

# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 20 October 2022



## Asia Pacific Tax Developments

### Australia

#### [New income tax treaty with Iceland signed, incorporating BEPS recommendations](#)

The Federal Government signed a new income tax treaty with Iceland, the first between Australia and Iceland.

#### [Consultation paper on BEPS 2.0](#)

Treasury released a consultation paper on Australia's participation in the OECD's BEPS 2.0 project.

### Hong Kong (SAR), China

#### [The Court held taxpayers are entitled to refund of excessive tax reserve certificates purchased plus interest in unsettled tax dispute cases](#)

The Court held in a case that the taxpayer should be refunded of the excessive tax reserve certificates (TRCs) purchased together with interest despite the final determination of the taxpayer's appeal in the case is pending.

#### [Hong Kong \(SAR\), China started the legislative process to modify its Double Tax Agreements through the BEPS Multilateral Instrument](#)

An Order was recently published in the Gazette as part of the domestic legislative process to implement the OECD's BEPS Multilateral Instrument in the Hong Kong (SAR), China.

## India

### [Appellant can pay 10% of disputed tax using either electronic cash or credit ledger \(high court decision\)](#)

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The Bombay High Court held that an appellant can pay 10% of the disputed tax using either the amount available in the electronic cash ledger or the amount available in the electronic credit ledger.

### [GST common portal opening extended to file or revise Forms TRAN-1 and TRAN-2 \(Supreme Court decision\)](#)

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The Supreme Court has extended the time for opening the goods and services tax (GST) common portal for a further period of four weeks to 31 October 2022.

### [Six-month extension of Foreign Trade Policy 2015-2020; other trade and customs-related developments](#)

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The Central Board of Indirect Taxes and Customs issued a circular clarifying the classification of goods that undertake lifting and handling functions and have mobility as a function.

## Korea

### [Criteria for determining beneficial owner under Austria treaty \(tax tribunal decision\)](#)

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The tax tribunal held that the recipient of a dividend that had a contractual obligation to transfer the dividend to its parent company was not the beneficial owner of the dividend under the Korea-Austria income tax treaty.

### [Transfer pricing adjustments added to customs value of imported goods when directly related](#)

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The Supreme Court of Korea issued a decision concerning whether a transfer pricing adjustment was to be added to the customs value of imported goods.

## Malaysia

### [Budget 2023: Advancing Sustainability](#)

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Budget 2023, amounting to RM372.3 billion, was tabled by YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz in October 2022.

### [Tax proposals in budget for 2023, including domestic minimum top-up tax](#)

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The Minister of Finance tabled the 2023 budget, which includes tax-related proposals.

## [Qualified domestic minimum tax top-up tax to combat revenue leakages: Tax experts](#)

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Soh Lian Seng (Head of Tax) at KPMG in Malaysia said that the 15 per cent domestic minimum top-up tax (QMDTT) proposed in Budget 2023 is set to combat revenue leakages and profit-shifting activities in the country.

## [Taxpayers gained benefits](#)

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All taxpayers will receive cost-saving benefits through the rate announced in the Budget 2023 proposals.

## [Fiscal plan attracts investments in right areas, says tax expert](#)

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Soh Lian Seng (Head of Tax) at KPMG in Malaysia said on the sustainable development efforts announced in Budget 2023 that although no specific date on the implementation of carbon tax was announced in the budget, the government is evaluating the carbon pricing mechanism.

## [Tax expert welcome government's cut tax for M40](#)

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Soh Lian Seng (Head of Tax), KPMG in Malaysia welcomed the move by the government to cut the income tax for the M40 group as the move will give the middle income households more purchasing power.

## [Malaysia's carbon tax will help achieve carbon neutrality by 2050](#)

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Soh Lian Seng (Head of Tax) at KPMG in Malaysia said that With the government's intention to introduce a carbon tax to drive the environment, social and governance (ESG) agenda, sustainability was certainly a key focus in the Budget 2023 proposals.

## [Guidelines on Tax Treatment in relation to Income which is Received from Abroad](#)

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The Malaysian Inland Revenue Board ("MIRB") has issued its "Guidelines on Tax Treatment in relation to Income which is Received from Abroad" in September 2022.

# Philippines

## [Five is just a number](#)

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The Bureau of Internal Revenue (BIR) paid attention issued Revenue Regulations (RR) No. 06-2022 in June 2022, prescribing the removal of the five (5)-year validity period on receipts/invoices.

## [ITR Asia Pacific Awards 2022](#)

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KPMG ASPAC has a number of wins at the International Tax Review (ITR)'s Asia Pacific Tax Awards 2022. The region has once again demonstrated its remarkable tax competence by taking home 21 awards.

# Singapore

## [Changes to exemption on mandatory overseas pension/provident fund contributions](#)

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The Inland Revenue Authority of Singapore (IRAS) announced the withdrawal of the administrative concessionary tax exemption on employers' contributions to mandatory overseas pension/provident funds with effect from the year of assessment (YA) 2025.



# Significant International Tax Developments

## [OECD: Updated guidance on implementation of country-by-country reporting](#)

OECD issued “Guidance on the Implementation of Country-by-Country Reporting: BEPS Action 13”, a report to assist tax administrations and multinational enterprise (MNE) groups on the implementation and operation of country-by-country (CbC) reporting under base erosion and profit shifting (BEPS) Action 13.

## [OECD: Progress report on administration and tax certainty aspects of Amount A of Pillar One; public consultation](#)

The Organisation for Economic Cooperation and Development (OECD) issued a release seeking public comments on a Progress Report on the Administration and Tax Certainty Aspects of Amount A of Pillar One.

## [OECD: Tax transparency framework for cryptoassets, proposed amendments to CRS](#)

The Organisation for Economic Cooperation and Development (OECD) published a Crypto-Asset Reporting Framework, which includes proposed amendments to the common reporting standard (CRS) for the automatic exchange of financial account information among countries.

## [OECD: Report on tax incentives and the global minimum tax](#)

The Organisation for Economic Cooperation and Development (OECD) released a report entitled “Tax Incentives and the Global Minimum Tax: Reconsidering Tax Incentives after the GloBE Rules”.



## Calendar of events

Date	Event	Location
To be decided	<a href="#">[POSTPONED] Tax and Business Summit 2022</a> (For queries, please contact <a href="mailto:taxevents@kpmg.com.my">taxevents@kpmg.com.my</a> )	Hybrid (Malaysia)
31 October 2022	<a href="#">US Tax Essentials for Funds and Family Offices – Compliance and advisory related to US investors in a Singapore-based investment platforms</a>	Virtual



## Beyond Asia Pacific

### [Bahrain: Updated VAT registration guideline; new decision for digital stamp scheme](#)

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The National Bureau for Revenue (NBR) updated their value added tax (VAT) registration guideline and issued a new decision for the digital stamp scheme.

### [Malta: Mandatory online filing of VAT returns for certain registered persons](#)

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Effective from February 2023, all persons registered for value added tax (VAT) under Article 10 will be obligated to submit online all VAT returns by using the VAT e-Services on the Office of the Commissioner for Revenue (CFR) website.

### [Mexico: Payroll tax reporting changes \(Nuevo Leon\)](#)

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The tax authority of the State of Nuevo Leon published on its website changes to reporting for payroll tax purposes—effective October 2022—as well as a payroll tax reporting manual.

### [KPMG in Poland: Clarifications regarding VAT grouping; criteria for identifying a fixed establishment for VAT purposes](#)

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KPMG in Poland prepared a report concerning value added tax (VAT) developments.



## TaxNewsFlash by region

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[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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