



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 16 August 2019



Asia Pacific Tax Developments

Australia

[ATO official outlines transfer pricing areas of focus](#)

The Australian Taxation Office (ATO) released the Second Commissioner's remarks in an address presented at the Tax Institute's National Transfer Pricing Conference held in Sydney.

[Effect of MLI on taxpayers operating in multiple jurisdictions](#)

Taxpayers need to consider avoiding "tie-breakers" in the event of an Australian multinational group that operates in a country subject to the Multilateral Instrument (MLI).

[High Court decision on Legal Professional Privilege](#)

The High Court delivered a unanimous judgment in proceedings regarding legal professional privilege (LPP) and rejected the applicant's application for an injunction.

China

[Incentives for attracting, retaining foreign talent](#)

New guidance from China's immigration agency includes provisions aimed at attracting and retaining "foreign talent." The new measures have a 1 August 2019 effective date.

India

[CBDT clarification with respect to assessment of start-up companies involving application of Section 56\(2\)\(viib\)](#)

The Central Board of Direct Taxes issued a circular with regard to the tax treatment of "angel investments" in start-up companies.

[Payments to foreign entities for training of pilots and crews are not taxable in India](#)

The Bangalore Bench of the Income-tax Appellate Tribunal held that payments made by an Indian airline company to foreign entities for training its pilots and cockpit crews outside India were not taxable as royalties under the Income-tax Act, 1961 or under applicable income tax treaties.

[Withholding tax certificate directing Indian entities to deduct tax at a higher rate without giving valid reasons is unsustainable in law](#)

The Delhi High Court held that a withholding certificate that directs Indian entities to withhold tax at a higher rate on payments made to the taxpayer was contrary to requirement provided by the Income-tax Act, 1961 and regulations.

Taiwan

[Updated FAQs provide CRS guidance](#)

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

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Significant International Tax Developments

[OECD: “Stage 2” peer review of tax dispute resolution \(MAP\) \(BEPS Action 14\)](#)

The Organisation for Economic Cooperation and Development (OECD) announced the first round of “stage 2” peer-review monitoring reports concerning the follow-up of recommendations resulting from the “stage 1” peer-review reports.



Beyond Asia Pacific

[Poland: New program for cooperation between taxpayers and tax administration](#)

A draft law, proposed in late July 2019, concerns settlement of disputes regarding double taxation and with respect to advance pricing agreements and would introduce a new mechanism for cooperation between taxpayers and the national tax administration.

[United States: IRS to waive estimated tax penalty automatically for 2018](#)

The IRS issued a release announcing that it is automatically waiving the estimated tax penalty for eligible individual taxpayers (estimated to be approximately 400,000 persons) who had already filed their 2018 federal income tax returns but did not claim the penalty waiver.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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