

KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | 10 December 2024



Asia Pacific Tax Developments

Australia

[Guidance on thin capitalization rules, franked distributions, insurance premiums paid to nonresident insurers](#)

The Australian Taxation Office released draft guidance on a draft income taxation ruling, a draft practical compliance guideline, and a draft practical compliance guideline update.

[Update on recent tax legislative developments](#)

The current federal government has proposed various tax measures since it came to office in May 2022, and Parliament has recently passed several tax-related bills which await Royal Assent.

[Treasury releases draft legislation for tax treaty with Portugal incorporating BEPS provisions](#)

The Department of the Treasury in December 2024, issued a release announcing exposure draft legislation for consultation aimed at introducing a new tax treaty between Australia and Portugal to alleviate double taxation and amend explanatory notes in the International Tax Agreements Act 1953.

[Parliament passes legislation implementing public country-by-country reporting](#)

The Australian Parliament on November 29, 2024, passed legislation to implement mandatory public disclosures of country-by-country (CbC) tax information for multinational groups, effective for reporting periods starting on or after July 1, 2024. The legislation now awaits Royal Assent.

[Parliament passes Pillar Two minimum tax bills](#)

The Australian Parliament in November 2024, passed legislation to implement a global and domestic minimum tax, which awaits Royal Assent.

[Application for stay of royalty withholding tax proceedings denied \(Federal Court decision\)](#)

The Federal Court in October 2024, denied the taxpayer's request for a temporary stay on royalty withholding tax proceedings while a mutual agreement procedure is ongoing under the Australia-Ireland income tax treaty, involving over AUD250 million in penalties.

[Guidance on international transactions that attract scrutiny](#)

The Australian Taxation Office (ATO) released guidance on its website regarding international transactions that may attract ATO scrutiny, particularly focusing on issues such as related-party financing, transfer pricing, and thin capitalization rules.

[Parliamentary committee recommends implementing digital services tax](#)

The Australian Parliament Joint Select Committee on Social Media and Australian Society released a report recommending the government explore implementing a revenue mechanism, such as a digital platform levy.

[Parliament advances tax legislation for small businesses, build-to-rent developments, and production incentives](#)

Parliament in November 2024, advanced the tax-related legislation.

India

[India Tax Konnect](#)

KPMG in India prepared a report on the direct tax, indirect tax and Foreign Exchange Management Act changes made in November 2024.

Indonesia

[Guidance on deductibility of uncollectible accounts](#)

The Finance Minister in October 2024, issued Regulation No. 74 Year 2024 providing guidance on the deductibility of uncollectible accounts for corporate income tax purposes.

Japan

[Overview of tax system \(2024\)](#)

KPMG in Japan has prepared a report that provides a general overview of the tax system in Japan.

Malaysia

[Amendments to indirect tax laws relating to Pulau 1](#)

Amendments to various indirect tax laws became effective in December 2024, to exclude Pulau 1, part of Forest City, from the definition of a “principal customs area” and reclassify it as a “designated area” for sales and services tax purposes.

Maldives

[Tightened enforcement procedures; new reporting rules for special economic zones](#)

Tax-related developments include tightened enforcement procedures and new reporting rules for special economic zones developers and investors.

Singapore

[Alternative net tonnage basis of taxation for shipping companies](#)

Legislation introducing an alternative net tonnage basis of taxation for shipping companies was passed by the Parliament in October 2024, and awaits presidential assent.

[Common Reporting Standard \(CRS\) Taxpayer Identification Numbers \(TINs\) issued](#)

The Inland Revenue Authority of Singapore in November 2024, issued its first edition of the CRS TINs guide. The aim of the guide is to assist reporting Singaporean financial institutions in reviewing the TIN information of their account holders.



Calendar of events

Date	Event	Location
13 December 2024	Achieving Tax Certainty - Transfer Pricing and BEPS 2.0 Interaction (For queries, contact events@kpmg.com.sg)	Singapore
17 January 2025	Managing Employer Tax Reporting and Compliance (For queries, contact asaraman@kpmg.com.sg)	Singapore



Significant International Tax Developments

[OECD: Updated International Compliance Assurance Programme \(ICAP\) Frequently Asked Questions \(FAQs\)](#)

The OECD in December 2024 published updated FAQs on the ICAP, a multilateral risk assessment program for transfer pricing and permanent establishment issues.

[KPMG report: Update on future of BEPS guidance from OECD](#)

Noel Maher, Tax Policy Adviser from the OECD, speaking at the KPMG-sponsored TP Minds West Coast conference, discussed the ongoing work at the OECD and possible focus areas for 2025.



Beyond Asia Pacific

[Netherlands: Draft bill implementing directive on tax transparency rules for cryptoasset service providers \(DAC8\)](#)

The Ministry of Finance in late October 2024 issued a new draft bill implementing EU Directive 2023/2226 (DAC8), aimed at increasing transparency regarding Crypto Asset ownership.

[Spain: Legislation implementing Pillar Two global minimum tax passed by lower house of Parliament](#)

The lower house of Parliament in November 2024, passed legislation implementing the OECD's Pillar Two global minimum tax as provided under the EU Minimum Tax Directive 2022/2523.



TaxNewsFlash by region

Africa

Americas

Europe

**United
States**



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Tax Disputes and Controversy



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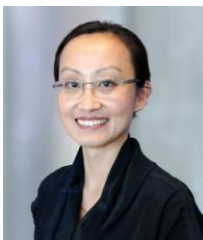
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