



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 26 September 2019



## Asia Pacific Tax Developments

### Bangladesh

#### [VAT measures introduce new concepts](#)

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New value added tax (VAT) measures were effective 1 July 2019. The new VAT rules introduce certain new concepts and aim to modernize the VAT system.

### India

#### [Carry forward and set-off of MAT credit is available to the demerged company and not to the resulting company](#)

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The Mumbai Bench of Income-tax Appellate Tribunal ('the Tribunal') held that carry forward and set off of Minimum Alternate Tax (MAT) credit is available to the demerged company and not to the resulting company.

#### [CBDT notifies rules and form with respect to functioning of the Approving Panel for the purpose of the GAAR provisions](#)

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CBDT has issued a Notification amending the Income-tax Rules, 1962 to introduce new rules and form with respect to functioning of the Approving Panel.



## [CBDT notifies E-assessment Scheme, 2019](#)

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The Finance Minister while presenting the Budget 2019 stated that a scheme of faceless assessment in electronic mode involving no human interface will be launched this year in a phased manner. The new scheme of assessment will represent a paradigm shift in the functioning of the income tax department.

## [Cypriot company is treated as a 'beneficial owner' of interest received on CCDs from an Indian entity and hence it is eligible for India-Cyprus tax treaty benefits](#)

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The Mumbai Bench of the Tribunal held that the India-Cyprus tax treaty benefit is available to the taxpayer since it was a 'beneficial owner' of interest income received on Compulsory Convertible Debentures (CCDs) from an Indian entity.

## [German company does not have a PE or business connection in India for sale of cars on a principal to principal basis to its associated enterprise in India](#)

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The Mumbai Bench of the Income-tax Appellate Tribunal held that the transaction of sale of cars by a foreign company in India on a principal to principal basis to its Associated Enterprise did not result into a business connection or a Permanent Establishment.

## [Update on APA program, personnel changes](#)

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India's advance pricing agreement (APA) program continues to evolve since the APA program was launched in 2012—even as some areas appear to warrant certain refinements to align with global best practices.

# Indonesia

## [Deemed profit repatriation rules clarified for controlled foreign companies \(CFCs\)](#)

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The Minister of Finance issued guidance (Regulation No.93/PMK.03/2019—PMK-93) to amend earlier guidance (Regulation No.107/PMK.03/2017—PMK-107) and to provide greater clarity regarding the taxation of distributions from controlled foreign corporations (CFCs).

# New Zealand

## [New rules to tax land sales where there is a regular pattern of sales](#)

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Earlier this year, the Government ruled out a comprehensive capital gains tax, as well as a more targeted option for land. However, Officials were asked to look at whether the current tax rules for land were working as intended.

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## [R&D feasibility expenditures, loss continuity rules proposals](#)

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The Ministers of Finance and Revenue on 23 September 2019 announced that proposals to allow tax deductions for feasibility expenditures would be allowed to proceed.



## Beyond Asia Pacific

### [Poland: VAT mandatory split-payment mechanism from 1 November 2019](#)

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Poland's value added tax (VAT) law, as amended, provides the requirement to use the split-payment mechanism for selected transactions is effective 1 November 2019.

### [South Africa: VAT treatment of tax compliance services provided to employees](#)

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Tax compliance services provided to employees—at the cost of the employer—will be subject to value added tax (VAT) by the employer if supplied to the employees in the course of business.



## TaxNewsFlash by region

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

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[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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