

Weekly Alert

2022 ISSUE 19

RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2022 issue 19 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Implementation of Measures in Developing Hong Kong's Financial Services Industry under the 2021 Policy Address and the 2022-23 Budget

The Hong Kong Government published a press release on 11 May 2022, setting out the written reply by the Secretary for Financial Services and the Treasury, Mr. Christopher Hui, on a question regarding policy implementation to consolidate and enhance Hong Kong's status as an international financial centre.

According to the press release, the Hong Kong Government has commenced the implementation of a series of measures in developing the financial services industry under the 2021 Policy Address and the 2022-23 Budget. Some of the tax related measures include:

- Exempt the interest payment or profit received arising from debt instruments issued in Hong Kong by the Shenzhen Municipal People's Government from profits tax
- Propose to provide tax concessions for eligible family investment management entities managed by single-family office

LCQ22: Consolidating Hong Kong's status as international financial centre
<https://www.ird.gov.hk/eng/ppr/archives/22051102.htm>

2. Stamp Duty Statistics (April 2022)

On 12 May 2022, the Inland Revenue Department ("IRD") released the statistics on Special Stamp Duty ("SSD"), Buyer's Stamp Duty ("BSD") and Doubled Ad Valorem Stamp Duty ("DSD") / New Residential Stamp Duty ("NRSD") collected in April 2022. The SSD, BSD and DSD/NRSD collected during the month are HK\$32.9 million, HK\$99.0 million and HK\$290.5 million respectively.

Stamp Duty Statistics (April 2022)
<https://www.ird.gov.hk/eng/pdf/2022/3d042022.pdf>

3. Tax Obligations of Taxpayers and Employers

On 12 May 2022, the IRD published a notice to remind taxpayers and employers of their tax obligations to furnish information to the IRD. Details of the information required to be furnished by taxpayers and employers are set out in the IRD Notice.

Tax Obligations of Taxpayers and Employers

<https://www.ird.gov.hk/eng/pdf/2022/oblig.pdf>

TAX – International

1. HMRC updated contact information for who to contact for assistance with the Mutual Agreement Procedure

Most of the UK's double taxation agreements contain the Mutual Agreement Procedure (“MAP”) allowing taxpayers to object if they believe they are not being taxed in accordance with the terms of the agreement. Taxpayers can present their cases to the ‘competent authority’ of the state of which the taxpayer is a resident or national. This procedure is also referred to as ‘a request for competent authority assistance’.

HMRC has updated the contact information to present a case for MAP assistance on 6 May 2022.

Double taxation: objecting if your company is not being taxed correctly

<https://www.gov.uk/guidance/double-taxation-objecting-if-your-company-isnt-being-taxed-correctly>

2. OECD invites the public comments on the Regulated Financial Services Exclusion under Pillar One Amount A

As part of the ongoing work of the Inclusive Framework on BEPS to implement the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy, the OECD is seeking public comments on the Regulated Financial Services Exclusion under Amount A of Pillar One. The stakeholder input received will assist members of the Inclusive Framework on BEPS in further refining and finalizing the relevant rules.

Interest parties are invited to send their written comments no later than 20 May 2022.

Tax challenges of digitalisation: OECD invites public input on the regulated financial services exclusion under Amount A of Pillar One

<https://www.oecd.org/tax/beps/oecd-invites-public-input-on-the-regulated-financial-services-exclusion-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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