



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[GST on acquisitions and supplies in retail banking sector](#)

Updates from Australian Taxation Office ('ATO') for taxpayers about two new guidance products targeting contentious areas of goods and services tax ('GST') compliance within the retail banking sector.

[Non-resident withholding tax draft guidance](#)

KPMG Australia explore the draft ruling consolidation TR 2005/5DC which seeks to clarify the definition of a 'financial institution' under the treaty interest withholding tax exemption for non-resident lenders.

[Guidance on FATCA and CRS regimes](#)

The ATO has issued guidance regarding both FATCA and the common reporting standard ('CRS') regimes.

[ATO guidance explains AEOI obligations](#)

The ATO released guidance to help taxpayers understand their obligations under Australia's participation in automatic exchange of information ('AEOI') regimes concerning the automatic exchange of financial account information with foreign jurisdictions.

China

Cross-border e-commerce rules, retail imports

The State Council announced revisions to the rules concerning the policy for cross-border e-commerce transactions involving imports of retail goods. The new regulations increase the transition limits and add more taxable items.

India

Reduction in share capital amounts to ‘transfer’ and therefore capital losses are allowed to be set-off

The Bangalore Bench of the Income-tax Appellate Tribunal held that reduction in the share capital of the company amounts to ‘transfer’ of a capital asset under Section 2(47) of the Indian Income Tax Act. Accordingly, the capital loss arising on account of reduction in the share capital of the Indian company is allowed for set-off against capital gains.

Japan

Outline of the 2019 Tax Reform Proposals

The ruling coalition (the Liberal Democratic Party and New Komeito) agreed on the ‘Outline of the 2019 Tax Reform Proposals’ on 14 December 2018.

Transfer pricing proposals focus on hard-to-value intangibles

The ruling coalition on 14 December 2018 agreed to an outline of tax reform proposals that include transfer pricing measures. The proposals are only an outline indicative of the government’s plans for tax reform, and details are expected to be unveiled with the future release of bills, cabinet orders, and ministerial ordinances. The final version of Tax reform could differ from these proposals



Calendar of events

Date	Event	Location
14 January 2019	Special Dialogue with Lembaga Hasil Dalam Negeri Contacts: Mr Koh Yih Lik (Kyle) & Ms Alya Afdlin AhmadFuad (Alya)	One World Hotel, Petaling Jaya, Malaysia
18 January 2019	Employer Tax & CPF Reporting Workshop Contacts: Sharon Ting	Hilton Singapore, 581 Orchard Road, Singapore 238883
18 January 2019	Tax Reimagined: a revolutionary approach to managing and transforming tax functions Contacts: KPMG China Market Services	The Hong Kong Bankers Club, 43/F, Gloucester Tower, 11 Pedder Street, The Landmark, Central, Hong Kong



Beyond Asia Pacific

[Greece: Corporate tax rate reduction, other measures for 2019](#)

The corporate income tax rate for most corporations (except for credit institutions) will be reduced up to 25% by year 2022 under a phased-in schedule. However, The corporate income tax rate for credit institutions will remain at 29% for these tax years.

[US: Final regulations: Tax-exempt private activity bonds, “public approval requirement”](#)

The U.S. Treasury Department and IRS today released for publication in the Federal Register final regulations (T.D. 9845) concerning the public approval requirement for tax-exempt private activity bonds issued by state and local governments.



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

Asia Pacific Tax Centre Leader, Regional Tax Partner



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

Service Line Specialists

Transfer Pricing Services



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

Indirect Tax Services



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

Research & Development (R&D) Tax Incentives



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



KPMG Asia Pacific Tax Centre Contacts

Global Compliance Management Services and Financial Services



Jenny Clarke
Asia Pacific Regional Leader,
Global Compliance
Management Services and
Financial Services
KPMG Australia
T : +61 2 9335 7213
E : jeclarke@kpmg.com.au

Global Mobility Services



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

International Tax



Christopher Xing
Asia Pacific Regional Leader,
International Tax
KPMG China
T : +8610 8508 7072
E : christopher.xing@kpmg.com

Deal Advisory M&A Tax



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

Dispute Resolution and Controversy



Angela Wood
Asia Pacific Regional Leader,
Dispute Resolution and
Controversy
KPMG Australia
T : +61 3 9288 6408
E : angelawood@kpmg.com.au

Legal Services



Stuart Fuller
Asia Pacific Regional Leader,
Legal Services
KPMG Australia
T : +61 2 9458 1590
E : stuartfuller@kpmg.com.au

Trade & Customs



Leonie Ferretter
Asia Pacific Regional Leader,
Trade & Customs Services
KPMG Australia
T : +61 2 9455 9330
E : lferretter@kpmg.com.au



KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Alternative Investments & Private Equity



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

Energy & Natural Resources



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

Sovereign Wealth and Pension Funds



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

Insurance



John Salvaris
Asia Pacific Regional Leader,
Insurance Sector
KPMG Australia
T : +61 3 9288 5744
E : jsalvaris@kpmg.com.au



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