



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 15 May 2023



Asia Pacific Tax Developments

Australia

[2023 federal budget released](#)

The KPMG Australia has summarized and analyzed the budget announcements and its implications for various sectors and businesses.

[KPMG comments on draft legislation denying deductions for low-taxed related-party intangibles payments](#)

The government released draft legislation which would deny large multinational taxpayers' deductions for payments relating to intangibles to related entities in low-corporate-tax jurisdictions.

[Repeal of stamp tax on non-land assets announced in 2023-2024 budget \(Northern Territory\)](#)

The elimination of stamp duty (tax) on the conveyance of non-land property would align the Northern Territory with all jurisdictions except for Queensland and Western Australia.

Cambodia

[Clarification of rules regarding when withholding tax is due](#)

The General Department of Taxation (GDT) issued guidance, Instruction No. 12350 GDT to clarify the rules regarding the timing of the imposition of withholding tax on various transactions.



Hong Kong (SAR), China

Salaries Tax – Dual employment arrangement

The Hong Kong Board of Review published decision D18/22 addressing the tax implications of a dual employment arrangement.

Tax changes in draft legislation implementing risk-based capital regime for insurers

Draft legislation implementing the risk-based capital (RBC) regime for Hong Kong insurers was introduced to the Legislative Council and had its first reading in April 2023.

India

Concessional withholding tax rate for foreign portfolio investors not extended

The concessional rate is only effective until 30 June 2023. Thereafter, foreign funds may be subject to a higher withholding tax rate of 20 percent.

The Supreme Court holds profit attribution issue as a question of fact

The Supreme Court holds profit attribution issue as a question of fact and the attribution of profit to PE of CRS companies based on FAR analysis as fair and reasonable.

Long-term capital gains on the sale of unlisted shares

A non-resident is eligible for the concessional tax rate of 10 percent on the long-term capital gains arising from the transfer of unlisted securities or shares of a company under Section 112(1)(c)(iii) of the Income-tax Act, 1961 (the Act).

Japan

2023 tax reform proposals enacted

The tax measures in the 2023 tax reform bill include corporate tax, international tax, fair tax burden on extremely high-level income and electronic preservation system for account books, etc.

New Zealand

Funding Resilience

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Philippines

[ERRATUM: Special InTAX: April 2023 Issue 1 | Volume 3](#)

The Fiscal Incentives Review Board (FIRB) issued a circular encouraging all Investment Promotion Agencies (IPAs), Other Government Agencies (OGAs), Registered Business Enterprises (RBEs), and Other Registered Enterprises (OREs), who are required to submit the Annual Tax Incentives Report (ATIR) and Annual Benefits Report (ABR) to the FIRB, to utilize the online submission module of the ATIR and ABR in the Fiscal Incentives Registration and Monitoring System (FIRMS).

[Guidance on application of VAT to registered export enterprise](#)

The Department of Finance (DOF) issued Revenue Regulations (RR) No. 3-2023 (April 2023) to provide guidance relating to the application of value added tax (VAT) to a registered export enterprise.

[Navigating the Latest Tax Filing Regulations](#)

The BIR also released Revenue Memorandum Circular (RMC) No. 32-2023, which provides guidelines for the filing of the Annual Income Tax Returns (AITRs) for calendar year 2022 and the payment of corresponding taxes due thereon.

[Online submission of annual tax incentives and benefits reports](#)

The Fiscal Incentives Review Board issued guidance encouraging all investment promotion agencies, other government agencies, registered business enterprises, and other registered enterprises that are required to submit the annual tax incentives report and annual benefits report to the FIRB, to utilize the online submission module in the fiscal incentives registration and monitoring system.

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

The Bureau of Internal Revenue issued a BIR Advisory dated April 2023 providing the deadline of the submission of the attachments to the electronically filed Annual Income Tax Returns (AITRs) through eBIR Forms Package for taxable year 2022 is in May 2023.

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

The Department of Finance (DOF) issued Revenue Regulations (RR) No. 3-2023, April 2023, to amend Sections 4.106-5 and 4.108-5 of RR No. 16-2005, as amended by RR No. 21-2021 pursuant to Sections 294 (E) and 295 (D) of the National Internal Revenue Code of 1997.

[Swapping losses: Taxation event of debt restructures](#)

Undoubtedly, the COVID-19 pandemic caused a devastating impact on commercial activities around the world and created economic headwinds across many industries.

Singapore

[FATCA and CRS return filing due 31 May 2023](#)

The Inland Revenue Authority of Singapore (IRAS) on April 2023, announced that all reporting Singaporean financial institutions need to submit their FATCA and common reporting standard (CRS) return(s) for calendar year 2022 by 31 May 2023.

Thailand

[A delicate balancing act between economic impact and taxation](#)

In many jurisdictions, privately owned businesses have proven to be the economic drivers and long-term engines of growth.



Calendar of events

Date	Event	Location
22 May 2023	Sales Tax and Service Tax: Principles & A Window of Opportunity	Virtual



Beyond Asia Pacific

[Bahrain: Non-resident businesses operating without VAT registration; VAT treatment for syndicated loans](#)

Non-resident businesses making taxable supplies to unregistered customers in Bahrain without obtaining a VAT registration as a non-resident taxable person have been penalized by the National Bureau for Revenue (NBR) once they applied for VAT registration and submitted their VAT returns for prior tax periods.

[Benin: VAT on cross-border provision of digital services](#)

The circular provides that covered nonresidents are required to comply with the rules within six months from publication of the circular.

[Botswana: Transfer duty and VAT amendments](#)

Amendments to transfer duty and value added tax laws are effective on May 2023

[Bolivia: Tax treatment of nonresident individuals earning Bolivia-source income](#)

Supreme Decree No. 4850 establishes the tax treatment of nonresident individuals under the individual (personal) income tax regime.

[Chile: Modified concept of taxable service for VAT purposes; other VAT developments](#)

Law No. 21,420 modified the concept of taxable “service” for value added tax (VAT) purposes effective January 2023, but the modification does not apply to services included in certain public tenders and purchases awarded or contracted prior to January 2023.

[Saudi Arabia: Proposed direct and indirect tax and customs incentives for new “special economic zones”](#)

The government announced four new special economic zones (SEZs) in Saudi Arabia, along with a public consultation on draft legislation regarding the tax and customs treatment of the SEZs.



TaxNewsFlash by region

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[Europe](#)

[United States](#)



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