



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 20 June 2019



Asia Pacific Tax Developments

Australia

[Does a parent company centrally manage and control its special purpose subsidiary?](#)

KPMG Australia review a recent UK decision in the Upper Tier Tribunal that considers the locus of central management and control of special purpose subsidiary companies.

[The Multilateral Instrument and tax treaties – an update](#)

KPMG Australia provides an update on the Australian tax treaties impacted by the Multilateral Instrument, what synthesised texts are and the treaties the Australian Taxation Office has prepared these for.

India

[Fees for executive search are not taxable as FTS or royalty under the India-Netherlands tax treaty](#)

The Mumbai Bench of the Income-tax Appellate Tribunal (The Tribunal), dealt with the issue of taxability of fees for executive search services and held that such fees are distinct from license fees (which are taxed as royalty income) and it cannot be taxed as Fees for technical Services or royalty under the India Netherlands Tax Treaty.

[India - Plans for transitioning to new, simplified GST returns](#)

The Indian government announced a plan for transitioning to a new, simplified goods and services tax (GST) return. A prototype of the new GST return was released in May 2019.

[Section 56\(2\)\(viib\) of the Income-tax Act is not applicable to a stepdown subsidiary of a listed company](#)

The Hyderabad Bench of the Tribunal dealt with the issue of taxability of share premium on allotment of shares and held that since the taxpayer is a step-down subsidiary of a listed company, provisions of Section 56(2)(viib) of the Act are not applicable. Further, since taxability of Share premium is covered under the specific provisions of Section 56(2)(viib) of the Act, the provision of Section 56(1) of the Act will not apply.

[Union Cabinet approves ratification of MLI](#)

India's Union Cabinet, according to a 12 June 2019 press release, approved the ratification of the multilateral convention or instrument (MLI) to implement tax treaty-related measures.

Korea

[Revised regulations for implementing AEOI under CRS](#)

Revised regulations for implementing the automatic exchange of financial information (AEOI) under the common reporting standard (CRS) regime have been issued in South Korea.

Pakistan

[Pakistan: Budget 2019, direct and indirect tax proposals](#)

The budget 2019 contains measures that are expected to be included in the Finance Bill 2019 and that relate to direct and indirect taxes and certain other fiscal laws.

[Pakistan - Proposal for new penalties under CRS](#)

In the Finance Bill, 2019 released this week, the government of Pakistan seeks to introduce new penalties for offshore tax evasion and for a failure to furnish information required under the CRS regime.

Singapore

[IRAS publishes Guidelines for Commodity Marketing and Trading Companies](#)

In May 2019, the Inland Revenue Authority of Singapore (IRAS) released the e-Tax Guide (Guidelines) for Commodity Marketing and Trading Activities. The release follows a consultation process between IRAS and taxpayers over the past few years.

[Transfer pricing guidelines for commodity marketing and trading companies](#)

The IRAS released guidelines—"Transfer Pricing Guidelines Special Topic – Commodity Marketing and Trading Activities" (First Edition)—for commodity marketing and trading activities. The release of the guidelines follows a two-year consultation process.



Significant International Tax Developments

[OECD: Transfer pricing country profiles for Chile, Finland, Italy](#)

The Organisation for Economic Cooperation and Development (OECD) announced the release of transfer pricing country profiles for Chile, Finland, and Italy. The OECD also updated information in the transfer pricing profiles for Colombia and Israel.



Calendar of events

Date	Event	Location
27 June 2019	KPMG Capital Markets: How to use IT tools to improve due diligence process Contact: Phoebe Tsang	KPMG Office, 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong

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Beyond Asia Pacific

[Ireland: VAT treatment of activities of public bodies, certain vouchers](#)

Irish Revenue's Tax and Duty Manual includes updates concerning value added tax (VAT).

[Kenya: Indirect tax measures proposed in 2019 budget](#)

The Finance Bill, 2019 and various legal notices containing the budget proposals were submitted to the parliament on 13 June 2019.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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