

Asia Pacific Financial Services

Tax Highlights

March 2022

Welcome to our March 2022 edition of Asia Pacific Financial Services Tax Highlights, where we draw your attention to the latest developments and hottest issues for the industry in the region.

We encourage you to get in touch with any one of our contacts listed, or your usual PwC contact, should you wish to discuss anything further.

Legend:

This development is relevant to the following:

- AWM Asset & Wealth Management
- BCM Banking & Capital Markets
- INS Insurance
- FS All

Australia



The latest monthly tax updates include:

- The Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021, which contains the amendments to extend the loss carry back measure by one year, has been passed by the Federal Parliament. This means eligible corporate tax entities will be able to claim a loss carry back tax offset in the 2022-23 income year.
- The Australian Taxation Office (ATO) has issued draft Taxation Determination TD 2022/D1 regarding the treatment of unpaid present entitlements (UPEs) and sub-trust arrangements under the deemed dividend rules in Division 7A of the Income Tax Assessment Act 1936 (ITAA 1936).

Hong Kong SAR



The Financial Secretary announced the 2022/23 Budget on 23 February. Find out our responses to this year's Budget and recommendations here.

In particular, the Financial Secretary has announced the introduction of tax concessions to family owned investment vehicles managed by single family offices, and also the introduction of domestic minimum tax for multinational corporations from 2024.

More publications and news relating to the financial services industry are available here.

Indonesia



- Our Indonesian Pocket Tax Book 2022, an annually updated summary of key tax rules and regulations in Indonesia, is now available.
- The Director General of Tax issued additional guidelines to implement Minister of Finance Regulations on Controlled Foreign Companies (CFC). Click here to read more.

Click here for other tax updates and insights in Indonesia.

Japan



As outlined in our previous Newsletter, the Financial Services Agency of Japan introduced new business structures to attract foreign investment management businesses, where they may enjoy exemption from registration as financial instruments business operators.

Click here for an overview and descriptions of the key requirements of these exemptions.

Other Japanese updates and insights are also available here.



South Korea

FS

The latest updates include:

- Government's bill to amend enforcement rules of tax laws for 2021
- The National Tax Service (NTS) investigation targets some overseas subsidiaries of domestic companies and domestic permanent establishments of multinationals
- Ruling update on how to calculate the income ratio of a foreign holding company for purpose of applying the controlled foreign corporation (CFC) exemption rule

Click [here](#) for more information.

Malaysia

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- The Income Tax (Restriction on Deductibility of Interest) (Amendment) Rules 2022 has been gazetted to amend the Income Tax (Restriction on Deductibility of Interest) Rules 2019. Read this [TaXavvy](#) for more details.
- The Inland Revenue Board has announced the termination of Special Income Remittance Programme (PKPP) effective 11 March 2022. Click [here](#) to read more.

Click [here](#) for other tax updates and insights in Malaysia.

Philippines

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The latest tax updates include:

- Guidance on the filing of requests for confirmation, tax treaty relief applications and tax sparing applications
- Post audit and reporting requirements for tax-free exchange (TFE) transactions

Other developments in tax and business law in the Philippines are also available [here](#).

Singapore

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This year's Singapore Budget, presented on 18 February 2022, is focused on preparing Singapore for future challenges and opportunities so that Singapore's competitiveness as a financial and business hub can continue to be strengthened. Click [here](#) for our key takeaways from the Budget.

Thailand

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- On 9 February 2022, Thailand signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI). For the next process, the Ministry of Foreign Affairs is required to deposit the Instrument of Ratification with the OECD. The effective date of the MLI for Thailand is likely to be several months after the deposit has been made.
- Royal Decree No. 742, effective from 25 February 2022, was issued to extend the time limit for the tax benefits granted for the debt restructuring of financial institutions and other creditors. In addition, a further group of creditors is now included for tax benefits. Click [here](#) to read more.

Other tax and legal insights are also available [here](#).

Vietnam

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On 9 February 2022, Vietnam signed the MLI, becoming the 99th jurisdiction to join the MLI. As a result, potentially 75 of Vietnam's double tax agreements (DTAs) could be altered once the MLI comes into effect. Taxpayers should be aware of these potential changes to DTAs and the impact this may have on their plans for structuring their investments and transactions to claim treaty benefits in Vietnam. Click [here](#) for more details.

In addition, on 24 February 2022, the Council of the European Union added another 10 countries, including Vietnam, to its grey list. Read our [Newsbrief](#) which examines why Vietnam was added and what the consequences may be for taxpayers in Vietnam.

Other tax and legal insights are also available [here](#).

International updates

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On 18 February 2022 the OECD released draft Model Rules on tax base determinations of Amount A under Pillar One of Base Erosion and Profit Shifting (BEPS) 2.0 for public consultation. Click [here](#) for more details.

Furthermore, on 14 March 2022, the OECD published the [Commentary and Illustrative Examples](#) to the Pillar Two Global Anti-Base Erosion (GloBE) Model Rules. A public consultation on the GloBE Implementation Framework was also launched together with this release (with comments due 11 April 2022).

For other international tax developments, updated on a monthly basis, please click [here](#).



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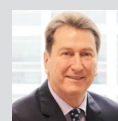
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