

KPMG Asia Pacific Tax Weekly

8 January 2025



Asia Pacific Tax Developments

Australia

[Tax measures announced in 2024-2025 Mid-year Economic and Fiscal Outlook](#)

The federal government's 2024-2025 Mid-year Economic and Fiscal Outlook released in December 2024, did not announce any major tax reforms, but did include tax proposals.

[List of specified jurisdictions for public country-by-country \(CbC\) reporting](#)

The legislative instrument including the "list of specified jurisdictions" for public CbCR was registered with Parliament in December 2024.

[Taxpayers held promoters of scheme to exploit research and development tax incentive \(R&DTI\) \(Federal Court decision\)](#)

The Federal Court of Australia in December 2024, held that a Sydney business coach, along with a former tax agent, were promoters of a scheme to exploit the R&DTI. The court imposed civil penalties totaling AU\$13.6 million.

[Changes to CbC reporting exemption process](#)

The Australian Taxation Office (ATO) introduced changes to the CbC reporting exemption process for all exemption requests submitted after January 2025.

[Consultation on updated draft ruling on application of "capital gains tax \(CGT\) event K6"](#)

The ATO released an updated draft taxation ruling on the application of "capital gains tax event K6", which revises aspects of the ATO's view on how to calculate the capital gain when CGT event K6 happens.

[Proposed first-home buyer duty relief and general practitioner payroll tax exemption \(Queensland\)](#)

The Queensland government introduced the Revenue Legislation Amendment Bill 2024 to parliament.

[Taxpayer alerts on early-stage investor tax offset scheme, Division 7A circumvention arrangements](#)

The ATO released two taxpayer alerts related to an early-stage investor tax offset tax avoidance scheme and a circumvention of Division 7A through private company third-party loan guarantees.

[Updated guidance on public CbC reporting](#)

The ATO updated its guidance on the public CbC reporting regime, in particular regarding public CbC parent registration.

Cambodia

[New transfer pricing regulations](#)

The Ministry of Economy and Finance issued Prakas No. 574 MEF.Prk.GDT to clarify and provide additional rules and procedures for division of income and expense between related parties, including rules relating to required transfer pricing documentation.

China

[Value Added Tax \(VAT\) law enacted](#)

The National People's Congress in December 2024, passed the VAT law, which was the third draft VAT law.

Hong Kong (SAR), China

[Draft legislation implementing Pillar Two global minimum tax rules](#)

The Hong Kong government in December 2024, published draft legislation implementing the Pillar Two global minimum tax rules for fiscal years beginning on or after January 2025.

[Draft legislation implementing company re-domiciliation regime](#)

Draft legislation to implement a company re-domiciliation regime in Hong Kong was published in December 2024.

India

[Improvements to Goods and Services Tax \(GST\) return filing process](#)

The GST network announced improvements to the GST return filing process effective January 2025

[India Tax Konnect](#)

KPMG in India prepared a report on the direct and indirect tax changes.

[New group of taxpayers required to report invoices within 30 days](#)

The Indian tax administration in November 2024, expanded the scope of taxpayers who must submit invoices to the invoice registration portal within 30 days of issue.

[Additional guidance on Direct Tax Vivad Se Vishwas Scheme 2024](#)

The Finance Act, 2024 introduced the Direct Tax Vivad Se Vishwas Scheme, 2024, offering taxpayers a chance to resolve tax disputes pending as of July 2024, across various appellate forums.

Indonesia

[Guidance on tax treatment of joint operations](#)

The Finance Minister in October 2024 issued Regulation outlining the tax treatment of joint operations.

Japan

[Outline of 2025 tax reform proposals, including new Pillar Two rules](#)

The ruling governing coalition in December 2024, agreed to an outline of tax reform proposals for 2025.

Malaysia

[Tax developments summary \(December 2024\)](#)

KPMG in Malaysia prepared its monthly report for December 2024, covering income tax, stamp duty, indirect tax, and individual tax developments.

[Guidance on Pillar Two global minimum tax](#)

The Malaysian Inland Revenue Board issued guidance on the interpretation and administration of the Pillar Two global minimum tax applicable from January 2025.

New Zealand

Personal Tax Series

KPMG's guide to New Zealand tax residence, offshore investments, foreign currency accounts, and more.

Pakistan

[Income Tax Amendment Ordinance, 2024 increases tax rate for banking sector](#)

The Income Tax Amendment Ordinance, 2024, which was approved by the President and is effective immediately, increases the tax rate for the banking sector from 39% to 44% beginning in 2025.

[Proposed changes to income, sales, and excise tax legislation](#)

The Tax Laws (Amendment) Act, 2024, which has been presented to the National Assembly, includes proposed changes to the Income Tax Ordinance, 2001, the Sales Tax Act, 1990, and the Federal Excise Act, 2005 that intend to curb certain economic transactions by persons not registered for tax.

Sri Lanka

[Tax reform proposals presented to Parliament include VAT on nonresident digital service providers](#)

The president in December 2024, presented various tax reform proposals to Parliament,

Taiwan

[Recent guidance on income tax withholding](#)

The recent guidance from Taiwan's Ministry of Finance aims to implement an optimized income tax withholding system, effective January 1, 2025.

[Guidance on income tax withholding, non-withholding tax statements, tax calculation for foreign enterprises](#)

Taiwan's Ministry of Finance has released guidance on the income tax withholding system, submission of non-withholding tax statements, and tax calculation for foreign enterprises.

Vietnam

[Reduced VAT rate on certain goods and services](#)

The government on December 31, 2024, issued a new Decree following the passage of an earlier resolution in the National Assembly which reduces the value added tax (VAT) rate from 10% to 8% on various goods and services.



Calendar of events

Date	Event	Location
17 January 2025	Managing Employer Tax Reporting and Compliance (For queries, contact asaraman@kpmg.com.sg)	Singapore



Significant International Tax Developments

[OECD: Fact sheets and pricing tool for implementation of Amount B simplified approach](#)

The OECD released fact sheets and a pricing tool to facilitate the implementation of Amount B under the two-pillar solution to address the tax challenges of the digitalising economy.

[OECD: Exchange of information on tax rulings under BEPS Action 5](#)

The OECD/G20 Inclusive Framework on BEPS has released the latest peer review assessments for 136 jurisdictions concerning the spontaneous exchange of information on tax rulings.



Beyond Asia Pacific

[Argentina: Rate and maximum amounts of statistics fee on certain imports](#)

Decree No. 1140 extends until December 2027, the 3 percent rate for the statistics fee provided for in article 762 of Law No. 22,415, which taxes definitive import destinations for consumption.

[Portugal: Direct and indirect tax measures in 2025 budget bill](#)

The Parliament in November 2024, approved the 2025 budget bill, implementing significant changes to VAT and special consumption taxes.



Thought Leadership

[KPMG Thought Leadership – December 2024](#)

KPMG in Thailand prepared a Thought Leadership on various topics and sectors.



TaxNewsFlash by region

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

Asia Pacific Chief Operating Officer, Tax & Legal



Byran Theunisen
Chief Operating Officer - Tax & Legal
KPMG Asia Pacific
E : btheunisen1@kpmg.com.sg

Service Line Specialists

M&A Tax



Matt Ervin
Partner, KPMG Australia
E : mattervin@kpmg.com.au

Indirect Tax Services



Kenneth Leung
Partner, KPMG China
E : ky.leung@kpmg.com

Global Mobility Services



Murray Sarelius
Partner, KPMG in Singapore
E : murraysarelius1@kpmg.com.sg

International Tax



Sunny Leung
Partner, KPMG China
E : sunny.leung@kpmg.com



KPMG Asia Pacific Tax Centre Contacts

Tax Reimagined, including Global Compliance Management Services and Financial Services



John Timpany
Partner, KPMG China
E : john.timpany@kpmg.com

Legal Services



Hanim Hamzah
Executive Director, KPMG in Singapore
E : hanimhamzah@kpmg.com.sg

Transfer Pricing Services



Tony Gorgas
Partner, KPMG Australia
E : tgorgas@kpmg.com.au

Tax Policy



Conrad Turley
Partner, KPMG China
E : conrad.turley@kpmg.com

ESG



Pauline Koh
Partner, KPMG in Singapore
E : paulinekoh@kpmg.com.sg

Tax Disputes and Controversy



Xiaoyue Wang
Partner, KPMG China
E : xiaoyue.wang@kpmg.com



KPMG Asia Pacific Tax Centre Contacts

Asia Market Sector Specialists

Asset Management



Darren Bowdern
Partner, KPMG China
E : darren.bowdern@kpmg.com

Banking



John Timpany
Partner, KPMG China
E : john.timpany@kpmg.com

Energy & Natural Resources



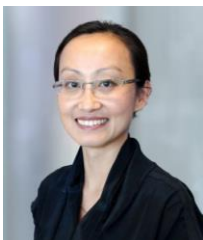
Gabby Burcul
Partner, KPMG Australia
E : gabbyburcul@kpmg.com.au

Insurance



John Salvaris
Partner, KPMG Australia
E : jsalvaris@kpmg.com.au

Sovereign Wealth and Pension Funds



Minh Dao
Partner, KPMG Australia
E : mdao@kpmg.com.au

R&D and Tax Incentives



Bo Han Lee
Partner, KPMG in Singapore
E : bohanlee@kpmg.com.sg



kpmg.com/asiapacifictaxcentre

kpmg.com/tax

social.kpmg



© 2025 Copyright owned by one or more of the KPMG Asia Pacific entities. KPMG Asia Pacific entities provide no services to clients. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization/KPMG International entities.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. .