

Weekly Alert

2022 ISSUE 14

RSM TAX ADVISORY (HONG KONG) LIMITED 羅申美稅務諮詢有限公司

Welcome to 2022 issue 14 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. IRD to resume public services gradually

On 1 April 2022, the Inland Revenue Department (“IRD”) announced that all offices would resume or continue to provide public services from 4 April onwards with special opening hours.

Nonetheless, to reduce social contact, the IRD encourages the public to use electronic services to handle tax affairs as much as possible.

Press Release: Inland Revenue Department to resume public services gradually

<https://www.ird.gov.hk/eng/ppr/archives/22040101.htm>

2. Government welcomes passage of tax concessions

The Secretary for Financial Services and the Treasury welcomed the passage of the Revenue (Tax Concessions) Bill 2022 by the Legislative Council on 6 April 2022. It gives effect to the tax concessions proposed by the Government in the 2022-23 Budget, reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2021/22 by 100%, subject to a ceiling of HK\$10,000 per case.

The Inland Revenue Department will reflect the tax reductions in the tax demand notes to be issued.

Press Release: Government welcomes passage of tax concessions

<https://www.ird.gov.hk/eng/ppr/archives/22040601.htm>

TAX – International

1. ATO published an infographic on how they are closing the net on offshore tax evasion

On 1 April 2022, the Australian Taxation Office (“ATO”) published an infographic providing information on how ATO is closing the net on offshore tax evasion, including:

- What is offshore tax evasion
- The approach ATO takes
- Outcome of offshore evasion
- Domestic partnership with Serious Financial Crime Taskforce

How we’re closing the net on offshore tax evasion

<https://www.ato.gov.au/General/The-fight-against-tax-crime/Our-focus/Offshore-tax-evasion/How-we-re-closing-the-net-on-offshore-tax-evasion/>
https://www.ato.gov.au/uploadedFiles/Content/IC/Downloads/Offshore%20Tax%20Evasion_Infographic.pdf

2. OECD invites public input on the draft rules for scope under Amount A of Pillar One

On 4 April 2022, the OECD released the [public consultation documents](#) to obtain public comments on the *Draft Model Rules for Domestic Legislation on Scope* under Amount A of Pillar One.

The purpose of the scope rules is to determine whether a Group will be in scope of Amount A. The rules are designed to ensure Amount A only applies to large and highly profitable Groups and have been drafted to apply in a quantitative manner, such that they are readily administrable and provide certainty as to whether a taxpayer is within scope. The Draft Rules for the Exclusions for Extractives and Regulated Financial Services will be released for public consultation at a later date.

Interested parties are invited to send their written comments no later than 20 April 2022.

Tax challenges of digitalisation: OECD invites public input on the draft rules for scope under Amount A of Pillar One

<https://www.oecd.org/tax/beps/oecd-invites-public-input-on-the-draft-rules-for-scope-under-amount-a-of-pillar-one.htm>

RSM Tax Advisory (Hong Kong) Limited

RSM Hong Kong's dedicated and experienced tax specialists can:

- Advise on tax efficient holding and operational structures for new cross-border investment, including the formation of Hong Kong and Chinese business entities.
- Review existing cross-border investment structures, advise on identified deficiencies, quantify any potential exposure from such deficiencies, and further advise on restructuring approach and procedures.
- Assist clients to discuss and clarify matters with tax officials, including transfer pricing and advance rulings.
- Act as client representative in tax audits and tax investigations.
- Provide transaction support services on mergers and acquisitions, including tax due diligence, deal structure advice, tax health checks, related human resources arrangements and other tax compliance and consultation services.
- Provide tax expert witness services at Courts.
- Act as tax advisor on transfer pricing and tax compliance reviews for IPO applications.
- Advise on human resources and structuring employment arrangements in a tax-efficient manner.
- Advise on tax equalization schemes.
- Provide tax compliance services for individual and corporate clients in Hong Kong and China.

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