

International Tax - Asia & MENASA Newsletter



This e-newsletter gives you an overview of international tax developments being reported globally by KPMG firms in the Asia Pacific & MENASA regions between **1 December and 31 December**.

Australia	China	India	Japan	Vietnam
---------------------------	-----------------------	-----------------------	-----------------------	-------------------------

To contact the International Tax Group in Russia and the CIS go to the [Contacts section](#).

To register for the International Tax webcasts, click [here](#).

	Tax area concerned	Relevant date	Description of measures and publication link (<i>Considerations in italic where necessary</i>)
Australia			
Tax legislation adopted and regulatory update	Various tax areas	2 December 2015	<p>Australia's Parliament concluded legislative action for 2015, with the following outcomes in respect of a number of major tax developments:</p> <ul style="list-style-type: none"> — the multinational anti-avoidance rule—Australia's "de facto" diverted profits tax regime—was passed by Parliament, with two amendments — the country-by-country reporting regime was passed by Parliament — tax laws governing the Australian Taxation Office public disclosures of tax return data have been amended to include Australian owned private companies with annual income of AUS 200 million — Australian businesses of multinational corporations with global income of AUS 1 billion or more will be required to prepare general purpose financial reports for years commencing on or after 1 July 2016. <p>Read more</p>
Treaties	Double tax treaties	20 December 2015 / 1 January 2016	<p>A free trade agreement between Australia and China entered into force on Sunday, 20 December 2015, and there were immediate benefits of first-year tariff reductions from that date. The second year of tariff reductions commenced from 1 January 2016, thus delivering two rounds of tariff reductions in close succession.</p> <p>Read more</p>
Other	Tax transparency	December 2015	<p>The ATO released its first tax transparency report, outlining for the 2013-14 year, the tax information published by the</p>

			ATO covering income tax of certain corporate taxpayers with total income of AUS 100 million or more. Read more
--	--	--	-----------------------------------------------------------------------------------------------------------------------------------

[Back to top](#)

China			
Tax legislation adopted and regulatory update	Customs	1 January 2016	The Ministry of Finance issued a notice that provides for adjustments to certain import and export tariffs beginning 1 January 2016. Read more
		December 2015	Import and export statistics released by the General Administration of Customs reveal a decline in imports and exports for the period January to October 2015. To address this trend, the customs administration introduced measures to promote the growth of foreign trade. Read more
		December 2015	China's General Administration of Customs released guidelines intended to standardize the regulation of bonded repair and maintenance business in special customs supervision zones. Read more

[Back to top](#)

India			
Proposed legislation	Place of effective management	December 2015	India's Central Board of Direct Taxes issued draft guiding principles for determining if a company is a resident in India or has its place of effective management in India. Read more
Administrative and case-law	Various tax areas	December 2015	KPMG in India has prepared reports concerning the following developments: <ul style="list-style-type: none"> — “schemes of arrangement” of listed entities — rules for issuing tax notices, summons, other communication — incorrect PAN. The case is: <i>Oil & Natural Gas Corporation Ltd.</i> Read more
			KPMG in India has prepared reports concerning the following developments: <ul style="list-style-type: none"> — Indian company is “dependent agent” permanent establishment of US company. The case is: <i>NGC Network Asia LLC.</i> — amended rules on furnishing of information, payments made to a non-resident — investment in tax-free bonds, from common pool. The case is: <i>SBI DHFL Ltd.</i>

			<ul style="list-style-type: none"> — penalty paid to U.S. government not subject to withholding tax provisions. The case is: <i>Satyam Computer Services Ltd.</i> <p>Read more</p>
			<p>KPMG in India has prepared reports concerning the following developments:</p> <ul style="list-style-type: none"> — GST rate recommendations — Identifying stock-in-trade. The case is: <i>Abhinandan Investment Ltd.</i> — Exempt capital gain, deemed dividend provisions. The case is: <i>Sri Manoj Murarka</i> — Direct foreign investment allowed in AIFs, REITs and InvITs — Interest deduction for foreign education-related loan. The case is: <i>Nitin Shantilal Muthiyan</i> — Foreign direct investments. <p>Read more</p>

[Back to top](#)

Japan			
Tax legislation adopted and regulatory update	Corporate income tax	16 December 2015	<p>The government ruling coalition agreed to an outline of tax reform proposals for 2016, basically adopting measures that were proposed by a tax commission but with certain modifications. The outline for tax reform that was proposed earlier in December 2015 includes items that would reduce the effective corporate tax rates, and would make revisions to the tax loss carryforward rules, depreciation methods, anti-tax haven (CFC) rules, the scope of tax-qualified contributions-in-kind, as well as provide for other business tax amendments.</p> <p>Read more</p>
Treaties	Double tax treaties	17 December 2015	<p>Representatives of the governments of Japan and Germany on 17 December 2015 signed an income tax treaty.</p> <p>Read more</p>
Tax legislation adopted and regulatory update	Individual income tax	2016	<p>Under Japan's 2015 tax reform, when an individual resident taxpayer claims income deductions for non-resident family members, the taxpayer must submit or present "documents proving family members" and "documents for money transfers" beginning from 2016.</p> <p>Read more</p>
Treaties	Double tax treaties	26 November 2015	<p>Associations in Japan and Taiwan signed an agreement for the avoidance of double taxation. Japan has maintained its relationship with Taiwan on a non-governmental, working-level basis; hence, the tax agreement was signed not by government officials but by the associations.</p> <p>Read more</p>

[Back to top](#)

Vietnam			
Tax legislation adopted and regulatory update	Special consumption	1 January 2016	Guidance for implementing Vietnam's "special consumption tax" are effective beginning 1 January 2016. Read more
	Various tax areas	December 2015	Guidance—issued as decisions and official letters by the Ministry of Finance and General Department of Taxation—concerns: <ul style="list-style-type: none">— the corporate income tax incentive for large-scale projects— the requirements for initial applications for investment projects— whether income from trading activities is eligible for corporate income tax incentives— VAT invoices not required for interest payments made to "non-business individuals"— VAT invoices and lists of goods and services not required for the transfer of land use rights from non-business individuals— policies for the development of support industries Read more

[Back to top](#)

For a full summary of global tax developments, visit kpmg.com/TaxNewsFlash.

Contacts in Russia and the CIS

[Anna Voronkova](#)

Partner,
Head of International Tax
+7 (495) 937 44 24

[Evgenia Wolfus](#)

Partner,
International Tax
+7 (495) 937 44 19

[Alexander Tokarev](#)

Senior Manager,
International Tax
+7 (495) 937 44 77

[Olga Ermolaeva](#)

Senior Manager,
International Tax
+7 (495) 937 44 77

[Elena Dolgova](#)

Senior Manager,
International Tax
+7 (495) 937 44 77

[Rezida Valitova](#)

Manager,
International Tax
+7 (495) 937 44 77

[Privacy](#) | [Legal](#)

KPMG maintains a database of subscribers, event attendees and business-related contacts. The information we maintain on you contains your business contact details, as well as the track record of our interactions with you. In managing this database, we take our obligations about confidentiality and maintenance very seriously. We do not share personal

information with unaffiliated third parties. Should you require your information to be updated, amended or deleted from our records please contact us at RU-FMMSKPublications@kpmg.ru outlining your requirements.

© 2016 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks of KPMG International.

Designed by Evalueserve.
Publication Number: 133018B-G