

Weekly Alert

2022 ISSUE 21

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

Welcome to 2022 issue 21 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Proposed amendment to Inland Revenue Ordinance (Cap. 112) for tax concessions to the maritime industry

The Hong Kong Government published a press release on 25 May 2022, setting out the written reply by the Secretary for Transport and Housing, Mr. Frank Chan Fan, on questions regarding the establishment of a dedicated tax regime for the maritime industry.

According to the press release, the Hong Kong Government proposes to introduce tax concession (i.e., tax rate being 8.25%, half of the profits tax rate for corporations at 16.5%) for specified shipping commercial principals by amending the Inland Revenue Ordinance (Cap. 112). The tax concession proposal includes specifying the coverage of tax concessions and incorporating anti-abuse features to safeguard the integrity of the tax system and comply with international tax rules.

LCQ11: Establishing dedicated tax regime for maritime industry

<https://www.ird.gov.hk/eng/ppr/archives/22052501.htm>

TAX – PRC

1. Guideline on Preferential Tax Policies for “Mass Entrepreneurship and Innovation” 《“大眾創業 萬眾創新”稅費優惠政策指引》

On 21 May 2022, the State Taxation Administration (“STA”) published Guideline on Preferential Tax Policies for “Mass Entrepreneurship and Innovation”. The Guideline sorts out 120 preferential tax policies related to entrepreneurship and innovation, covering the entire life cycle of enterprises (i.e., Business start-up tax concessions, Tax concessions during business growth and tax concessions for mature enterprises).

“大眾創業 萬眾創新”稅費優惠政策指引

<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5175498/content.html>

TAX – International

1. OECD published the public comments received on the regulated financial services exclusion under Pillar One Amount A

On 25 May 2022, the OECD published the public comments received from public consultation on the regulated financial services exclusion under Pillar One Amount A to assist members in further refining and finalising the relevant rules. Full comments can be downloaded from the webpage.

Public comments received on the regulated financial services exclusion under Amount A of Pillar One

<https://www.oecd.org/tax/beps/public-comments-received-on-the-regulated-financial-services-exclusion-under-amount-a-of-pillar-one.htm>

2. ATO updated information on donating crypto assets

The Australian Tax Office (“ATO”) reminds taxpayers that if they are thinking about donating crypto assets, they need to 1) find out if the not-for-profit organisation is set up to accept crypto assets; and 2) transfer the crypto assets into the recipient’s legal name when donating crypto assets.

The ATO also updated its web pages with the below information:

- Requirements for tax deduction claim
- Potential capital gains tax on disposal of crypto assets
- Reporting requirements for the crypto asset transaction

Donating crypto assets

<https://www.ato.gov.au/Tax-professionals/Newsroom/Income-tax/Donating-crypto-assets/>

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.

The aim of Weekly Alert is to alert readers to recent developments. The information is general in nature and it is not to be taken as a substitute for specific advice. RSM Hong Kong accepts no responsibility for any loss that occurs to any party who acts on information contained herein without further consultation with us. If you have any comments or require further information please contact:

Mr. Eric Chen

T +852 2583 1259

E ericchen@rsmhk.com

Mr. Samuel Chan

T +852 2583 1242

E samuelchan@rsmhk.com

Ms. Lilian Poon

T +852 2583 1241

E lilianpoon@rsmhk.com

Mr. Patrick Ho

T +852 2583 1258

E patrickho@rsmhk.com

Mr. Caesar Wong

T +852 2508 2851

E caesarwong@rsmhk.com

Ms. Catherine Tsang

T +852 2583 1256

E catherinetsang@rsmhk.com

Ms. Joanna Lee

T +852 2583 1317

E joannalee@rsmhk.com

Mr. Alan Chow

T +852 2583 1378

E alanchow@rsmhk.com

Ms. Catherine Wong

T +852 2583 1396

E catherinewong@rsmhk.com

Ms. Shirley Lo

T +852 2583 1211

E shirleylo@rsmhk.com

RSM Tax Advisory (Hong Kong) Limited

29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

T: +852 2598 5123

F: +852 2598 7230

E: solutions@rsmhk.com

rsm.global/hongkong

RSM Tax Advisory (Hong Kong) Limited is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2022