

Weekly Alert

2022 ISSUE 2

RSM TAX ADVISORY (HONG KONG) LIMITED 羅 申 美 稅 務 諮 詢 有 限 公 司

Welcome to 2022 issue 2 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Extended Due Date for ‘M’ Code Returns for Loss Cases

The Inland Revenue Department (“IRD”) issued a circular letter to tax representatives relating to the block extension scheme for lodgement of 2020/21 tax returns on 14 January 2022. Due to the recent COVID-19 pandemic situation, the IRD decided to extend the due date for filing 2020/21 Profits Tax returns for loss cases with Accounting Date Code ‘M’ (i.e. accounting date falls within 1 January 2021 to 31 March 2021) from 31 January 2022 to 28 February 2022.

Circular Letter to Tax Representatives (14 January 2022)

<https://www.ird.gov.hk/eng/pdf/bel21ea.pdf>

2. Stamp Duty Statistics (December 2021)

On 11 January 2022, the 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 December 2021. During the month, the IRD collected SSD of HK\$35.9 million, BSD of HK\$888.1 million and DSD/NRSD of HK\$1,182.4 million.

Stamp Duty statistics (December 2021)

<https://www.ird.gov.hk/eng/pdf/2021/3d122021.pdf>

TAX – International

1. HMRC published January 2022 Stamp Taxes Newsletter

The HM Revenue & Customs (“HMRC”) published the January 2022 Stamp Taxes Newsletter on 13 January 2022. The newsletter covers the following topics:

- Securitisation and insurance-like securities
- New regime for the taxation of qualifying asset holding companies
- Ipsos MORI voluntary research
- Stamp Duty Land Tax consultation
- Stamp Duty Land Tax and Freeports
- Stamp Duty Land Tax temporary rates
- Capital Gains Tax Payment for Property Disposal Service

Stamp Taxes Newsletter: January 2022

<https://www.gov.uk/government/publications/stamp-taxes-newsletters/stamp-taxes-newsletter-january-2022>

2. 2022 tax filing season begins Jan. 24; IRS outlines refund timing and what to expect in advance of April 18 tax deadline

On 10 January 2022, the Internal Revenue Service (“IRS”) announced the tax season for individual tax return filers will start on Monday, 24 January 2022. The filing deadline to submit 2021 tax returns or an extension to file and pay tax owed for most taxpayers is Monday, 18 April 2022. Taxpayers requesting an extension will have until Monday, 17 October 2022 to file.

The IRS reminds that individual need to file a 2021 return to claim a Recovery Rebate Credit to receive the tax credit from the 2021 stimulus payments or reconcile advance payments of the Child Tax Credit, even though they are not required to file.

2022 tax filing season begins Jan. 24; IRS outlines refund timing and what to expect in advance of April 18 tax deadline

<https://www.irs.gov/newsroom/2022-tax-filing-season-begins-jan-24-irs-outlines-refund-timing-and-what-to-expect-in-advance-of-april-18-tax-deadline>

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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