



KPMG Asia Pacific Tax Weekly

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Asia Pacific Tax Developments

Asia Pacific

Asia Pacific: General tax update for financial institutions in Asia Pacific – Issue 62

There continues to be changes in legislation regarding Financial Institutions across the region. One item of interest is the update of accounting changes with Singapore announcing its regime to FRS 109. Whether other jurisdictions provide clarification will be interesting to see.

[More details](#)

Australia

Australia: 2018 IDS: ATO focus on high risk TP

KPMG Australia discuss the Australian Taxation Office's (ATO) recent release of the International Dealings Schedule (IDS) stationery and instructions for 2018 tax years. The new question is focused on cross-border R&D cost-plus arrangements, asking for separate disclosure of the relevant R&D costs incurred in providing the services and the cost plus margin received.

[More details](#)

Australia: Queensland Budget 2018-19: Digging deep for long-term growth

KPMG Australia discuss the highlights of the Queensland Budget 2018-19. The Government is expecting a \$1.512 billion surplus for the 2017-18 fiscal year and an economic growth forecast of 3 percent by 2018-19, but will be digging deep to deliver on promises with government debt set to hit \$83 billion in four years' time.

[More details](#)

China

China: China Tax Weekly Update – Issue 21

The following matters are covered in this issue :

- Import tariff reduction for automobiles
- Continuation of existing restructuring tax incentives
- 2017 UN model tax treaty released

[More details](#)

China: China Tax Weekly Update – Issue 20

The following matters are covered in this issue :

- "Belt and Road" Tax Cooperation Conference
- VC and business angel start-up incentives go nationwide
- China ceases to impose import VAT on leased aircraft
- Simplified export tax refund/exemption procedures

[More details](#)

China: Customs Policy Update – May 2018

[More details](#)

China: Self-assessment system for claiming China tax incentives

The Chinese government has progressively replaced administrative pre-approvals, for various tax treatments and regulatory licenses, with recordal requirements. This has been coupled with more targeted and effective procedures for follow up audit and review.

[More details](#)

India

India: AMP transaction does not exist in the absence of an agreement with the AE

Recently, the Mumbai Bench of the Income-tax Appellate Tribunal (the Tribunal) in the case of Colgate Palmolive (India) Limited held that in the absence of an arrangement or agreement with the Associated Enterprise (AE), the taxpayer is not obliged to undertake any brand building for its AE. Tribunal noted that the Revenue brought no tangible evidence to substantiate that Advertising, Marketing, and Promotion (AMP) expenses incurred by the taxpayer led to brand building, the creation of marketing intangible and benefited the taxpayer group. Tribunal stated no additions could be made merely on the basis of assumption of certain facts.

[More details](#)

India: Marketing survey expenses, technical training held at arm's length

The Delhi Bench of the Tribunal held that an expenditure made for a survey of the Indian market could not be construed to benefit the foreign related party (that made no direct sales in India). The Tribunal agreed with the taxpayer's determination under the Comparable Uncontrolled Price method.

[More details](#)

Thailand

Thailand: Proposed amendments to Thai Revenue Code – currency conversion and functional currency methods

On 6 June 2018, the Thai Revenue Department released draft amendments to the Thai Revenue Code to introduce alternative currency conversion methods and a new functional currency approach.

[More details](#)

Significant International Tax Developments



Canada Impresses - OECD Peer Review of CbC Reporting

The OECD has released its first peer review of its Country-by-Country (CbC) reporting initiative. Along with 94 other countries, the report examines Canada's domestic legal and administrative framework around CbC reporting and also looks at its exchange-of-information framework, and whether the country is using CbC reports appropriately and considering confidentiality.

[More details](#)

Beyond Asia Pacific

EU: "Taxation trends" report for 2018

The European Commission released a report showing that tax revenues rose in 19 EU Member States in 2016 as a percentage of GDP in 2016, but that the level of taxation in EU Member States differs greatly.

[More details](#)

United States: Final regulations: Partnership transactions involving equity interests of a partner

The U.S. Treasury Department and IRS today released for publication in the Federal Register the following sets of regulations (T.D. 9833) that affect partnerships and their partners:

- Final regulations that prevent a corporate partner from avoiding corporate-level gain through transactions with a partnership involving equity interests of the corporate partner or certain related entities
- Final regulations that allow consolidated group members that are partners in the same partnership to aggregate their bases in stock distributed by the partnership for the purpose of limiting the application of rules that might otherwise cause basis reduction or gain recognition
- Final regulations that may also require certain corporations that engage in gain elimination transactions to reduce the basis of corporate assets or to recognize gain

[More details](#)

TaxNewsFlash by Region

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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