



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Australia

[Audit on ATO's management of transfer pricing for related-party debt](#)

The Australian National Audit Office is undertaking an audit to assess the effectiveness of the Australian Taxation Office's management of transfer pricing for related-party debt.

[Superannuation tax updates report 2023](#)

KPMG Australia prepared a report discussing the latest key superannuation regulatory and tax update.

[Amendment to improve annual performance test for superannuation industry](#)

The Department of the Treasury has registered a legislative amendment to support the improved implementation of the annual performance test for the superannuation industry and address issues raised in Treasury's review of "Your Future, Your Super" laws.

[Various proposed state tax reforms \(New South Wales\)](#)

The New South Wales (NSW) government in August 2023, introduced the Revenue, Fines and Other Legislation Amendment Bill 2023, which would introduce various reforms across NSW state taxes, including the introduction of state penalties for breaches of confidential tax information.

[Review of regulatory frameworks for tax services and large consulting, accounting, and auditing firms](#)

The federal government announced a review into the regulatory frameworks for tax services firms, as well as for large consulting, accounting and auditing firms.



[New self-assessment requirement for non-charitable not-for-profit \(NFPs\) entities](#)

The Australian government introduced reforms requiring non-charitable NFPs to notify eligibility to self-assess their income tax exempt status and submit an annual self-review return.

China

[Upgraded tax incentives show China's determination in stabilizing employment - Are you prepared to enjoy the benefits?](#)

In August 2023, China's Ministry of Finance, State Taxation Administration, Ministry of Human Resources and Social Security, and Ministry of Agriculture and Rural Affairs jointly issued Notice No. 15, which sets out the rules for incentives that aim to stabilize employment for qualified groups of people.

Hong Kong (SAR), China

[The government's latest proposals on the tax certainty scheme for onshore equity disposal gains and the expanded foreign-sourced income exemption \(FSIE\) regime](#)

The Inland Revenue Department recently conducted two engagement sessions with stakeholders to provide an update on the proposed tax certainty scheme for onshore gains from disposal of equity interests and the expanded FSIE regime to cover foreign-sourced gains from disposal of assets.

[Venture Capital \(VC\) investment in China sees growing optimism, KPMG analysis finds](#)

While VC investment in Asia remained relatively soft in the second quarter of 2023 (Q2'23), there is growing optimism heading into Q3'23 among VC investors in Asia, particularly the hope for stronger IPO activity in the Chinese Mainland and Hong Kong (SAR), China during the second half of the year.

India

[Common Reporting Standard \(CRS\) clarifications](#)

India's tax authority in July 2023, issued a circular clarifying the reporting of accounts other than US reportable accounts under the CRS regime.

[Reassessment notice based on contradictory advance ruling \(AAR\) for another taxpayer was invalid \(High Court decision\)](#)

The Bombay High Court held that the tax authority could not issue reassessment notices to the taxpayer on the basis of a subsequent authority for AAR in a different taxpayer's case that was contradictory to the binding AAR in the taxpayer's own case.

Payments for cloud computing services not taxable royalties or fees for technical services under US tax treaty

The Delhi Bench of the Income-tax Appellate Tribunal held that payments by Indian customers to a US company for cloud computing services were not taxable as royalties or fees for technical services under the US - India income tax treaty because there was no transfer of copyrights, intellectual property, or any exclusive licenses or rights to the customers, and the provision of the services did not “make available” any technical knowledge or skills to the customers.

Malaysia

Current taxation policy is sufficient, calls for prudent tax revenue spending

Head of Tax at KPMG in Malaysia, shared his views on Malaysia's tax policies, stating that the current tax policy is sufficient. He advised that the government should not introduce new tax policies in the upcoming Budget 2024, but rather ensure that tax revenue is spent prudently on the welfare of the people.

New Zealand

Tax Governance in the spotlight

While relevant for all businesses and organizations that have tax obligations, Inland Revenue's recent tax governance focus has been on significant enterprises – businesses with annual turnover greater than NZ30 million.

Philippines

Electronic documents: A valid evidence to substantiate business expenses?

Incurring expenses is a normal part of business operations. For Income Tax purposes, expenses may be claimed as a deduction provided that these expenses are allowable deductions under the Tax Code, and they comply with the requirements of deductibility.

Scanned copies of expenses do not satisfy tax deductibility requirements

The Bureau of Internal Revenue issued a ruling that scanned copies of receipts/bills evidencing business expenses did not satisfy the substantiation and record-keeping requirements for deductibility of expenses under Sections 34(A)(1)(b) and 237 of the Tax Code.

Singapore

[Guidance on proposed philanthropy tax incentive scheme for single family offices](#)

The Monetary Authority of Singapore in July 2023 released Circular FDD Cir 10/2023 providing details of the proposed philanthropy tax incentive scheme for qualifying donors with single family offices operating in Singapore.

Sri Lanka

[Extended due date for filing quarterly advance income tax statements](#)

Circular No SEC/2023/E/05 extends the due date for filing quarterly advance income tax (AIT) statements, as required under Section 86 (8) of the Inland Revenue Act No 24 of 2017, for the quarter ended from June 2023 to 31 August 2023.



Calendar of events

Date	Event	Location
15 August 2023	KPMG Annual Tax Update Support 2023	Cambodia
18 August 2023	Tax audit trends, investment regulations and customs inspections	Cambodia
22 August 2023	Unlocking tax opportunities: Breakfast briefing for financial services	Singapore
24 August 2023	A guide to immigration and individual tax matters of mobile employees	Virtual
31 August 2023	Key Updates on the New LoT and VAT on E-commerce	Cambodia
7 September 2023	KPMG-TAFTAC: Key Trends on Investment Regulations and TP, Tax & Customs Audit	Cambodia



Significant International Tax Developments

[KPMG report: Amount B and tax certainty](#)

More than 130 members of the OECD/G20 Inclusive Framework on BEPS in October 2021 committed to a plan of work that included Amount B, which aims to streamline and simplify the application of the arm's length standard to baseline marketing and distribution activities.

[OECD: Crypto asset reporting framework \(CARF\) updates and CRS amendments](#)

OECD in June 2023 issued a document entitled the International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 Update to the Common Reporting Standard (the Standard). The Standard contains revisions to the CARF and amendments to the common reporting standard (CRS).



Beyond Asia Pacific

[Bermuda: Implementation of corporate income tax within scope of Pillar Two global minimum tax rules](#)

The government of Bermuda in August 2023, announced that it is considering the implementation of a new corporate tax regime within scope of the base erosion and profit shifting (BEPS) Pillar Two global minimum tax rules.

[United Arab Emirates: Implementation of new tax procedures executive regulation](#)

The Ministry of Finance published a new executive regulation—Cabinet Decision No. (74) of 2023 on the Executive Regulation of Federal Decree-Law No. (28) of 2022 on Tax Procedures. The federal tax authority then published a tax procedures public clarification to clarify aspects related to implementation.



TaxNewsFlash by region

Africa

Americas

Europe

United
States



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