



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 30 July 2020



Asia Pacific Tax Developments

Australia

[FAQs for “significant global entities” \(COVID-19\)](#)

The Australian Taxation Office (ATO) updated a list of “frequently asked questions” (FAQs) for “significant global entities” with regard to filing general purpose financial statements, and providing certain penalty relief in recognition of challenges presented by the coronavirus (COVID-19) pandemic.

[Government’s outlook for economy, fiscal update](#)

The government’s July “Economic and Fiscal Outlook” was presented 23 July 2020 by the Treasurer, and reflect the impact of the COVID-19 pandemic on the Australian economy.

[Transfer pricing rules updated to align with OECD guidelines](#)

The ATO issued a release regarding changes to transfer pricing law - specifically that the Australian transfer pricing rules are to be interpreted to “achieve consistency” with the Organisation for Economic Co-operation and Development’s (OECD) Transfer Pricing Guidelines.

Cambodia

[Online system for SME applications for tax incentives](#)

The tax authority issued guidance - Instruction No. 17083 (14 July 2020) - providing an application system for small and medium size (SME) taxpayers to apply for tax incentives.

[Relief measures to support tourism sector \(COVID-19\)](#)

The government provided various relief measures to support the tourism industry and to mitigate the economic impact of the COVID-19 pandemic.

India

[Customs Update I Crowd Sourcing of Suggestions](#)

The Indian Finance Minister in Budget 2020 expressed the need of reviewing the existing Customs Exemption Notifications to identify those Notifications which may have outdated their utility or have become outdated. In this regard, CBIC has issued Instruction No. 14/2020, to institute the facility of “crowdsourcing of suggestions” on certain matters related to Customs. The last date for submission is 21 August 2020.

[Payment for web hosting and promotion services is not taxable as fees for included services under the India-US tax treaty](#)

The Ahmedabad Bench of Income-tax Appellate Tribunal held that web hosting and promotion services do not ‘make available’ any technical knowledge and know-how. Therefore, payments made to the non-resident company were not taxable as “fees for included services” under the income tax treaty between India and the United States.

[Production linked incentive scheme \(PLIS\) to promote domestic manufacturing of critical Key Starting Materials \(KSMs\)/Drug Intermediates \(DIs\) and Active Pharmaceutical Ingredients \(APIs\)](#)

With the objective to boost domestic manufacturing of identified KSMs, DIs and APIs by attracting large investments in the sector, the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, Government of India has notified the PLIS. In addition, the Ministry has also notified incentive schemes for setting up bulk drug parks with the aim to provide easy access to the world class common infrastructure facilities to units located in the parks.

[Since activities of Foreign company’s project office were preparatory or auxiliary in nature, such project office does not constitute a fixed place PE in India](#)

The Supreme Court of India held that a project office set up by a Korean company in India for executing a contract does not constitute a permanent establishment in India as per the India – Korea tax treaty.



Significant International Tax Developments

[OECD: Mutual administrative assistance in tax matters, toolkit for developing countries](#)

The Organisation for Economic Cooperation and Development (OECD) announced the release of a “toolkit” for countries becoming a party to the Convention on Mutual Administrative Assistance in Tax Matters (MAAC).



Calendar of events

| Date | Event | Location |
|----------------|---|----------|
| 26 August 2020 | Hong Kong's New Limited Partnership Fund Regime | Webinar |



Beyond Asia Pacific

[Egypt: Update on tax relief \(COVID-19\)](#)

The government, in efforts to limit the economic effects of the coronavirus (COVID-19) pandemic, finalized measures that previously were released in draft legislation or decisions.

[Ireland: Jobs stimulus package \(COVID-19\)](#)

The jobs stimulus package, includes measures that focus on protecting and stimulating jobs and represents the next phase in the government's economic plan to deal with the ongoing challenges of the coronavirus (COVID-19) pandemic.



TaxNewsFlash by region

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



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