MAYER BROWN

Asia Tax Bulletin

Spring 2022

In This Edition

We are pleased to present the Spring 2022 edition of our firm's *Asia Tax Bulletin.*

Dear Reader,

The contents of this edition of Asia Tax Bulletin cover many different topics which have surfaced over the past three months in the ASEAN countries and the PRC, India, Japan and Korea. I would like to note especially that Hong Kong is looking to introduce tax incentives for the maritime sector as well as for family offices operating out of Hong Kong. At the same time, the Hong Kong authorities have announced that they intend to present new tax legislation during the second half of 2022 to implement the OECD's minimum effective income tax rate of 15 percent for large multinationals. Due to the European Union's greylisting of Hong Kong in 2021, we also expect Hong Kong to come up with new tax changes with respect to the taxation of offshore investment income. So a lot is in store for Hong Kong this year. Meanwhile, Thailand and Vietnam have signed the OECD's Multilateral Instrument (also known as the Multilateral Treaty) which marks a big step for these countries in their fight against international tax avoidance.

WE HOPE YOU WILL FIND THIS EDITION OF INTEREST.

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Contents

JURISDICTION:

China (PRC)

Reduced income tax rate for small low-profit enterprises

Based on a circular issued by the MoF and SAT [2022] No. 13, the PRC has reduced the effective tax rate for small, low-profit enterprises from 10% to 5% on taxable income between CNY 1 million and CNY 3 million. From 1 January 2021 to 31 December 2024, a small and low-profit enterprise is subject to enterprise income tax on only 25% (reduced from 50%) of its annual taxable income between CNY 1 million and CNY 3 million at the reduced rate of 20%, i.e. an effective tax rate of 5%. The effective tax rate on income up to CNY 1 million remains unchanged at 2.5%

A small, low-profit enterprise is considered to be an enterprise that satisfies all the following three conditions:

- annual taxable income of the enterprise is less than CNY 3 million;
- the enterprise has fewer than 300 employees; and
- the total value of the enterprise's assets is less than CNY 50 million.

Tax incentive for technology start-ups

China has extended one of the conditions for technology start-ups to qualify for tax incentives. Specifically, the condition that the enterprise must have fewer than 300 employees, and its assets and annual revenue do not exceed CNY 50 million at the time of investment, has been extended to 31 December 2023 (Ministry of Finance and State Taxation Administration Joint Circular [2022] No.6). A venture capital enterprise or a limited partnership investment enterprise that holds a direct equity investment in a technology start-up for at least 2 years is entitled to a tax deduction of 70% of the investment amount.

Information disclosure of entities with material tax-related illegal and dishonest acts

Courtesy Lee Tsai & Partners – it was reported that on December 31, 2021, the State Administration of Taxation promulgated the Administrative Measures on the Information Disclosure of Entities with Material Tax-Related Illegal and Dishonest Acts (hereinafter, the "Measures"), which revise and improve the Measures for the Disclosure of Information on Cases of Tax Violations and Dishonest Acts accordingly. The Measures shall go into effect on February 1, 2022.

Article 6 of the Measures specifies 11 circumstances where entities with material tax-related illegal and dishonest acts are identified (hereinafter, the "Dishonest Entities"), specifically including: 1) falsification, alteration, concealment, unauthorized destruction of books of accounts, bookkeeping vouchers, or overstatement of expenses or understatement of income in the books of account; or refusal to file a tax return or filing of a false tax return after being notified by the tax authorities to file a tax return; or non-payment or underpayment of tax payable in excess of RMB 1 million with the unpaid or underpaid tax payable for any year accounting to over 10% of all categories of tax payable for the year, or non-payment or underpayment of withheld or collected tax amount in excess of RMB 1 million through the aforementioned means; 2) default in the payment of tax payable or employment of means of transferring or concealing property to undermine the collection of outstanding tax by the tax authorities, 3) acquisition of state export tax refunds by fraudulent means; 4) refusal to pay taxes by means of violence or threats; 5) false issuance of special VAT invoices or other invoices used to fraudulently obtain export tax refunds or offset taxes; 6) false issuance of more than 100 ordinary VAT invoices or of invoices amounting to over RMB 4 million; 7) unauthorized printing, forgery, or alteration of invoices, illegal manufacture of special invoice anti-counterfeiting products, or forgery of invoice supervisory seal; 8) acts of tax evasion, evasion of tax arrears recovery, fraudulent export tax refund, tax resistance, false invoicing etc. or failure to perform tax obligations and an escape from the supervision of taxation authorities before the audit case is completed, where the taxpayers are confirmed by the tax authorities to have fled (lost connection); 9) illegal provision of bank accounts, invoices, or other conveniences resulting in unpaid or underpaid tax in excess of RMB 1 million, or fraudulent acquisition of state export tax refunds; 10) tax agents violating tax laws and administrative regulations, resulting in the non-payment or underpayment of taxes in excess of RMB 1 million; and 11) other tax violations of vicious nature, in material aspects and with greater social harm.

Article 4 of the Measures, which provides for the protection of the personal information of the Dishonest Entities, requires the tax agencies at all levels to maintain the confidentiality of the state secrets, trade secrets or personal privacy, and personal information learned in the information disclosure and management of the Dishonest Entities with material illegal tax-related acts. In addition, Article 12 of the Measures stipulates that if the Dishonest Entity is a legal person or any other organization, only the legal representative or responsible person of the Dishonest Entity at the time of the illegal act or the person actually responsible as determined by an effective decision of the people's court shall be disclosed when the information of the Dishonest Entity is disclosed to the public. The basic information of the tax-related professional service institutions and practitioners who are directly responsible for the material tax violation and dishonesty cases will no longer be disclosed.

Pursuant to Article 18 of the Measures, the Dishonest Entity may apply for early cessation of dishonesty information disclosure in any of the following three circumstances, including:

1) taxes, late payment fees, and fines are paid (refunded) in accordance with the Decision on Tax Treatment and the Decision on Administrative Punishment for Taxation, and the dishonest information of the Dishonest Entity has been disclosed for six months;

2) the Dishonest Entity is declared bankrupt with the people's court rendering a decision to approve the reorganization plan or recognize the settlement agreement, and the tax agency is compensated in accordance with law; and

3) in the event of major natural disasters, public health, social security, and other emergencies, those who make outstanding contributions due to participation in emergency rescue and relief, epidemic prevention and control, major project construction, or fulfillment of social responsibility.

Benefits in Kind for Foreign Citizens in the PRC

The Ministry of Finance and the State Taxation Administration on 31 December 2021 issued circular [2021] No.43, which extends the tax policy which allows foreign individuals who work in China to choose the treatment of benefits in kind as contained in Circular [2018] No. 164. The latter circular provides in article 7 that from 1 January 2019 to 31 December 2021 foreign individuals may elect every year to apply special additional deductions for children's education, adult education, elderly care, extraordinary medical expenses, mortgage interest and housing rents or receive tax-exempted allowances for housing, language training, school fees for children as they applied before 1 January 2019.

Tax Incentives

The Ministry of Finance (MoF) and the State Taxation Administration (SAT) sent out a circular on 29 January 2022 that the following circulars and public notices have been extended until 31 December 2023:

- Public Notice [2019] No. 60 concerning the reduction of enterprise income tax to 15% (from the statutory rate of 25%) for enterprises operating and maintaining equipment used for environment protection;
- Circular [2020] No. 10 concerning individual income tax exemption for extra allowances, bonuses and medical materials received by medical staff or workers related to COVID-19 prevention;
- Circular [2018] No. 120 concerning exemption from value added tax for start-up incubators and incubation services provided by university science parks and innovation platforms, and exemption from house property tax and urban land use tax for real estate used by these enterprises or institutions; and
- Circular [2019] No. 14 concerning exemption from house property tax and urban land use tax for wholesale premises and market halls of agricultural products.

JURISDICTION:

Hong Kong

Budget

The Financial Secretary delivered the Budget for 2022/2023 on 23 February 2022. It contained the following tax highlights (all amounts in HK$):

- Introduction of a tax deduction for domestic rental expenses for taxpayers liable to salaries tax and tax under personal assessment, subject to a deduction ceiling of $100,000 per year of assessment from 2022/23. The deduction will not apply to a taxpayer who is the owner of the domestic property or an associate of the landlord of the rented property (eg, spouse, parent, child, brother/sister or partner of the taxpayer, or a corporation controlled by the taxpayer) or where the taxpayer receives a rent refund from the employer.
- Half-tax concession (i.e profits tax rate of 8.25%) to attract more maritime enterprises to establish a presence in Hong Kong.
- Continue to proactively expand Hong Kong's Comprehensive Avoidance of Double Taxation Agreements (CDTAs) network. At present, Hong Kong has signed 45 CDTAs and is in negotiations with 14 tax jurisdictions, with a view to minimising the risk of double taxation borne by foreign enterprises doing business in Hong Kong.
- Proposal to limit future rates concession for domestic properties to one domestic property for each eligible owner who is a natural person starting from 2023/24.
- Introduce from 2024/25 progressive rating system for domestic properties. For domestic properties with annual rateable value of $550,000 or below, it is proposed that rates will continue to be charged at the present level of 5% of the rateable value. For domestic properties with rateable value over $550,000, it is proposed that rates be charged at 5% of the rateable value on the first $550,000 and at 8% of the rateable value on the next $250,000, and then at 12% on rateable value exceeding $800,000.

- Plan to submit a legislative proposal to the LegCo in the second half of this year to implement the global minimum tax rate and other relevant requirements in accordance with the Organisation for Economic Co-operation and Development (OECD) BEPS 2.0 framework targeting multinational enterprises (MNEs) with consolidated group revenue exceeding €750 million.
- The government is considering introducing a domestic minimum top-up tax with regard to the aforesaid MNEs starting from the year of assessment 2024/25 to ensure that their effective tax rates reach the global minimum effective tax rate of 15% so as to safeguard Hong Kong's taxing rights.
- The government reaffirms its stand to preserve the advantages of Hong Kong's tax regime in terms of its simplicity, certainty and transparency, maintain the territorial source principle of taxation as well as minimise the compliance burden on MNEs when implementing BEPS 2.0.
- Business registration fees have been waived for 2022/2023.
- Profits tax, salaries tax and tax under personal assessment for 2021/22 are reduced by 100%, capped at $10,000.

It was announced on 6 April 2022 that the tax concessions proposed by the government in the 2022-23 budget have been approved by parliament, reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2021/22 by 100%, subject to a ceiling of $10,000 per case.

The minimum effective income tax rate of 15% under Pillar 2

In view of the implementation of the global minimum effective tax rate as part of the international tax reform proposals drawn up by the Organisation for Economic Co-operation and Development (OECD) to address base erosion and profit sharing (BEPS), the Hong Kong government announced that it will consider the introduction a domestic minimum top-up tax, to ensure that the effective rates of in-scope MNE groups in Hong Kong reach the global minimum effective tax rate of 15% so as to safeguard Hong Kong's taxing rights.

As required by the OECD, a qualified domestic minimum top-up tax must be implemented and administered in a way that is consistent with the outcomes provided for under the GloBE Rules and the commentary in order to be allowed to set off against top-up tax payable under the GloBE Rules.

The GloBE Rules provide that International Shipping Income and Qualified Ancillary International Shipping Income should be excluded from the computation of the GloBE Income or Loss – this will also be adopted by Hong Kong.

Nevertheless, if an in-scope MNE group has income other than the aforementioned excluded income, such other income should still be included in the computation of GloBE Income or Loss and thus the domestic minimum top-up tax. The Government will take into account these considerations when designing the domestic minimum top-up tax for Hong Kong.

Taxonomies

On 31 March 2022, the IRD published its latest update on its IRD Taxonomy Package, which is its programme requiring electronic filing of tax returns by companies and businesses. The IRD published the IRD Taxonomies Illustrated, rendered in Excel spreadsheets for content illustration, which is part of the IRD Taxonomy Package. It also contains an Inline Extensible Business Reporting Language (IXBRL) schema, to be released by the IRD in due course.

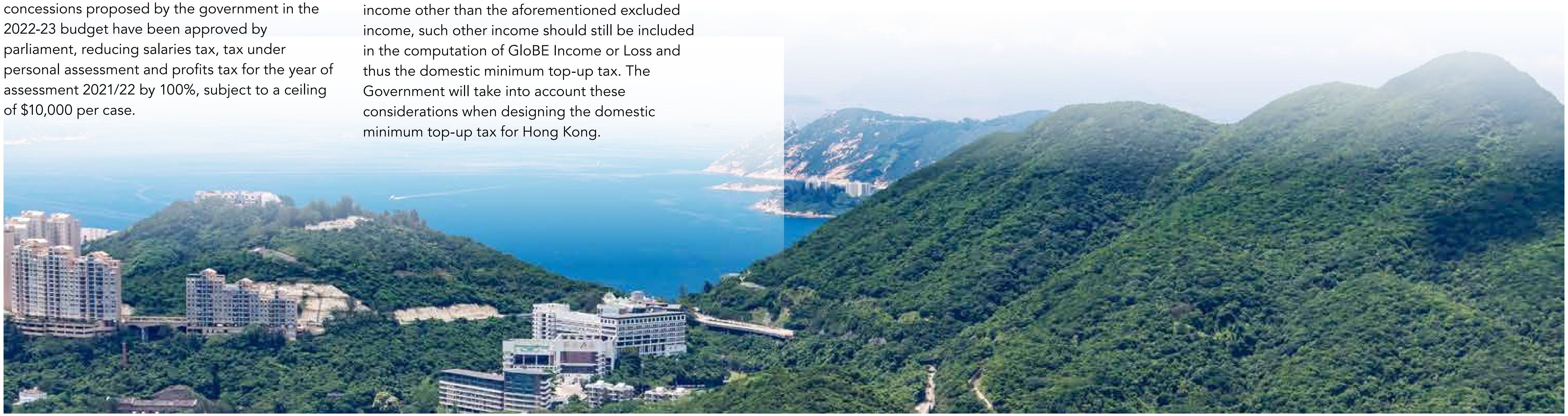
The Taxonomies is a classification system that can be used to facilitate electronic reporting of financial statements prepared in accordance with HKFRS, as well as tax computation and supporting schedules to the profits tax return. Businesses will be required to use the IXBRL schema for the profits tax return preparation, which is new to Hong Kong. As a result, the preparation of audited accounts must take into account the requirements under the IXBRL schema. Both auditors and tax practitioners must prepare themselves for the use of the IXBRL schema.

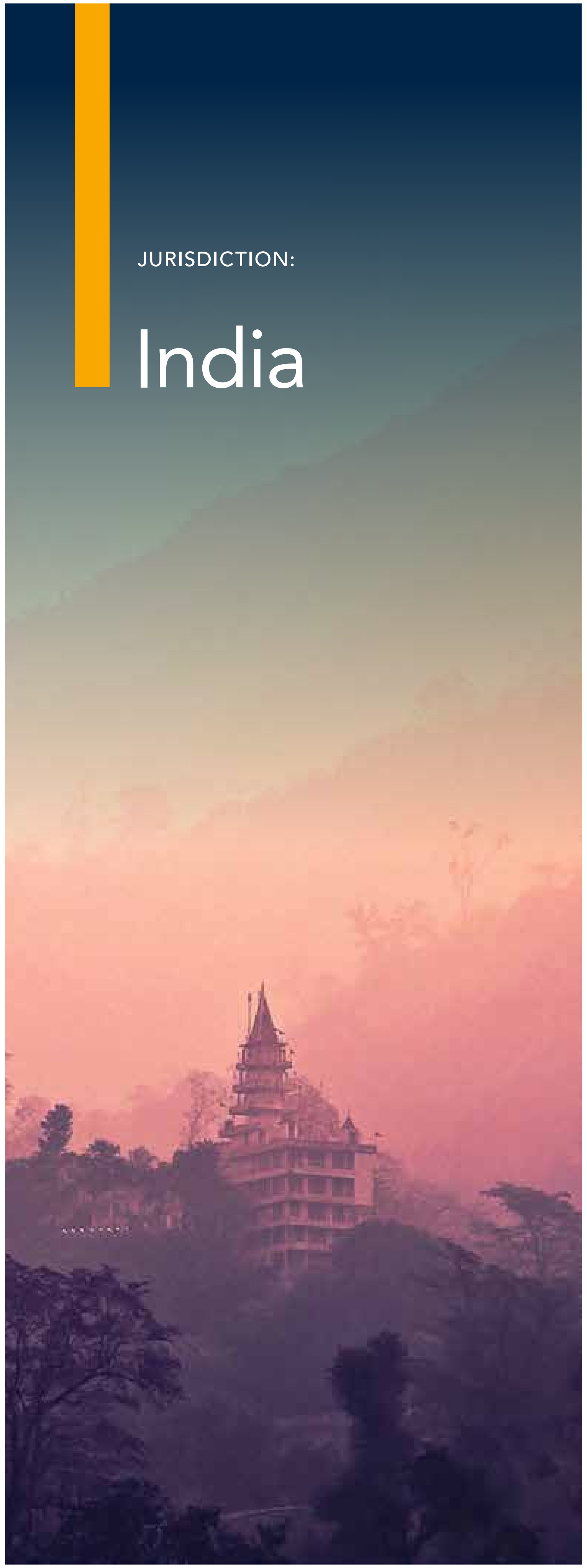
Tax exemption for qualifying Family Owned Investment Holding Companies

The Hong Kong government has launched a consultation about its proposal to introduce a tax exemption of profits tax for qualifying Family Owned Investment Holding Companies ("FIHV") managed by Single Family Offices ("SFO") in Hong Kong. Both the FIHV and the SFO must be centrally managed and controlled in Hong Kong and they must be owned by members of a family.

The FIHV (which can be a partnership, trust or company) should not engage in commercial or industrial activities. The SFO (which must be a company) must manage assets under management of one or more FIHVs of the same family of at least HKD 240 million based on an average of the last three years. The tax exemption would comprise the same types of assets as are exempted under the unified tax exemption facility (qualifying funds managed by Hong Kong based fund managers).

It is proposed that the new tax exemption will take effect on 1 April 2022. The consultation runs till 8 April 2022. If approved and promulgated into law, it would provide a similar tax exemption as provided in Singapore to Singapore based investment holding entities.





JURISDICTION:

India

Budget 2022[1]

The Minister of Finance issued the government's Budget Proposals for 2022 on 1 February 2022.

On the direct tax front, the most significant proposal is the taxation of virtual digital assets. The Budget proposes to tax transfer of virtual digital assets at the rate of 30%, irrespective of the period of holding and does not allow for any deduction in respect of expenses incurred aside from the cost of acquisition. Further, gift of such assets will be taxed in the hands of the recipient. Additionally, loss from transfer of such assets cannot be set-off against any other income. Tax is also to be withheld at the rate of 1% on the transfer of such assets in certain cases.

Tax rates largely remain unchanged. However, surcharge on income tax for co-operative societies has been capped at 15% to provide them with a level playing field with companies. Further, the surcharge on long-term capital gains on transfer of any type of asset (including unlisted shares) has been capped at the rate of 15%, this is on par with that of listed shares. Additionally, dividends received by Indian companies from their foreign subsidiaries is proposed to be increased to the rate of 30% instead of the current rate of 15%. Further, the Finance Bill 2022 ("Finance Bill") proposes to levy withholding tax on perquisites provided to Indian resident taxpayers at the rate of 10% of the value of the perquisite.

For eligible start-ups established before March 31, 2022, a tax holiday for 3 consecutive years out of 10 years from the incorporation date was provided. In response to the Covid-19 pandemic, the Budget proposes to extend this benefit to start-ups incorporated prior to March 31, 2023. Additionally, the concessional tax regime of 15% to manufacturing companies was available should such companies commence manufacturing by March 31 2023; this date has now been extended to March 31, 2024.

In an effort to streamline the process for tax litigation, certain measures have been introduced to avoid repetitive appeals by the department in the higher courts. This is a positive step towards an efficient litigation resolution framework. Further, the Budget proposes to provide an ability to taxpayers to rectify any errors in their tax return within a period of 2 years from the end of the relevant assessment year.

In a welcome move, the Budget also proposes that where an income tax liability has been modified by an order of an Adjudicating Authority, under the Insolvency and Bankruptcy Code, 2016, the Assessing Officer ("AO") shall modify the demand payable in conformity with such order. This would result in removal of an anomaly whereby there was no mechanism or procedure to reduce the income tax liability to give effect to such orders.

Pursuant to various judicial pronouncements on successor liability, the Budget proposes to introduce a new deeming fiction in the case of a 'business reorganisation' wherein the assessments/ proceedings (whether pending or completed) on the predecessor entity made during the course of pendency of the scheme/reorganization, are deemed to have been made on the successor.

Developments in relation to the Gujarat International Finance Tec City ("GIFT City") include setting up of foreign universities and an international arbitration centre. On the tax front, tax exemption has been proposed for income of a non-resident from offshore derivative instruments, or over the counter derivatives issued by an offshore banking unit, income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC. Separately, the Budget proposes to replace the Special Economic Zone Act, with a new legislation. However, the fine print of the new legislation is awaited.

A slew of changes has also been made to the scheme under the Income-tax Act, 1961 ("ITA") for charitable organisations, search and seizure related provisions, faceless assessment, allowability of expenditure for the purposes of business or profession and penalty related provisions.

Budget and income tax and GST changes for 2022/2023

GST – COMPANIES HAVING A TURNOVER ABOVE INR 20 CRORE TO GENERATE B2B E-INVOICES:

Businesses (except certain specified) with a turnover of over INR 20 crore will have to generate an electronic invoice for B2B transactions. The threshold was INR 50 crore till 31 March 2022. Notification No. 1/2022-Central Tax dated 24 February 2022 has been issued for the purpose.

Consequently, more businesses would have to raise e-invoices and invoices issued otherwise would not be valid. It may be noted that input tax credit ('ITC') cannot be availed by the recipients on invalid invoices.

INCOME -TAX ON VIRTUAL DIGITAL ASSETS:

Section 115BBH is being inserted into the Income-tax Act, 1961 for taxation of virtual digital assets. Gains from various virtual digital assets such as Bitcoin, Ethereum, etc. will be taxed at a flat 30% rate.

Except for the cost of acquisition, no deduction in respect of any expenditure will be allowed. No set-off of losses of buying /selling of virtual digital assets from other incomes will be allowed. Profits from one virtual digital asset will not be allowed to be set off against losses from other virtual digital assets.

Further more as per new Section 194-S, 1% TDS for every transaction of virtual digital assets to be effective from 1 July 2022. The threshold limit for TDS would be INR 50,000/year for specified persons (Individuals/HUFs).

WINDOW FOR FILING UPDATED RETURN OF INCOME

Subsection 139(8A) has been inserted in the Income-tax Act. Taxpayers will get an additional chance for updating their income- tax returns.

Updated returns can be filed by taxpayers within a time frame of 24 months from the end of the relevant assessment year. Provision also provides cases where updated returns of income cannot be filed.

[1] Courtesy Nishith Desai Associates.

Section 140B has been inserted to provide that apart from tax and interest due in relation to updated return of income, the taxpayer will be required to pay an 'additional tax'.

TDS ON SALE OF IMMOVABLE PROPERTY

TDS provisions have been aligned with the computation provisions, Section 194-IA has been amended to provide that the tax has to be deducted on higher of sales consideration or stamp duty value.

Tax shall not be withheld where both the Stamp duty value of property and consideration paid is less than INR 50 lakh.

Most Favoured Nation Clause in India's Tax Treaties

Courtesy Khaitan & Co – it was reported that in a significant development, the Apex Tax Administration Body of India, the Central Board of Direct Taxes (CBDT) through its Circular No. 3 of 2022 dated 3 February 2022 (Circular) has clarified its position with respect to interpretation of Most Favoured Nation (MFN) clause in tax treaties. The tax treaties between India and certain jurisdictions have an MFN clause (in the protocol to those tax treaties) which captures the relevant treaty partners understanding that if India agrees to a more beneficial tax treatment with respect to certain income streams with another treaty partner subsequently, the same should be read into the treaty having the MFN clause.

The core issue which is at the centre of the current development is whether the non-residents located in certain European countries (such as France, Netherlands, Sweden, Spain, Hungary and Switzerland) can avail the concessional tax rate of 5% on the dividends they receive from any Indian entity, by relying on the MFN clause in India's tax treaties with these jurisdictions.

Importantly, this issue was addressed by the Delhi High Court in two recent rulings *(Concentrix Services Netherlands BV WP (C) 9051/2020 and Optum Global Solutions International BV WP (C) 882/2021)* wherein the Court held that the 10% tax rate on dividends under the India-Netherlands tax treaty would reduce to 5% as per the MFN clause in the said treaty. However, the Circular deviates from the said liberal interpretation. In this regard, the Circular does clarify that any decision rendered by any court on this issue in favour of the taxpayer will remain unaffected by this Circular.

With respect to dividend income, this issue assumed significance only from 1 April 2020 when the dividend taxation regime was overhauled (i.e when the company level distribution tax was replaced with a shareholder level income tax). That said, the interpretational issues covered by the Circular are also relevant to other income streams which are covered by an MFN clause (like fees for services and royalties).

The Circular concludes that a taxpayer is entitled to apply the MFN clause under a tax treaty (Relevant Tax Treaty) in relation to any beneficial provision under a tax treaty with the Third State only if the following conditions are cumulatively satisfied:

- The treaty with the Third State was entered into after the signing/entry into force (depending on the language in the respective tax treaty) of the Relevant TaxTreaty;
- The Third State was an OECD member at the time of signing of its tax treaty with India;
- The provision in the tax treaty with the Third State is more beneficial vis-a-vis the Relevant Tax Treaty; and
- A separate notification has been issued by the Indian Government importing such benefits into the Relevant Tax Treaty.

Income tax rates for construction services

For many years since 2000, Indonesia has been applying a 'final income tax' system to prescribed categories of construction services which taxes the gross income received from these services at specified income- tax rates, regardless of whether the income produced a profit or a loss.

With effect from 21 February 2022 the rates were amended and a number of additional categories of construction services were added to the system based on Government Regulation (GR) Number 9 of 2022 (GR 9/2022), amending the previous GR Number 51 of 2008 (GR 51/2008) for:

- construction work carried out by service providers holding a small business qualification certificate or by individuals with a work competency certificate: 1.75% (previously 2%);
- construction work carried out by companies or individuals without certificates: 4% (unchanged);
- construction work carried out by service providers other than the two categories of service providers referred to above, including service providers holding a medium or large business qualification, or specialist qualification: 2.65% (previously 3%);
- construction consulting services carried out by service providers with business entity certificates or by individuals with work competency certificates: 3.5% (previously 4%);
- construction consulting services carried out by service providers without business entity certificates or by individuals without work competency certificates: 6% (unchanged);
- integrated construction work (combination of construction work and construction consulting) carried out by service providers with business entity certificates: 2.65%; and
- integrated construction work carried out by service providers without business entity certificates: 4%.

CFC guidelines

On 28 December 2021, the Director General of Tax (DGT) issued SE-551 as an internal guideline to implement Minister of Finance (MoF) Regulations 2 on Controlled Foreign Companies (CFC). SE-55 provides comprehensive guidelines including various examples.

OVERSEAS LOSSES.

In principle, overseas losses cannot be offset against other domestic income. In determining the basis for the imposition of deemed dividends in relation to CFC losses, the following shall apply:

- The CFC losses from different countries/ jurisdictions cannot be offset against CFC income from another country.
- The CFC losses can be netted off with CFC income from CFCs within the same country/ jurisdiction. However, if the total Net Profit After Tax from all CFCs in the same jurisdiction resulted in a loss position, then the loss cannot be offset against domestic income or CFC income from other countries.

INTERACTION OF THE CFC RULES WITH THE DIVIDEND EXEMPTION RULES UNDER THE OMNIBUS LAW

With the enactment of the offshore dividend exemption rules under the Omnibus Law, the provisions of the CFC Rules remain valid as long as the CFC does not distribute dividends to domestic taxpayers and/or the domestic taxpayer does not invest the paid dividends distributed by the CFC as required under the Omnibus Law.

DEEMED DIVIDEND ON TRUST

PMK-93 stipulates that the ownership through trust or similar arrangements is deemed as a "pass-through" and will be considered as ownership by the investor(s) in the trust or similar entity. SE-55 affirms that in principle, those who recognise and report the deemed dividend as well as claim the Foreign Tax Credit (FTC) on the paid dividends are the settlors. However, if the settlor has passed away or cannot be identified, then the beneficiary of the trust can recognize and report the deemed dividend as well as claim the foreign tax credit.

FOREIGN EXCHANGE RATE TO BE USED IN APPLYING CFC RULES

SE-55 provides guidance and examples which reaffirms that:

- Conversion of the amount of deemed dividends and paid dividends are using the BI middle rate or the daily spot rate of foreign exchange on the international market if the BI middle rate is not available.
- The exchange rate used for the dividend amount is the one applicable at the time of the deemed dividend recognition or when the dividends are received.
- The exchange rate used for the FTC is the exchange rate determined by the MoF at the time the foreign income tax is payable, paid or withheld. If the domestic taxpayer is conducting United States Dollar (USD) bookkeeping, any FTC in a currency other than USD must be converted into USD
- The netting off of deemed dividend with the paid dividend follows examples given in the MoF Regulations. No separate calculation is necessary to calculate gain or loss from the difference of exchange rates used at the time the dividend is deemed and distributed.

REPORTING THE DEEMED DIVIDEND, DIVIDEND PAID AND FOREIGN TAX CREDIT IN ANNUAL INCOME TAX RETURN (AITR)

SE-55 explains how to report the deemed dividend, paid dividend and FTC in AITR Forms 1770 S, 1770 and 1771, which can be highlighted as follows:

- For Form 1770 S, both deemed dividend and paid dividend is reported under the Overseas Net Income column, and
- For Forms 1770 and 1771, the deemed dividend is added as a positive fiscal adjustment when it is recognised and reversed as a negative fiscal adjustment when the actual dividend is paid. The paid dividend will be reported under the Overseas Commercial Net Income column.

New tax treaty with Singapore applies from 1 January 2022

Further to the previous edition of this Bulletin where we reported the ratification of Indonesia's new and favourable tax treaty with Singapore, we now report that the new treaty has taken effect from 1 January 2022. It contains, inter alia, the following interesting features:

- Dividend withholding tax rate remains the same, i.e 10% for substantial holding and 15% in all other cases.
- Interest withholding tax rate remains the same, i.e 10%. However, there are modifications in the provision such as the discontinuation of the withholding tax exemption on interest from Government bonds and the scope of Government institution.
- Royalty withholding tax rate is decreased from 15% in all cases to 8% and 10% depending on the type of royalties.
- Branch Profit Tax rate is reduced from 15% to 10%. However, this is not applicable for Production Sharing Contracts in the oil and gas sector.
- New Capital Gains article is added to provide that the right to tax "capital gains" will be limited to the jurisdiction of residency of the asset seller, with certain exceptions and/or qualifications. This makes Singapore a favourable holding company location for Indonesian investments as the tax treaty exempts future divestments from Indonesian capital gains tax.
- The exchange of information (EOI) article is expanded which essentially follows the EOI article in the 2017 OECD Model Tax Convention.
- New Entitlement of Benefits article is added to adopt the Principal Purpose Test provision as prescribed in Article 7 of the MLI regarding the prevention of treaty abuse.

Tax Reform

On 10 December 2021, Japan announced its 2022 tax reform proposal, which contains a number of changes to the existing tax rules that may impact companies doing business in Japan, including changes that may provide some companies with a chance to reduce their Japanese tax burden, as well as changes that may result in potential pitfalls (eg, disallowance of certain incentives, etc.) for failure to comply with the new provisions. Additionally, amendments were made to the Japanese Companies Act (JCA) in 2021 introducing a share delivery regime. This regime is now available as another M&A transaction regime under which a target corporation survives and an acquiring corporation delivers shares as consideration. The new share delivery regime can be used for partial acquisitions and does not require inspection by a person elected by the court. As such, it provides certain advantages over the previously existing methods for carrying out such transactions. In addition, the Japanese Corporate Tax Act (JCTA) was amended in 2021 to make it possible to structure transactions using the share delivery regime in a tax-free manner, thus providing potential tax benefits as well.

The following is a brief overview of the relevant 2022 tax reform proposal items that would likely have the largest impact on multinational companies doing business in Japan and outlines the recent legal changes related to the share delivery regime.

Withholding tax on dividends from wholly-owned subsidiaries

Under the Proposal, the following dividends paid to domestic companies will no longer be subject to withholding tax:

- dividends paid with respect to shares of wholly-owned domestic subsidiaries, and
- dividends paid with respect to shares of domestic affiliated companies in which more than one-third of the outstanding shares are directly owned, as of the dividend record date.

Under the current rules, withholding tax is imposed when a parent corporation receives a dividend from a wholly-owned subsidiary that is part of a 100% group. The parent corporation is then entitled to receive a refund or credit of the withholding tax at the time it files its corporate tax return and when calculating its corporate tax amount, the parent corporation is able to exclude the entire amount of the dividend from income, resulting in no corporate tax being imposed. Thus, the revisions are meant to eliminate the inconsistency of imposing withholding tax on dividends that are not subject to corporate tax. Practically speaking, the revisions would make it necessary to determine whether, at the time of the dividend, the dividend is received from a wholly-owned subsidiary or an "affiliated subsidiary" (generally, a subsidiary in which the recipient owns more than one-third of the total number of outstanding shares) to determine whether withholding tax would apply. However, as the scope of the revisions is limited to subsidiaries in which more than one-third of the outstanding shares are owned, such a determination should not create any additional administrative burden. The revisions above will apply to dividends received on or after 1 October 2023.

Earnings stripping rules

Japan's earnings stripping rules restrict deductions for net interest expenses that exceeded 20% of a Japanese company's adjusted taxable income. Under the current rules, foreign companies are only subject to the earnings stripping provisions on income attributable to a Japanese permanent establishment (PE). However, under the Proposal, the scope of the earnings stripping rules will be expanded to include Japan-source income of a foreign company without a PE in Japan, as well as Japan-source income of a foreign company with a PE in Japan, regardless of whether or not such income is attributable to the Japanese PE.

Wage increase tax credit

Under the current rules, companies filing blue form tax returns are generally entitled to take a credit of up to 20% (25% for small and medium-sized enterprises (SMEs)) if certain wage payments made in the current fiscal year (FY) exceed certain wage payments made in the previous FY. The Proposal will expand on the existing rules and provide increased credit amounts if companies meet certain conditions. For large companies (i.e non-SMEs), the relevant conditions are as follows:

- Wages paid to continuously employed employees in the current FY ≥ Wages paid to continuously employed employees in the prior FY x 103%.
- Wages paid to continuously employed employees in the current FY ≥ Wages paid to continuously employed employees in the prior FY x 104%.
- Education and training costs in the current FY ≥ Education and training costs in the prior FY x 120%.

Tax free share exchanges

On 10 December 2020, the ruling parties and the government published the "2021 Tax Reform Proposal" or Zeisei Kaisei Taiko. The 2021 Tax Reform Proposal seems to focus on boosting the domestic economy, especially in areas which have been severely impacted by the COVID-19 pandemic. Among these proposed amendments to the tax law, a proposed amendment to expand the scope of tax-free share exchanges may have a significant positive effect on M&A transactions and corporate reorganisations. The 2021 Tax Reform Bill was passed in late March 2021, and some of the changes, including the expansion of the scope of tax-free exchanges discussed herein, have already taken effect.

Under the Individual Income Tax Act (IITA) and the JCTA, no gain or loss will be realized for shareholders transferring shares by way of a share exchange pursuant to the JCA and equivalent foreign corporate law. While a share exchange under the JCA is always tax-free for shareholders unless cash or other property is delivered, the target company may be subject to the "deemed asset sale" rule for certain asset categories if it is categorized as a non-tax qualified share exchange. A share exchange under the JCA can be used only when the buyer intends to acquire all issued shares in the target company. Additionally, the Special Tax Measures Act (STMA) currently provides a special tax deferral rule for a share exchange which is not by way of share exchange under the JCA (i.e shareholders of the target company individually contribute shares to the buyer in exchange for new shares in the buyer), but only if such share exchange is approved in advance by the Ministry of Energy, Trade and Industry (METI) pursuant to the Act for Strengthening Industrial Competitiveness. However, it was reported that no such approval was granted by METI.

The 2021 Tax Reform Bill provides that a recognition of gain or loss arising from the transfer of shares in one company to another company in exchange for new shares of another company pursuant to the share delivery regime, under the JCA, shall be deferred if the value of the new shares in the other company is at least 80% of the total value of consideration. Therefore, the requirement of obtaining METI approval will be removed. This change could potentially have a significant impact in the area of M&A, as well as group reorganisation.

First, an acquisition of less than 100% of a Japanese company's ownership in exchange for new shares of the buyer may be carried out without incurring capital gain tax at the Japanese shareholder level. This cannot be done in a tax-free manner under the current rules, as a share exchange under the JCA will always result in 100% acquisition.

Secondly, the new rules may be applicable to intra-group reorganization as well. For example, under the current rules, a Japanese individual shareholder will be fully taxed on the gain resulting from a contribution of shares in a company which he/she controls in exchange for shares in another company which is controlled by the same person. The new rules may make such restructuring transactions tax-free.

Thirdly, using cash as consideration can still qualify for tax-free treatment at the shareholder level and recognition of gain corresponding to "shares" will be deferred.

Finally, there will be no tax consequences for the target corporation and therefore, there will be greater flexibility to implement post-closing integration.

Tax changes for 2022

Courtesy Kim & Chang – it was reported that in December 2021 the National Assembly finalised and ratified the proposed tax law amendments submitted by the Ministry of Economy and Finance with most of the amendments taking effect as of 1 January 2022. The Presidential Decrees issued subsequent to the ratification of the amendments were also publicly released and have been in effect since 15 February 2022.

CORPORATE TAXATION

Where a domestic entity acquires a business (70% or more of the assets and 90% or more of the net assets) of another related domestic entity and a significant concern for tax avoidance exists, the carry-forward losses of the transferee cannot be deducted from income generated from the transferred business (i.e the losses can be deducted only from income generated from the existing business of the transferee), applicable to business transfers made on or after 1 January 2022.

INDIVIDUAL TAXATION

The special tax concession of a flat 19% personal income tax rate for foreign employees is extended to those who start working in Korea for the first time on or before 31 December 2023.

Tthe current income tax exemptions of 70% and/or 50% for foreign technical experts are extended until 31 December 2023.

TRANSFER PRICING

The credit default swap and economic model analysis methods are available in determining the arm's length interest rate for financial transactions, applicable to financial transactions occurring on or after 15 February 2022.

Transfer pricing methods for cash pooling transactions within a multinational enterprise group are allowed as provided in the OECD Transfer Pricing Guidelines, applicable to financial transactions occurring on or after 15 February 2022.

The transfer pricing rules under special economic circumstances such as the COVID-19 pandemic have been rationalized:

- as announced earlier, taxpayers may include loss-making companies in their comparables set (for tax filings submitted on or after 15 February 2022); and
- where cost is not shared as agreed under a cost sharing agreement due to force majeure events, the tax authority may make an exception to the determination and amendment of the amount of allocated cost based on arm's length cost allocation (for tax filings submitted on or after 1 January 2022).

CONTROLLED FOREIGN CORPORATION (CFC) RULES

The following changes have been made to the CFC rules, effective from taxable years commencing on or after 1 January 2022:

- as announced earlier, the threshold effective tax rate for foreign corporations subject to the CFC rules is set at 70% of the maximum marginal corporate income tax rate, which is currently 25% (thus, an effective income tax rate of 17.5%, increased from 15%);
- as announced earlier, trusts subject to corporate income tax have been included within the scope of the CFC rules; and
- the scope of income actually earned by a foreign corporation in determining deemed dividends is clarified as the average of income actually earned in the most recent three taxable years (years in which certain activities are carried out as the main business).

INTERNATIONAL TAXATION

Thin capitalization: The asset and liability allocation method by business type has been clarified.

The substantive ownership requirements of the overseas investment vehicle regime has been clarified to reflect relevant tax treaty requirements.

As announced earlier, the two-step process foreign tax credit mechanism (refund followed by withholding) for specified investment vehicles has been simplified: instead of refunding the foreign tax to the investment vehicle, the foreign tax will be deducted from withholding tax payable at the time of distribution to investors (applicable to income paid on or after 1 January 2023).

VAT

Electronic retail brokerage services supplied to non-residents or foreign corporations are zero rated.

Changes have been made to rules for input credit and invoices, including extension of time to qualify for input credits for late-issued invoices or invoices mistakenly issued prior to the time of supply, allowing input credit for incorrectly issued invoices and extension of time to issue amended invoices.

Foreign businesses providing e-services in Korea are required to retain additional documents containing details of services provided, with effect from 1 July 2022.

ADMINISTRATION AND REPORTING REQUIREMENTS

The deadline for non-residents and foreign corporations to submit information related to international transactions has been extended from the due date for filing tax returns to 6 months from the last day of the month in which the fiscal year end falls (applicable for submissions made on or after 15 February 2022).

Liaison offices of foreign corporations that perform only non-business functions in Korea are required to submit information on the current operating status of the office (including information on employees, operational funds, domestic transactions, etc.) to the tax office by 10 February each year (with effect from 1 January 2022).

Liaison offices are also included in the list of entities required to submit a table of total VAT invoice amounts by each seller (without obligation to pay VAT), in respect of goods or services supplied on or after 1 July 2022.

Reporting of overseas real estate: the reporting obligation is extended to cover all real estate holdings by a Korean resident with effect from 1 January 2022, not only to acquisitions, operation for investment and disposals. The fine for non-reporting of holdings is 10% of the acquisition price, which will take effect from 1 January 2023.

The penalties for late submission of international transaction documents or submission of revised documents (provided that the original submission was on time) have been reduced by 30%-90%, provided that no penalty has been imposed yet.

The penalty tax rate for late payments is reduced from 0.025% per day to 0.022% per day (8.030% per annum).

Adjustments have also been made to various other administrative fines.

JURISDICTION:

Malaysia

Tax deductibility of interest in controlled transactions

The Income Tax (Restriction on Deductibility of Interest) Rules 2019 [P.U.(A) 175/2019] ("Principal Rules") have been amended by the Income Tax (Restriction on Deductibility of Interest) (Amendment) Rules 2022 [P.U.(A) 27/2022] ("Amendment Rules") which came into effect on 1 February 2022. The Principal Rules, inter alia, restrict the amount of interest that can be deducted by specified persons who have been granted financial assistance in a controlled transaction. For this purpose, a 'controlled transaction' is defined in section 140C(3) of the Income Tax Act 1967 ('the Act') as financial assistance (i) between persons one of whom has control over the other; or (ii) between persons both of whom are controlled by some other person. The Amendment Rules amend the Principal Rules in 1 and 2 discussed below.

QUALIFYING DEDUCTION.

Rule 4 of the Principal Rules limits the maximum amount of interest that can be deducted in a basis period for a year of assessment in respect of a controlled transaction to an amount equal to 20% of the amount of 'tax-EBITA' of a person. One of the components in the calculation of the amount of 'tax-EBITA' under rule 5 is the total amount of the 'qualifying deduction' allowed.

Before the Principal Rules were amended, 'qualifying deduction' meant:

- an amount equal to the amount of expenditure incurred by a person computed in any deduction falling to be made under the Act where the amount of the deduction is twice the amount of the expenditure incurred by a person;
- any claim for deduction under any rules made under section 154(1)(b) of the Act where the deduction is allowed for the purposes of ascertaining the adjusted income of the person.
- The Amendment Rules replace the definition of 'qualifying deduction' in the Principal Rules with the following:

  where there is business expenditure incurred in the profit and loss account ('P&L Account') allowed as a deduction under the Act and the amount of the deduction allowed exceeds the amount of business expenditure incurred, an amount equal to the difference between the amount of the deduction and the amount of the business expenditure incurred in the P&L Account; or

  where there is no business expenditure incurred on the P&L Account, the amount of the deduction allowable under the Act.

CARRYING FORWARD OF EXCESS INTEREST.

The scope of rule 6(1) of the Principal Rules that allows a company to carry forward any interest expense exceeding the amount ascertained under rule 4 to subsequent years of assessment has been expanded and now applies to any person, namely a company, a limited liability partnership, a corporation sole and a body of persons (i.e any unincorporated body of persons including a Hindu joint family but excluding a partnership).

The Amendment Rules have also clarified that the condition in Rule 6(2) of the Principal Rules which imposes a condition (i.e.the shareholding of the company) that restricts the carrying forward of excess interest only applies to a company and not to other persons who are allowed under rule 6(1) to carry forward excess interest.

Covid concessions on tax residence and permanent establishment

The Malaysian tax authority released a circular on 24 December 2021 in which it announced that the Covid-related tax concessions on tax residence and permanent establishment due to the travel restrictions in 2020 and 2021, will no longer apply with effect from 1 January 2022. This means that foreign companies can no longer apply for lenience based on travel restrictions if they carry on business activities in Malaysia.

Electronic payment of tax

The Inland Revenue Board of Malaysia (HASiL) announced on 3 March 2022 that starting 1 April 2022, a new e-Telegraphic Transfer (e-TT) System has been introduced for the payment of Income Tax, Petroleum (Income Tax), Real Property Gains Tax (RPGT), Compound Payment, Income tax paid by Foreign Artists (Public Entertainer) and Withholding Tax (WHT), through Telegraphic Transfer (TT), Electronic Funds Transfer (EFT) and Inter-Bank GIRO (IBG) methods from within and outside Malaysia.

E-TT is a system that will generate a Virtual Account Number (VA) as payment identification. Taxpayers who wish to pay tax through TT from will be required to access the e-TT system through the following steps:

Visit the My Tax Portal at https://mytax.hasil.gov.my;

Click on ezHasil Services > submenu e-TT ;

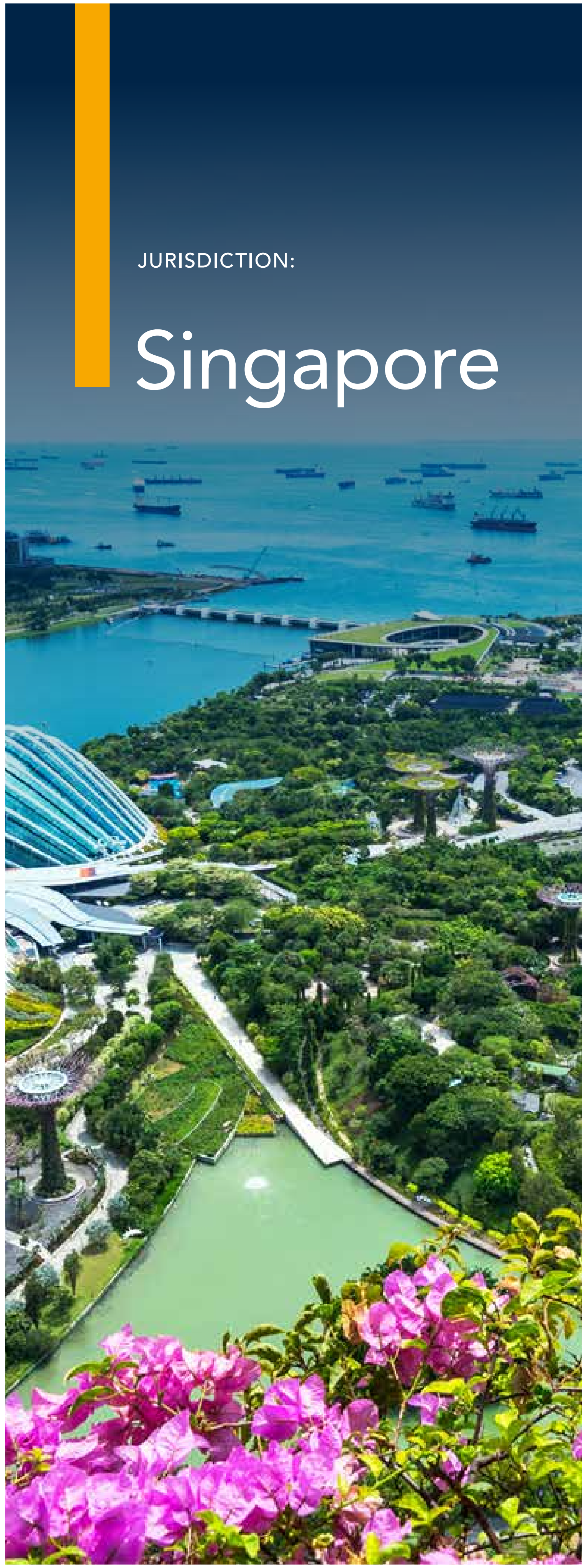
Fill up the required payment information to generate the VA number ; and use the VA Number as payment account number when making payment through TT at the bank counter or through electronic banking portal.

With the implementation of the new e-TT system, the four types of direct tax payments i.e. Compounds, Foreign Artists Tax, WHT and RPGT withheld by the acquirer (section 21B, RPGT Act 1976) which previously could only be paid manually at HASiL Payment Counters, can also be paid online.

Stamp duty relief

The Inland Revenue Board (IRB) has issued updated guidelines for the relief from stamp duty in the case of reconstruction or amalgamation of companies under section 15 of the Stamp Act 1949. The guidelines clarify, among others, the approval terms, application procedure and the responsibilities of the parties involved (i.e. the transferee company and the existing company):

- the transferee company will be eligible for the stamp duty relief if the transferee company increases its share capital for the purpose of acquiring any existing company or for acquiring not less than 90% of the issued share capital of any existing company.
- the compensation for this reconstruction or amalgamation activity must be at least 90% in the form of shares issued by the transferee company.
- the shares of the transferee company must be held in the name of the shareholders and not in the name of any representatives.
- the transferee company applying for the relief must submit the application letter not later than 12 months from:
  - >> the date of registration of the transferee company;
  - >> the date of the resolution increasing the share capital of the transferee company;
  - >> the date of the agreement filed with the Registrar of Companies;
- the application may be submitted online to any IRB state office, via the IRB's Stamp Duty Assessment and Payment System (STAMPS), followed by the physical submission of supporting documents.
- the documents that are required to be submitted include, among others:
  - >> documentary proof of the reconstruction or amalgamation scheme of the companies such as a duly stamped share transfer agreement, commercial property transfer agreement or reconstruction/amalgamation agreement;
  - >> board resolution on the increment in share capital and share certificates certified by the company secretary;
- The IRB may revoke an approval if it discovers that the documents submitted are not true, the approval terms are not fulfilled, the transferee and existing companies (including the shareholders) cease to be the beneficial owners of the issued shares within 3 years from the date of the registration (of the transferee company) or from the passing of a board resolution on the increment of share capital, or for any other reason mentioned in the guidelines. In this connection, the stamp duty payable will be imposed with an additional penalty at the rate of 6% per annum; and
- The companies involved in the transfer of property should notify the IRB in writing if any of the circumstances described in the guidelines occur.



Budget

The Finance Minister delivered the government's Budget for 2022 on 18 February 2022. Key topics of the Budget are the following:

- There are no changes to the corporate tax rate. In response to Pillar Two of the OECD BEPS 2.0 project, the Singapore government is exploring the feasibility of introducing a minimum effective tax rate to top up the effective tax rate of multinational groups operating in Singapore (with annual revenues of EUR 750 million or more) to 15%.
- Despite talk in the press about a wealth tax, the government did not propose to introduce a new wealth tax. Instead, the personal tax and property tax rates were increased as mentioned below.
- Personal income tax rates will be increased for annual taxable incomes exceeding SGD 500,000 from the current 22% to 23% and those exceeding SGD 1 million to 24%. The new rates will not apply to 2022 but will apply to income earned during 2023.
- As expected, the Goods & Services Tax (GST) rate will go up to 8% on 1 January 2023 and to 9% a year later. Minimum salary levels for new employment pass applications and renewals will go up.
- Property Tax will go up in 2023 for owners of real property (progressively so for high end property) in Singapore.
- A number of income tax incentive programmes which were scheduled to expire have been extended (withholding tax on container lease payments to overseas lessors, withholding tax on ship and container lease payments under the Maritime Sector Incentive, Aircraft Leasing Scheme, Approved Royalties Incentive, Approved Foreign Loan, Qualifying Funds managed by Singapore fund management companies, Project and Infrastructure Finance, withholding tax exemptions for the finance sector in Singapore in respect of interest and prescribed swap payments).
- The income tax exemption for corporate amalgamations (legal mergers) have been extended to licensed insurers.

Voluntary compliance programmes

The Inland Revenue Authority of Singapore (IRAS) has announced two voluntary compliance initiatives, i.e the Tax Governance Framework (TGF) and the Tax Risk Management and Control Framework for Corporate Income Tax (CTRM), to promote the adoption of good tax governance principles and practices among companies. The TGF and CTRM are in addition to the Goods and Services Tax (GST) Assisted Compliance Assurance Programme (ACAP) introduced in 2011. A company may participate in any of these initiatives to demonstrate that it has good tax governance and tax risk management. Both the TGF and CTRM are suited for companies that have complex structures and business models.

TAX GOVERNANCE FRAMEWORK

The TGF features a set of broad principles and practices which a company should adopt to effectively manage its tax risks. The IRAS notes that a company's long-term commitment to the TGF will lead to lower compliance costs. A company that is granted the TGF status will enjoy the following benefits:

- a one-time extended grace period of 2 years for voluntary disclosure of corporate income tax (CIT) and withholding tax errors made within 2 years from the approval date of the TGF application;
- a one-time extended grace period for voluntary disclosure of GST errors made within 2 years from the approval date of the TGF application:
  - >> 3 years for GST-registered businesses accorded the ACAP status; or
  - >> 2 years for GST-registered businesses without the ACAP status.

TAX RISK MANAGEMENT AND CONTROL FRAMEWORK FOR CIT

The CTRM aims to provide guidance to companies in establishing robust internal controls and systematic risk management processes to identify, mitigate and monitor key CIT risks and elevate tax compliance to the Board and senior management level. Companies that adopt the CTRM will be required to complete the CTRM checklist, which encompasses practice-oriented tax control features as a demonstration of sound tax risk controls.

A company that is granted the CTRM status will enjoy a one-time waiver of penalties for voluntary disclosure of prior years' CIT and withholding tax errors.

JURISDICTION:

Taiwan

Tax concessions

The following measures have been taken with effect from 2022 to reduce taxpayers' tax burden and increase the efficiency of the tax collection:

- The annual deduction for basic living costs for each individual taxpayer is increased from TWD182,000 to TWD192,000 (the new deduction amount will be applicable when filing individual income tax returns in May 2022).
- The annual deduction amount for estate tax purposes is increased from TWD12,000,000 to TWD13,330,000, and the annual deduction amount for gift tax purposes is increased from TWD2,200,000 to TWD2,440,000.
- The excise tax exemption for electronic automobiles and motorcycles is extended until 31 December 2025. Local governments are authorized to extend the licence tax exemption until 31 December 2025.
- The reduced tax rate of 0.15% for securities transaction tax on same-day securities transactions has been extended until 31 December 2024.
- The tax incentives under the Statute for the Development of Biotech and New Drug Industries are extended for another 10 years until 31 December 2031. The tax credit is also extended to include contract research and manufacture organizations, but the percentage of R&D expenditure qualifying for the tax credit is reduced to 25%.
- The investment tax credit for smart machinery and 5G mobile communication system under the Statute for Industrial Innovation is extended until 31 December 2024. The tax credit is also extended to include information and communication security products or services.

JURISDICTION:

Thailand

International tax developments

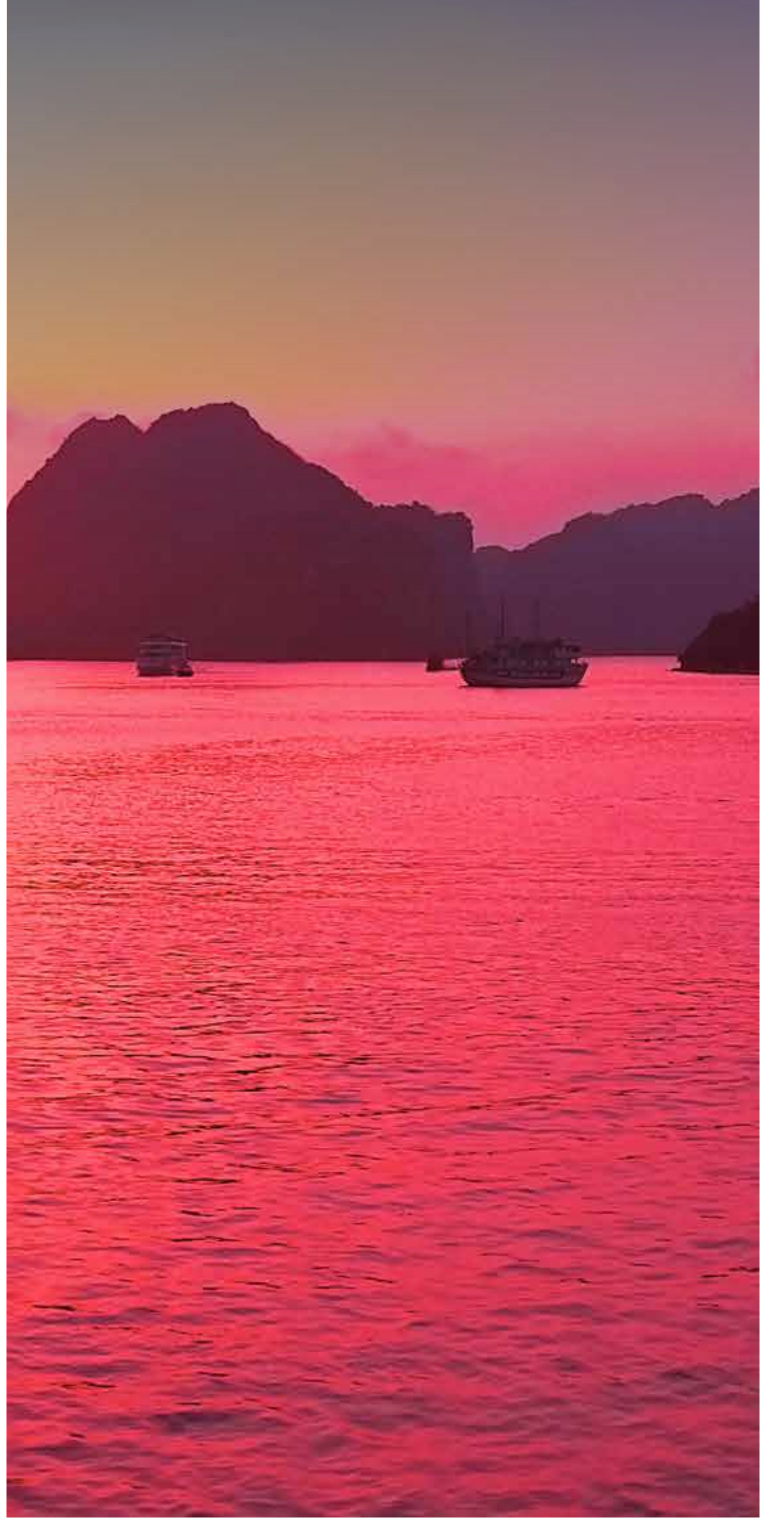
BEPS.

Thailand signed the OECD's Multilateral Instrument (MLI) on 9 February 2022, marking its willingness to take measures against international tax avoidance. On 31 March 2022, Thailand deposited its instrument of ratification. The MLI will enter into force in respect of Thailand on 1 July 2022. As from this date, Thailand's treaties with Australia, Bahrain, Belgium, Canada, Chile, Cyprus, Denmark, Estonia, Finland, France, Hungary, India, Indonesia, Ireland, Israel, Korea (Rep.), Luxembourg, Malaysia, Mauritius, New Zealand, Oman, Pakistan, Poland, Romania, Russia, Seychelles, Singapore, Slovenia, Spain, Sweden, Ukraine, the United Arab Emirates and the United Kingdom will be affected by the MLI.

On 1 April 2022, the OECD's Convention on Mutual Administrative Assistance in Tax Matters has entered into force in respect of Thailand. This follows Thailand depositing its instrument of ratification with the OECD on 22 December 2021. The convention and the amending protocol will generally apply from 1 January 2023 for Thailand.

JURISDICTION:

Vietnam



VAT rate reduction

On January 11, 2022, the National Assembly of Vietnam has finally agreed to reduce the value-added tax rate (VAT) by 2% in 2022, applicable to groups of goods and services currently subject to a 10% VAT tax rate.

The reduction of 2% value-added tax rate is applicable to groups of goods and services currently applying the value-added tax rate of 10%. The rate for 2022 is now 8%.

However, the reduction will not apply to some groups of goods and services such as: Telecommunications, information technology, financial activities, banking, securities, insurance, real estate business, metal production, and production of prefabricated metal products, mining industry minerals (excluding coal mining), production of coke, refined petroleum, production of chemicals and chemical products, goods and services subject to excise tax.

Vietnam signs the OECD's Multilateral Instrument

On 9 February 2022, Vietnam signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI). This is a major step or Vietnam in fighting international tax avoidance.

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Prior to arriving in Singapore in 1996, he was based in Jakarta and Hong Kong. His practice focuses on advising tax matters such as direct investment, restructurings, financing arrangements, private equity and holding company structures into or from locations such as mainland China, Hong Kong, Singapore, India, Indonesia and the other ASEAN countries.