

KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 9 January 2024



Asia Pacific Tax Developments

Australia

[Proposal to simplify deductible gift recipient system](#)

The Productivity Commission released a draft report proposing significant reforms to the current deductible gift recipient system, which determines which charities can receive tax-deductible donations.

[Australian Taxation Office \(ATO\) definition of “contractors” vs. “employees”](#)

The ATO has finalized its rulings on the classification of workers as employees or independent contractors, following two landmark decisions in 2022.

Cambodia

[Effective date of notification letters or other notices from tax authority](#)

The General Department of Taxation issued Notification regarding the effective date of notification letters or other notices.

China

[Advance pricing arrangement annual report for 2022](#)

The State Taxation Administration in December published the 2022 APA Annual Report covering the statistical data for advance pricing arrangements in China from 2005 to 2022.

Hong Kong (SAR), China

[The proposed tax deduction for spectrum utilization fees for the telecommunication industry](#)

The draft legislation on introducing a tax deduction for spectrum utilization fees in the Hong Kong (SAR), China was gazette in December 2023.

[The tax certainty scheme for onshore equity disposal gains will come into operation in January 2024](#)

The draft legislation on the tax certainty scheme for non-taxation of onshore disposal gains in the Hong Kong (SAR), China was enacted into law in December 2023.

[Consultation paper on implementation of Pillar Two global minimum tax](#)

The Hong Kong (SAR), China government in December 2023 published a consultation paper on implementation of the Pillar Two global minimum tax in Hong Kong (SAR), China.

India

[India Tax Konnect](#)

KPMG in India prepared an article discussing the development on Direct and Indirect Tax.

Japan

[Outline of the 2024 Tax Reform Proposals](#)

The ruling coalition agreed on the 'Outline of the 2024 Tax Reform Proposals' in December 2023.

Korea

[Taxation of fees under trademark license](#)

Supreme court held that fees paid under the license in connection with foreign transactions must be treated as business income not subject to tax in Korea under the Korea-US income tax treaty.

[Substance over form principles applied to disregard intermediate third-party suppliers](#)

A Seoul Administrative Court decision concerning substance over form principles when it comes to intermediate third-party suppliers.

Malaysia

[Sales Tax Exemption for Manufacturing Aids and Cleanroom Equipment](#)

Following the gazette of the Sales Tax Order 2023 effective January 2024, the Royal Malaysian Customs Department issued the Public Ruling and guides.

[New indirect tax guidance effective January 2024](#)

The indirect Tax (Amendment) Regulations and Indirect Tax New and Amendment Orders were gazette in December 2023 (except where otherwise stated) and became effective in January 2024.

[Finance Act, Income Tax \(Exemption\) Order 2023](#)

The Finance (No. 2) Act 2023 has been gazetted in December 2023 with no material difference from the Finance (No. 2) Bill 2023. The Act comes into operation in January 2024.

Philippines

[Tax audits suspended until 7 January 2024](#)

The Bureau of Internal Revenue has temporarily halted all field audits and related operations until 7 January 2024.

Singapore

[New e-Tax Guide on taxation of gains from sale of foreign assets](#)

The Inland Revenue Authority of Singapore in December 2023 published an e-Tax Guide on the tax treatment of gains or losses from the sale of foreign assets.



Significant International Tax Developments

[Pillar Two rules and the asset management industry](#)

KPMG has published a report that explains how the outcome appears inconsistent with the policy objectives of Pillar Two and could be addressed through revisions to the rules.



Calendar of events

Date	Event	Location
19 January 2024	Navigating BEPS Pillar Two - Shipping and Offshore Perspectives	Singapore



Beyond Asia Pacific

[European Union: European Commission \(EC\) publishes Frequently Asked Questions \(FAQs\) on interpretation and transposition of global minimum tax](#)

The FAQs represent the outcome of informal reflections of the Commission Services and therefore cannot be interpreted as binding on the EC and the member states.

[North Macedonia: New rulebook on Value Added Tax registration of foreign taxpayers through a tax representative](#)

The Ministry of Finance issued a new rulebook regarding the requirement for foreign taxpayers to register for value added tax through the appointment of a tax representative.



TaxNewsFlash by region

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