



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 17 March 2022



## Asia Pacific Tax Developments

### Hong Kong (SAR), China

#### [Proposed family office tax exemption regime](#)

The Hong Kong (SAR) government has commenced the formal consultation process on the proposed profits tax exemption for family office business in Hong Kong (SAR). The objective of the tax exemption is to provide tax certainty to investment holding vehicles owned by ultra-high-net-worth individuals and their family members.

### India

#### [Loss from permanent diminution in value of investment in U.S. subsidiary allowable as business expenditure](#)

The Rajasthan High Court agreed with the taxpayer that it was allowed to claim a business loss flowing from a permanent diminution in the value of an investment made in the equity shares in a subsidiary located in the United States.

#### [India Tax Konnect](#)

KPMG in India published February edition of India Tax Konnect. The document covers all the latest tax developments in the country.

### Malaysia

#### [Tax Corporate Governance Framework and Guidelines](#)

The Malaysian Inland Revenue Board issued the tax corporate governance framework ("TCGF") and guidelines to guide organizations in designing and operating their TCGF and encourage voluntary participation in the TCGF Programme.



## [Special foreign-sourced income program ends](#)

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Taxable foreign-sourced income remitted during the first half of year 2022 is still subject to tax at a rate of 3% of the gross amount. A special program for remittances of foreign-sourced income ended.

## [Ratification of RCEP free trade agreement](#)

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Malaysia in January 2022 submitted its “instrument of ratification” to the Association of Southeast Asian Nations (ASEAN) Secretariat. Malaysia will become the 12th signatory country to implement the Regional Comprehensive Economic Partnership (RCEP) agreement.

# New Zealand

## [Interest limitations, GST measures and foreign exchange rules in pending bill](#)

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A parliamentary committee has reported back and recommended changes to pending legislation, the “Taxation (Annual Rates for 2021-22, GST, and Remedial Matters) Bill.”

# Pakistan

## [Tax incentives to encourage industrial investment](#)

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The “Income Tax (Amendment) Ordinance, 2022” includes tax amnesty when investments are made from previously undeclared assets (similar to a tax amnesty program). The measures have been approved by the Cabinet and are enacted when signed by the president.

# Philippines

## [Tax guidance on certain income tax incentives \(COVID-19\)](#)

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The Bureau of Internal Revenue has issued Revenue Memorandum Circular No. 23-2022 (9 March 2022) to provide clarifications and guidance on the suspension of the income tax incentives granted to registered business enterprises for violating the work-from-home threshold as prescribed by the Fiscal Incentives Review Board (FIRB).

# Singapore

## [Updated FATCA technical guidance and FAQs](#)

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The Inland Revenue Authority of Singapore (IRAS) on issued the fourth version of the “IRAS Supplementary XML Schema User Guide for Preparing the FATCA Reporting Data File.” The guide is updated to amend paragraph 7.3 to provide clarification on populating a foreign tax identification number (TIN) for an entity account holder that is not a U.S. person.

## Thailand

### [Revised transfer pricing disclosure form; country-by-country reporting notification and Q&As](#)

The Thai Revenue Department revised the transfer pricing disclosure form and provided additional explanations along with a set of “questions and answers” (Q&A) and updates on the notification process for country-by-country (CbC) reporting.

### [Tax relief to support trading in digital assets and investment in start-ups](#)

The Thai Cabinet approved two tax relief measures to support the trading in digital assets and the investment in Thai start-ups. The measures to support the investment in Thai start-ups will apply until 30 June 2022.

## Vietnam

### [Guidance concerning e-commerce websites and activities; amendments regarding investment, enterprises](#)

Guidance—Circular No. 01/2022/TT-BCT—implements measures regarding the governance and management of e-commerce websites and e-commerce activities accessed by means of mobile applications used in cellphone devices



## Significant International Tax Developments

### [OECD: Comments on draft model rules for tax base determinations under Pillar One Amount A](#)

The Organisation for Economic Cooperation and Development (OECD) released comments received on the draft rules for tax base determinations under Pillar One Amount A.

### [OECD: Commentary on Pillar Two model rules for domestic implementation of 15% global minimum tax](#)

The Organisation for Economic Cooperation and Development (OECD) published commentary on the Pillar Two model rules which were released 20 December 2021 and provide a precise template for governments to move forward with Pillar Two of the two-pillar solution to address the tax challenges arising from digitalisation and globalisation of the economy.



## Calendar of events

Date	Event	Location
12-13 April 2022	<a href="#">Demystifying Malaysian Withholding Tax (Re-run)</a>	Webinar
	Contact : <a href="mailto:taxevents@kpmg.com.my">taxevents@kpmg.com.my</a>	



## Beyond Asia Pacific

### [Bahamas: Updated EU “grey list” includes Bahamas and other Caribbean countries](#)

The Bahamas was added to Annex II of the EU list of non-cooperative jurisdictions for tax purposes (the so-called “grey list”). Belize, Bermuda, the British Virgin Islands, Israel, Monserrat, Russia, Tunisia, Turks and Caicos Islands, and Vietnam were also added to the grey list.

### [Belgium: Temporary reduction of VAT rate, electricity for residential use](#)

The value added tax (VAT) rate for electricity is reduced to 6% (from 21%) for residential consumption for the period between 1 March 2022 and 30 June 2022. The reduced rate of VAT will be automatically applied by the electricity supplier for consumers with a “residential” or “non-professional” contract.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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