



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 12 September 2019



## Asia Pacific Tax Developments

### Australia

#### [Draft religious discrimination legislation released](#)

KPMG Australia looks at the exposure draft of the Religious Discrimination Bill 2019 which has been released for public comment.

#### [FBT changes more than just a 'remote' possibility](#)

KPMG Australia discuss why employers should consider these proposed changes before developing remuneration policies.

#### [Time for the zone tax offset to go](#)

The zone tax offset, claimed by almost half a million Australians, will be scrapped if the recommendations of the Australian Government Productivity Commission are implemented.

### China

#### [Customs Policy Update - for the Period of August 2019](#)

This article provides a monthly update of customs policies and views on the opportunities and challenges in customs policy.



## [Rules of origin, updates to ASEAN-China free trade agreement](#)

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Guidance issued in August 2019 by China's General Administration of Customs concerns the ASEAN-China free trade agreement and the rules for country of origin of imported and exported goods.

## India

### [Conversion of a company into LLP amounts to 'transfer' under the Income-tax Act and shareholders are liable to capital gains tax on receipt of partnership interest upon such conversion](#)

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The Authority for Advance Rulings held that the conversion of the company into Limited Liability Partnership amounts to transfer within the meaning of Section 2(47) of the Income tax Act, 1961 and should be liable to tax on capital gains.

### [Section 56\(2\)\(ix\) of the Income-tax Act is not applicable to the forfeiture of application money on the issue of debentures](#)

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The Delhi Bench of the Income-tax Appellate Tribunal held that forfeiture of application money on Fully Convertible Debentures is not on account of transfer of capital asset and hence not taxable as 'income from other sources' under Section 56(2)(ix) of the Income Tax Act, 1961.

### [Japan releases synthesised text for the application of the Japan-India tax treaty as modified by the MLI](#)

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The Government of Japan has released the synthesised text for the application of the tax treaty between of Japan and India as modified by the Multilateral Convention to implement tax treaty related measures to prevent Base Erosion and Profit Shifting.

### [Payment to a foreign company for supply of designs and drawings is not taxable as royalty](#)

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The Punjab and Haryana High Court held that a payment to a foreign company for supply of designs, drawings and specification was not taxable as royalty and thus it was not liable for deduction of tax at source.

## [Companies name once struck off from the ROC records cannot be restored since the tax department had not raised any tax demand nor passed any assessment order prior to the ROC order](#)

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The National Company Law Appellate Tribunal held that companies name once struck off from the Register of Companies (ROC) will not be restored since the tax department did not raise any tax demand nor passed any assessment order prior to passing of the order by ROC.

## Japan

### [Amended Japan-US Tax Treaty](#)

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The instruments of ratification for the protocol to amend the existing Japan-US tax treaty (Protocol) were exchanged between the two governments and entered into force on 30 August 2019.

## Singapore

### [Offshore Economic Substance Rules](#)

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In this issue, you will be provided with an overview of the offshore economic substance requirements recently introduced by a number of low or no tax jurisdictions.

## Vietnam

### [New rules for foreign exchange control, foreign direct investments](#)

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Guidance issued by Vietnam's state bank concerning foreign direct investment is effective 6 September 2019.



## Beyond Asia Pacific

### [EU: “VAT mini one stop shop” statistics; telecommunications, broadcasting, electronic services](#)

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The EU’s “VAT mini one stop shop”—introduced in 2015—is the system for collecting and transmitting value added tax (VAT) for telecommunications, broadcasting, and electronic services supplied to final consumers across the 28 EU countries.

### [South Africa: Changes to tax clearance certificate process](#)

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The South African Revenue Service (SARS) announced it will no longer be issuing printed (hardcopy) of tax clearance certificates.



## Calendar of Events

Date	Event	Location
19 September 2019	<a href="#">The Future of Global Mobility</a> Contact: <a href="#">Phoebe Tsang</a>	KPMG Office, 23rd Floor, Hysan Place, 500 Hennessy Road, Causeway Bay, Hong Kong



## TaxNewsFlash by region

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



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