

Tax

Asia Pacific

Newsletter

May 2013 | Edition 4
[View Mobile/Print Version](#)

In This Edition

- [> Australia](#)
- [> China](#)
- [> Japan](#)
- [> Malaysia](#)
- [> Singapore](#)
- [> Taiwan](#)
- [> Announcements](#)

Contacts

[Michael Olesnick](#)
Partner
+852 2846 1716

[Daniel Smith](#)
Business Development
Manager
+65 6434 2523

[Liane Tsang](#)
Asst. Business
Development Manager
+65 6434 2716

For the list of key tax partners, please [click here](#).

[SUBSCRIBE](#)

[PAST EDITIONS](#)

Welcome to the fourth edition of Baker & McKenzie's Asia Pacific Tax Newsletter . In this edition, we feature key tax developments and cases in Australia, China, Japan, Malaysia, Singapore, and Taiwan.

To ensure these articles are relevant and interesting to you, we'd like to hear your views on future content and topics. [Tell us what you think](#).



Australia

Budget 2013-14: Government Targets Multinationals to Recover

from GFC

By [Amrit MacIntyre](#), [Dixon Hearder](#) and [John Walker](#)

A series of measures increasing the tax burden of multinationals, foreign investors and the mining industry has been introduced to help companies recover from the Global Financial Crisis.

[> Read More](#)

China

Recent Anti-avoidance Cases in China

By [Jon Eichelberger](#), [Brendan Kelly](#) and [Jinghua Liu](#)

February 2013

Local tax authorities have been serious about punishing tax avoidance schemes, as seen in quite a number of anti-avoidance cases publicized in major Chinese tax periodicals like the *China Taxation News*. We review the legal issues raised in three interesting cases.

[> Read more](#)

SAT Interprets Capital Gains Provisions in China-Singapore Treaty

By [Jon Eichelberger](#), [Brendan Kelly](#) and [Jinghua Liu](#)

February 2013

The State Administration of Taxation recently issued Bulletin 59, clarifying the capital gains provision in the China-Singapore treaty, specifically issues such as the "land rich rule" and the "small shareholding exemption."

[> Read more](#)

SAT Issues New EIT Rules for Chinese Branches

By [Jon Eichelberger](#), [Brendan Kelly](#) and [Jinghua Liu](#)

February 2013

The SAT's recently issued Bulletin 57 addresses the EIT local settlement and allocation issues for companies with branches in different provinces and cities, indicating that headquarters now have to file financial statements for all its branches.

[> Read more](#)

China: Income Tax Treatment of Cross-border Secondment

By [Jon Eichelberger](#), [Brendan Kelly](#) and [Jinghua Liu](#)

May 2013

SAT's Bulletin 19, which takes effect in June, clarifies domestic tax laws on cross-border secondment and gives practical guidance on how to assess a company's local tax presence.

[> Read more](#)

Japan

JPY11.2 Billion Taxpayer Victory in the Tokyo District Court
By [Edwin Whatley](#), [Hideyuki Yamamoto](#), and [Howard J. Weitzman](#)
February 2013

The Tokyo District Court ordered the Tokyo Regional Tax Bureau in December 2012 to reverse its assessment of JPY11.2 billion in corporation tax and penalties for a foreign company, which applied the 15% Rule for reduced appraisal value of foreign currency assets.

[> Read more](#)

New Rules Allowing Taxpayers to Choose Combined or Separate Corporate Tax and Transfer Pricing Audits Increase the Importance of Preparing TP Documentation in Advance

By [Ken Okawara](#), [Edwin Whatley](#), [Yukiko Komori](#), and [Howard J. Weitzman](#)
April 2013

Japan recently implemented new rules on transfer pricing and corporate tax audits, stipulating that auditors give taxpayers advance notice prior to an audit and allowing taxpayers to decide whether transfer pricing issues be audited concurrently or separately with their corporate tax issues.

[> Read more](#)

Malaysia

Malaysian IRB Expands on Employee Share Scheme Benefit
By [Adeline Wong](#), [Chong Mun Yew](#), [Krystal Ng](#) and [Istee Cheah](#)
January 2013

Malaysia's Inland Revenue Board recently updated a 2004 ruling on employee share schemes, clarifying the tax treatment for the benefits that come from these arrangements and laying out the reporting obligations of employers and their employees. The new law also touches on the share scheme benefits for cross-border employees.

[> Read more](#)

Singapore

Recent Developments in Singapore's Tax Laws: More Tax Incentives, More Tax Scrutiny?

By [Edmund Leow](#), [Allen Tan](#), [Dawn Quek](#)
February 2013

The Inland Revenue Authority of Singapore (IRAS) has enhanced its Voluntary Disclosure Programme, offering reduced penalties, to

encourage taxpayers to be more compliant. The Singapore Parliament has also implemented changes to its Economic Expansion Incentive Act to encourage local investments.

[> Read more](#)

Changes to the Corporate Income Tax Objection and Appeal Process: What You Need to Know

By [Edmund Leow](#), [Peter Tan](#), and [Allen Tan](#)

March 2013

The IRAS is introducing revised procedures to the income tax and appeal process beginning January 2014. These new procedures make it easy for taxpayers to file their objections with a standard form and give them a specific turnaround time for filing objections and appeals.

[> Read more](#)

Increases in Additional Buyer's Stamp Duty for Residential Property and New Seller's Stamp Duty for Industrial Properties

By [Edmund Leow](#), [Allen Tan](#), and [Dawn Quek](#)

January 2013

Singapore is imposing a higher stamp duty rate on residential properties purchased on or after 12 January 2013. A Seller's Stamp Duty also applies on industrial properties bought on or after the same date and sold within 3 years.

[> Read more](#)

Singapore's First High Court Case on Anti-avoidance

By [Edmund Leow](#), [Allen Tan](#), [Justin Tan](#), and [Danny Quah](#)

January 2013

The Singapore High Court made a landmark decision in December 2012 concerning the proper interpretation and application of the anti-avoidance provision found in Section 33 of the Income Tax Act.

[> Read more](#)

Payments for Software and Digitized Information and Goods: A New Regime?

By [Edmund Leow](#), [Allen Tan](#), and [James Choo](#)

March 2013

Singapore's Inland Revenue Authority explains the new rights-based approach to payments for software and digitized goods and information, which took effect in February 2013. Payments for such goods were previously classified as royalties and subject to withholding tax. With the new approach, depending on the rights transferred, payments may be classified as a sale of copyright, royalty, or a business income.

[> Read more](#)

Singapore's 2013 Budget: Tax Implications for Multinational Companies

By [Edmund Leow](#), [Peter Tan](#), [Allen Tan](#), and [Dawn Quek](#)

March 2013

Singapore's 2013 budget has introduced tax changes that emphasize business productivity, tax progressivity, and tax simplicity. A modest corporate income tax rebate, exclusion of property development and investment holding companies from the Start-Up Tax Exemption Scheme, and enhancement of the Productivity and Innovation Credit Scheme are among the changes that multinationals should watch out for.

[> Read more](#)

MAS Responds to Public Feedback on Consultation Paper to Designate Serious Tax Crimes as Money Laundering Predicate Offenses

By [Edmund Leow](#), [Dawn Quek](#), and [Alicia Chan](#)

April 2013

The Monetary Authority of Singapore (MAS) has clarified its consultation paper designating serious tax crimes as predicate offenses and asked financial institutions to ensure that their anti-money laundering control measures are adequate in deterring serious crimes.

[> Read more](#)

Taiwan

New Anti-avoidance Rules Proposed in Taiwan

By [Michael Wong](#) and [Dennis Lee](#)

April 2013

Taiwan's Ministry of Finance wants to add two new anti-avoidance rules to the Income Tax Act. Now being reviewed by the Executive Yuan, these proposed rules will cover tax liabilities of companies with overseas profits and indicate a "place of effective management" as the basis for taxing foreign companies in Taiwan.

[> Read more](#)

Commentary: Goodwill Amortization in Taiwan

By [Michael Wong](#) and [Dennis Lee](#)

Because goodwill is not recognized in Taiwan's Income Tax Law, taxpayers need to have a well-documented and professionally prepared purchase price allocation report so they are ready for aggressive tax audits.

[> Read more](#)

Announcements

18th Annual International Tax and Trusts Training Course, Hong Kong

Baker & McKenzie will hold its 18th Annual International Tax & Trusts Training Course on 10-11 September 2013.

This two-day event is a great opportunity for Asia's wealth management

professionals to keep abreast of industry regulations. Event speakers will focus on legal and tax developments in Asia, as well as foreign developments that affect clients and institutions in the region.

Private Banking Boot Camp Training Course, Hong Kong
Baker & McKenzie is organizing the Private Banking Boot Camp Training Course on 9 September 2013.

Designed for beginners and wealth management experts alike, this whole-day event brings participants up to date with basic concepts related to trusts, foundations, investment funds and insurance products, as well as tax issues that arise from these. Topics selected are aimed toward wealth management professionals who deal with high net-worth individuals.

[> Read more](#)

For more information about these upcoming events, please contact Liane Tsang at liane.tsang@bakermckenzie.com.

[Subscribe to more publications](#)

[Privacy Policy](#)

This e-mail was sent to:
Karla.Maquiling@bakermckenzie.com

This e-mail was sent by
Baker & McKenzie
www.bakermckenzie.com

Baker & McKenzie International is a Swiss Verein with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner, or equivalent, in such a law firm. Similarly, reference to an "office" means an office of any such law firm.

This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

Before you send an e-mail to Baker & McKenzie, please be aware that your communications with us through this message will not create a lawyer-client relationship with us. Do not send us any information that you or anyone else considers to be confidential or secret unless we have first agreed to be your lawyers in that matter. Any information you send us before we agree to be your lawyers cannot be protected from disclosure.

If you wish to opt out of these communications, please [click here](#)