

Tax updates for the period
7 July 2018 to
16 August 2018

Tax Newsbites

PwC Singapore | Tax Services

Singapore updates

Stamp Duties (Amendment) Bill 2018

The Stamp Duties (Amendment) Bill 2018 was published on 6 August 2018. It mainly provides for an e-stamping system and the application of the Stamp Duties Act to electronic instruments.

Real Estate Investment Trusts

The Inland Revenue Authority of Singapore (IRAS) issued a revised circular entitled 'Income Tax Treatment of Real Estate Investment Trust Exchange-Traded Funds (Second edition)' on 9 July 2018. The circular explains the income tax treatment of a real estate investment trust exchange-traded fund (REIT ETF) which has been accorded tax transparency.

[Click here](#) for a copy of the circular.

Singapore Tax Treaties

Singapore-Ghana tax treaty

Ghana's Parliament approved the Agreement for the Avoidance of Double Taxation (DTA) with Singapore on 6 July 2018. Under the DTA, dividends, interest and royalties are taxable at a maximum rate of 7%. The DTA has not been ratified and is not yet in force.

Singapore-Latvia tax treaty

The second Protocol amending the DTA with the Republic of Latvia entered into force on 3 August 2018.

[Click here](#) for details.

Singapore-Maldives tax treaty

Officials from Maldives and Singapore met in Male from 9 to 12 July 2018 for the first round of negotiations for a DTA.

Singapore-Nigeria tax treaty

The new DTA between Singapore and the Federal Republic of Nigeria, signed on 2 August 2017, will enter into force on 1 November 2018.

[Click here](#) for details.

Goods and Services Tax

The IRAS issued the following circulars:

- [GST: For Retailers participating in Tourist Refund Scheme \(Eighth edition\)](#)
- [GST: Guide for Visitors on Tourist Refund Scheme \(Seventh edition\)](#)
- [GST: The Electronic Tourist Refund Scheme \(eTRS\) \(Thirteenth Edition\)](#)
- [GST: FAQ on eTRS](#)

Overseas updates

Germany

Under the recently published German draft legislation, non-residents would be subject to tax on capital gains from the disposal of shares in foreign corporations with significant German real estate.

If a 100% participation exemption is deemed available for non-resident corporations, the proposed rules would be expected to affect primarily non-resident individuals and partnerships with individuals as partners.

[Click here](#) for PwC's commentary.

Hong Kong

The new base erosion and profit shifting (BEPS) and transfer pricing (TP) Ordinance is a milestone in Hong Kong taxation, as it formally introduces a TP regulatory regime and documentation requirement into Hong Kong tax law. The Ordinance implements certain minimum standards (Actions 5, 13, and 14) under the OECD's BEPS Action Plan. A summary of the effective dates (some retroactive) and the relevant deadlines, where applicable, of the key measures in the Ordinance is provided in the Commentary.

[Click here](#) for PwC's commentary.

Malaysia

Malaysia's government-owned Digital Economy Corporation recently announced that the special tax regime for the Multimedia Super Corridor high-tech business district will be amended to incorporate action 5 of the OECD's BEPS project. The changes, which will bring Malaysia Bill of Guarantee No. 5 in line with the minimum standards on countering harmful tax practices (Action 5), are expected to enter into force by the end of 2018.

Sales and Services Tax

Malaysian Minister of Finance Lim Guan Eng has announced the rates for the reintroduced sales and services tax that will take effect 1 September 2018. The tax will be levied at rates of 6% on supplies of services and 10% on supplies of goods.

[Click here](#) for details.

Organisation for Economic Cooperation and Development

One of the last missing pieces of the OECD BEPS project, is the development of transfer pricing guidance on financial transactions. While the OECD had pushed back the publication several times, on 3 July it published a first discussion draft (the Draft).

The complexity of the topics and disparate regional approaches has led to the publication of a non-consensus document, within which there are many areas where the OECD is seeking input from commentators. The Draft sets out various approaches that may be appropriate for the covered topics, without giving explicit guidance. [This Tax Insight](#) provides a brief summary of the Draft.

International Tax News

Analysis of tax developments worldwide – July 2018 edition

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

- Uruguay tax regulatory decree affects digital services
- China extends the corporate income tax preferential treatment for qualified Technology Advanced Service Enterprises nationwide
- New Zealand enacts changes to its domestic tax regime
- Luxembourg draft bill reveals proposed anti-tax avoidance directive measures

[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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