

KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 30 January 2023



Asia Pacific Tax Developments

Cambodia

[E-documents facility no longer available for monthly and annual tax on income declarations](#)

Effective from 10 January 2023 onwards, monthly and annual income tax declarations submitted via the e-documents facility will not be recognized by the General Department of Taxation (GDT).

[Annual tax, corporate and accounting compliance obligations for 2022 and 2023](#)

KPMG in Cambodia prepared a January 2023 report highlighting key annual tax, corporate and accounting compliance obligations for 2022 and 2023.

[Implementation of advanced tax on dividend distribution](#)

The General Department of Taxation (GDT) issued Instruction no. 30408 to clarify the scope and imposition of the advanced tax on dividend distribution (ATDD) in Cambodia.

[Taxable salary thresholds; extension of certain tax benefit for textile and garment sector](#)

Effective January 2023 onwards, there will be new salary thresholds implemented for salary payable to resident employees from January 2023.

China

[Preferential individual income tax policies extended](#)

On 16 January 2023, the Ministry of Finance and State Taxation Administration announced the extension of select preferential individual income tax policies for one year, until 31 December 2023.

[Draft VAT law](#)

The first draft of the value added tax (VAT) law was released by the National People's Congress (NPC) in December 2022.

India

[Withholding not required on estimated payments; application of beneficial treaty rate upheld](#)

KPMG in India prepared reports about two tax-related decisions of the Karnataka High Court.

[Exemption rule for educational institutions; beneficial owner of fees for technical services](#)

KPMG in India prepared reports about two tax-related court decisions.

[A liaison office in India does not constitute a Permanent Establishment under the India-Switzerland tax treaty](#)

Mumbai Bench of the Income-tax Appellate Tribunal in the case of S.R. Technics Switzerland Ltd (the taxpayer) held that the LO of the taxpayer did not constitute a PE in India under the India-Switzerland tax treaty.

[Scheme of amalgamation is rejected as nothing was expressed on Section 72A relating to carry forward and set off of accumulated loss and unabsorbed depreciation](#)

The Delhi bench of National Company Law Tribunal rejected the scheme of amalgamation.

Japan

[Updated FAQs on AEOI reporting system under CRS regime](#)

Japan's tax agency published an updated version of "frequently asked questions" (FAQs) on the automatic exchange of information (AEOI) reporting system under the common reporting standard (CRS) regime.

[FAQs on AEOI process for non-residents](#)

Japan's tax agency released "frequently asked questions" (FAQs) that list the points that financial institutions need to pay special attention to when implementing the automatic exchange of information process for non-residents.

Korea

[Preferential tariff rates under free trade agreements with United States and China \(tax tribunal decisions\)](#)

The Korean tax tribunal ruled on issues regarding the obligations benefits arising from preferential tariff rates under free trade agreements signed with the United States and China.

[Royalties subject to withholding under Korea-U.S. treaty \(tax tribunal decision\)](#)

The Korean tax tribunal held its decision that royalties received would be subject to withholding corporate income tax under the Korea-US income tax treaty since they were Korean-sourced income

[Tax reform for 2023](#)

The National Assembly approved tax reform measures for 2023 and most of the approved tax law amendments will become effective in January 2023, unless otherwise specified.

Malaysia

[Sales tax on low value goods legislations and MyLVG Portal](#)

In line with the charging and levying of Sales Tax on LVG effective 1 April 2023, the Ministry of Finance (“MOF”) has issued various Regulations and Orders.

[Industry incentive for sustainability](#)

Malaysia is actively promoting investments in the halal sector, thus offering a wide range of tax incentives from double deductions to allowances.

[Summary of income and indirect tax developments \(January 2023\)](#)

KPMG in Malaysia prepared a monthly summary of tax developments that includes a discussion of income tax and indirect tax developments.

[Sticks and carrots for the Green agenda](#)

Dany Oon, Executive Director of Indirect Tax at KPMG in Malaysia authored a commentary exploring the aspects that should be considered in designing the carbon tax framework that can lead to a successful implementation.

[Draft Service Tax Guide on Goods Delivery Services](#)

The Royal Malaysian Customs Department issued a Draft Guide on Goods Delivery Services which provides clarifications on the expanded scope of taxable service.

Mongolia

[Changes in tax legislation for 2023](#)

KPMG in Mongolia has prepared a January 2023 report covering various changes in tax legislation for 2023.

Philippines

[Submission of inventory list and application of VAT to HMO plans of registered export enterprises](#)

The Bureau of Internal Revenue (BIR) issued a guidance related to inventory submission and VAT treatment of health maintenance organisation (HMO) plans acquired by registered export enterprises for their employees.

[The long and short on VAT on HMO payments](#)

KPMG in Philippines published a report on the VAT treatment of Health Maintenance Organisation (HMO) plans taken by registered export organisations for their employees.

[Special InTAX: January 2023 Issue 1 | Volume 2](#)

The Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular No. 8-2023, circularizing the revised provisions for submission of inventory list and other reporting requirements mentioned in RMC no. 57-2015.

[Special InTAX: January 2023 Issue 1 | Volume 1](#)

The Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular No. 5-2023 providing that VAT-registered taxpayers are no longer required to file Monthly VAT Declaration.

[What's In and What's Out in 2023?](#)

There are various changes in the tax system brought by the Republic Act (RA) No. 10963, and RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law.

Singapore

[Cement silo is not a “plant” for capital allowance purposes \(court decision\)](#)

The Income Tax Board of Review held that a cement silo was not a “plant” for purposes of a capital allowance claim under Section 19A of the Singapore Income Tax Act 1947.

Thailand

[New BOI categories for high precision machinery](#)

The Board of Investment announced new categories covering high precision machinery for which corporate income tax exemptions for five or eight years may be granted.



Significant International Tax Developments

[OECD: Comments on public consultation document on withdrawal of DSTs under Pillar One](#)

The Organisation for Economic Cooperation and Development (OECD) released comments received on the document Pillar One - Amount A: Draft Multilateral Convention Provisions on Digital Services Taxes and other Relevant Similar Measures.

[OECD: New methodology for Action 14 peer reviews, changes to MAP statistics reporting and new APA statistics reporting](#)

The Organisation for Economic Cooperation and Development (OECD) announced that the peer review process for Action 14 shall be conducted using a new assessment methodology for increased efficiency.

[OECD: Further progress on harmful tax practices](#)

The Organisation for Economic Cooperation and Development (OECD) issued a release describing further progress on the implementation of the international standard on harmful tax practices.

[Revenue gains from BEPS 2.0 predicted to be higher than previously expected](#)

The Organisation for Economic Cooperation and Development (OECD) released a statement announcing that revenue gains from the implementation of the agreement to reform the international tax system will be higher than previously expected.

[Manal Corwin appointed new Director of its Centre for Tax Policy and Administration](#)

The Organisation for Economic Cooperation and Development (OECD) released a statement announcing that Manal Corwin has been appointed to serve as the next Director of the OECD Centre for Tax Policy and Administration beginning 3 April 2023.



Calendar of events

| Date | Event | Location |
|-----------------|----------------------------------------------------------------------------------------|-----------|
| 3 February 2023 | BEPS 2.0 - Where are we and how will this impact your business? | Singapore |
| 9 February 2023 | BEPS 2.0 - Where are we and how will this impact your business? (AMRE) | Singapore |



Beyond Asia Pacific

[Hungary: Changes to transfer pricing rules, including reporting and documentation](#)

Details on the newly introduced changes to the transfer pricing reporting obligations applicable for the 2022 fiscal year.

[Netherlands: Guidance on rule to combat transfer pricing mismatches in context of capital contributions](#)

A policy statement was released by the Deputy Minister of Finance on 24 January 2023 detailing a guidance on measures to combat transfer pricing mismatches in capital contributions.

[Botswana: Reminder of VAT rate reverting to 14%](#)

The value added tax (VAT) rate will revert to 14% (from the 12% applicable during the past six months), effective 3 February 2023.

[Botswana: Reduced VAT rate extended through 31 March 2023](#)

The Minister of Finance published Statutory Instrument (SI) No. 5 of 2023, which extended the application of the reduced value added tax (VAT) rate of 12% through 31 March 2023.

[Poland: Changes to enforcement proceedings include recovery of VAT](#)

The Council of Ministers in January 2023 passed a bill amending the law on enforcement proceedings that would enable compulsory recovery of value added tax (VAT) settled under special procedures.

[Cyprus: New register for self-service establishments](#)

The Deputy Ministry of Tourism announced that self-service establishments must register with the relevant register by 6 February 2023.



TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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