



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 16 June 2022



Asia Pacific Tax Developments

Australia

[Planned consultation in July on taxing U.S. and UK resident financial institutions](#)

The Australian Taxation Office (ATO) says it is planning to conduct several additional consultations between June and July 2022, including a consultation in July on taxing U.S. and UK resident financial institutions under U.S. and UK taxation treaties.

[Superannuation industry overview 2022](#)

KPMG Australia prepared a report discussing recent developments affecting the superannuation industry. In particular, the report highlights that tax governance and risk management considerations for superannuation funds are a key focal point in 2022.

Cambodia

[Capital gains tax delayed to 1 January 2024](#)

The General Department of Taxation issued Notification No. 4577 GDT announcing a delay of the implementation of the capital gains tax to 1 January 2024 for certain taxpayers. Originally (pursuant to Prakas No. 346 MEF.Prk), the capital gains tax had an implementation on July 2020, but this was delayed to January 2021, and then again to January 2022. Subsequently, the Ministry of Economy and Finance issued Notification no. 008 MEF which clarifies that the delay of the capital gains tax is not applicable for resident taxpayers under the self-assessment regime.

[Exchange rates for VAT-registered taxpayers](#)

The General Department of Taxation (GDT) issued Instruction no. 10362 GDT which prescribes the official exchange rates to be used by value added tax (VAT) registered taxpayers from June 2022 onwards.

India

[Offshore commission income earned by foreign company not taxable in India \(tribunal decision\)](#)

The Mumbai Bench of the Income-tax Appellate Tribunal in case of Credit Suisse (Singapore) Ltd. held that offshore commission income earned by a foreign company was not taxable as business profits as there was no permanent establishment in India.

Malaysia

[Delinquent taxpayers identified, enforcement proceedings planned](#)

The Malaysian Inland Revenue Board (MIRB) announced on June 2022 that it has identified 31,598 entities consisting of individuals, businesses, companies and others that have not reported actual income to the MIRB. These delinquent taxpayers were identified based on information of asset ownership and the ability of the entity to obtain loans/securities exceeding RM500,000. The MIRB has advised the delinquent taxpayers, especially 23,751 identified as individuals, to immediately appear voluntarily at their nearest MIRB branches to register their tax files and report their actual income.

Singapore

[Transitional issues arising from GST rate increase](#)

Singapore's budget for 2022 included an increase in the goods and services tax (GST) rate to 8% (from 7%) effective 1 January 2023, and then to 9% effective 1 January 2024.

KPMG Singapore prepared a June 2022 report discussing transitional issues arising from the impending GST rate increase.

[GST zero-rating for exported goods "hand-carried" by motor vehicle \(court decision\)](#)

The High Court dismissed an appeal by the Comptroller of goods and services tax (GST) from a decision of the GST Board of Review granting zero-rating for exports of goods that were "hand-carried" by motor vehicle to customers in Malaysia.

[Deferment of GST administrative concession removal for recovery of overseas brokerage fees and costs](#)

The Inland Revenue Authority of Singapore (IRAS) announced that the removal of the goods and services tax (GST) administrative concession for the recovery of overseas brokerage fees and related costs on shares traded on overseas exchanges is deferred to 1 January 2023.

The IRAS decided to defer the removal of the GST administrative concession in view of the feedback from affected parties who were unable to effect this change by April 2022. The IRAS has indicated that this extension is final.



Significant International Tax Developments

[OECD: Tax transparency in Africa 2022](#)

The Organisation for Economic Cooperation and Development (OECD) issued the report Tax Transparency in Africa 2022 which documents the region's latest progress in tackling tax evasion and other illicit financial flows through transparency and exchange of information (EOI) for tax purposes.

As explained in OECD's release, the report covers 38 African countries and is a co-production of the Global Forum on Transparency and Exchange of Information for Tax Purposes, the African Union Commission, and the African Tax Administration Forum. It measures the impact of the Africa Initiative's work and details capacity-building activities carried out by the Global Forum and its partners in 2021.

[OECD: New transfer pricing country profiles for Egypt, Liberia, Saudi Arabia, and Sri Lanka](#)

The Organisation for Economic Cooperation and Development (OECD) announced the publication of new transfer pricing country profiles for Egypt, Liberia, Saudi Arabia, and Sri Lanka. The OECD's transfer pricing country profiles provide current information on key aspects of transfer pricing legislation and practice. The information in the profiles is based on information provided by countries themselves in response to a questionnaire.

[OECD: Comments on tax certainty aspects of Amount A under Pillar One](#)

The Organisation for Economic Cooperation and Development (OECD) today released comments received on two consultation documents relating to tax certainty aspects of Amount A under Pillar One.

The OECD published two consultation documents —“Tax Certainty Framework for Amount A” and “Tax Certainty for Issues Related to Amount A”—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.



Beyond Asia Pacific

[Argentina: Procedures for requesting accreditation or refunds under mining investment law](#)

The Federal Administration of Public Revenues and the Mining Secretary issued Joint General Resolution 5205/2022 to introduce changes to the procedure for requesting accreditation or refunds under the “benefit of fiscal stability” established by the Mining Investment Law No. 24,196.

[Mexico: Electronic invoice 4.0 \(CFDI 4.0\) mandatory beginning 1 January 2023 \(six-month extension\)](#)

The tax administration (Servicio de Administración Tributaria—SAT) announced that the new electronic invoice 4.0 (CFDI 4.0) will be mandatory as of 1 January 2023. This six-month extension is granted so that taxpayers can make the necessary transition process.

[UK: Implementation of Pillar Two delayed](#)

The UK government announced that the effective date of Pillar Two legislation in the UK will be delayed and will now first apply to accounting periods beginning on or after 31 December 2023.

Previously, it had been intended that the “Income Inclusion Rule” (IIR) would take effect in the UK from 1 April 2023 and the “Undertaxed Payments (or Profits) Rule” (UTPR) and the “Domestic Minimum Tax” would be introduced from 1 April 2024 at the earliest. UK’s announcement does not make explicit reference to the UTPR or Domestic Minimum Tax; HM Treasury would need to clarify the expected timelines for these.



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 : tgorgas@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 : lsch@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



© 2022 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.