



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 1 July 2021



## Asia Pacific Tax Developments

### Australia

#### [ATO revises guidance on tax treatment of software royalties](#)

The Australian Taxation Office released a draft ruling dealing with the circumstances when a payment made in connection with the licensing and distribution of software is a royalty for Australian income tax (including royalty withholding tax) purposes.

### India

#### [Set-off of brought forward business loss of earlier years is allowed against income from capital gains](#)

The Karnataka High Court has held that the taxpayer was entitled to set-off brought forward loss of earlier years against income which has the attributes of business income even though the same is assessable to tax under a head other than profits and gains from business.

#### [Tax deadlines further extended \(COVID-19\)](#)

The Central Board of Direct Taxes issued various notices and circulars that reflect further extensions of certain tax related deadlines—measures that are offered as relief in response to the COVID-19 pandemic.



## [The Mumbai Tribunal refers an issue of eligibility of lower tax treaty rate on dividend over DDT rate to the Special Bench](#)

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The Mumbai Bench of the Income-tax Appellate Tribunal (the Tribunal) in the case of Total Oil India Pvt Ltd dealt with the issue of eligibility of lower tax treaty rate on dividend for Dividend Distribution Tax (DDT) under Section 115-O of the Income-tax Act, 1961 (the Act).

## [CBDT introduces functionality to ascertain specified persons for the applicability of higher rates of TDS/TCS for non-filing of tax returns](#)

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The Finance Act, 2021 introduced two new provisions, Section 206AB and Section 206CCA in the Act. It provides for higher tax deduction/collection in case the payment to be made/received from a 'specified person' who has not filed his tax returns for last two years and total amount of TDS/TCS deducted/collected from such person in a previous financial year exceeds INR 50,000.

## [Write-off of investment in loss making overseas subsidiaries is allowed as business loss](#)

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The Mumbai Bench of the Tribunal in the case of Maneesh Pharmaceuticals Ltd held that write-off of investment in loss making overseas subsidiaries is allowed as business loss since the investments were made out of commercial expediency and in furtherance of taxpayer's business.

# Malaysia

## [Clarification of extended service tax relief for hotels, accommodation operators \(COVID-19\)](#)

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A temporary exemption from service tax allowed accommodation operators (hotels, inns, lodging houses, service apartments, homestays and any other similar establishments) has been extended through 31 December 2021.

# Singapore

## [Updated guidance, FAQs on income tax treatment of foreign exchange gains, losses](#)

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The Inland Revenue Authority of Singapore updated its guidance regarding the income tax treatment of foreign exchange gains and losses for business taxpayers.

## [GST implications of common transfer pricing adjustments](#)

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Inland Revenue Authority of Singapore updated its guidance to clarify the GST treatment of transfer pricing adjustments

# Thailand

## [Tax Measures to Support Human Resource Development for Industry 4.0 and the Relocation of Production Bases \(Thailand Plus Package\)](#)

The Cabinet approved the principles of four draft Royal Decrees issued under the Revenue Code regarding tax measures to support human resource development for Industry 4.0, and to extend tax benefits provided for the 'Thailand Plus Package'.



## Calendar of events

| Date         | Event  | Location |
|--------------|--|----------|
| 5 July 2021  | <a href="#">What does Global Minimum Tax Rate mean for Singapore REITs?</a>                      | Webinar  |
| 7 July 2021  | <a href="#">The Rise of Philanthropy in Asia</a><br>Contact: <a href="#">Desley Tan</a>          | Webinar  |
| 13 July 2021 | <a href="#">From Business Challenges to Tax Challenges</a><br>Contact: <a href="#">Tax Event</a> | Webinar  |
| 15 July 2021 | <a href="#">KPMG Global Mobility Services ASPAC Webinar Series</a>                               | Webinar  |



## Beyond Asia Pacific

### [Brazil: Second phase of tax reform proposals are outlined](#)

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Officials of the Brazilian government during a press conference presented the initial text of the second phase of the tax reform project.

### [Ukraine: Income tax and VAT implications of intra-group services](#)

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Companies receiving intra-group services need to consider certain income tax or value added tax (VAT) aspects.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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