax system, including information on Corporate Tax, International Tax, Transfer Pricing, Indirect Tax, Personal Tax, Trade & Customs and Tax Authorities.

In relation to other countries in Asia-Pacific region, their Tax Profiles will be uploaded in the following weeks.

[More details](#)

Calendar of Events

Date	Event	Location
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

Brazil: Protocol updates income tax treaty with Argentina

A Protocol amending the income tax treaty between Brazil and Argentina has been approved by Brazil, with the late August 2018 publication of Decree n°. 9482/18.

[More details](#)

EU Finance Ministers discuss proposal on a Digital Services Tax

During an informal meeting of the Economic and Financial Affairs Council (ECOFIN) of the European Union held in Vienna on September 7 and 8, 2018, EU Finance Ministers discussed the recent European Commission's proposal on a Digital Services Tax (DST). The Finance Ministers broadly agreed on the need to implement a DST, under the condition that it would be a temporary levy, i.e. the tax would only remain in force until agreement has been reached at the international level. The Austrian Presidency aims at reaching agreement on the technical details of the DST by the end of 2018. [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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