



AKM GLOBAL

TAX | CONSULTING | OUTSOURCING



LEA North American Conference - Asia Tax Updates (including BEPS)

LEA International Tax collaboration group

The International Tax Special Interest Group for the Asia Pacific Region is a group of tax professionals who specialize in international tax matters within the Asia Pacific region. The group is comprised of tax experts from various countries in the region.

- ❑ APAC International tax – Working under the ITAX group
- ❑ Led by Mr. Amit Maheshwari under the guidance of Mr. Douglas W. Nakajima

The group focuses on:

- ❑ issues such as cross-border transactions,
- ❑ transfer pricing,
- ❑ tax treaties, and other international tax matters.

The International Tax Special Interest Group for the Asia Pacific Region is an important resource for multinational corporations operating in the region, as well as for tax professionals who advise these companies. By staying up to date on the latest developments in international tax law and sharing knowledge and best practices, the group helps ensure that companies can navigate the complex tax landscape of the region with confidence and avoid costly mistakes.

LEA International Tax collaboration group

PLAN OF ACTION

- ❑ Connecting ITAX enthusiasts of APAC region with each other
- ❑ Quarterly meetings and staying abreast of latest international tax updates
- ❑ Staying up to date with the country specific tax updates in the APAC region
- ❑ Keeping a tab on the international tax updates in the countries under the APAC region which would impact the region as a whole
- ❑ Staying up to date on the latest developments in international tax law and sharing knowledge and best practices

Members of the group meet quarterly to discuss developments in international tax law and share best practices for navigating the complex tax landscape of the region.

COUNTRY WISE TAX UPDATES

India

Angel tax

- ❑ The angel tax is levied on the differential amount between the fair market value (FMV) of the shares and the consideration received by the company.
- ❑ Angel Tax exemption to the VC funds registered with Sebi as Category-I FPI, Endowment Funds, Pension Funds and broad-based pooled investment vehicles, **which are residents of 21 specified nations, including the US, UK, Australia, Germany, Spain, and others.**

Other Updates

- ❑ Online Form 10F due date for non-residents not having PAN is extended to Sep 30, 2023.
- ❑ INR 2,000 currency note has been withdrawn from circulation, continues as legal tender.
- ❑ A Provisional Cost Inflation Index for the purpose of calculating long term capital gains has been notified as 348 for financial year 2023-24.

COUNTRY WISE TAX UPDATES

Indonesia

❑ **Introduction of new Anti-Tax Avoidance Measures**

The Indonesian government introduces new measures for fighting tax avoidance practices. Some of the which includes measures for combating unreasonable financial profits or losses based financial performance comparison, measure for imposing adjustments based on substance-over-form principle, etc.

❑ **“Tourism Tax”**

Indonesian government is considering bringing a tourism tax in world’s cheapest tourist destination, Bali to boost its revenue streams and to curb bad behavior among the tourists.

❑ **Incentives to Electric vehicle**

The government is proposing to cut sales tax to 1% from 11% on locally assembled EVs and buses which have minimum 40% Indonesian content.

COUNTRY WISE TAX UPDATES

China and Hongkong

❑ BEPS 2.0 consensus on implementation guideline

China and Hong Kong have agreed OECD's BEPS 2.0 Implementation guideline. They have agreed to the minimum tax rate and associated rules, which means some multinationals in China may be required to pay top-up taxes in the future.

❑ Hong Kong added on EU's watchlist of Non-Cooperative Tax Jurisdiction

Hong Kong was recently added to the EU's grey list of non-cooperative tax jurisdictions.

Hong Kong Added to EU Watchlist on Non-Cooperative Tax Jurisdictions

October 12, 2021 | Posted by [China Briefing](#) | Written by [Arendse Huld](#) | Reading Time: 6 minutes

Hong Kong was recently added to the EU's grey list of non-cooperative tax jurisdictions due to concerns the city is enabling 'double non-taxation' of passive income. In response, the Hong Kong government reiterated its commitment to make the requisite amendments to its tax law to comply with EU standards, a move that may have a limited impact upon some foreign enterprises in Hong Kong.

COUNTRY WISE TAX UPDATES

Taiwan

❑ **Controlled Foreign Company (CFC) Rules for profit-seeking enterprise will be implemented in 2023**

The National Taxation Bureau of The Northern Area has established CFC Rules for profit-seeking enterprises in order to prevent multinational enterprises from establishing controlled foreign companies (CFC) in low tax jurisdictions to keep surplus earnings undistributed to avoid tax burden.

Announcements

Press Releases
Statements(News)

Information on the
National Financial
Stabilization Fund

Employment Information

The Controlled Foreign Company (CFC) Rule for profit-seeking enterprises will be implemented from 2023

The National Taxation Bureau of the Northern Area (NTBNA), M.O.F., stated that in order to prevent multinational enterprises from establishing controlled foreign companies (CFC) in low-tax burden countries or jurisdictions to keep surplus earnings undistributed to avoid the tax burden in the R.O.C., Article 43-3 of the Income Tax Act was amended on July 27, 2016, to establish the CFC rule for profit-seeking enterprises. However, in order to avoid the impact on the global investment plan of Taiwanese businesses, the implementation date of the preceding rule is authorized to be determined by the Executive Yuan. In line with the expiration date (Aug. 16, 2021) of "The

A FEW LEA MEMBER FIRMS - APAC REGION

- AKM Global, India
- Sandmartin Consultants, India
- C.F.NG & Co. Chartered Accountants, Malaysia
- Dezan Shira & Associates Vietnam
- Dezan Shira & Associates China (P.R.)
- Evershine CPAs firm, Taiwan
- Jia-Wei Co., CPAs, Taiwan
- KAP Joachim Adhi Piter Poltak & Rekan, Indonesia
- Lo Hock Ling & Co, Singapore
- Machica Group Metro Manila, Philippines
- Marcum Bernstein & Pinchuk LLP, China
- The Practice, Indonesia

.....and the list goes on

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