



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 19 November 2020



Asia Pacific Tax Developments

Australia

[Designing workforce systems for success - Payroll transformation](#)

Payroll transformations present an opportunity for organisations to re-imagine the way they engage with their workforce.

[Tax measures in New South Wales budget for 2020-2021](#)

The New South Wales budget for 2020-2021 has a strong focus on job creation, as well as proposals to introduce certain major tax reform measures.

[Transfer pricing arrangements and JobKeeper payments, updated guidance \(COVID-19\)](#)

The Australian Taxation Office ATO released updated information addressing the treatment of JobKeeper payments in transfer pricing arrangements.

China

[China Suspends Foreigner Entry Visas and Residence Permits for Second Time](#)

In response to the recent global rebound in COVID-19 cases, the Chinese government has implemented several temporary measures to contain the spread of the epidemic. Several Chinese embassies have issued a notice suspending entry of foreigners holding Chinese visas, residence permits, and certain other valid visas from certain countries.

[Regional Comprehensive Economic Partnership – impacts for China and the Asia Pacific region](#)

15 countries have joined together to sign the largest ever free trade agreement, known as the Regional Comprehensive Economic Partnership (“RCEP”). RCEP may be considered as a framework for facilitating free and more streamlined trade arrangements between RCEP countries.

[The STA released the 2019 Advance Pricing Arrangement Annual Report](#)

The China Advance Pricing Arrangement Annual Report (2019) recapitulates the progress of the APA program in China, and at the same time highlights the determination of the State Taxation Administration to steadily promote the APA program and to improve the quality of the tax authorities’ services to taxpayers.

India

[Certain taxpayers must issue e-invoices beginning in 2021](#)

Central Board of Indirect Taxes and Customs (CBIC) announced that effective 1 January 2021, taxpayers with turnover in excess of INR 100 crore must issue electronic invoices (e-invoices).

[India Tax Konnect - October 2020](#)

This publication talks about the direct and indirect tax schemes in India.

[Union Cabinet approves Production Linked Incentive Scheme to promote domestic manufacturing of Pharmaceutical Drugs](#)

With an aim to incentivize the global and domestic players to engage in high value production of pharmaceutical drugs, the Union Cabinet has approved Production Linked Incentive Scheme (PLIS) . The PLIS proposes to grant financial assistance to the tune of INR 15000 crore (USD2 2000 million approx.).

[Union Cabinet approves Production Linked Incentive Scheme to promote domestic manufacturing of Specialty Steel](#)

With an aim to make India the largest exporter by enhancing the manufacturing capability of value-added steel, the Union Cabinet has approved a Production Linked Incentive Scheme ('PLIS') . The PLIS proposes to grant financial assistance to the tune of USD 2,000 million approx.

Malaysia

[Budget 2021 - Tax relief on medical treatment for serious illness](#)

The government's announcement on expanding the scope for tax relief limit for medical treatment for serious illnesses would be increased from RM6,000 to RM8,000 for the individual taxpayer, spouse and child has eased many rakyat's burden especially in the face of the current situation.

[Finance Bill 2020](#)

The highlights of the Finance Bill 2020 covering proposed amendments are Income Tax Act 1967, Labuan Business Activity Tax Act 1990, Real Property Gains Tax Act 1976, Stamp Act 1949 and Petroleum (Income Tax) Act 1967.

[Tax measures in budget for 2021](#)

Tax measures proposed in the 2021 budget include a tax incentive for "global trading centres" of a 10% income tax rate for five years and renewable for an additional five years, extension of the "principal hub" incentive for an additional two years and a lot more.

Singapore

[BEPS 2.0 OECD Blueprint on Pillar One and Pillar Two – October 2020](#)

The Organisation for Economic Co-operation and Development (OECD) in cooperation with the G20 released their latest reports addressing Tax Challenges Arising from Digitalisation as well as a Public Consultation Document calling for submissions by Monday 14 December 2020.

Sri Lanka

[Tax proposals in 2021 budget](#)

The 2021 budget proposes certain tax concessions (tax holidays for a period of years) for qualifying investments in export, dairy, fabric, agricultural, shipbuilding, recycling business sectors and for information technology. Other concessions are proposed for multinational entities, with a 25% reduction in tax on dividends in 2021 and a 50% reduction in 2023.

Thailand

[Income and expense recognition for financial businesses](#)

The Thai Revenue Department issued Departmental Regulation No. *Taw.Paw. 329/2563* to amend the rules for revenue and expense recognition for businesses in the banking, finance, securities, and credit sectors.

[New transfer pricing regulation](#)

The Minister of Finance issued Ministerial Regulation No. 369 that essentially prescribes certain rules, conditions, and methods for tax officers of the Thai Revenue Department to assess or adjust the income and expenses of taxpayers that engage in related-party transactions but that do not comply with arm's length principles—in particular, for those that result in the undue transfer of profits between related parties.



Significant International Tax Developments

[Report of MAP statistics for 2019](#)

The Organisation for Economic Cooperation and Development (OECD) released the most recent mutual agreement procedure (MAP) statistics covering 105 jurisdictions and almost all MAP cases worldwide.



Calendar of events

Date	Event	Location
27 November 2020	KPMG People Services ASPAC Webinar Series Contact: Phoebe Tsang	Webinar



Beyond Asia Pacific

[Mauritius: Tax relief allows deferral of tax payments](#)

The Mauritius Revenue Authority in an effort to assist taxpayers and employers improve their cash flow announced that tax payments under the advance payment system and the current payment system will be deferred and the tax arrears settlement scheme will be renewed to provide for full or 80% waiver of penalties and interests on all tax arrears due.

[Russia: New regime for paying individual income tax on CFC profits](#)

The tax law of the Russian Federation has been amended to allow individuals who are controlling persons of foreign companies (CFCs) to pay individual income tax not based on the actual profit of each CFC, but based on a fixed amount of profit of all CFCs, regardless how many there are.



TaxNewsFlash by region

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[Americas](#)

[Europe](#)

[United States](#)



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