



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 5 August 2021



## Asia Pacific Tax Developments

### Australia

#### [Common loss carryback errors identified](#)

The Australian Taxation Office published a list of common mistakes made by businesses claiming the loss carryback in recent claims.

### China

#### [Income tax incentives for highly skilled employees, Greater Bay Area](#)

Several Guangzhou municipal authorities jointly issued implementation guidance for the Guangdong, Hong Kong (SAR), China, Macau (SAR), China, Greater Bay Area preferential individual income tax incentives for the years from 2020 through 2023. The guidance is expected to help businesses to gain access to the tax incentives.

#### [Simplified procedure for unilateral APAs](#)

The State Administration of Taxation issued guidance that finalizes a simplified procedure with regard to unilateral advance pricing arrangements (APAs). The guidance includes detailed guidance for companies seeking to reduce their transfer pricing risk and to allow for increased tax certainty.

## India

### [Sale of shares of an Indian company by a foreign company is not a sham transaction and therefore long-term capital loss on such transaction is eligible to set off and carry forward](#)

The Mumbai Bench of the Income-tax Appellate Tribunal in the case of Swiss Reinsurance Company Ltd<sup>1</sup> held that sale of shares of an Indian company by a foreign company is not a sham transaction and therefore long-term capital loss on such transaction is eligible to set off and carry forward.

## Japan

### [Protocol to amend income tax treaty with Switzerland](#)

Representatives of the governments of Japan and Switzerland signed a Protocol to amend the existing income tax treaty. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting will not apply to either the existing tax treaty or the Protocol as neither government selected the existing tax treaty as a covered tax agreement.

## Pakistan

### [Sales tax and other indirect tax measures in provincial tax laws 2021](#)

The provincial assemblies of Punjab, Khyber Pakhtunkhwa, and Balochistan each approved their respective Finance Bills 2021 with certain amendments. Following the assent of the governors of each province, the measures have been enacted.



## Calendar of events

Date	Event	Location
5 August 2021 and 12 August 2021	<a href="#">Biden US Tax Reform - Corporate, individual and withholding tax implications</a>  Contact: <a href="#">Phoebe Tsang</a>	Webinar
17 August 2021	<a href="#">KPMG Singapore Financial Services Tax Webinar</a>	Webinar
18 August 2021	<a href="#">Transfer Pricing War Stories</a>  Contact: <a href="#">KPMG Conference</a>	Webinar
6 September 2021	<a href="#">Managing the Tax Impact on Certain Payments made by Companies to Individuals</a>  Contact: <a href="#">Tax Events</a>	Webinar



## Significant International Tax Developments

### [OECD: Transfer pricing country profiles; updated for financial transactions and permanent establishments](#)

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The Organisation for Economic Cooperation and Development announced the publication of updated transfer pricing country profiles of 20 jurisdictions. The updated profiles also contain new information on each country's legislation and practices regarding the transfer pricing treatment of financial transactions and the application of the Authorised OECD Approach to attribute profits to permanent establishments.



## Beyond Asia Pacific

### [Mauritius: Income tax treaty with Lesotho](#)

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Mauritius and Lesotho have completed their respective ratification procedures for the entry into force of an income tax treaty.

### [United Kingdom: Notification of uncertain tax treatments draft legislation published](#)

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United Kingdom Government published draft legislation on a new requirement for large businesses (broadly companies and partnerships with UK turnover greater than £200 million per annum or a UK balance sheet total over £2 billion) to notify HMRC where they have adopted an uncertain tax treatment in corporation tax, VAT or income tax returns filed.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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