



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 27 March 2023



Asia Pacific Tax Developments

Australia

[Draft legislation requiring disclosure of subsidiaries' tax residence in financial reports](#)

The government released the first tranche of draft legislation requiring Australian public companies (listed and unlisted, but not corporate collective investment vehicles) to disclose information on their subsidiaries in their financial reports.

[Changes to interest limitation rules](#)

The Federal Government released exposure draft legislation in relation to proposed changes to the thin capitalisation rules.

India

[Mere production of invoices and payment by cheque is not sufficient to claim the input tax credit](#)

The Supreme Court of India, in the context of Karnataka VAT (KVAT) Act, 2003 has held that mere production of the invoices and/or payment by cheque will not be sufficient in claiming input tax credit.

[The Bombay High Court quashes the AAR ruling denying the India-Mauritius tax treaty benefit on capital gains transaction](#)

Delhi High Court in the case of Blackstone Capital Partners (Singapore) VI FDI Three PTE Ltd while dealing with the India-Singapore tax treaty held that the Assessing Officer cannot go behind the Tax Residency Certificate issued by the other tax jurisdiction as the same is sufficient evidence to claim treaty eligibility.



Indonesia

[New customs and VAT obligations on imported software products, other digital goods](#)

The government issued Regulation of the Minister of Finance concerning the customs obligations for imported goods-for-use, including intangible goods such as software and digital products that are transmitted electronically.

Korea

[Advance customs valuation arrangement, coordination with transfer pricing](#)

Korea Customs Service (KCS) introduced the advance customs valuation arrangement (ACVA) program in 2008 to reduce conflict between MNEs and customs authorities due to complex and diverse types of transactions.

[Tax authority entitled to re-assess arm's length interest rate on related-party loan \(Tax Tribunal decision\)](#)

The Tax Tribunal held that the tax authority is entitled to re-assess the arm's length interest rate on a related-party loan when the loan bore an interest rate (8%) seemingly higher than the conventional rate and the taxpayer failed to provide evidence of its arm's length nature.

Philippines

[Old But New: The Comeback](#)

Some of the reliefs offered by Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law are set to expire by the middle of 2023.

[Special InTAX: March 2023 Issue 1 | Volume 1](#)

The Bureau of Internal Revenue issued RMC No. 29-2023 to clarify the effects of publishing the list of taxpayers who cannot be located (CBL) according to the guidelines outlined in RMC No. 98-2010.



Significant International Tax Developments

[OECD: Public consultation meeting on implementation under Pillar Two](#)

The Organisation for Economic Cooperation and Development announced that the OECD/G20 Inclusive Framework on BEPS is holding a virtual meeting to discuss the input received on its public consultation documents on implementation under Pillar Two relating to the GloBE Information Return and Tax Certainty for the GloBE Rules.



Beyond Asia Pacific

[Belgium: Draft legislation modernizing “VAT chain” passed by Chamber of Representatives](#)

The Belgian Chamber of Representatives on passed draft legislation that would modernize the existing value added tax (VAT) compliance and VAT refund processes, as well as the VAT procedural rules.

[Bolivia: Online billing modality for “fourth group of taxpayers”](#)

The tax authority providing that the “fourth group of taxpayers” were to issue digital fiscal documents through the assigned online billing modality beginning 1 April 2023.



TaxNewsFlash by region

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