



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 4 July 2023



Asia Pacific Tax Developments

Australia

[New semiannual reporting periods for electronic distribution platform operators](#)

The Australian Taxation Office registered a legislative instrument that replaces the default annual reporting period for electronic distribution platform operators with semiannual reporting periods.

[Overhead costs apportioned to GST-free supplies entitled to input tax credits](#)

The Federal Court held that acquisitions in the form of commissions paid to a third-party with respect to a distribution and administration agreement related wholly to input supplies of life insurance policies in Australia subject to goods and services tax.

[Proposed legislation on new thin capitalization rules; other tax-related legislation](#)

The federal government introduced proposed legislation into the House of Representatives including the new thin capitalization rules, as well as requirements for public companies to disclose information about subsidiaries and thin capitalization.

[Tax authority relies on anti-avoidance, not transfer pricing, in foreign related-party financing dispute](#)

The Federal Court in June 2023 issued a decision on a procedural matter in a case relating to the tax authority's denial of interest deductions with respect to foreign related-party.

[Direct and indirect tax measures introduced in 2023-2024 budget \(Victoria\)](#)

With the passing of the Victorian Government's State Taxation Acts Amendment Act 2023, State Revenue Office Victoria has confirmed various changes to the state taxes.



[Draft guidance on interaction of non-arm's length income and capital gains, control and residency tests](#)

The Australian Taxation Office released two draft taxation determinations regarding the interaction of the non-arm's length income and capital gains provisions, as well as a draft update to the practice compliance guideline for the central management and control test of residency.

[Delay in implementation of public country-by-country \(CbC\) reporting](#)

The government announced a 12-month delay in the implementation of public CbC reporting to 1 July 2024 (from the originally proposed 1 July 2023).

China

[KPMG China and ASIFMA release joint report on opportunities for global asset managers in China's potentially massive pension market](#)

KPMG China and ASIFMA launched their joint report "China Pensions Reform: Winning strategies for global asset managers amid evolution in retirement market".

Hong Kong (SAR), China

[Key Hong Kong \(SAR\), China individual and employment tax issues](#)

The minutes of the 2022 annual meeting between the Hong Kong (SAR), China Institute of Certified Public Accountants and the Inland Revenue Department were published.

Korea

[Imputation of arm's length interest on accounts receivable from foreign affiliate was reasonable](#)

The Tax Tribunal held (2022 Joong 2863) that the tax authority's imputation of an arm's length rate of interest on overdue accounts receivable from the taxpayer's foreign affiliate was reasonable.

Mauritius

[Phases for implementing e-invoicing mandate](#)

The Mauritius Revenue Authority released details on the deployment of the national electronic invoicing system, which will be implemented in a phased approach.

Philippines

[Taxing Distributions from PDRs](#)

On the matter of the request for confirmation of the proper income tax rates applicable to cash distributions paid by ABS-CBN Corporation to Mercury Media Holdings Finance I, Ltd., the International Tax Affairs Division of the BIR ruled that such cash distributions received by Mercury Media which is a non-resident foreign corporation holder of PDRs issued by ABS-CBN.

Sri Lanka

[Review of recent tax developments](#)

KPMG in Sri Lanka prepared reports about recent tax developments.

Taiwan

[Issues found in implementing CRS](#)

The Ministry of Finance issued a press release on issues found in the implementation of the common reporting standard (CRS) by financial institutions.



Calendar of events

Date	Event	Location
13 July 2023	Tax governance in the age of ESG: Harnessing the power of Tax technology and transformation	Singapore
13 July 2023	Setting sail on modern ESG: Navigating the opportunities and challenges in shipping	Singapore



Significant International Tax Developments

[OECD: Tax transparency in Latin America 2023](#)

The Organization for Economic Cooperation and Development (OECD) published a report entitled Tax Transparency in Latin America 2023 presenting the latest progress achieved by 16 Latin American countries in tackling tax evasion and other illicit financial flows through transparency and exchange of information for tax purposes.

[Updated Guidelines for Multinational Enterprises](#)

The OECD published the 2023 edition of Guidelines for Multinational Enterprises (MNEs) providing updated recommendations for responsible business conduct across key areas.



Beyond Asia Pacific

[Bahrain: Updated VAT guides concerning treatment of supply of investment-grade gold](#)

The National Bureau for Revenue in June 2023 updated the following value added tax (VAT) guides: VAT General Guide and VAT Financial Services Guide.

[UK: Draft guidance published - HMRC unpacks the UK's Pillar Two rules](#)

HMRC have published draft partial guidance for consultation in relation to the UK's implementation of the OECD's Pillar Two rules.



TaxNewsFlash by region

Africa

Americas

Europe

**United
States**



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