



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[ATO guidance on GST reverse-charge provisions for financial services, insurance](#)

ATO's findings into taxpayer compliance on the reverse-charge provisions within the financial services and insurance sector. In late December 2021, the ATO shared with advisors its findings on one of the key specific industry risks for FSI clients—the GST reverse-charge provisions.

India

[Consideration paid by combined company exceeding net assets is goodwill, eligible for depreciation](#)

The Bangalore Bench of the Income-tax Appellate Tribunal issued a decision concerning the eligibility of a claim of depreciation on goodwill arising from an amalgamation. The tribunal held that the consideration paid by the combined company over and above the net assets of the amalgamating company was to be goodwill arising on amalgamation and eligible for depreciation.

[Clarification of FAQs for U.S. reportable accounts under FATCA](#)

India's tax authority issued a circular clarifying the applicability of "frequently asked questions" (FAQs) 6 and 3, issued by the U.S. tax agency (IRS) regarding U.S. reportable accounts under the FATCA Intergovernmental Agreement (IGA) between the United States and other Model 1 jurisdictions.

[Blocking of electronic credit ledger does not equal seizure of property \(court decision\)](#)

The Bombay High Court has held that blocking an electronic credit ledger under rule 86A of the Central Goods and Services Tax Rules, 2017 is not akin to seizure or attachment of property. The court further held that from the language used in rule 86A, two pre-requisites are to be fulfilled before blocking an electronic credit ledger.



[Revision petition before CIT is maintainable for claims which are not made in the original or revised tax returns and where assessment is completed](#)

Bombay High Court in the case of Hapag Lloyd India Private Limited¹ dealt with the issue of maintainability of revision petition under Section 264 of the Income-tax Act, 1961 for a refund of excess Dividend Distributed Tax (DDT) not claimed in original as well as the revised return of income and where the assessment was completed.

Malaysia

[Tax Incentive on Implementing or Enhancing the Existing Flexible Work Arrangements \(“FWAs”\)](#)

In October 2021, the Income Tax (Deduction for the Costs of Implementation of Flexible Work Arrangements) Rules 2021 have been gazetted to provide a double deduction on qualifying expenses incurred by a qualifying person in implementing FWAs or in enhancing existing FWAs. FWAs are flexible arrangements for the place of work, scheduling of working hours or the number of hours worked.

Philippines

[Special InTAX: February 2022 Issue 1 | Volume 3](#)

The Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 20-2022, to provide guidance on the filing of Requests for Confirmation (RFC), Tax Treaty Relief Applications (TTRA) and Tax Sparring Applications (TSA).

[Special InTAX: February 2022 Issue 1 | Volume 4](#)

The Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 21-2022, to provide workaround procedures and guidelines in relation to the claiming of input VAT on purchases or importations of capital goods provided in Section 110 of the National Internal Revenue Code of 1997 (Tax Code), which was amended by Republic Act (R.A.) No. 10963 (“Tax Reform for Acceleration or Inclusion” or the “TRAIN Law”).

Singapore

[Tax measures in budget 2022](#)

Singapore’s budget for 2022 includes proposed measures concerning taxation of income, consumption, and wealth. Singapore is exploring a “top-up tax” called a minimum effective tax rate regime due to Pillar Two of BEPS 2.0.

Thailand

[Additional country-by-country reporting submission requirements](#)

Guidance from the Thai Revenue Department adds new submission requirements for country-by-country (CbC) reporting. Notification of the Director-General (D.G.) No. 419 added new provisions to the CbC reporting requirements:

Vietnam

[Almost all tax treaties implicated with the signing of MLI](#)

Officials of the government of Vietnam signed the “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting”—the multilateral instrument or MLI.

[Draft decree to facilitate tax declaration and payment](#)

The Ministry of Finance has prepared a draft decree amending and supplementing a number of articles of Decree 126/2020/ND-CP and Decree 123/2020/ND-CP in order to facilitate tax declaration and payment.



Significant International Tax Developments

[OECD: Draft rules for tax base determinations under Amount A of Pillar One; comments requested](#)

The Organisation for Economic Cooperation and Development (OECD) issued a release seeking public comments on the draft rules for tax base determinations under Amount A of Pillar One—part of the ongoing work of the OECD/G20 Inclusive Framework on base erosion and profit shifting (BEPS) in implementing the two-pillar solution to address the tax challenges arising from the digitalisation of the economy.

[OECD: Comments on draft model rules for nexus and revenue sourcing under Pillar One Amount A](#)

The Organisation for Economic Cooperation and Development (OECD) released comments received on the Draft Rules for Nexus and Revenue Sourcing under Pillar One Amount A. The public consultation document is structured as a general legislative article that articulates the nexus rules and the sourcing principles at a high level.



Calendar of events

Date	Event	Location
24 February 2022	Sales Tax and Service Tax: Fundamentals and Latest Developments Contact: taxevents@kpmg.com.my	Webinar
2 March 2022	KPMG People Services Webinar – Hong Kong Year-End Updates Contact: Wing Cheung	Webinar



Beyond Asia Pacific

[South Africa: Effects of reduced corporate income tax rate on investors in REITs](#)

The Minister of Finance in February 2021 announced that the corporate income tax rate would be reduced to 27% (from 28%) for companies with years of assessment beginning on or after 1 April 2022. However, the rate reduction has yet to be enacted.

[Netherlands: Revised government position concerning taxation of severance payments, cross-border workers](#)

The Dutch Ministry of Finance issued new guidance regarding the allocation of the taxation of severance payments of cross-border workers. With the new position, a severance payment is to be sourced over the period of employment on which the severance is based.



TaxNewsFlash by region

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[Europe](#)

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