



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 30 August 2018



Asia Pacific Tax Developments

Australia

[Australia: A matter of when: Interest rates likely to rise](#)

According to KPMG Australia's chief economist, mortgage interest rates and domestic interest rates are expected to remain relatively steady for at least the next six months. The view is based on a range of recent data, including the minutes from the Reserve Bank of Australia's August board meeting, which explains the rationale behind keeping the cash rate unchanged at 1.5 percent this month

[More details](#)

[Australia: Government's full tax plan sunk in the Senate](#)

Recently, Part Two of the Government's Enterprise Tax Plan ('Plan') was defeated in the Senate. There are no current prospects for its revival, and it's unclear whether Prime Minister-elect Scott Morrison would reconsider the policy in the future. The Plan would have reduced company tax cuts for all companies progressively down to 25 percent.

[More details](#)

[Australia: Significant Global Entity – Extending the scope](#)

KPMG Australia analyse the expanded definition of Significant Global Entity and what it may mean for tax compliance.

[More details](#)

[Australia: Taking a holistic approach with Tax Transformation](#)

As technology continues to open new avenues for growth across the industry, 'tax transformation' is the hot topic on the agenda of most tax leaders. [More details](#)

India

[India: Deduction under section 80-IC of the Income-tax Act availed for the first 5 years at 100% would be available at 25% only if 'substantial expansion' has been carried out in the subsequent year](#)

The Supreme Court of India held that once the taxpayer has opted to claim a deduction under section 80-IC of the Income-tax Act, 1961 and the initial assessment year has commenced within the tax holiday period of 10 years, there cannot be another initial assessment year to allow the 100% deduction for the next 5 years.

[More details](#)

[India: ICAI "Implementation Guide" on the amendments to Tax Audit Report \(Form 3CD\)](#)

The Direct Taxes Committee of Institute of Chartered Accountants of India released the Implementation Guide on the amendments made to Form 3CD to allow the taxpayers and auditors to implement the changes in the best possible manner.

[More details](#)

[India: CBDT Instruction on the conduct of assessment proceedings through E-proceedings' facility](#)

Central Board of Direct Taxes ('CBDT') issued an instruction for the conduct of assessment proceedings through the e-proceedings facility during the year 2018-2019

[More details](#)

[India: No shelter under a faulty software programme for non-payment of service tax](#)

The Madras High Court held that non-payment of service tax on the basis of an error in a software programme cannot be a reasonable cause.

[More details](#)

[India: Transportation of goods for transshipment](#)

The Allahabad High Court reiterated its earlier ruling when it had held that conveyance details in part B of the "e-way bill" are not required to be filled in, when the goods are transported within a distance of 50 km.

[More details](#)

New Zealand

[New Zealand: Draft BEPS Act guidance](#)

New Zealand Inland Revenue has released five draft special reports which provide guidance on how it considers key elements of the Taxation (Neutralising Base Erosion and Profit Shifting) Act will apply. The draft special reports cover:

- Interest limitation
- Hybrid and branch mismatch arrangements

- Transfer pricing
- Permanent Establishment avoidance
- BEPS-related administrative measures

[More details](#)

Philippines

Philippines: “Final assessment notice” void for lack of due date

The Court of Tax Appeals (CTA) in the Philippines held that a “final assessment notice” — even if duly received by the taxpayer — is void because the due dates for paying the alleged deficiency taxes were blank.

[More details](#)

Philippines: Philippines and Mexico: Friends Forever

KPMG in Philippines comment on the ratification of the Double Tax Treaty between Philippines and Mexico, demonstrating a positive change which will help bolster investments between the two countries.

[More details](#)

Significant International Tax Developments



OECD: Former Yugoslav Republic of Macedonia joins BEPS inclusive framework

The Organization for Economic Cooperation and Development (OECD) announced that the Former Yugoslav Republic of Macedonia joined the base erosion and profit shifting (BEPS) inclusive framework — bringing the total number of jurisdictions having joined the BEPS inclusive framework to 117.

[More details](#)

Calendar of Events

| Date | Event | Location |
|-------------------|---|--|
| 18 September 2018 | Corporate Treasury Management Contacts: Sharon Ting More details | Mandarin Oriental Singapore, 5 Raffles Ave, Marina Square, Singapore 039797 |
| 8 November 2018 | Malaysia - Tax and Business Summit 2018 Contacts: Ms. Sharon Leong Peck Sim / Ms. Fah Siew Peng / Ms. Esther Teh Mei Sum | One World Hotel First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Malaysia. |

[More details](#)

Beyond Asia Pacific

[Luxembourg: Tax treatment of income from virtual currency transactions](#)

This circular clarifies the Luxembourg income tax treatment of income from virtual currencies in the context of sale or creation of such currencies.

[More details](#)

[United States: No charitable contribution deduction for facade easement, long-term lessee](#)

The U.S. Tax Court today issued an opinion concluding that a facade easement did not result in a charitable contribution because the taxpayer failed to meet the requirements of section 170(h).

[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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