



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 8 April 2021



Asia Pacific Tax Developments

Australia

[Guidance on claiming temporary full expensing and loss carryback](#)

The Australian Taxation Office issued guidance for businesses claiming temporary full expensing and loss carryback in their 2020-21 tax returns.

[New measures concerning casual employment; action steps for employers](#)

New measures in Australia amend existing employment legislation with regard to “casual employment.”

[No further extension of financial reporting deadlines \(COVID-19\)](#)

The Australian Securities and Investments Commission announced that it is not currently intending to extend the deadline for filing financial reports for balance dates after 7 January 2021.

[R&D tax incentive \(Full Federal Court\)](#)

The Full Federal Court in a case concerning the interpretation of section 8AAZN of the Taxation Administration Act 1953 (Cth) (TAA 1953) as to what constitutes an administrative overpayment held for the government in a case concerning a claim for research and development tax incentive.

[Synthesised text of income tax treaty with Indonesia](#)

The Australian Taxation Office released synthesised text of the multilateral instrument and Australia's income tax treaty with Indonesia.

Hong Kong (SAR), China

[Hong Kong extends profits tax concession for certain insurance businesses](#)

The enhanced tax concession came into effect on 19 March 2021, providing a concessionary tax rate of 8.25% on income for certain insurance-related businesses conducting business in Hong Kong provided certain thresholds are met.

[Proposed changes regarding deductions for foreign taxes paid](#)

The Hong Kong SAR government published a bill to amend the law relating to deductions for tax paid overseas.

[The Hong Kong SAR Government eases the rules on foreign taxes paid](#)

The Hong Kong SAR Government has published its bill to amend the law relating to deductions for tax paid overseas. Under the proposals:

- Section 16(1)(c) will be expanded to cover a wider range of overseas tax charged on a gross, withholding basis;
- The deduction under that section will be available to non-Hong Kong resident enterprises who are subject to tax on that income in Hong Kong even where a double tax agreement is in place with the other jurisdiction, subject to relief not being available for the tax suffered in the jurisdiction of residence.

[The IRD issues new guidance on the taxation of ship operators](#)

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

India

[Amendments to Finance Bill, 2021](#)

The Lok Sabha passed the Finance Bill, 2021 with certain amendments including changes that would relate to the definition of "liable to tax," would concern transfers between a firm and its partners, would expand the scope of exemptions (under Section 10), would exclude self-generated goodwill from the net worth of undertakings transferred as a slump sale, and would affect the statute of limitations on assessment.

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[CBDT notifies rules for registration, approval and compliance by educational](#)

The Finance Act, 2020 made substantial amendments for granting exemptions to the charitable/religious trusts, institutions etc.

[Reimbursement of certain expenditure by an Indian branch to a Singapore company is not liable for tax deduction at source](#)

The Pune Bench of Income-tax Appellate Tribunal in the case of BYK Asia Pacific Pte. Limited held that two fundamental conditions must co-exist in order to fall within the domain of reimbursement, the first is that one-to-one direct correlation between the outgo of the payment and inflow of the receipt must be established and the second is that the receipt and payment must be of identical amount.

[The benefit of India-Netherlands tax treaty is not available to the Netherlands based](#)

The Authority of Advance Ruling in the case of ABC, In re held that the income arising to funds from investment made in securities in India out of the contributions made by participants will be assessed in the hands of funds and such funds being fiscally transparent non-taxable entities in Netherlands are not eligible for the benefit of Article 13 of the tax treaty since it does not qualify to be a resident under the tax treaty.

Japan

[Update of FAQs Relating to COVID-19](#)

The NTA updated the FAQs about the tax treatment and the English version of FAQs about grace system for national tax payment on 18 March relating to COVID-19.

[Update on 2021 tax reform legislation](#)

The tax reform legislation includes the following corporate tax measures:

- Incentives for promoting investment in digital transformation
- Incentives for promoting investment in carbon neutrality
- Measures concerning tax loss carryforwards
- Tax credits for research and development (R&D) expenses
- Measures for promoting mergers and acquisitions using a corporation's own shares

Malaysia

[Tourism tax regulations address digital platforms](#)

The Tourism Tax Regulations 2021 were published in the official gazette. The effective date for the registration section is 1 April 2021. The rules on issuance of credit notes and debit notes are provided. It appears to be similar to the rules for digital service provided by a foreign registered person for Service Tax purposes.

Mauritius

[Country-by-country reporting deadline extended to 20 April 2021 \(COVID-19\)](#)

The deadline for certain entities that must submit country-by-country reports has been extended as a relief measure in response to the COVID-19 pandemic “lockdown” imposed in March 2021.

Pakistan

[Income tax measures in “mini budget”](#)

The Tax Laws Ordinance, 2021 being referred to as a “mini budget” includes income tax provisions.

Singapore

[Updated FATCA guidance and FAQs](#)

The Inland Revenue Authority of Singapore updated guidance and a set of “frequently asked questions” (FAQs) concerning the FATCA regime.



Significant International Tax Developments

[OECD: First exchanges of “no or only nominal tax jurisdictions”](#)

The Organisation for Economic Cooperation and Development (OECD) issued a release reporting that 12 “no or only nominal tax jurisdictions” began their first tax information exchanges under the OECD Forum on Harmful Tax Practice’s global standard on substantial activities.

[OECD: Report on status of international tax agenda, developments](#)

The OECD released a report prepared for G20 finance ministers and central bank governors providing a status update about the OECD's international tax agenda and the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes.



Calendar of events

Date	Event	Location
9 April 2021	Sustainable Finance: Making better financial decisions	Webinar
9 April 2021	KPMG Global Mobility Services ASPAC Webinar Series	Webinar
14 April 2021	Sales Tax and Service Tax: The Journey So Far Contact: taxevents@kpmg.com.my	Webinar
15 April 2021	KPMG Supply Chain Seminar and Roundtable Meeting Contact: Jessie Jiang	KPMG Shanghai Office 23F, Tower 2, Plaza 66, 1266 Nanjing West Road, Jing'An, Shanghai
5 May 2021	Property and Construction Industry Contact : Karen Lee and Sr. 'Afifah Mohamad Tajudin	Webinar

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Beyond Asia Pacific

[Nigeria: Corporate income tax, procedures for making payments in installments](#)

The Federal Inland Revenue Service issued a notice clarifying the procedure for self-assessed corporate taxpayers to apply to remit their payments of their corporate income tax in installments.

[UK: Proposed FB 2021 changes to the UK hybrid mismatch rules](#)

Significant changes are being made to the UK's hybrid mismatch rules. The impact to current structures and past/future filing positions will need to be considered.



TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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