



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 10 September 2020



## Asia Pacific Tax Developments

### Australia

#### [ATO clarification of hybrid mismatch rules](#)

The Australian Taxation Office (ATO) updated guidance concerning the hybrid mismatch rules after Treasury Laws Amendment (2020 Measures No.2) Act 2020 received Royal Assent.

#### [Fair Work Act amended under JobKeeper 2.0](#)

As part of the Federal Government's *Coronavirus Economic Response Package Amendment Act 2020*, a number of new amendments have been made to the Fair Work Act 2009 .

#### [JobKeeper payment not counted as part of aggregated turnover \(COVID-19\)](#)

The ATO clarified for employers that JobKeeper payments do not need to be included in aggregated turnover of the taxpayer entities.

#### [Land tax relief in South Australia, six-month extension \(COVID-19\)](#)

The South Australian government announced a six-month extension of the land tax relief measures provided for residential and commercial landlords affected by restrictions in response to the coronavirus (COVID-19) pandemic restrictions.



# Cambodia

## [Revision of Entry Requirements for Foreign Travelers to Cambodia](#)

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Ministry of Health announced the entry of foreign travelers to Cambodia is subject to a sponsorship mechanism.

# China

## [Tax administration Q&As on permanent establishment and tax residence rules \(COVID-19\)](#)

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The State Taxation Administration issued a set of “questions and answers” (Q&As) as guidance intended to clarify how the permanent establishment and tax residence rules will be applied in the context of the COVID-19 pandemic and the resulting disruptions to cross-border travel. These Q&A clarifications are of use to foreign businesses in assessing and limiting their China tax exposures.

# India

## [Testing and certification services are taxable as FTS unless such services are not made available as prescribed under a relevant tax treaty](#)

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The Delhi Bench of the Tribunal in a case concerning the tax treatment of testing and certification services provided by foreign entities (located in the United States, the Netherlands, China, and Germany) held that services provided to Netherlands and US should not be taxable as Fees for technical services as ‘make available’ condition as per the tax treaty is not satisfied. However, payment for such services made to Germany and China are taxable in India. Further the Tribunal also held that the payment of non-compete fees are capital expenditure on which depreciation is not available.

## [The AAR has correctly accepted the application since no question was pending upon issuance of a mere pre-printed scrutiny notice by the tax department under Section 143\(2\) of the Income-tax Act](#)

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The Delhi High Court in the case of CIT v. Authority for Advance Rulings has dismissed the writ petition filed by the tax department against the Authority for Advance Rulings (AAR)'s acceptance of application where scrutiny notice under Section 143(2) of the Income-tax Act, 1961 was issued to the taxpayer.

# Japan

## [Cabinet orders, local tax under Japanese group relief system](#)

The cabinet orders relating to local tax for purposes of the Japanese group relief system have been published in the official gazette.

# Singapore

## [FATCA regulations effective 2021; FAQs on CRS regime](#)

The Inland Revenue Authority of Singapore (IRAS) in late August 2020 promulgated FATCA regulations—the Income Tax (International Tax Compliance Agreements) (United States of America) Regulations—that will be effective from 1 January 2021.



## Calendar of events

Date	Event	Location
11 September 2020	<a href="#">Individual Tax Incentives and Workforce Planning in GBA</a> Contact: <a href="#">Noiz Chu</a>	Webinar
15 September 2020	<a href="#">Asset Management Series: The Limited Partnership Fund Regime</a> Contact: <a href="#">Wing Cheung</a>	Webinar



## Beyond Asia Pacific

### [Canada: Extended tax-residency and permanent establishment relief \(COVID-19\)](#)

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The Canada Revenue Agency (CRA) further extended the time for relief provided in response to cross-border tax issues arising from the imposition of travel restrictions that were imposed in response to the COVID-19 pandemic.

### [Poland: Proposed changes to corporate, individual income tax laws](#)

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A draft bill was added on 4 September 2020 to the legislative agenda. The draft bill would amend the corporate income tax and individual (personal) income tax laws as well as the flat-rate income tax for certain revenues of natural persons.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



# 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](mailto: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](mailto: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](mailto:tgorgas@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](mailto:lachlan.wolfers@kpmg.com)



# 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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto:arwilson@kpmg.com.au)



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