

Asia Pacific Financial Services

Tax Highlights

February 2022

Welcome to our February 2022 edition of Asia Pacific Financial Services Tax Highlights, where we draw your attention to the latest developments and hottest issues for the industry in the region.

We encourage you to get in touch with any one of our contacts listed, or your usual PwC contact, should you wish to discuss anything further.

Legend:

This development is relevant to the following:

- AWM Asset & Wealth Management
- BCM Banking & Capital Markets
- INS Insurance
- FS All

Australia FS

The [latest monthly tax updates](#) include:

- Federal Parliament resumes for the 2022 calendar year on February 8, 2022. Bills have been introduced into Parliament, including the Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021.
- The Government has confirmed that it will task the Board of Taxation to conduct a review into the appropriate policy settings for the taxation of digital transactions, and in the interim, Treasury will liaise with the Australian Taxation Office (ATO) on the potential for issuing more expansive guidance on the tax treatment of crypto-assets.

Mainland China FS

The International Tax Department of the State Taxation Administration issued a Q&A to respond to the most common questions in day-to-day transfer pricing management, and also provide principled guidance. The Q&A encourages enterprises to strengthen their transfer compliance, actively manage their transfer pricing risks, and actively communicate with tax authorities to strengthen and sustain transfer pricing services during periods of economic. Click [here](#) for our recent publication on this topic.

Hong Kong SAR FS AWM

- The OECD recently released the latest peer review results under BEPS Action 5 - Harmful Tax Practices, which set out the new conclusions made by the Forum on Harmful Tax Practices (FHTP) on nine preferential tax regimes. In particular, the FHTP concluded that Hong Kong's profits tax concession regime for carried interest was designed in compliance with the FHTP standards and is therefore "not harmful".
- On 4 February 2022, the OECD released draft Model Rules with respect to nexus and revenue sourcing under Amount A of Pillar One for public consultation. Click [here](#) to read PwC Hong Kong's take on the development with the potential impact on Hong Kong businesses.
- Our [Hong Kong Tax Review 2021](#) is now available, summarising the significant tax updates in 2021 and previews the upcoming tax developments in 2022 in Hong Kong.
- The Financial Secretary will announce the 2022/23 Hong Kong Budget on 23 February 2022 and outline the government's latest tax and fiscal policies as well as plans for economy development. Stay tuned for more insights, commentary and analysis on the Hong Kong Budget from our newsfeeds and [here](#).

More publications and news relating to the financial services industry are available [here](#).

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India

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Union Budget 2022-23, presented by the Finance Minister, provides a framework for growth by focusing on four key themes: (i) public investment for building modern infrastructure under PM Gati Shakti; (ii) inclusive development; (iii) productivity and investment, sunrise opportunities, energy transition, and climate action; and (iv) financing of investment. Please refer to our budget publication "[Union Budget 2022-23: Powering sustained growth](#)", which brings together key highlights, sector-related announcements and tax proposals.

More tax and regulatory insights are available [here](#).

Indonesia

FS

The latest tax updates include:

- Update on the rules for preliminary Value-Added Tax (VAT) refunds
- Introduction of the new Regional Tax Law

Click [here](#) to read more.

Japan

FS

As noted in our previous tax highlights, the ruling party (LDP) released tax reform proposals in December 2021 which contained a new transitional measure that potentially provides taxpayers an exemption from the requirement to maintain e-Transaction data digitally, in compliance with mandatory e-Storage Act rules that came into effect from 1 January 2022.

Click [here](#) for more details on the transitional measure.

Other Japanese updates and insights are also available [here](#).

South Korea

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The latest updates include:

- The National Tax Service (NTS) announced on January 26, 2022 its tax administration policy for 2022
- Regional Comprehensive Economic Partnership Agreement enters into force in Korea on February 1, 2022
- NTS announced list of qualifying virtual asset service providers (VASPs) for the valuation of virtual assets

Click [here](#) for more information.

Malaysia

FS

The [latest tax updates](#) include:

- The Income Tax (Exchange Of Information) Rules 2021 have been gazetted to replace the old 2011 rules on exchange of information.
- Following Budget 2022 proposals, several stamp duty exemption orders have been issued, including: restructuring or rescheduling of loan / financing; merger and acquisition (M&A); "Perlindungan Tenang" products; specific insurance or Takaful products; and loan / financing agreement for peer-to-peer (P2P) financing.

Click [here](#) for other tax updates and insights in Malaysia.

Philippines

FS

The Republic Act No. 11595 – An Act Amending Republic Act No. 8762, otherwise known as the Retail Trade Liberalization Act of 2000, has recently been rolled out taking effect on 21 January 2022, which aims to ease the barriers to foreign direct investment. Click [here](#) to read more.

Other developments in tax and business law in the Philippines are also available [here](#).

Thailand

FS

The Revenue Department has issued the Notification of the Director-General on Income Tax No. 419 (DGN 419) dated January 12, 2022 to mandate that the Country-by-Country Report (CbCR) be submitted to the Revenue Department by way of online filing.

In addition, the Notification of the Ministry of Finance has been issued to grant an extension of the CbCR filing, with effect from accounting period starting on or after January 1, 2021. Click [here](#) to read more.

Other tax and legal insights are also available [here](#).

Vietnam

FS

On 11 January 2022, the National Assembly has approved a Resolution on fiscal and monetary policies to support the Socio-Economic Development and Recovery Program. The Resolution includes a 2% VAT reduction. The Government has just released Decree 15/2022 providing guidance on the 2% VAT reduction, which took effect from 1 February 2022. In addition, there is also guidance on the tax deductibility of support expenses for COVID-19 prevention. Click [here](#) for more details.

Other tax and legal insights are also available [here](#).

International updates

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- Read our [Global M&A Trends in Financial Services: 2022 Outlook](#), which summarises current deal activity and offers a forward-looking analysis of the global mergers and acquisitions landscape in Financial Services.

For other international tax developments, updated on a monthly basis, please click [here](#).

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