



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 11 November 2021



Asia Pacific Tax Developments

India

[India Tax Konnect](#)

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

[IT support services provided by foreign entities are standard automated services, not taxable as FTS under the Income-tax Act](#)

The Delhi Bench of the Income-tax Appellate Tribunal (the Tribunal) in the case Hitachi Metglas (India) Pvt. Ltd dealt with the issue of taxability of IT support services provided by nonresident entities for standard connectivity and networking services. The Tribunal held that standard automated services received over internet are not taxable as Fees for Technical Services since there is no human intervention in the supply of such services.

[Export commission is not taxable as FTS by invoking MFN clause under the India-France tax treaty](#)

The Delhi Bench of the Tribunal dealt with the issue of taxability of export commission paid to non-resident agent in France. The Tribunal held that export commission paid to agent in France is not taxable as Fee for Technical Services under the India France tax treaty (tax treaty) by invoking the 'Most Favoured Nation' (MFN) clause.

[Taxpayer is eligible for Foreign Tax Credit relating to exempt income in India under the India-Japan tax treaty](#)

The Delhi Bench of the Tribunal in the case of Canon India Pvt. Ltd. dealt with the issue of eligibility of Foreign Tax Credit (FTC) when the taxpayer's income was exempt in India. The Tribunal held that the taxpayer is eligible for FTC on the entire amount of taxes withheld in Japan under the India-Japan tax treaty.



[CBDT prescribes more information to be uploaded in Form 26AS](#)

Central Board of Direct Taxes (CBDT) issued an Order authorising the Director General of Income-tax (Systems) to upload information relating to the multiple sources.

[Subscription fees for online databases and journals are not taxable as royalty under the India-USA tax treaty as well as under the Income-tax Act](#)

The Mumbai Bench of the Tribunal in the case of American Chemical Society dealt with the issue of taxability of income from providing access by subscription to online databases and subscription revenue from online journals. The Tribunal held that such services does not result into transfer of copyright and thus income from such services are not taxable as royalty under Article 12 of India-US tax treaty.

[CBDT guidelines on borrowed funds invested in India by sovereign wealth funds and pension funds](#)

The CBDT has issued guidelines clarifying the term 'indirectly' for the purpose of claim of exemption to sovereign wealth funds and pension funds (specified funds).

[Income from Indian investment by UAE based settlor through a Jersey based Trust is not taxable under the India-UAE tax treaty](#)

The Bombay High Court in the case of Abu Dhabi Investment Authority quashed the Authority for Advance Ruling's (AAR) decision and held that income earned from Indian investment by UAE based settlor through Jersey-based Trust is not taxable in India by virtue of exemption provided under Article 24 of the India-UAE tax treaty.

[Income tax department rolls out new AIS for taxpayers](#)

The Income tax department rolled out the AIS in its portal, which provides a comprehensive view of information to a taxpayer along with a facility to capture online feedback. The AIS is more comprehensive than the Form 26AS as it will contain more information about financial transactions of taxpayers beyond the TDS and TCS transactions.

[India Tax Konnect](#)

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

[CBDT notifies e-Settlement Scheme, 2021](#)

In order to dispose-off the pending settlement applications as on 31 January 2021, the Central Government has constituted Interim Board for Settlement (Interim Board). The taxpayers, in the pending cases, have an option to withdraw their applications within the specified time and intimate the Assessing Officer about such withdrawal.

Malaysia

[Tax proposals in budget for 2022](#)

The Minister of Finance of Malaysia tabled the 2022 budget. No new major taxes were introduced but there were several tax related incentives and proposals in the budget.

Tax measures in Finance Bill 2021

The Finance Bill 2021 incorporates a number of tax-related measures as previously announced in the budget, but also includes other tax-related provisions.

Singapore

Updated FAQs related to FATCA and CRS

The Inland Revenue Authority of Singapore (IRAS) updated a set of “frequently asked questions” (FAQs) concerning the FATCA and common reporting standard (CRS) regimes.

Thailand

Automatic exchange of information (AEOI); actions by financial institutions expected beginning 2022

Financial institutions in Thailand will be required to collect and share financial account and tax information with the Thai Revenue Department in order to comply with the automatic exchange of information (AEOI) requirements set by the Convention on Mutual Administrative Assistance in Tax Matters.



Calendar of events

Date	Event	Location
17 November 2021 – 18 November 2021	Tax and Business Summit	Webinar
22 November 2021 – 23 November 2021	GST Masterclass 2021 Contact : sg-fmbusinessschool@kpmg.com.sg.	Webinar
3 December 2021	ASPAC Digital Economy Indirect Tax Update and Singapore Extended Overseas Vendor Registration Regime	Webinar



Beyond Asia Pacific

[Nigeria: Taxpayer's deposit with FIRS found sufficient for tribunal's jurisdiction](#)

The Tax Appeal Tribunal held that the amount deposited by the taxpayer with the tax administration (Federal Inland Revenue Service or FIRS) satisfied certain statutory prerequisites and was sufficient for the tribunal to commence its substantive hearing of the judicial action.

[Czech Republic: Bill for digital services tax not approved](#)

The Czech Chamber of Deputies did not approve a bill proposing a digital service tax before the end of the parliamentary term. Any proposal for a digital services tax, would have to go through the entire legislative process again if the new government wants to introduce a tax on digital services.



TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax & Legal



Lewis Lu
Head of Tax & Legal
KPMG Asia Pacific
E : lewis.lu@kpmg.com

Global Head of Tax & Legal Clients & Markets Leader



Brahma D Sharma
Global Head of Tax & Legal Clients & Markets
Partner, KPMG Asia Pacific
E : brahmasharma@kpmg.com.sg

Service Line Specialists

Transfer Pricing Services



Tony Gorgas
Transfer Pricing Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : torgas@kpmg.com.au

Indirect Tax Services



Shirley Shen
Indirect Tax Service Leader
KPMG Asia Pacific
Partner, KPMG in Singapore
E : shirleyshen@kpmg.com.sg



KPMG Asia Pacific Tax Centre Contacts

Global Compliance Management Services and Financial Services



Jenny Clarke
Global Compliance Management Services and Financial Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : jeclarke@kpmg.com.au

Global Mobility Services



Ben Travers
Global Mobility Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : btravers1@kpmg.com.au

International Tax



Dean Rolfe
International Tax Services Leader
KPMG Asia Pacific
Partner, KPMG in Singapore
E : deanrolfe@kpmg.com.sg

Deal Advisory M&A Tax



Angus Wilson
Deal Advisory M&A Tax Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : arwilson@kpmg.com.au

Dispute Resolution and Controversy



Lian Seng Soh
Dispute Resolution and Controversy Services Leader
KPMG Asia Pacific
Partner, KPMG Malaysia
E : lsqh@kpmg.com.my

Legal Services



Stuart Fuller
Global Head of Legal Services
Partner, KPMG Australia
E : stuartfuller@kpmg.com.au

Trade & Customs



Leonie Ferretter
Trade & Customs Services Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : lferretter@kpmg.com.au

Tax Policy



Conrad Turley
Tax Policy Services Leader
KPMG Asia Pacific
Partner, KPMG China
E : conrad.turley@kpmg.com



KPMG Asia Pacific Tax Centre Contacts

Market Sector Specialists

Energy & Natural Resources



Carlo Franchina
Energy & Natural Resources Tax
Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : cfranchina@kpmg.com.au

Insurance



John Salvaris
Insurance Tax Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : jsalvaris@kpmg.com.au

Sovereign Wealth and Pension Funds



Angus Wilson
Sovereign Wealth and Pension
Funds Tax Leader
KPMG Asia Pacific
Partner, KPMG Australia
E : arwilson@kpmg.com.au

Asset Management



Darren Bowdern
Asset Management Tax Leader
KPMG Asia Pacific
Partner, KPMG China
E : darren.bowdern@kpmg.com

Banking



John Timpany
Banking Sector Leader
KPMG Asia Pacific
Partner, KPMG China
E : john.timpany@kpmg.com



home.kpmg/asiapacifictaxcentre

home.kpmg/tax

social.kpmg



© 2021 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit home.kpmg/governance

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.