



# KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 19 June 2023



## Asia Pacific Tax Developments

### Australia

#### [Final ruling regarding deductibility of labor costs relating to capital assets](#)

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The Australian Taxation Office released the final ruling (TR 2023/2) regarding the deductibility of labor costs relating to the construction or creation of capital assets.

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

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The 2023-2024 Queensland budget delivered in June 2023 includes new details of the build to rent (BTR) concessions and exemptions.

### Cambodia

#### [New law on taxation](#)

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A new law on taxation, effective May 2023 consolidates 15 types of existing taxes in Cambodia under one law and was promulgated to complement, provide consistency, and close the gaps of the existing regulations.



## Hong Kong (SAR), China

### [Changes to issuance of certificate of residence status and application forms](#)

The Inland Revenue Department (IRD) on June 2023 revisited its approach to issuing Hong Kong (SAR), China certificate of resident status (HK CoR). The process is adjusted such that the IRD will base its decision of whether an HK CoR can be issued on the plain definition of “Resident of Hong Kong” stipulated in the relevant Hong Kong (SAR), China income tax treaty.

### [Update on profits tax, BEPS 2.0, and e-filing](#)

The minutes of the 2022 annual meeting, that summarizes the IRD’s views on various issues related to profits tax, salaries tax, stamp duty, double tax agreements, the OECD’s BEPS 2.0 initiative and electronic tax filing between the Hong Kong Institute of Certified Public Accountants and the Inland Revenue Department were published.

## India

### [Changes to “angel tax” provisions, exemption for leave payments increased, taxation of online games winnings](#)

The Central Board of Direct Taxes (CBDT) proposed an amendment in Rule 11UA and notified certain persons of an exemption from angel tax provisions. The CBDT announced an increase in the tax exemption for leave salary payments from INR300,000 to INR2.5 million.

## Malaysia

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

KPMG in Malaysia prepared a monthly summary of tax developments that includes discussions of following income tax, stamp duty (tax), and indirect tax.

## Pakistan

### [Tax proposals in Finance Bill 2023](#)

Tax proposals in the Finance Bill 2023 include the taxation on bonus shares, 0.6 percent withholding tax on withdrawals, sales tax on information technology services and continuation of supra-tax levies, as well as an increase in withholding tax rates.

# Philippines

## Road to Perfection

Philippine tax rules have been continuously evolving to adapt to the ever-changing needs of the taxpayers. The Bureau of Internal Revenue issued Revenue Memorandum Circular No. 5-2023 advising that VAT-registered taxpayers are no longer required to file the Monthly Value-Added Tax Declaration.

# Singapore

## High Court dismisses appeal, holds that cement silo is not a “plant” for capital allowance purposes

The High Court of Singapore recently dismissed an appeal from the taxpayer, holding that a cement silo is a building and not a plant for capital allowance purposes. The decision affirms a previous decision from the Income Tax Board of Review.



## Significant International Tax Developments

### OECD: Crypto asset reporting framework (CARF) as international standard, revised CRS

The Organization for Economic Cooperation and Development (OECD) in June 2023 conducted its annual ministerial council meeting. In a joint statement, the Council welcomed the newly introduced crypto asset reporting framework as an international standard, as well as the revised common reporting standard.



## Beyond Asia Pacific

### Czech Republic: Changes to application of VAT to real property

In connection with the amendment to the “Construction Act,” an amendment to the value added tax law changes the definition of family houses and apartment buildings, will be made from 1 July 2023.

[Saudi Arabia: Proposed amendments to tax and Zakat regulations for public consultation purposes](#)

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The Zakat, Tax and Customs Authority (ZATCA) published proposed amendments to Zakat, income tax, excise tax, value added tax (VAT), and real estate transaction tax laws and implementing regulations for public consultation purposes.



## TaxNewsFlash by region

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[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



# KPMG Asia Pacific Tax Centre Contacts

## Asia Pacific Regional Leader, Tax & Legal



**Lewis Lu**  
Head of Tax & Legal  
KPMG Asia Pacific  
E : [lewis.lu@kpmg.com](mailto:lewis.lu@kpmg.com)

## Global Head of Tax & Legal Clients & Markets Leader



**Brahma D Sharma**  
Global Head of Strategy & Growth - Legal Services | Asia Pacific Chief  
Operating Officer - Tax & Legal  
E : [brahmasharma@kpmg.com.sg](mailto:brahmasharma@kpmg.com.sg)

## Service Line Specialists

### M&A Tax



**Matt Ervin**  
Partner, KPMG Australia  
E : [mattervin@kpmg.com.au](mailto:mattervin@kpmg.com.au)

### ESG



**Jenny Wong**  
Director, KPMG Australia  
E : [jywong@kpmg.com.au](mailto:jywong@kpmg.com.au)

### Global Mobility Services



**Murray Sarelius**  
Partner, KPMG China  
E : [murray.sarelius@kpmg.com](mailto:murray.sarelius@kpmg.com)

### Indirect Tax Services



**Kenneth Leung**  
Partner, KPMG China  
E : [ky.leung@kpmg.com](mailto:ky.leung@kpmg.com)



# KPMG Asia Pacific Tax Centre Contacts

## International Tax



**Sunny Leung**  
Partner, KPMG China  
E : [sunny.leung@kpmg.com](mailto:sunny.leung@kpmg.com)

## Legal Services



**Hanim Hamzah**  
Executive Director, KPMG Singapore  
E : [hanimhamzah@kpmg.com.sg](mailto:hanimhamzah@kpmg.com.sg)

## Tax Dispute Resolution and Controversy



**Angelina Lagana**  
Partner, KPMG Australia  
E : [alagana@kpmg.com.au](mailto:alagana@kpmg.com.au)

## Tax Policy



**Conrad Turley**  
Partner, KPMG China  
E : [conrad.turley@kpmg.com](mailto:conrad.turley@kpmg.com)

## Tax Reimagined, including Global Compliance Management Services and Financial Services



**Jenny Clarke**  
Partner, KPMG Australia  
E : [jeclarke@kpmg.com.au](mailto:jeclarke@kpmg.com.au)

## Transfer Pricing Services



**Tony Gorgas**  
Partner, KPMG Australia  
E : [tgorgas@kpmg.com.au](mailto:tgorgas@kpmg.com.au)



# KPMG Asia Pacific Tax Centre Contacts

## Market Sector Specialists

### Asset Management



**Darren Bowdern**  
Partner, KPMG China  
E : [darren.bowdern@kpmg.com](mailto:darren.bowdern@kpmg.com)

### Banking



**John Timpany**  
Partner, KPMG China  
E : [john.timpany@kpmg.com](mailto:john.timpany@kpmg.com)

### Energy & Natural Resources



**Gabby Burcul**  
Partner, KPMG Australia  
E : [gabbyburcul@kpmg.com.au](mailto:gabbyburcul@kpmg.com.au)

### Insurance



**John Salvaris**  
Partner, KPMG Australia  
E : [jsalvaris@kpmg.com.au](mailto:jsalvaris@kpmg.com.au)

### Sovereign Wealth and Pension Funds



**Minh Dao**  
Partner, KPMG Australia  
E : [mdao@kpmg.com.au](mailto:mdao@kpmg.com.au)



[Kpmg.com/asiapacifictaxcentre](https://kpmg.com/asiapacifictaxcentre)

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