



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[ATO guidance: Deductible liabilities in mergers and acquisitions](#)

The Australian Taxation Office (ATO) view in TD 2019/D11 confirms that any deductible liabilities that are assumed by the purchaser of an asset, are not included in the CGT cost base of the asset. This latest draft ruling is consistent with the acquisition of subsidiary scenarios under tax consolidation.

[GST collection by offshore providers of hotel room sales](#)

The ATO announced that offshore sellers of Australian commercial accommodation need to add goods and services tax (GST) when selling Australian-based accommodation, when these sales exceed AUD 75,000 in a 12-month period.

India

[Circular update on Sabka Vishwas \(Legacy Dispute Resolution\) Scheme, 2019 \(SVLDRS\)](#)

The Central Board of Indirect Taxes and Customs vide Circular No.1073/06/2019,CX have issued clarifications in relation to certain issues raised by trade bodies and field formations on the SVLDRS.



India-USA Trade Dispute on Export Subsidies

The World Trade Organisation (WTO) dispute settlement panel has held that India's export promotion schemes prescribed under the Foreign Trade Policy, violate WTO rules. This is a significant update for exporters from India availing benefits under export promotion schemes.

Pension Fund Regulatory and Development Authority (PFRDA) has decided to permit Overseas Citizen of India (OCI) to enroll in National Pension System at par with Non-Resident Indian (NRIs)

The PFRDA has issued a circular with regards to permit the enrolment of OCI category in NPS at par with NRIs

Transition of Education cess, Secondary & Higher education cess and Krishi Kalyan Cess into GST is allowed – Madras High Court

Madras High Court has recently held that accumulated credits of cesses cannot be said to have been wiped out unless there is a specific order under which it lapses. Accordingly, transition of accumulated credit of cesses into GST regime is allowed.

Indonesia

VAT and duty relief for certain imports of goods

Guidance issued by the Ministry of Finance clarifies the rules regarding “tax facilities”—that is, relief provided as import duty exemptions or reductions and value added tax (VAT) exemptions for imports of certain goods—under certain contracts.



Significant International Tax Developments

OECD: Guidance on spontaneous exchange by no-tax, nominal-tax jurisdictions

The Organisation for Economic Cooperation and Development (OECD) issued a release concerning a new “substantial activities standard” for no-tax or nominal-tax jurisdictions. The new standard requires these jurisdictions to spontaneously exchange information on the activities of certain resident entities with the jurisdiction(s) where the immediate parent, the ultimate parent, and/or the beneficial owners are resident.

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[OECD: More guidance on country-by-country reporting, MNE groups](#)

The OECD released additional interpretative guidance for implementation and operation of country-by-country (CbC) reporting pursuant to base erosion and profit shifting (BEPS) Action 13.



Calendar of events

Date	Event	Location
26 November 2019	2019 KPMG China Annual Tax Update Conference	Beijing



Beyond Asia Pacific

[Mexico: Update on tax reform for 2020](#)

Mexico's Congress on 31 October 2019 approved the tax legislation for 2020—legislation that includes amendments to the income tax law, value added tax (VAT) law, and the special tax on production and services, among other items.

[South Africa: Collective investment schemes in securities, return of capital](#)

For income tax purposes, a collective investment scheme in securities (CISS) must distribute any income that it receives or that accrues to it, to unit holders within 12 months in order for that CISS to avoid being taxed on the income.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax



David Linke
Head of Tax & Legal,
KPMG Asia Pacific
T : +61 29335 7695
E : davidlinke@kpmg.com.au

Asia Pacific Tax Centre Leader, Regional Tax Partner



Brahma D Sharma
Chief Operating Officer, Tax & Legal
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 International
T : +61 2 9335 8851
E : tgorgas@kpmg.com.au

Research & Development (R&D) Tax Incentives



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

Indirect Tax Services



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

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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 International
T : +61 2 9335 7213
E : jeclarke@kpmg.com.au

Global Mobility Services



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

International Tax



Christopher Xing
Asia Pacific Regional Leader,
International Tax
KPMG International
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 International
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 International
T : +61 3 9288 6408
E : angelawood@kpmg.com.au

Legal Services



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

Trade & Customs



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

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KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Energy & Natural Resources



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

Insurance



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

Sovereign Wealth and Pension Funds



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



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