



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 3 March 2022



## Asia Pacific Tax Developments

### Hong Kong (SAR), China

#### [Hong Kong \(SAR\): Tax measures in budget 2022-2023](#)

No new taxes were introduced in the budget for 2022-2023, but it is anticipated that there will be future tax law changes in Hong Kong. In particular, the government proposed that a progressive rating system will be introduced in 2024-25. The government is looking to introduce a tax bill within 2022 to implement the OECD's global minimum tax rate for large multinational enterprise groups with global turnover of at least €750 million.

### India

#### [Support services fees not “fees for technical services” under tax treaty with Belgium](#)

The Delhi Bench of the Income-tax Appellate Tribunal held that business support services provided by the taxpayer to an Indian company are not taxable as fees for technical services under the India-Belgium income tax treaty, applying the “most favoured nation” (MFN) clause to incorporate the relevant rules under the India-Portugal income tax treaty.

### Malaysia

#### [FAQs on withholding tax on payments to resident individual agents, dealers and distributors](#)

The Malaysian Inland Revenue Board (MIRB) issued a set of “frequently asked questions” (FAQs) to provide further clarification on the application of the newly introduced withholding tax provision of Section 107D of the Income Tax Act, 1967.

# Thailand

## Multilateral instrument (MLI) is signed

Thailand became the 98th jurisdiction to sign the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). The MLI's date of entry into effect for Thailand depends on when the domestic process of the MLI ratification is completed by Thailand and when the relevant notification will be lodged with the OECD.



## Significant International Tax Developments

### Third batch of 2021/2022 updated transfer pricing country profiles

The Organisation for Economic Cooperation and Development (OECD) today announced the publication of a third batch of the 2021/2022 updated transfer pricing country profiles. The OECD's transfer pricing country profiles provide current information on key aspects of transfer pricing legislation and practice.



## Calendar of events

Date	Event	Location
8 March 2022	<a href="#">Tax Reimagined: Tax Transformation Webinar Series - Process &amp; Controls</a>	Webinar
12-13 April 2022	<a href="#">Demystifying Malaysian Withholding Tax (Re-run)</a>	Webinar
	Contact : <a href="mailto:taxevents@kpmg.com.my">taxevents@kpmg.com.my</a>	



## Beyond Asia Pacific

### [Bahamas: Updated EU “grey list” includes Bahamas and other Caribbean countries](#)

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The Bahamas was added to Annex II of the EU list of non-cooperative jurisdictions for tax purposes (the so-called “grey list”). Belize, Bermuda, the British Virgin Islands, Israel, Monserrat, Russia, Tunisia, Turks and Caicos Islands, and Vietnam were also added to the grey list.

### [Belgium: Temporary reduction of VAT rate, electricity for residential use](#)

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The value added tax (VAT) rate for electricity is reduced to 6% (from 21%) for residential consumption for the period between 1 March 2022 and 30 June 2022. The reduced rate of VAT will be automatically applied by the electricity supplier for consumers with a “residential” or “non-professional” contract. The



## TaxNewsFlash by region

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