

Tax Newsbites

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Singapore updates

Common Reporting Standard (CRS)

The Inland Revenue Authority of Singapore (IRAS) has published the list of Reportable Jurisdictions for 2017 CRS reporting. Reporting SGFIs are to submit CRS information for these jurisdictions by 31 May 2018.

[Click here](#) for the list of jurisdictions.

Financial Reporting Standards (FRS) 115

The IRAS issued a circular entitled "Income Tax Treatment Arising from Adoption of FRS 115 – Revenue from Contracts with Customers" on 12 January 2018. This circular provides guidance on the tax treatment for entities adopting FRS 115 and explains the tax treatment of transitional adjustments made from the adoption of the Standard. Section 34I and this circular will apply to you if you prepare or maintain your financial accounts for any basis period for a year of assessment in accordance with FRS 115 for the first time.

[Click here](#) for details.

Renovation or refurbishment works

The IRAS issued a revised circular entitled "Tax Deduction for Expenses Incurred on Renovation or Refurbishment Works Done to Business Premises (Fourth edition)" on 25 January 2018. The circular explains the tax deduction granted under section 14Q of the Income Tax Act for the capital expenses incurred by taxpayers for the renovation or refurbishment works done to their business premises. The previous circular published on 6 June 2013 is updated with the following changes:

- to clarify that section 14Q deduction is not allowable on the costs of renovation or refurbishment works (R&R) incurred for a place of residence for staff; and
- to add more examples of qualifying R&R costs.

[Click here](#) for details.

Overseas updates

Brazil

The Federal Revenue of Brazil (FRB) on 26 December 2017 issued two Normative Instructions and an Interpretive Declaratory Act that, among other changes, modify the Brazilian tax haven and privileged tax regime list and provide guidance on claiming foreign tax credits and applying income tax withholding on payments to non-residents for the right to distribute or commercialise software in Brazil.

Singapore has been removed from the Brazilian list of tax havens (the "black list"), but various special regimes in Singapore that provide preferential tax rates, including regimes related to leasing, finance and treasury, insurance and shipping have been added to the list of privileged tax regimes (the "grey list").

[Click here](#) for details.

China

The China State Council released a "Notice Regarding Measures on Promoting the Growth of Foreign Capital in China" (Guofa [2017] No. 39) in August 2017. The Notice includes 22 measures to further improve the business environment for foreign investors in China. One such measure gives foreign investors withholding tax (WHT) deferral treatment on the direct re-investment of profits distributed from Chinese tax resident enterprises (TREs) into China's 'encouraged projects'.

On 21 December 2017, the Ministry of Finance (MOF), State Administration of Taxation (SAT), National Development and Reform Commission (NDRC) and Ministry of Commerce (MOC) jointly unveiled the long-awaited Notice Regarding the Provisional Deferral Treatment for WHT on Direct Re-investment by Foreign Investors Using Profits Distributed from TREs in China (Caishui [2017] No. 88). This Notice clarifies the criteria to qualify for tax deferral treatment, application procedures and responsibilities, and administrative responsibilities of the tax authorities. According to the Notice, deferral treatment would be effective retroactively from 1 January 2017 and tax payments made since that date on eligible reinvestments can be refunded.

The four ministries jointly released a list of Q&As through the MOF's official website on 28 December 2017, providing their interpretations regarding certain provisions in the Notice and relevant implementation requirements.

[Click here](#) for details.

Hong Kong

On 29 December 2017, the draft Inland Revenue (Amendment) (No. 6) Bill 2017 was gazetted. The draft bill seeks to implement key actions arising from the OECD's Base Erosion and Profit Shifting (BEPS) agenda.

[Click here](#) for details.

India

On 1 February 2018, the Finance Minister of India presented the Union Budget for the year 2018. The article in the link attached outline the key proposals, including:

- Reduction in corporate tax rate
- Introduction of Long Term Capital Gains (LTCG)
- Aligning to BEPS Action 7 of the OECD
- Introduction of New Nexus Rule on Significant Economic Presence for digital businesses
- Rationalisation of Country-by-Country Report.

[Click here](#) for details.

US

The 2017 tax reform reconciliation act was signed into law by President Trump on 22 December 2017. The bill significantly revises the federal tax system of the United States and will impact the cost of doing business for foreign companies operating in the US.

[Click here](#) for details.

International Tax News

Analysis of tax developments worldwide – December 2017 edition

International Tax News is designed to help multinational organisations keep up with the constant flow of tax developments. Among the topics featured in the December 2017 edition are:

- China issued new rules on Corporate Income Tax withholding for Non-Tax Resident Enterprises
- Republican tax bill will significantly impact US international tax rules
- What the election results mean from a tax perspective in New Zealand
- OECD releases revised Model Tax Convention.

[Click here](#) for details.

Global VAT Online – a summary of updates

PwC's Global VAT Online provides up-to-date business critical information on VAT/GST rates, rules and requirements around the world to help you maintain control, mitigate risk and improve the overall effectiveness of your VAT/GST function. It is a subscription service for all of your indirect tax needs in a digital world.

[Click here](#) for details.



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