



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 11 March 2021



## Asia Pacific Tax Developments

### Australia

#### [FATCA reporting deadline extended; U.S. TIN information mandatory for 2020 reporting year](#)

The Australian Taxation Office (ATO) extended the FATCA reporting deadline to 31 August 2021 (from 31 July 2021) for the 2020 reporting year to allow reporting financial institutions more time to obtain missing U.S. taxpayer identification numbers and to modify the system in order to enable the reporting of codes.

### Cambodia

#### [Guidance on back pay in manufacturing sector](#)

The Ministry of Labour and Vocational Training issued guidance on the payment of back pay of “seniority payments” for periods before 2019 and on new seniority payments for 2020 and 2021 for the manufacturing sector.

### China

#### [PRC IIT preferential tax treatment – How should you be prepared for the change?](#)

The PRC preferential individual income tax (IIT) treatment applicable for annual bonus, equity-based incentives and certain expatriate fringe benefits-in-kind under the prevailing PRC IIT regulations, and analysis on the trend on preferential tax policies in the PRC.



# Hong Kong (SAR), China

## [Guidance on taxation of ship operators](#)

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The Inland Revenue Department published new guidance on the taxation of ship operators. The guidance is of relevance to ship owners engaged in chartering operations that historically have been assessed to tax under section 23B of the Inland Revenue Ordinance.

# India

## ["CBDT issues notification extending the due dates for assessment, reassessment,](#)

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In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances due to the COVID-19, the government has recently issued a Notification for providing further extension of some due dates.

## [Clarification on residential status of individuals for financial year 2020-21](#)

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The Central Board of Direct Taxes issued a clarification in respect of residency of NRIs/ foreign visitors whose stay in India during the FY 2020-21 had got extended due to the Covid-19 lockdown.

## [Computation of perquisite for annual accretion related to excess contribution made by](#)

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As per Finance Act 2020, effective 1 April 2020, the aggregate of such employer contributions to PF, SAF and NPS exceeding INR 750,000 has been taxable as perquisite. Further, annual accretion to the extent it relates to the taxable employer's contribution as above, is treated as a taxable perquisite.

## [Consolidation of Guidelines for OCI Cardholder](#)

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Ministry of Home Affairs issued office memorandum highlighting OCI rights. Through this notification, OCI card holders have been provided following rights:

- Grant of multiple entry lifelong visa
- Exemption from registration
- Parity with Indian nationals
- Parity with Non-Resident India (NRIs)

## [GST Notification update | E-invoice mandatory for turnover in excess of INR 50 crore](#)

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With effect from 1 January 2021 the requirement for issuing e-invoice was made mandatory for taxpayers having a turnover in excess of INR 100 crore. Now in the next phase of mandating issuance e-invoice, CBIC has notified on 1 April 2021 as the date from when taxpayer having an aggregate turnover in excess of INR 50 crore, shall be required to issue e-invoice for all B2B supplies made including exports.

## [Payment to foreign software manufacturers for resale or use not a royalty](#)

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The Supreme Court of India held that amounts paid by resident Indian end-users or distributors to non-resident computer software manufacturers and suppliers, as consideration for the resale or use of the computer software through an end-user licensing agreement and distribution agreement, was not a payment of a royalty for the right to use the copyright of the computer software under various income tax treaties.

## New Zealand

### [Update on tax proposals regarding feasibility expenditures, purchase price allocation rules](#)

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The Finance and Expenditure Committee recommended several changes to the Taxation Bill and reported back the bill. The bill is now pending the remaining parliamentary stages.

## Pakistan

### [Income and sales tax measures enacted](#)

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The “Tax Laws (Amendment) Ordinance, 2021” was enacted in February 2021. The tax measures included in the legislation concern income tax, sales tax, and customs duties. Specifically, there are incentives for non-resident corporations and individuals

## Taiwan

### [Updated user guide, CRS portal](#)

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The tax authority of Taiwan updated version 1.3 of the user guide for the common reporting standard (CRS) portal. The update reflects a new declaration.



# Significant International Tax Developments

## [OECD: Toolkit on tax treaty negotiations, for use by developing countries](#)

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 tax treaty negotiations.



## Calendar of events

| Date             | Event   | Location |
|------------------|---|----------|
| 23-25 March 2021 | <u><a href="#">2021 KPMG Virtual Global Indirect Tax Conference</a></u><br><br>Contact: <u><a href="#">Anita Chau</a></u>   | Webinar  |
| 29 March 2021    | <u><a href="#">Navigating Ways Through Tax Audit &amp; Investigation: Good Practices when Dealing with the Inland Revenue Board</a></u><br><br>Contact: <u><a href="#">Karen Lee</a></u> and <u><a href="#">Bernice Lim</a></u> | Webinar  |
| 30 March 2021    | <u><a href="#">Demystifying Malaysian Withholding Tax</a></u>   | Webinar  |



## Beyond Asia Pacific

### [Czech Republic: “Deemed supplier” concept, e-commerce and VAT](#)

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The treatment of electronic interface operators for value added tax (VAT) purposes is proposed to change beginning 1 July 2021. In connection with a planned amendment to the VAT law relating to e-commerce, “e-shops” (platforms) engaging in the sale of goods from foreign suppliers would need to assess whether they are operating as “deemed suppliers.”

### [South Africa: Penalty assessment on catch-up adjustments upheld](#)

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The South African Revenue Service recently posted on its website a judgment of the Tax that upheld an understatement penalty assessment against a corporate taxpayer.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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