



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 21 January 2021



## Asia Pacific Tax Developments

### Cambodia

#### [Income tax treaty with Malaysia](#)

An income tax treaty between Cambodia and Malaysia has entered into force and is effective beginning 1 January 2021.

#### [Stamp tax on transfers of property, company shares](#)

Legislation enacted in late December 2020 includes indirect tax measures. One provision concerns input tax credits and allows refunds of taxes that foreign tourists pay for goods purchased from taxable persons, for use outside Cambodia.

### India

#### [CBDT notifies the Faceless Penalty Scheme, 2021](#)

CBDT has issued Notifications prescribing the Faceless Penalty Scheme, 2021 under Section 274(2A) as well as Section 274(2B). The Scheme provides mechanism to facilitate the conduct of faceless penalty proceedings..

## "Employment Stock Option Plan exercised by non-resident, if granted for employment in India, not eligible for treaty benefits"

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The Mumbai Bench of Income-tax Appellate Tribunal has held that taxpayer being a Non Resident of India, claim of benefits (as available under the Tax Treaty) for the Employment Stock Option Plan exercised by him, granted for his employment in India would not be available.

## "Training fees are not taxable as FTS in view of the MFN clause under the India-Sweden tax treaty"

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The Pune Bench of the Income-tax Appellate Tribunal observed that once two sovereign states have added Protocol to the India-Sweden tax treaty which contains the MFN clause, the inference could be drawn is that the beneficial provisions contained in the India Portuguese tax treaty is to be read in the tax treaty.

## Philippines

### VAT withholding on government payments, changes effective 2021

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The provision provides that 5% rate of withholding under the VAT system will transition or shift to a creditable withholding system, except for payments for purchases of goods and services arising from projects funded by Official Development Assistance.



# Significant International Tax Developments

## [OECD: Toolkit for developing countries, transfer pricing documentation rules](#)

The Organisation for Economic Cooperation and Development (OECD) today announced that the “Platform for Collaboration on Tax” (a joint initiative of the IMF, OECD, UN and World Bank) released the final version of a “toolkit” that is intended to serve as guidance for developing countries on implementing transfer pricing documentation rules.



## Calendar of events

Date	Event	Location
26 January 2021	<a href="#">Interest Deductibility, Earning Stripping Rules and Cross-Border Transactions</a>	Webinar
2-4 February 2021	<a href="#">2021 KPMG Virtual Tax &amp; Legal Summit – Asia Pacific region</a> Contact: <a href="#">Phoebe Tsang</a>	Webinar
4 February 2021	<a href="#">KPMG Asset Management Series</a> Contact: <a href="#">Tracy Leung</a>	Webinar



## Beyond Asia Pacific

### [Canada: Upcoming deadlines for complying with subsidy obligations \(COVID-19\)](#)

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Employers who are eligible for the Canada Emergency Wage Subsidy only have until 31 January 2021, to claim the subsidy or amend previous claims for certain periods. In addition, employers who are eligible for the 10% temporary wage subsidy must file their self-identification forms before 1 March 2021.

### [Sweden: Interest deduction limitation rules found in breach of EU law \(CJEU judgment\)](#)

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The Court of Justice of the European Union (CJEU) today issued a judgment concluding that the “10% rule” in the Swedish interest deduction limitation rules is contrary to the EU freedom of establishment.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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