



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 10 January 2019



Asia Pacific Tax Developments

China

[Customs Policy Update - for the Period of December 2018](#)

This newsletter provides you with the latest customs-related policy and views on the opportunities and challenges in customs policy.

[New Individual Income Tax Law – Implementation Rules and the supplementary guidance notes issued](#)

The Implementation Rules and guidance notes released by State Council and State Administration of Taxation are effective from 1 January 2019 will provide important guidance on the following:

- Interim measures for administration of itemised deductions
- PRC IIT withholding calculation methods applicable for resident and non-resident taxpayers
- Requirements for IIT declaration
- Tax treatment of foreign-sourced income derived by foreign individuals

Hong Kong

[New profits tax exemption for private funds provides welcome boost to Hong Kong's fund industry](#)

On 7 December 2018, the Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Bill 2018 was introduced to the Hong Kong Legislative Council which contains a new comprehensive exemption from Profits Tax for private funds operating in Hong Kong.



[Country-by-country reporting deadline extended](#)

CBDT announced that the deadline for filing certain country-by-country (CbC) reports has been extended to 31 March 2019. This is a one-time extension of the CbC reporting deadline.

[Delhi NCLT approves scheme involving merger of promoter holding companies into listed company rejecting the tax evasion allegations raised by income-tax authorities](#)

The Delhi Bench of National Company Law Tribunal ('NCLT') recently approved two Schemes of Arrangement¹ involving merger of promoter holding companies into listed companies i.e. NIIT Limited and NIIT Technologies Limited, respectively. NCLT dismissed the observations of the income-tax authorities that the purpose of the scheme was tax avoidance and approved the scheme on the basis that effective ownership of shares of NIIT Limited shall be held by the existing promoters through family trusts.

[Foreign direct investment in e-commerce; shares for no consideration](#)

KPMG member firm in India has prepared reports about the following tax developments:

- Tax of income related to shares received for no or inadequate consideration under section 56(2)(viiia)
- Foreign direct investment in e-commerce
- Provisions of section 56(2)(vii)(c) do not apply to the proportionate issue of "right shares"
- Tax withheld at source when there are joint buyers of immovable property
- Reduction in share of capital amounts is "transfer" of capital asset

[GST Council recommendations in its 31st meeting](#)

Goods and Services Tax ('GST') Council in its 31st meeting held on 22 December 2018 made certain policy recommendations.

[KPMG Tax Assemblage 2018](#)

KPMG in India prepared a list compiling all the tax newsletters and case decisions of year 2018.

[OECD report on the peer review of tax rulings in accordance with BEPS Action Plan 5](#)

The report contains the findings of the second annual peer review of jurisdictions compliance with the transparency framework, conducted over the course of 2018 and it assesses the implementation of the transparency framework during the 1 January 2017 to 31 December 2017 period.

[Update on GST circulars, orders and notification](#)

The Central Board of Indirect Taxes and Customs issued guidance that generally reflects recommendations made with respect to GST issues.

[Withdrawal of circular relating to applicability of Section 56\(2\)\(viiA\) to fresh issuance of shares by a private company](#)

CBDT has withdrawn its earlier circular since matter relating to interpretation of the term 'receives' used in Section 56(2)(viiA) of the Act is subjudice in certain judicial forms. A fresh comprehensive circular on the subject shall be issued in due course.

Japan

[Economic Partnership Agreement with EU](#)

The EU-Japan Economic Partnership Agreement will enter into force 1 February 2019, following completion of the agreement's ratification by the EU Parliament and Japan's National Diet.

[Updated FAQs on CRS](#)

Japan's tax agency issued an updated version of "frequently asked questions" (FAQs) as guidance for Japanese financial institutions concerning the technical description and specification for filing reports under the common reporting standard ('CRS').

Singapore

[India Tax Update](#)

In this issue, we provide a summary of key tax and regulatory changes in India..

Taiwan

[Consensus with Japan to implement CRS, update exempted entities](#)

The tax authority of Taiwan announced developments with respect to the CRS.

Vietnam

[Paper invoices \(VAT\) allowed through October 2020](#)

The General Department of Taxation issued an "official letter" to all provincial tax departments addressing the value added tax (VAT) rules for electronic and paper invoices.



Calendar of events

Date	Event	Location
14 January 2019	Special Dialogue with Lembaga Hasil Dalam Negeri Contacts: Mr Koh Yih Lik (Kyle) & Ms Alya Afdlin AhmadFuad (Alya)	One World Hotel, Petaling Jaya, Malaysia
18 January 2019	Employer Tax & CPF Reporting Workshop Contacts: Sharon Ting	Hilton Singapore, 581 Orchard Road, Singapore 238883
18 January 2019	Tax Reimagined: a revolutionary approach to managing and transforming tax functions Contacts: KPMG China Market Services	The Hong Kong Bankers Club, 43/F, Gloucester Tower, 11 Pedder Street, The Landmark, Central, Hong Kong



Beyond Asia Pacific

[Netherlands: Dutch transitional rules for UK expats pending “Brexit”](#)

The Dutch government has decided that UK citizens and their family members who lawfully reside in the Netherlands before “Brexit” will retain their right of residence in the event of a Brexit “no deal.” The transitional rules will apply for a period of 15 months and continue through 1 July 2020.

[US: Coal excise tax, lower tax rates beginning January 2019](#)

Effective January 1, 2019, the excise tax rates imposed under section 4121 on a producer's sale of coal mined from coal mines in the United States have been lowered.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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