



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 24 February 2023



Asia Pacific Tax Developments

Australia

[Updated U.S. TIN codes for FATCA purposes](#)

The Australian Taxation Office issued updates regarding the reporting of U.S. taxpayer identification number codes for FATCA purposes for calendar years 2022, 2023 and 2024.

Cambodia

[Amendment on implementation of value added tax \(VAT\) on e-commerce](#)

The General Department of Taxation (GDT) issued Instruction No. 2520 to further clarify and add some rules and procedures for the implementation of VAT on electronic commerce transactions.

China

[KPMG in China expects border reopening provides opportunity to turn around the Government's deficit](#)

KPMG in China estimates HongKong's deficit for the fiscal year would be doubled the original deficit estimate.

Hong Kong (SAR), China

[Tax measures in 2023-2024 budget](#)

The financial secretary presented the 2023-2024 budget to the Legislative Council.



[Hong Kong \(SAR\), China's fiscal position remains 'enviable' despite deficit as economy recovers from pandemic](#)

KPMG China welcomes the Hong Kong (SAR), China government's budget, where tax incentives would help develop Hong Kong (SAR), China's industries.

[The FSIE regime will be expanded to cover capital gains for the Hong Kong \(SAR\), China to get off from the European Union \(EU\) grey list for tax purposes](#)

Due to changes in the EU's approach, in the latest round of review of the EU list of non-cooperative jurisdictions for tax purposes, the Hong Kong (SAR), China remains on the greylist.

India

[Tax residency certificate sufficient evidence of residency under India-Singapore income tax treaty](#)

The Delhi High Court held that a tax residency certificate was sufficient evidence of residency for purposes of qualifying for benefits under the India-Singapore income tax treaty.

[GST Council makes recommendations regarding amnesty schemes and GST rate changes](#)

GST Council made certain recommendations regarding amnesty schemes, adoption of reports of the Group of Ministers, changes in GST tax rates for a few items and measures for the facilitation of trade.

[Centralized processing of equalization levy statement scheme 2023](#)

The Central Board of Direct Taxes issued Notification 3/2023 (F. No. 370142/1/2023-TPL) to establish the centralized processing of equalization statement levy scheme 2023—effective February 2023.

Japan

[Outline of 2023 tax reform proposals](#)

The ruling governing coalition in December 2022 agreed to an outline of tax reform proposals for 2023.

Korea

[Customs and value added tax \(VAT\) valuation of "free samples" provided under supply contract \(Supreme Court decision\)](#)

The Supreme Court held that value of goods provided as "free samples" for customs and VAT purposes must be computed based on the total price paid under the supply contract.

[Tax authority not entitled to select only certain local distributors for transfer pricing adjustment](#)

The Tax Tribunal held that the tax authority was not entitled to adjust the transfer prices for only certain of the taxpayer's local distributors when such distributors conducted similar businesses and had similar functions, risks and assets profiles.

Malaysia

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

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

[What to expect from a fine-tuned Budget 2023](#)

Soh Lian Seng, Head of Tax at KPMG in Malaysia emphasized that the revised proposal should enable businesses (particularly SMEs) to adopt and invest in green technology.

[Can government revenue increase without GST?](#)

Soh Lian Seng, Head of Tax at KPMG in Malaysia expounds that the loss of revenue arising from shadow economy, has been a complex issue to manage on a national scale.

[Learn from the past to progress into the future](#)

Long Yen Ping and Wee Chong Eng (Global Mobility Services), KPMG Tax Services, KPMG in Malaysia outlined the tax reliefs that the government should incorporate in the revised national Budget.

[Hunt for revenue pipelines to fill government coffers](#)

Ng Sue Lynn, Head of Indirect Tax at KPMG in Malaysia covered several avenues for Malaysia to gain more revenue to manage the nation's growing debt ahead of the revised Budget 2023.

Mauritius

[Taxation of variable capital companies](#)

A variable capital company (VCC) is a new type of fund structure in Mauritius, introduced by the VCC Act 2022.

Pakistan

[Income tax measures, increases in sales and excise tax rates in “mini budget”](#)

The government issued two statutory regulatory orders and then presented the Finance (Supplementary) Bill 2023—often referred to as the “mini budget”—in both houses of the Parliament.

Philippines

[Draft legislation to impose value added tax \(VAT\) on digital services](#)

House Bill No. 4122 proposes to impose 12% VAT on the sale of digital services, such as the hosting of online auctions and platforms, subscription-based online services, and supplies of goods and online services.

[The Uncharted Waters of Taxing Digital Services](#)

The Organization for Economic Cooperation and Development (OECD) has recognized new business models which render traditional tax and regulatory principles and requirements unsuitable in certain instances.

Singapore

[Tax measures in budget 2023](#)

Singapore's budget for 2023 includes various proposed tax measures—from enhanced tax deduction schemes to progressive property and vehicle taxes.

[Reminder that new CRS reporting financial institutions must register by 31 March 2023](#)

IRAS issued a reminder that the deadline for registration of an entity that became a reporting Singapore financial institution between in 2022 under CRS is 31 March 2023.

Sri Lanka

[Guidance on withholding tax, advance income tax; employment benefit valuation; non-cash benefit](#)

The Department of Inland Revenue issued the items of tax-related guidance.



Significant International Tax Developments

[OECD: New toolkit to strengthen effective collection of VAT on e-commerce in Africa](#)

The Organisation for Economic Cooperation and Development (OECD) released a new toolkit to assist African tax administrations with the effective collection of value added tax (VAT) revenues on e-commerce.

[OECD: Comments on public consultation documents on implementation under Pillar Two](#)

The Organisation for Economic Cooperation and Development (OECD) released comments received on its public consultation documents on implementation under Pillar Two relating to the GloBE Information Return and Tax Certainty for the GloBE Rules.



Calendar of events

Date	Event	Location
28 February 2023	KPMG Singapore Budget 2023 Technical Seminar	Singapore
1 March 2023	KPMG People Services Seminar - Year-End Updates 2023 For queries , please contact Jessica Luk .	Virtual
10 March 2023	Business under challenging times – a tax and transfer pricing lens	Singapore
15 March 2023	Tax and Business Summit 2022	Hybrid (Malaysia)



Beyond Asia Pacific

[Armenia: Commitment to start automatic exchange of information \(AEOI\) by 2025](#)

The Organisation for Economic Cooperation and Development (OECD) announced that Armenia has committed to implement the international standard for automatic exchange of financial account information (AEOI) in tax matters by 2025.

[Ireland: Summaries of FATCA and CRS reporting requirements](#)

KPMG in Ireland prepared summaries of the reporting requirements in Ireland under the FATCA and common reporting standard (CRS) regimes.

[Kenya: CRS implementing regulations effective January 2023](#)

The Cabinet Secretary for the National Treasury issued regulations (through Legal Notice No. 8 of 2023) guiding the implementation of the common reporting standard in Kenya—effective January 2023.

[South Africa: Guidance providing clarification for FATCA reporting TIN codes](#)

The South Africa Revenue Service issued updates to its guidance providing clarifications on the application of certain codes provided for the taxpayer identification number data fields for FATCA submissions.



TaxNewsFlash by region

Africa

Americas

Europe

United
States



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