# Asia Pacific Financial Services Tax Highlights

**May – July 2026**

# Asia Pacific Financial Services Tax Highlights

**Our highlights showcase the latest developments and most pressing issues facing the industry in the region.**

**If you would like to discuss any of these topics further, please feel free to reach out to any of our listed contacts or your usual PwC representative.**

## Australia

### ATO’s approach to Diverted Profits Tax assessment

According to the Australian Taxation Office’s (ATO) updated Practice Statement Law Administration PS LA 2017/2 and Practical Compliance Guideline PCG 2018/5 dealing with the Diverted Profits Tax (DPT), the ATO’s DPT specialist team is abolished. The updated guidance indicates, however, that before making a DPT assessment (unless it is an exceptional case), the relevant case officer must:

- Seek advice from the General Anti-Avoidance Rules (GAAR) Panel at an initial hearing
- Obtain Deputy Commissioner endorsement on the decision to make a DPT assessment

The updated guidance also indicates that it is not a requirement to provide the taxpayer with a position paper at any time prior to issuing DPT assessments. At the discretion of the case team, a position paper may be provided and the taxpayer invited to respond.

Additional reading:

- Tax Alerts (including commentary on the 2026-27 State Budgets)
- Monthly tax update

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## Hong Kong

### Long-awaited bill enhancing tax concessions for funds, family offices and carried interest gazetted

Following an industry consultation and further engagement sessions in 2024 and 2025, the long-awaited Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026 (Bill) seeking to implement the enhancements to the preferential tax regimes for privately-offered funds, family-owned investment holding vehicles (FIHVs) and carried interest was gazetted on June 2026.

The Government has taken on board many of the comments raised by industry during the consultation process. The enhancements proposed under the Bill should make these tax concession regimes even more attractive and help position them as best-in-class among comparable regimes in other jurisdictions.

Subject to the passage of the Bill by the Legislative Council (likely after the summer recess), the relevant measures would take effect from the year of assessment 2025/26.

### Hong Kong passes bill strengthening its CRS administrative framework

On 17 June 2026, the Inland Revenue (Amendment) (Automatic Exchange of Information) Bill 2026 (Bill), as amended by the committee stage amendments (CSAs), passed its third reading in the Legislative Council. The CSAs are technical in nature and are intended to enhance the clarity of the relevant provisions. It is expected to be gazetted as the amendment ordinance on 26 June 2026 (new law).

The new law introduces three key changes to Hong Kong's administrative framework for automatic exchange of information (AEOI) under the Common Reporting Standard (CRS): mandatory registration for reporting financial institutions (RFIs), updated record-keeping and notification obligations, and strengthened sanctions for non-compliance. These changes will take effect on 1 January 2027.

These amendments were introduced in response to comments and deficiencies identified in the OECD's 2024 second-round peer review of Hong Kong's AEOI regime. Passage of the Bill before the OECD's 30 June 2026 deadline should help Hong Kong secure a favourable rating.

The new law is only the first phase of broader changes to Hong Kong's AEOI regime. More substantive changes under the amended CRS, including enhanced due diligence and reporting requirements, are being introduced under a separate bill and are expected to take effect on 1 January 2028. RFIs should therefore begin preparing for these operational changes. For details, please refer to our news flash on the amended CRS.

### Government proposes enhancements to stamp duty relief for intra-group transfers

As announced in the 2026-27 Budget, the Government plans to relax the criteria for stamp duty relief on intragroup transfers of assets within enterprise groups, thereby expanding the scope of associated bodies corporate eligible for relief under section 45 of the Stamp Duty Ordinance. A paper outlining the proposals will be presented to the Legislative Council Panel on Financial Affairs on 6 July 2026, and the Government plans to introduce the amendment bill in October 2026. If enacted, the changes will take retrospective effect from 25 February 2026.

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## India

### Tax and regulatory updates

- The Ministry of Finance (MoF) notified the revised Common Application Form for Foreign Portfolio Investors (FPIs) seeking FPI registration, opening of bank and demat accounts, and Tax ID allotment. Key changes include a dedicated section for FPIs investing exclusively in Government securities and additional mandatory disclosures aligned with the Income-tax Act, 2025. See link for more.
- The Government promulgated an ordinance to amend the Income-tax Act, 2025, to exempt FPIs from tax on capital gains from transfers of Government securities (G-secs) and related interest income from 1 April 2026, subject to furnishing of information in such form and manner as may be prescribed. See link for more.
- The Reserve Bank of India (RBI) removed certain investment limits for FPIs investing in Government securities (G-secs) and expanded the list of securities eligible under the Fully Accessible Route (FAR). See link for more.
- The framework for net settlement of funds has been introduced for FPI cash-market transactions, allowing purchase obligations to be offset against sale proceeds for outright buy or sell transactions, reducing funding needs and improving operational efficiency. The framework is expected to be implemented by 31 December 2026. See link for more.
- The Foreign Exchange Management (Non-Debt Instruments) (Third Amendment) Rules, 2026, expanded investment access to all eligible foreign individuals resident outside India (previously available only to NRIs and OCIs), allowing investments in listed Indian companies and specified securities on a repatriation basis, subject to prescribed conditions. The changes also increase individual (from 5% to less than 10%) and aggregate (from 10% to 24%) investment limits. See link 1 and link 2 for more.

### IFSC updates

- IFSCA introduced a ‘Trust and Company Services Provider (TCSP)’ framework for leasing structures in IFSCs. It also amended the Finance Company Regulations to recognize TCSP-administered SPVs and permit leasing and financing activities through such SPVs. See link for more.
- IFSCA clarified the scope of “implementation services” under the Capital Market Intermediaries Regulations, 2025. These services relate to execution of investment advice rendered by an IFSC-registered Investment Adviser. Implementation for foreign-listed products must be routed through a Global Access Provider or introducing Broker in IFSC, while implementation for IFSC-listed products must be routed through a member of a recognised IFSC exchange. For unlisted financial products, investment advisers must have formal arrangements with platforms and/or asset management companies regulated by a foreign financial sector regulator. See link for more.
- The Central Board of Direct Taxes notified that no tax is required to be deducted at source on lease rent or supplemental lease rent paid by a lessee to an IFSC Unit for the lease of a ship, subject to furnishing of prescribed information. See link for more.
- IFSCA directed all regulated entities in IFSC dealing with retail consumers to develop and publish their own Consumer Charters, or to provide a link on their IFSC entity websites to a dedicated Consumer Charter webpage of a group entity. See link for more.
- IFSCA prescribed a standard Annual Compliance Audit Report (ACAR) format and Annual Compliance Audit Checklist (ACAC) for all capital market intermediaries under the Capital Market Intermediaries Regulations, 2025. The ACAR is required to be submitted to IFSCA by 30 September each year. See link for more.

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## India (continued)

- IFSCA has issued a circular liberalising and broadening access to bullion imports through India International Bullion Exchange (IIBX). Key changes include removal of the minimum net-worth requirement, expanded eligibility for "Qualified Jewellers" and permission for certain SEZ units to import specified silver bars through IIBX without being notified as Qualified Jewellers, subject to applicable DGFT restrictions and policy conditions. See link for more.
- IFSCA notified a standalone framework for Managing General Agents (MGAs), covering eligible applicants, including foreign MGAs with binding authority from foreign insurers and Indian companies, along with capital, net worth and other regulatory requirements. See link for more.
- IFSCA has amended its earlier AML/KYC exemption and SNRR circulars to relax the routing of monetary consideration for IFSC financial institutions. While monetary consideration from business transactions were required to be routed through an IBU account, the relaxation provides that IFSC financial institution may transact or receive such consideration from business-related transactions outside IFSC through their onshore SNRR account, subject to remitting such funds to their IBU account in a specified foreign currency within 30 working days. See link 1 and link 2 for more.

## Malaysia

**Extension of Special Voluntary Disclosure Programme for Stamp Duty**

The Inland Revenue Board (IRB) has issued a media release today on the extension of the Special Voluntary Disclosure Programme (SVDP) for stamp duty to 31 December 2026. The SVDP was originally scheduled to run from 1 January 2026 to 30 June 2026.

**Updates on e-Invoice implementation**

Following the Ministry of Finance media release on recent developments in the implementation of e-Invoicing, the Inland Revenue Board (IRB) has updated and issued the following:

- e-Invoice Specific Guidelines
- Frequently Asked Questions for Implementation of e-Invoice in Malaysia

See link for more.

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## New Zealand

**Budget 2026**

Budget 2026 is shaped by two overlapping forces - continuing domestic fiscal consolidation and the Middle East conflict - and anchored by significant investments in health, education, transport and defence. While the near-term economic outlook is impacted, the Budget does forecast a return to surplus earlier than previously expected.

See link for a summary and PwC commentary.

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## Singapore

**Tax Bulletin: Singapore Transfer Pricing Guidelines—9th Edition**

IRAS has provided clarification on the treatment of share-based compensation under the Ninth Edition Transfer Pricing Guidelines, confirming its inclusion in the cost base, alongside the introduction of a concession from YA 2026 permitting certain amounts to be excluded from service income.

## South Korea

### Tax news

- The government launched a cross-ministerial task force to address abnormal government practices and improve regulatory and administrative frameworks. The task force has finalised and announced the first "National Normalization Project", which sets out 164 priority measures aimed at correcting irregular practices and operational inefficiencies. Among those measures, the principal proposals relating to the tax system and tax administration are summarised in the June update here.
- The Tax Tribunal has announced 16 initiatives across five key areas as part of its efforts to reform its operation and appeal process. These measures are intended to strengthen taxpayer rights, improve procedural efficiency, and enhance transparency in the handling of tax appeals. The key initiatives are summarised in the June update here.

### Rulings update

- Applicability of special tax treatment to in-kind contributions where the businesses of the contributing and investee corporations differ
- Meaning of 'establishing a new place of business' when applying tax reduction for start-up companies in opportunity development zones

For more updates and details on tax news, changes in tax laws, and rulings, see: Korean Tax Update

# Asia Pacific Financial Services Tax

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