



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 12 August 2021



Asia Pacific Tax Developments

Australia

[Legislation enacted, tax treatment of economic response payments \(COVID-19\)](#)

Legislation that deals with the tax treatment of federal government coronavirus (COVID-19) economic response payments for business and individuals received Royal Assent.

China

[China Customs streamlines penalty provisions](#)

China Customs has issued a revised regulation on handling procedures for cases that are subject to administrative penalty. The revised regulation sets out a new penalty system for minor tax offences. This builds on and formalizes existing procedures.

[Tariff exemption for imported materials processed in Hainan Yangpu Bonded Zone for domestic sales](#)

The General Administration of Customs issued new guidance concerning a preferential measure under which imported goods that are processed further in the Hainan Yangpu Bonded Zone are exempt from import tariff when they are then further sold to other areas in China as domestic sales.

Hong Kong (SAR), China

[The IRD's guidance on certain tax issues arising from COVID-19](#)

The Inland Revenue Department (IRD) issued guidance examining certain tax issues arising from the COVID-19 pandemic. The guidance outlines the IRD's general views relating to the tax residence of companies and individuals, permanent establishment, employment income of cross-border employees and transfer pricing.

India

[India Tax Connect](#)

KPMG in India published July edition of India Tax Connect. The document covers all the latest tax developments in the country.

[CBDT extends due dates for electronic filing of certain Income Tax forms](#)

The government has launched a new e-filing portal with an aim to make e-filing process easy for taxpayers. However, there are technical glitches in the portal which are giving a tough time to taxpayers since most of the tasks on the website are not working adequately.

[Government proposes to withdraw the retrospective application of 'indirect transfer' related provisions and make it prospective in nature](#)

The government has introduced the Taxation Laws (Amendment) Bill 2021 (the Bill) in the Lok Sabha and proposed to withdraw retrospective amendments relating to 'indirect transfer' taxation. The Bill also proposed to amend provisions with respect to validation of demand.

[India: Authorized economic operator \(AEO\) renewal](#)

The Central Board of Indirect Taxes and Customs issued a circular to allow for continuous authorized economic operator (AEO) certification and for automatic renewal for AEO-T1 entities.

Malaysia

[Sales tax exemption](#)

The Malaysian authorities updated information with regards to the sales tax exemption.

Vietnam

[Updated FATCA guidance](#)

The State Bank of Vietnam issued guidance for certain credit institutions and foreign branch banks with respect to the FATCA regime.



Calendar of events

Date	Event	Location
5 August 2021 and 12 August 2021	Biden US Tax Reform - Corporate, individual and withholding tax implications Contact: Phoebe Tsang	Webinar
17 August 2021	KPMG Singapore Financial Services Tax Webinar	Webinar
18 August 2021	Transfer Pricing War Stories Contact: KPMG Conference	Webinar
6 September 2021	Managing the Tax Impact on Certain Payments made by Companies to Individuals Contact: Tax Events	Webinar



Beyond Asia Pacific

[South Africa: Proposal to address tax avoidance on wealth transfers to certain trusts by individuals](#)

The 2021 Draft Taxation Laws Amendment Bill includes a proposed amendment for the Income Tax Act, No 58 of 1962 that is intended to enhance the anti-avoidance rule with regard to wealth transfers by individuals making low-interest or interest-free loans, credits or advances to certain connected-person trusts.

[Italy: VAT rules for zero-rating of ocean-going vessels, pleasure boats](#)

The Italian tax authority issued a resolution providing clarifications on the value added tax zero-rating of vessels used on the high seas and of pleasure boats.



TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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