



International Tax Asia Pacific and MENASA May 2017

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 May and 31 May 2017**.

Australia	India	Thailand
Global	Korea	

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To contact the International Tax Team email internationaltax@kpmg.com.

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	Tax area concerned	Relevant date	Description of measures and publication link
Australia			
Proposed legislation	Partnership tax	17 May 2017	The Australian Taxation Office (ATO) released Draft Tax Ruling TR 2017/D4 'Income tax: when does a corporate limited partnership 'credit' an amount to a partner in that partnership?' This is of particular interest to large investors in foreign limited partnerships such as superannuation funds and managed funds. Investors should start considering whether there is a potential for amounts to be credited by an LP in line with TR 2017/D4 which will not be received, by reviewing their limited partnership agreements. Read more
KPMG publication	Tax implications from budget	9 May 2017	On Tuesday 9 May 2017, the Commonwealth Treasurer, The Honourable Scott Morrison MP delivered Australia's 2017–2018 Federal Budget. KPMG Australia provides insights and analysis on the Budget's major implications for Australian business, industries and sectors. Read more
KPMG publication	Stapled structures	17 May 2017	The KPMG member firm in Australia explores the recent stapled structures consultation paper. KPMG will continue to liaise with the Treasury as they

			<p>formulate potential options to address the integrity concerns raised in the Consultation Paper, as well as the ATO. We anticipate that future engagement with the Treasury will be more targeted than the initial consultation process in order to assist Treasury to develop a policy response to the specific concerns identified.</p> <p>Read more</p>
Treaties	BEPS	8 May 2017	<p>It is expected that outcomes from The Organisation for Economic Co-operation and Development (OECD) BEPS project will affect many multinational business travelers. Specifically, the BEPS Action 7 Report suggests changing the definition of 'permanent establishment' (PE) for international tax law. Consequently, many countries, including Australia, are entering into a multilateral instrument to change the definition of PE (among others) in tax treaties. This may apply to Australia's treaties from as early as 1 January 2019.</p> <p>Read more</p>

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Global			
Administrative and case law	BEPS	4 May 2017	<p>The OECD today announced the activation of 'automatic exchange relationships' — which the OECD described as another important step in implementing Country-by-Country (CbC) reporting in accordance with the BEPS Action 13 minimum standard, the Multilateral Competent Authority Agreement (MCAA) on the exchange of CbC reports.</p> <p>Read more</p>
Administrative and case law	BEPS	23 May 2017	<p>OECD released a discussion draft of guidance for implementing rules on 'hard-to-value intangibles', as described in the OECD Transfer Pricing Guidelines.</p> <p>Read more</p>
KPMG Publication	BEPS	26 May 2017	<p>The reforms proposed to address BEPS affect far more than a company's tax situation. The BEPS reforms are causing multinationals to reevaluate their entire operating model — including where they are going to operate, who they will do business with, and how they will run the business. A white paper prepared by KPMG in the US provides insights to help businesses.</p> <p>Read more</p>

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India

Proposed legislation	BEPS	9 May 2017	India has introduced a CbC reporting requirement in section 286 of the Indian Income-tax Act, 1961, with effect from financial year 2016-2017. Read more
Administrative and case law	Foreign exchange losses	17 May 2017	A Tribunal held that an unrealized foreign exchange loss on a loan obtained for the purpose of asset purchases was a 'revenue loss' and therefore was allowable as deduction. The case is: <i>Hyundai Motor India Ltd.</i> Read more

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Korea			
Tax legislation approved and regulatory update	BEPS	11 May 2017	There are new forms for CbC reporting and for the advance notification as to which company of a multinational group is to be the 'reporting entity'. These forms were introduced by the Korean tax authority. The tax authority also updated the rules on the arm's length interest rate applicable for loan transactions between a resident and a foreign related-party. Read more
Administrative and case law	Various	30 May 2017	The KPMG member firm in South Korea has prepared a report that collects news of recent tax developments, including summaries of decisions of the Supreme Court. The summary covers relevant topics such as corporate tax exemption on foreign investments and holding company rules. Read more

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Thailand			
Tax legislation approved and regulatory update	Various	29 May 2017	Recently, five main business laws have been amended with an aim to improve Thailand's ranking for ease of doing business in the World Bank Report. The amended laws have been effective from 4 April 2017. The new rules impact dividend payment. Read more

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Publication Number: 134519C-G