



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 27 February 2024



Asia Pacific Tax Developments

Australia

[Guidance on income tax treatment of registered emissions units](#)

The Australian Taxation Office released a guide on its income tax treatment of registered emissions units.

[Additional minerals exploration credits for small companies for 2024-2025](#)

The government issued regulations providing the amount of left-over minerals exploration credits allocated to small companies in the 2021-2022 and 2022-2023 income years that may be carried over into the 2024-2025 income year.

[Ruling on technology-based platform to ascertain fuel use for purposes of fuel tax credit](#)

The Australian Taxation Office released Product Ruling 2024/1 on a technology-based apportionment, calculation, and reporting platform to ascertain fuel use for the purposes of calculating fuel tax credit entitlement.

[“Top hatting” transaction did not qualify for basis step up \(Federal Court decision\)](#)

The Federal Court held in the context of a “top hatting” transaction that the Division 615 rollover rules applied such that shares distributed by the taxpayer did not qualify for a step up in basis under the Subdivision 124-M rollover rules.

[Individual income tax and medicare levy bills pass House](#)

Legislation that proposes to modify previously legislated income tax changes, in addition to raising the medicare levy threshold for low-income individuals, has passed the House of Representatives.



China

[China's tighter grip on technology export restrictions and licensing procedures](#)

In December 2023, the Chinese Ministry of Commerce released a notice to amend the Catalogue of Technologies Prohibited and Restricted from Export of China.

Hong Kong (SAR), China

[Agreed Administrative Guidance on the GloBE Model Rules \(Pillar Two\)](#)

In December 2023, the Inclusive Framework released its third tranche of Administrative Guidance on the Global Anti-Base Erosion Model Rules. The guidance is principally focused on the application of the Transitional CbCR Safe Harbour.

India

[Computer airline reservation system located in US did not create permanent establishment in India](#)

The Delhi bench of the Tribunal held that a US taxpayer providing airline ticket booking through its computer reservation system located in the US did not have a fixed place permanent establishment in India.

[Constitutionality of anti-profiteering provisions under Goods Service Tax upheld \(High Court decision\)](#)

The Delhi High Court upheld the constitutionality of section 171 of the Central Goods Service Tax Act requiring every supplier of goods or services to pass on to his customer any benefit on account of reduction in the rate of tax on such supply or the input tax credit by way of a “commensurate reduction” in prices.

[Sales proceeds in escrow account not includable in capital gains \(tribunal decision\)](#)

The Delhi bench of the Tribunal held that proceeds from a sale of shares in a company that were kept in an escrow account for meeting future liabilities of the company and were unlikely to be received by the taxpayer were not includable in the capital gains realized by the taxpayer on the sale.

Malaysia

[Final guide on transitional rules for service tax rate change on foreign digital services](#)

The Royal Malaysian Customs Department in February 2024 issued the final guide on transitional rules for the change in service tax rate to 8 percent on digital services provided by foreign registered persons.

[Updated e-invoicing guidelines, software development kit](#)

The Inland Revenue Board of Malaysia in February 2023 issued an updated e-invoice guideline (version 2.2) (replacing version 2.1) and e-invoice specific guideline (version 2.0).

Singapore

[Tax measures in budget 2024 include Pillar Two global minimum tax rules](#)

Singapore's budget for 2024 includes proposals implementing the Pillar Two global minimum tax rules for financial years starting 1 January 2025.

Vietnam

[New telecommunications law](#)

The National Assembly in November 2023 passed the new telecommunications law, replacing the telecommunications law from 2009 generally effective 1 July 2024.



Significant International Tax Developments

[OECD: Report on Amount B under Pillar One](#)

The OECD issued a report on Amount B under Pillar One—part of the ongoing work of the OECD/G20 Inclusive Framework on base erosion and profit shifting in implementing the two-pillar solution to address the tax challenges arising from the digitalisation of the economy.

[KPMG report: HM Revenues & Customs guidance on OECD's control of risk framework](#)

KPMG prepared a report on the HMRC guidance to control new transfer pricing risk.



Calendar of events

| Date | Event | Location |
|------------------|---|--------------|
| 16-17 April 2024 | 2024 KPMG Africa Tax Summit (For queries, contact tax@kpmg.com) | South Africa |



Beyond Asia Pacific

[EU: Updates to list of non-cooperative jurisdictions](#)

The Council of the European Union adopted conclusions on the list of non-cooperative jurisdictions.

[Germany: Limitation on inheritance and gift tax relief applicable to regular operating companies](#)

The Federal Tax Court held that the 90 percent test, under which shares in a company are not eligible for inheritance and gift tax relief if the sum of the administrative assets is greater than 90% of the company's value, also applies to regular operating companies.



TaxNewsFlash by region

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