

# KPMG Asia Pacific Tax Weekly

4 February 2025



## Asia Pacific Tax Developments

### Australia

#### [Australian Pillar Two legislation effective](#)

With the registration of the Pillar Two subordinate legislation in December 2024, the full package of legislation implementing the Pillar Two Global Anti-Base Erosion rules in Australia now has legal effect. This may trigger new current tax disclosures for financial statements.

### India

#### [Capital losses not reduced by grandfathered exempt capital gains under Mauritius treaty \(Tribunal decision\)](#)

The Mumbai Bench of the Tribunal held that the tax authority could not reduce capital losses incurred by a Mauritius taxpayer by the amount of capital gains realized by the taxpayer in prior years which were exempt under grandfathered provisions of the India-Mauritius income tax treaty.

#### [Grandfathering provision under tax treaty is excluded from principal purpose test](#)

The Central Board of Direct Taxes in January 2025, issued a circular clarifying the application of the principal purpose test in Indian tax treaties with grandfathering provisions.

### Japan

#### [Updated guidance on income inclusion rule](#)

The National Tax Agency in January 2025, released the third version of “questions and answers” providing guidance regarding the Japanese income inclusion rule.

## Korea

### [Transfer of shares subject to capital gains tax at arm's length fair market value \(Tax Tribunal decision\)](#)

The Tax Tribunal in November 2024, held that the taxpayer was subject to capital gains tax on its transfer of shares in the Korean company and that such shares must be valued based on their arm's length fair market value.

### [Revised Common Reporting Standard \(CRS\) regulations](#)

South Korea in December 2024 issued a revised version of its CRS regulations.

## Malaysia

### [Johor-Singapore Special Economic Zone \(JS-SEZ\) – tax incentives and talent imperatives](#)

Ng Fie Lih, Executive Director of Johor-Tax at KPMG in Malaysia, shared her perspectives on the JS-SEZ and its role in advancing Malaysia's economic ambitions.

## Philippines

### [Application of Value Added Tax \(VAT\) on digital services](#)

The Bureau of Internal Revenue in January 2025, published Revenue Regulation No. 03-2025 detailing the application of the VAT on digital services.

### [Challenges in taxing the digital economy](#)

KPMG in the Philippines insights on the challenges faced in taxing the digital economy.



## Calendar of events

Date	Event	Location
18 February 2025	<a href="#">Transfer Pricing 2024 – Evolution or revolution?</a> (For queries, contact <a href="mailto:events@kpmg.com.my">events@kpmg.com.my</a> )	Malaysia
27 February 2025	<a href="#">2025 Tax Institute</a> (For queries, contact <a href="mailto:leakhananan@kpmg.com.kh">leakhananan@kpmg.com.kh</a> )	Phnom Penh, Cambodia
14 March 2025	<a href="#">KPMG Singapore Budget 2025 Seminar</a> (For queries, contact <a href="mailto:events@kpmg.com.sg">events@kpmg.com.sg</a> )	Singapore



## Beyond Asia Pacific

### [Jamaica: Tax settlement program waives interest, penalties, and surcharges](#)

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Tax Administration Jamaica announced the launch of an initiative that allows businesses to settle outstanding principal taxes for select tax types.

### [Sweden: Report on government study of taxation of carried interest](#)

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The report on the government's study of the taxation of income from a special share of profits in venture capital funds was published in January 2025.



## TaxNewsFlash by region

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)



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## Tax Disputes and Controversy



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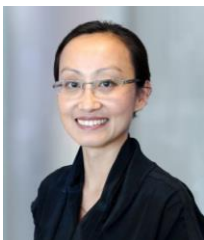
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