



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 27 June 2023



Asia Pacific Tax Developments

Australia

[Consultation on non-arm's length income provisions amendments](#)

Treasury released for consultation a draft bill that includes amendments to the non-arm's length income provisions announced in the 2023-2024 budget. The consultation closes on 7 July 2023.

[Indirect tax measures in 2023 budget](#)

The 2023 South Australia budget delivered June 2023 includes a proposal to abolish stamp duty for first home buyers who purchase a new home valued up to US\$ 650,000, or vacant land valued up to US\$ 400,000 to build a new home. The measure is proposed to become effective in June 2023.

[Overview on key FY 2022-2023 changes for tax professionals](#)

The Australian Taxation Office has released an overview of key changes and new tax measures that tax professionals need to be aware of when preparing a client's 2023 tax return.

[Requirements of recipient created tax invoice for GST purposes](#)

The Australian Taxation Office issued guidance effective in June 2023, permitting certain entities to issue a recipient created tax invoice for goods and services tax (GST) purposes when certain requirements are satisfied.



Cambodia

[Exemption from immovable property tax in certain locations](#)

Pursuant to MEF Prakas no. 329 (June 2023), exemption from immovable property tax is granted to the following locations until the end of 2023. They are Udong Mae Chey City of Kampong Speu Province, Arey Ksat City and Sampov Poun City of Kandal Province, and Bokor City of Kampot Province.

Hong Kong (SAR), China

[Advance rulings under foreign-sourced income exemption regime](#)

The Hong Kong (SAR), China Inland Revenue Department published two advance ruling cases and updated its illustrative examples on the foreign-sourced income exemption (FSIE) regime. Advance Ruling Case No. 68 and Advance Ruling Case No. 69 concern compliance with the economic substance requirements under the FSIE regime and are the first two advance ruling cases on the application of the FSIE regime published by the IRD.

Japan

[Cabinet Orders for Income Inclusion Rule](#)

The cabinet orders for the Income Inclusion Rule are promulgated in June 2023. The general rule is that a UPE must use the Income Inclusion Rule (IIR) whenever it has an ownership stake in a constituent business that is subject to low taxes at any point in the fiscal year.

Korea

[Revised CRS regulations](#)

South Korea in June 2023 issued a revised version of the common reporting standard (CRS) regulations that includes updates such as updated list of participating jurisdictions (Appendix 3) and updated list of reportable jurisdictions (Appendix 4). Ghana, Jamaica, Maldives and Saint Kitts and Nevis were added to the list. Costa Rica and Morocco were removed from the list.

Philippines

[Simplifying Tax Exemption on Foreign-Sourced Dividends](#)

A Philippine company planning to invest in foreign companies should consider the impact of foreign and Philippine tax obligations in case of receipt of foreign-sourced dividends. Under the 1997 Tax Code, and prior to Republic Act 11534, dividends received by a Philippine domestic corporation from a foreign company were subject to income tax.



Significant International Tax Developments

[KPMG report: Transfer pricing considerations for ESG-related intangible assets](#)

Tax planning around ESG in general or decarbonization-specific intangibles needs to be thoughtful and use consistent frameworks in planning for other product, process, or marketing intangibles.

[KPMG report: Survey on application of control of risk and DEMPE frameworks](#)

The OECD in 2015 reached agreement on revised transfer pricing guidance as part of the base erosion and profit shifting actions 8-10. It can be difficult to get a comprehensive global view of how tax authorities are applying this guidance.

[OECD: Continued progress on harmful tax practices](#)

The OECD issued a release describing continued progress on the implementation of the international standard on harmful tax practices. According to the OECD release, the OECD Forum on Harmful Tax Practices (FHTP) reached new conclusions on five regimes as part of the implementation of the BEPS Action 5 minimum standard on harmful tax practices..



Beyond Asia Pacific

[Brazil: OECD-aligned transfer pricing rules signed by president](#)

The Government of Brazil on June 2023 signed Law No. 14,596, adopting Provisional Measure No. 1,152, which enacts significant changes to the Brazilian transfer pricing system—shifting from Brazil’s historical, formula-based transfer pricing rules to an arm’s length standard consistent with the OECD Guidelines.

[Norway: Draft legislation implementing Pillar Two minimum tax](#)

The Norwegian Ministry of Finance in June 2023, issued a public consultation paper containing new draft Norwegian legislation implementing a minimum tax.



TaxNewsFlash by region

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States



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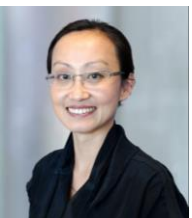
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