

Tax updates for the period  
14 January 2017 to  
28 February 2017

# Tax Newsbites

PwC Singapore | Tax Services

## Singapore updates

### *2017 Budget*

The 2017 Budget Speech was announced on 20 February 2017.

Our commentary is available at:

<http://www.pwc.com/sg/en/budget-commentary.html>

### *Singapore-India tax treaty*

The Third Protocol amending the existing Avoidance of Double Taxation Agreement (DTA) between Singapore and the Republic of India entered into force on 27 February 2017.

Details are available at:

<https://www.iras.gov.sg/irashome/News-and-Events/Newsroom/Media-Releases-and-Speeches/Media-Releases/2016/Singapore-and-India-Sign-New-Protocol-to-Update-Bilateral-Avoidance-of-Double-Taxation-Agreement--DTA-/>

### *Common Reporting Standard (CRS)*

The Competent Authority Agreements for Common Reporting Standards with United Kingdom, Japan, South Africa, Norway, Finland, Netherlands, Iceland, Malta and Ireland entered into force on 31 January 2017, and agreements with Australia, Korea, Italy, Canada and Latvia entered into force on 27 February 2017.

With the above, these jurisdictions will be regarded as "Reportable Jurisdictions". SGFIs will have to transmit to Inland Revenue Authority of Singapore (IRAS) the financial account information of accounts held by persons that are tax residents of these Reportable Jurisdictions, with the first submission due by 31 May 2018.

Details are available at:

<https://www.iras.gov.sg/IRASHome/Quick-Links/International-Tax/Common-Reporting-Standard--CRS-/>

The IRAS entered into a Competent Authority Agreement for the automatic exchange of financial account information (AEOI) based on the Organisation for Economic Co-Operation and Development's (OECD) Common Reporting Standard (CRS) with Estonia and Lithuania on 15 February 2017 and 24 February 2017 respectively. The agreements have not yet been ratified and do not have the force of law. The first exchange is expected to commence by September 2018.

Details are available at:

<https://www.iras.gov.sg/IRASHome/Quick-Links/International-Tax/Common-Reporting-Standard--CRS-/>

### *Application for Certificate of Residence (COR)*

In line with the Government's direction to harness technology for enhanced productivity, all COR applications have to be e-Filed via myTax Portal from 1 June 2017. Paper applications will no longer be accepted from this date onwards.

Details are available at:

<https://www.iras.gov.sg/irashome/Other-Taxes/Withholding-tax/Non-resident-companies/Tax-Residence-Status-of-a-Company/>

## *Overseas updates*

### *Australia*

The Australian Taxation Office has issued an alert noting that it is reviewing corporate arrangements that involve research and development (R&D) tax incentive claims for which some or all of the expenses have been incurred for ordinary business activities that aren't eligible R&D activities.

Details are available at:

<http://www.taxnotes.com/worldwide-tax-daily/corporate-taxation/australia-reviewing-rd-tax-incentive-claims-ordinary-business-activities/2017/02/13/18835891>

The Australian government introduced the Treasury Laws Amendment (Combating Multinational Tax Avoidance) Bill 2017 and Diverted Profits Tax Bill 2017 into Parliament on 9 February 2017. The bills would have a significant impact on large foreign multinational enterprises with Australian investments as well as large Australian multinationals.

PwC Australia's commentary is available at:

<https://www.pwc.com/us/en/tax-services/publications/insights/assets/pwc-new-australian-tax-measures-would-affect-multinationals.pdf>

### *Hong Kong*

The Hong Kong government proposed various tax measures in the 2017-2018 Budget, including a one-off 75% reduction of profits tax, salaries tax, and tax under personal assessment (subject to a cap of HK\$20,000) and changes to the marginal tax bands for salaries tax.

PwC Hong Kong's commentary and analysis is available at:

<http://insights.pwchk.com/en/hkbudget.html>

### *India*

The Indian Finance Minister presented the 2017 Union Budget on 1 February 2017. The budget proposals continue to focus on development, improving the ability to conduct business in India, and attracting foreign investment. Some of the key budget proposals include clarification that indirect transfer provisions will not apply to investments held by non-residents in Category I or Category II FPIs, the extension of the eligible period for concessionary tax rate for certain foreign currency debt and extension of this benefit to certain rupee-denominated bonds, and initiatives based on the OECD Base Erosion and Profit Shifting (BEPS) action plan.

PwC India's commentary is available at:

<http://www.pwc.in/assets/pdfs/budget/2017/pwc-union-budget-publication-2017-18.pdf>

PwC's Tax Insights on the key proposals is available at:

<https://www.pwc.com/us/en/tax-services/publications/insights/assets/pwc-india-2017-budget-will-affect-foreign-investors-and-mnes.pdf>

## *International Tax News*

Among the key topics featured in February 2017 are:

- Brazil updates list of privileged tax regimes to apply to the concept of 'significant economic activities' to Austrian holding regimes
- Korean tax law changes for 2017
- Zakat and tax profit of Saudi listed companies will now be impacted by shares listed on Tadawul
- Non-confidential version of the EC's State aid opening decision in GDF Suez

Details are available at:

<https://www.pwc.com/gx/en/tax/newsletters/international-tax-services/assets/pwc-international-tax-news-february-2017.pdf>



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