



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 12 December 2019



Asia Pacific Tax Developments

Australia

[Update on hybrid mismatch rules](#)

A report from KPMG provides information to facilitate taxpayer understanding and consideration of Australia's hybrid mismatch rules.

India

[Application of MLI to tax treaties with Australia, Finland, Japan, Singapore, Slovakia, UAE](#)

India ratified the multilateral instrument (MLI) earlier in 2019, and the MLI entered into force for India on 1 October 2019.

[Deduction under Section 10A of the Income-tax Act cannot be denied in respect of additional income offered in the modified return in pursuance of APA](#)

The Pune Bench of the Income-tax Appellate Tribunal (the Tribunal) held that the taxpayer is entitled to Section 10A deduction on additional income offered in modified tax return filed pursuant to resolution advance pricing agreement.



[Payment over and above net assets acquired is towards goodwill under slump sale transaction and depreciation is allowed on the same](#)

The Chennai Bench of the Tribunal held that the payments made by taxpayer over and above net assets acquired is towards goodwill and depreciation is allowed on the same.

[Sales tax, place where contract for time-charter agreement entered](#)

The Supreme Court of India affirmed the imposition of sales tax on a time-charter agreement, concluding that the site of the sale (here, a transfer of a right to use a tugboat) is the place where the contract was entered into.

New Zealand

[Purchase price allocation proposals for vendors, purchasers](#)

Inland Revenue released an official issues paper concerning purchase price allocations.



Significant International Tax Developments

[OECD responds to U.S. Treasury's letter on digital services tax](#)

The Secretary-General of the Organisation for Economic Cooperation and Development (OECD) responded to a letter from the U.S. Treasury Secretary that had expressed the U.S. position concerning digital taxation.

[OECD: Status report, automatic exchange of information \(AEOI\)](#)

The Organisation for Economic Cooperation and Development (OECD) reported following the Global Forum's 10th anniversary meeting in Paris and launched the "2019 AEOI Implementation Report" that provides a summary of the situation of AEOI implementation.

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Calendar of events

Date	Event	Location
16 December 2019	In-depth analysis of the draft China's VAT law and the relevant impacts	Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong



Beyond Asia Pacific

[Canada: “Middle class tax cut” proposed for 2020](#)

A proposal would gradually increase the basic personal income tax deduction to CAD 15,000 beginning in 2020.

[Czech Republic: Bill proposing digital services tax presented to legislature](#)

The government submitted to the Chamber of Deputies a bill introducing a digital services tax to be imposed at a rate of 7%.



TaxNewsFlash by region

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

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

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