



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[Exports may struggle to take flight under new aviation reforms](#)

Due to the ever increasing need to strengthen aviation security, from 1 March 2019 100% piece level screening will be mandatory for all Australian outbound air cargo that does not originate from a 'Known Consignor' holding a Security Declaration. The new aviation reforms that could have a significant impact on Australian exporters.

[Home care services and Consumer Directed Care: how GST applies](#)

The Australian aged care landscape is rapidly changing and the way care services are funded and delivered has undergone transformative changes targeted at improved quality outcomes for consumers and increased funding viability for its expanding aged population.

[Leaving out super on leave loading](#)

The practical issue for many employers is that while leave loading may have historically been provided for these specific circumstances, over the course of time, workplace practices mean leave loading is paid to a broader population of employees. In these circumstances, it may be difficult to demonstrate that leave loading can be distinguished from a general "holiday bonus" and a superannuation guarantee obligation can arise.

[Health insurance for employees' parents, not a supply of services](#)

India's Authority for Advance Ruling, Maharashtra concluded that because the taxpayer was not in the business of providing insurance services, the reimbursement of expenses attributable to the health insurance of employees' parents was not a supply of services.

[Input tax credit denial, implications for price increase](#)

India's national authority with jurisdiction over anti-profiteering rules issued an order that a company can increase its prices only to the extent of a denied input tax credit. Any price increase above the amount of the denied input tax credit would be deemed to be a denial of the benefit of a tax reduction.

[Kerala budget proposal for "calamity cess"](#)

The state budget for Kerala, presented 31 January 2019, includes a proposal for a "flood cess" that would apply for a two-year period.

[Tax proposals in interim budget 2019](#)

The interim budget 2019 includes:

- Direct tax proposals
- Tax proposals for individuals
- Stamp tax proposals

[Tax sparing credit under India-Thailand tax treaty with respect to dividend income](#)

The Delhi Bench of the Income-tax Appellate Tribunal observed that concept of a "tax sparing credit" (a credit in the resident country for taxes "spared" in the source country under an incentive program of the source country) applied in the taxpayer's situation - but only if the dividend income received by taxpayer was taxable to the taxpayer under the tax laws of Thailand and an exemption from tax was available to the taxpayer under Thai tax law. Only then could the taxpayer claim a credit of such taxes in Thailand.

Korea

[Effects of BEPS multilateral instrument \(MLI\) on tax treaties](#)

Singapore in late December 2018 deposited with the OECD its instrument of ratification of the multilateral instrument (MLI) addressing base erosion and profit shifting (BEPS) by allowing jurisdictions to amend their tax treaties to include tax treaty-related BEPS recommendations.

[Tax amendments reflecting transfer pricing standards](#)

The Ministry of the Economy and Finance announced 21 amendments to the "enforcement decrees" for implementing the tax laws.

[Tax law changes, amendments reflected in "enforcement decrees"](#)

The Ministry of the Economy and Finance announced 21 amendments to the "enforcement decrees" for implementing changes to the tax law as passed by the National Assembly in December 2018.

Philippines

[Extended deadline for "alphalist" of employees, payees \(withholding taxes\)](#)

The Bureau of Internal Revenue (BIR) issued a tax advisory guidance item in late January 2019, announcing that the deadline for submission of the alphabetical list of employees or payees from whom taxes were withheld (the "alphalist") as part of the filing of the annual information return has been extended to 15 February 2019. The original due date for filing the alphalist was 31 January 2019.

[Special InTAX: Let's Get on the TRAIN \(Tax Alert 28\)](#)

BIR issued Revenue Memorandum Circular (RMC) No. 17-2019, 23 January 2019, circularizing the availability of the New BIR Form No. 1701A. The new return shall be used by the Individuals Earning Income purely from Business/Profession, who are under the graduated income tax with Optional Standard Deduction as mode of deductions OR those who opted to avail of the 8% flat income tax rate, in filing the annual income tax return and paying the income tax due starting the year 2018 which is due on or before 15 April 2019.

[Tax Amnesty: A Welcome Christmas Bonus](#)

KPMG in Philippines, brings an overview of the discussions involving the Tax Amnesty in Philippines.

Singapore

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Thought Leadership

Taxation of the Digital Economy: What multinationals should know about recent OECD, EU, and country-specific developments

KPMG Asia Pacific Tax Centre is pleased to invite you to a TaxWatch webcast discussing recent developments concerning the taxation of the digital economy. The Organisation for Economic Co-operation and Development (OECD), the European Union (EU), and several jurisdictions have recently been active concerning the tax challenges presented by the digitalization of the economy.



Calendar of events

Date	Event	Location
27 February 2019	KPMG Singapore Budget 2019 Seminar Contact: Mr. Fidelis Pang	Singapore Marriott Tang Plaza Hotel



Beyond Asia Pacific

[EU: “VAT quick fixes” to simplify international trade \(effective 2020\)](#)

The European Council formally approved proposals for four “quick fixes” concerning value added tax (VAT) to simplify international trade. The “VAT quick fixes” will be effective beginning 1 January 2020, and will be expected to have considerable implications for businesses trading in international goods.

[KPMG report: Year-in-review list of U.S. federal tax developments for 2018](#)

KPMG LLP has compiled an easy-to-use list of many recent U.S. federal tax developments that can help users quickly identify what happened in 2018 in the federal tax arena.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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