

April/May 2015

Tax updates for the period
1 April 2015 to 8 May 2015



Singapore updates

- **Corporate tax filing**
 - Year of Assessment (YA) 2015 Form C-S and Form C are now available. The Inland Revenue Authority of Singapore (IRAS) has announced that e-Filing of YA 2015 Form C-S and Form C will be available from 2 June 2015.

Details are available at:

http://www.iras.gov.sg/irasHome/page.aspx?id=854#income_tax_forms

- **Speech by Mrs Josephine Teo, Senior Minister of State for Finance and Transport at the Tax Academy & IFA Singapore Asia-Pacific Regional Tax Conference**
 - In her opening speech at the second Asia-Pacific Regional Tax Conference held on 16 April 2015, Mrs Josephine Teo, Senior Minister of State for Finance and Transport shared Singapore's position on the recent global tax developments and role in shaping international tax policies.

Details are available at:

<http://www.iras.gov.sg/irashome/page.aspx?id=16208>

- **Capital allowance for motor vehicles**
 - The IRAS updated its website content to clarify that the cost of renewing an existing vehicle's Car Ownership Entitlement (COE) qualifies for capital allowances.

Details are available at:

<http://www.iras.gov.sg/irasHome/page04.aspx?id=9250>

- **Foreign Account Tax Compliance Act (FATCA)**
 - For Reporting Year 2014 only, the IRAS is extending the filing deadline for Singapore-based financial institutions to submit their FATCA reporting data to 31 July 2015.

Details are available at:

<http://www.iras.gov.sg/irasHome/page.aspx?id=15664>

- *PwC's Worldwide Tax Summaries is now fully mobile compatible*
 - Access the latest tax data on over 150 territories on the go. Try it out on your tablet or smartphone now!
<http://taxsummaries.pwc.com/uk/taxsummaries/wwts.nsf/ID/PPAA-85RDKF>
- *Inaugural financial dialogue with Switzerland*
 - Officials from Switzerland's Federal Department of Finance, the Swiss National Bank and the Monetary Authority of Singapore met for an inaugural financial dialogue on 24 April 2015. The delegations exchanged views on global economic and financial developments, financial market policies, as well as on international and domestic regulatory reforms under way. The dialogues will take place regularly, facilitating the exchange of experiences and views and promoting cooperation in areas of mutual interest.

Details are available at:
<http://www.mas.gov.sg/news-and-publications/media-releases/2015/inaugural-financial-dialogue-between-switzerland-and-singapore.aspx>

Overseas updates

- *China*
 - On 26 March 2015, China and Indonesia signed a memorandum of understanding, regarding the interpretation of article 11 (Interest) of the China – Indonesia Income Tax Treaty (2001). The memorandum of understanding entered into force on 26 March 2015 and will general apply from 25 August 2003.
 - On 1 April 2015, China and Hong Kong signed the Fourth Protocol to the comprehensive double tax arrangement. The most important amendment which will benefit the Hong Kong taxpayers is to provide tax exemption in China for gains from disposal of shares listed in recognised Chinese stock exchanges provided certain conditions are met. Other amendments include reducing the withholding tax rate of rentals from aircraft leasing and ship chartering to 5%, introducing the main purpose test to the certain articles as an additional anti-treaty abuse measure and expanding the scope of information exchange to cover information related to taxes other than income taxes in China. The protocol has not been ratified and does not have the force of law.

Our commentary is available at:
http://www.pwccn.com/webmedia/doc/635635848049502253_hktax_news_apr2015_4.pdf
- *Hong Kong*
 - On 31 March 2015, the Hong Kong Monetary Authority released a guidance paper on anti-money laundering and anti-tax evasion which aims to assist authorised institutions in meeting the legal and regulatory obligations under the Anti-Money Laundering and Counter-Terrorist Financing (financial institutions) Ordinance and to implement effective measures to mitigate their money laundering risks in respect of tax evasion.
 - On 24 April 2015, the government released a consultation paper on the proposed model for implementing automatic exchange of financial account information on tax matters. The closing date for public consultation is 30 June 2015. An amendment bill will be introduced in the Legislative Council in early 2016 in order to apply the agreed requirements to Hong Kong through legislation.

- *India*
 - The government has sent tax notices to foreign institutional investors (FIIs) demanding Minimum Alternative Tax (MAT) of 18.5% of book profits until financial year 2014/2015, after which the income of FIIs in the nature of capital gains would attract concessional / exempt (0%/5%) tax rates rather than the MAT rate of 18.5%.

Our commentary is available at:
http://www.pwc.in/en_in/in/assets/pdfs/financial-service/recent-tax-developments-impacting-foreign-portfolio-investors.pdf
 - On 23 April 2015, the High Court of Delhi issued its decision in the case of *CIT v Marubeni India Private Limited* (ITA 94/2015) that the transactional net margin method is the most appropriate method for benchmarking limited risk agencies and marketing support services of international transactions.
- *Luxembourg*
 - On 2 April 2015, the Council of Ministers of Luxembourg approved the Luxembourg-Singapore treaty. The treaty is submitted to parliament for final approval. Once in force and effective, the new treaty will replace the existing Luxembourg-Singapore treaty.
- *Malaysia*
 - Legislation providing tax exemption incentives for Multimedia Super Corridor (MSC) status companies was gazetted on 19 March 2015 and will take effect from year of assessment 2015.
 - On 6 April 2015, the Malaysian Ministry of International Trade and Industry issued principal hub incentive guidelines.

Our commentary is available at:
http://www.pwc.com/en_MY/my/assets/publications/1503-my-issues-principal-hub-incentive-guidelines.pdf
- *OECD*
 - The OECD has issued discussion drafts for the following action points of the Base Erosion Profit Shifting (BEPS) Action Plan:
 - Action 12 (Mandatory Disclosure Rules) on 31 March 2015

Our commentary is available at:
<http://image.edistribution.pwc.com/lib/fe9813707560007f73/m/1/Tax+Policy+Bulletin+--+March+2015+BEPS+disclosure+rules+4.2.15.pdf>
 - Action 3 (Strengthening CFC Rules) on 3 April 2015

Our commentary is available at:
<http://image.edistribution.pwc.com/lib/fe9813707560007f73/m/1/Tax+Policy+Bulletin+--+CFC+rules+4.7.15.pdf>
 - Action 11 (Improving the analysis of BEPS) on 16 April 2015

Our commentary is available at:
http://www.pwc.com/en_GX/gx/tax/newsletters/tax-policy-bulletin/assets/pwc-indicators-base-erosion-profit-shifting-identified.pdf

International Tax News

April

Among the key topics featured in this month's edition are:

- The new China/France double taxation treaty
- The US proposal to modify FIRPTA
- New Zealand's issues paper on related parties debt remission
- The European Commission's infringement procedure against France

Details are available at:

http://www.pwc.com/en_GX/gx/tax/newsletters/international-tax-services/assets/pwc-international-tax-news-april-2015.pdf

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