



KPMG Asia Pacific Tax Weekly

KPMG Asia Pacific Tax Centre | Content to 19 April 2018



Asia Pacific Tax Developments

Australia

[Australia: Compliance check: Anti-Bribery extends its reach in Australia](#)

KPMG Australia discuss draft legislation introduced by the Government to prevent foreign bribery offences. A draft legislation has been introduced into Parliament that will increase the scope of foreign bribery offences under the Criminal Code Act 1995 and place an obligation on companies to prevent foreign bribery offences by associated persons. Major changes includes:

- A new offence for bodies corporate failing to prevent foreign bribery and
- The introduction of deferred prosecution agreements.

[More details](#)

[Australia: Deadline for R&D Registrations: year ended 30 June 2017](#)

KPMG Australia discuss the fast approaching R&D Tax Incentive registration deadline. Many companies have left registering their R&D activities to the last minute. Notwithstanding, it is critical that companies are able to demonstrate contemporaneous record keeping at the time the experiments were undertaken i.e. during the prior financial year

[More details](#)

[Australia: New Zealand's new Customs Act: a recipe for non-compliance?](#)

KPMG Australia discuss upcoming changes to New Zealand's customs law in regards to 'eligible' importers. Most of these changes are business friendly, but there are some fishhooks that can be missed. One of these fishhooks relates to post-importation valuation adjustments. There may be additional charges payable to related parties after the goods have been imported, e.g. year-end transfer pricing adjustments are common post-importation valuation adjustments.

[More details](#)

[Australia: Super tax concessions: what's behind the curtain?](#)

Dana Fleming and Ross Stephens, from KPMG Australia, discuss the pros and cons of superannuation tax concessions.

[More details](#)

Hong Kong SAR

[Hong Kong: Hong Kong and India comprehensive double taxation agreement](#)

Hong Kong signed a comprehensive double taxation agreement (“DTA”) with India on 19 March 2018. The DTA will enter into force when both jurisdictions have completed their formal ratification procedures.

[More details](#)

[Hong Kong: Hong Kong enacts a two-tier profits tax regime – effective from year of assessment 2018/19](#)

On 29 March 2018, the Inland Revenue was gazetted, thereby introducing a two-tiered profits tax rate regime. The new regime applies to both corporations and unincorporated businesses. It will commence from the year of assessment 2018/19 as follows:

- For corporations, the first HK\$2 million of profits will be taxed at one-half of the current tax rate (i.e., 8.25%) and the remaining profits will continue to be taxed at the existing 16.5% tax rate.
- For unincorporated businesses, the first HK\$2 million of profits will be taxed at one-half of the current tax rate (i.e., 7.5%) and the remaining profits will be taxed at the existing 15% tax rate.

[More details](#)

India

[India: CBDT draft notification - proposed amendment to advance ruling rules and forms in line with BEPS Action Plan 5](#)

Under Base Erosion and Profit Shifting [BEPS] Action Plan 5, Permanent Establishment related rulings are required to be exchanged not only with the countries of residence of all related parties with whom taxpayer enters into transaction but also with the country of residence of the immediate parent company and the ultimate parent company.

[More details](#)

[India: CBDT notifies Income Tax Return forms for Assessment Year 2018-19](#)

The Central Board of Direct Taxes (CBDT) has issued a notification amending Income Tax Return (ITR) forms for Assessment Year (AY) 2018-19. The Notification also amended Rule 12 of the Income-tax Rules, 1962 (the Rules). There are many key changes in the ITR form.

[More details](#)

[India: DIPP Notification on the procedure for 'startups' to avail tax benefits](#)

The government launched the 'startup India' initiative on 16 January 2016 to build a strong ecosystem for nurturing innovation and entrepreneurship. As a part of this initiative, the

Department of Industrial Policy and Promotion (DIPP) has issued two Notifications. DIPP Notifications cover the following key aspects:

- Eligibility conditions and procedure for recognition as 'startup' for regulatory purposes
- Conditions and procedure for availing tax benefits.

[More details](#)

India: Domain name registration fees are taxable as royalty income

The Delhi Bench of the Income-tax Appellate Tribunal held that the rendering of services for domain registration is deemed to be the use of an intangible property that is similar to a trademark. Therefore, the fees received for such services are taxable as royalty income.

[More details](#)

India: Employees' Provident Fund Organisation decides to keep the instruction on mandatory submission of online withdrawal claims in abeyance

The Employees' Provident Fund Organisation (EPFO) had issued guidelines on 27 February 2018 via a circular where they had made it mandatory to submit the withdrawal claims through the online mode only, if the accumulations exceeded INR10 lakhs in the Provident Fund (PF) and INR5 lakhs in Pension Scheme. The guidelines had also instructed PF officials that all claims in excess of the above limits should not be accepted in the physical form.

[More details](#)

India: KPMG India Tax Konnect – April 2018

KPMG in India has released the Konnects' April edition covering the latest developments on the tax and regulatory front and its implications in India. This edition includes covers:

- International Tax
- Corporate Tax
- Transfer Pricing
- Indirect Tax
- Personal Tax

[More details](#)

Singapore

Singapore: FATCA paper "nil return" available

The Inland Revenue Authority of Singapore (IRAS) announced that the FATCA paper (hardcopy) "nil return" for the reporting year 2017 is available for download on its website.

[More details](#)

Singapore: GST Changes in Budget 2018 - GST rate hike and introduction of GST on imported services

GST rate hike from 7% to 9%, sometime in the period from 2021 to 2025 Generally, the GST rate increase should not impact GST-registered businesses who can claim GST incurred in full since it has a flow-through effect. However, they should take note of transition issues such as contractual and business arrangements straddling the date of the rate change. For instance, relevant clauses should be included in long-term contracts signed prior to rate change to ensure that the GST cost would be passed to the buyers. For supplies that straddle the rate change, particular attention has to be paid to the payment date or goods delivered/services performed date to determine if the correct rate is applied. [More details](#)

Singapore: Quarterly Global Tax Disputes Update

In this Issue, KPMG in Singapore brings you its Quarterly Global Tax Disputes Update (March 2018 edition) highlighting the latest news in tax controversy around the world.

[More details](#)

Significant International Tax Developments



OECD: Developing countries addressing BEPS; mining sector's excessive interest deductions

On 19 April, the Organisation for Economic Cooperation and Development (OECD) released a draft practice note that is intended to help developing countries address base erosion and profit shifting (BEPS) challenges in raising revenue from the mining sectors.

[More details](#)

Calendar of Events

Date	Event	Location
10 April 2018 to 8 May	KPMG Tax Audit Support 2018 in Vietnam More details	Various locations in Vietnam
27 April 2018	Malaysian GST – Fundamentals, Latest Developments, Tax Coding and Audits Contact person: Ms Pershen Kaur More details	One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya
24 May 2018	KPMG Seminar on Corporate Tax, GST and Transfer Pricing Updates for Professionals in Financial Institutions Contact person: Sharon Ting More details	Orchard Hotel Singapore

Beyond Asia Pacific

Germany: VAT treatment of bitcoin, virtual currencies and transactions

The German Ministry of Finance (BMF) issued guidance that includes its position concerning the value added tax (VAT) treatment of bitcoin and other “virtual currencies.”

[More details](#)

UK: Upper Tribunal decision, payments made to acquire partnership interests held “trading in nature”

The UT found that (i) payments made to acquire partnership interests were trading in nature and (ii) an alternative contention not in the closure notice was open to HMRC.

[More details](#)

TaxNewsFlash by Region

For the latest tax developments from other regions see the following links:

[Africa](#)

[Americas](#)

[Europe](#)

[United States](#)

KPMG Asia Pacific Tax Centre Contacts

Asia Pacific Regional Leader, Tax



Khoon Ming Ho
Head of Tax, KPMG Asia Pacific
T : +8610 8508 7082
E : khoonming.ho@kpmg.com

Asia Pacific Tax Centre Leader, Regional Tax Partner



Brahma Sharma – KPMG Asia Pacific Limited
Asia Pacific Tax Centre Leader,
Regional Tax Partner
T : +65 8186 7369
E : brahmasharma@kpmg.com.sg

Service Line Specialists

Transfer Pricing Services



Tony Gorgas – KPMG Australia
Asia Pacific Regional Leader,
Transfer Pricing Services
T: +61 2 9335 8851
E: tgorgas@kpmg.com.au

Financial Services Transfer Pricing



John Kondos – KPMG China
Asia Pacific Regional Leader,
Transfer Pricing Services in the
Financial Services Sector
T : +852 2685 7457
E : john.kondos@kpmg.com

Indirect Tax Services



Lachlan Wolfers – KPMG China
Asia Pacific Regional Leader,
Indirect Tax Services
T : +852 2685 7791
E : lachlan.wolfers@kpmg.com

Research & Development (R&D) Tax Incentives



Alan Garcia – KPMG Australia
Asia Pacific Regional Leader,
R&D Tax Incentives
T : +61 3 9288 6094
E : afgarcia@kpmg.com.au

Global Compliance Management Services



Oi Leng Mak – KPMG in Singapore
Asia Pacific Regional Leader,
Global Compliance Management
Services
T : +65 6213 7319
E : omak@kpmg.com.sg

Global Mobility Services



Ben Travers – KPMG Australia
Asia Pacific Regional Leader,
Global Mobility Services
T: +61 3 9288 5279
E: btravers1@kpmg.com.au

International Tax



Christopher Xing – KPMG China
Asia Pacific Regional Leader,
International Tax
T : +8610 8508 7072
E : christopher.xing@kpmg.com

Deal Advisory M&A Tax



Angus Wilson – KPMG Australia
Asia Pacific Regional Leader,
Deal Advisory M&A Tax
T: +61 2 9335 8288
E: arwilson@kpmg.com.au

Dispute Resolution and Controversy



Angela Wood – KPMG Australia
Asia Pacific Regional Leader,
Dispute Resolution and Controversy
T: +61 3 9288 6408
E: angelawood@kpmg.com.au

Legal Services



Stuart Fuller – KPMG Australia
Asia Pacific Regional Leader,
Legal Services
T: +61 2 9458 1590
E: stuartfuller@kpmg.com.au

Market Sector Specialists

Financial Services



Christopher Abbiss – KPMG China
Asia Pacific Regional Tax Leader,
Financial Services and Banking
Sector
T: +852 2826 7226
E: chris.abbiss@kpmg.com

Alternative Investments & Private Equity



Simon Clark – KPMG in Singapore
Asia Pacific Regional Tax Leader,
Alternative Investments and Private
Equity sector
T : +65 6213 2152
E : simonclark1@kpmg.com.sg

Sovereign Wealth and Pension Funds



Angus Wilson – KPMG Australia
Asia Pacific Regional Leader,
Sovereign Wealth and Pension
Funds Sector
T: +61 2 9335 8288
E: arwilson@kpmg.com.au

Energy & Natural Resources



Carlo Franchina – KPMG Australia
Asia Pacific Regional Tax Leader,
Energy & Natural Resources Sector
T: +61 8 9263 7239
E: cfranchina@kpmg.com.au

Insurance



John Salvaris – KPMG Australia
Asia Pacific Regional Leader,
Insurance Sector
T : +61 3 9288 5744
E : jsalvaris@kpmg.com.au

<https://home.kpmg.com/xx/en/home/services/tax/regional-tax-centers/asia-pacific-tax-centre.html>

www.kpmg.com/tax

kpmg.com/socialmedia



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 upon such information without appropriate professional advice after a thorough examination of the particular situation.

kpmg.com/app



© 2018 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 and logo are registered trademarks or trademarks of KPMG International.