

Weekly Alert

2022 ISSUE 3

RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2022 issue 3 of Weekly Alert covering technical development in taxation around the globe.

TAX – PRC

1. Notice on Deepening Information Sharing to Facilitate Real Estate Registration and Taxation

On 7 January 2022, the State Taxation Administration and Ministry of Natural Resources jointly issued a notice on the matters relating to strengthening collaboration and information sharing between tax bureaus and natural resources authorities, to facilitate further reform in real estate registration. The key matters covered are as follows:-

- Deepen information sharing among departments
- Vigorously promote "one-window service"
- Ensure orderly implementation of various tasks

稅總財行發〔2022〕1號

<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5172035/content.html>

TAX – International

1. HMRC published a policy paper on customs controls for exporters from 1 January

According to the [Customs Information Paper 1](#) published on 14 January 2022, exports between Great Britain and the EU will be subject to full customs controls from 1 January 2022. In particular, the goods vehicle movement service (“GVMS”) is introduced to support full customs controls on goods at those locations with limited space or infrastructure. If the port is not using GVMS, the normal exports process shall be followed.

Goods leaving Great Britain from 1 January 2022 at ports using GVMS (CIP 1)

<https://www.gov.uk/government/publications/goods-leaving-great-britain-from-1-january-2022-at-ports-using-gvms-cip-1>

2. McDonald's Australia failed to comply with the tax requirement

On 14 January 2022, the Australian Taxation Office (“ATO”) announced that McDonald’s Australia is convicted and fined for failing to provide documents to the ATO.

The ATO issued a formal notice requiring McDonald’s Australia to produce documents with a compliance date of 30 August 2019. However, despite continued engagement with McDonald’s Australia to obtain the information and resolve the matter, the documents were not provided by the compliance date. The matter was subsequently referred for prosecution by the Commonwealth Director of Public Prosecutions, which saw McDonald’s Australia plead guilty at the Downing Centre Local Court in Sydney to one count of failing to comply with an information gathering notice.

This matter highlights the importance of complying with ATO information gathering notices. Adequate information is necessary for the ATO to be assured an entity is meeting its obligations.

McDonald's conviction for failure to comply

<https://www.ato.gov.au/Media-centre/Media-releases/McDonald-s-conviction-for-failure-to-comply/>

3. 2022 edition of the OECD Transfer Pricing Guidelines released

The OECD released the 2022 edition of the [*OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration*](#) on 20 January 2022.

This latest edition consolidates the following changes to the 2017 edition of the *Transfer Pricing Guidelines*:

- The report *Revised Guidance on the Transactional Profit Split Method*;
- The report *Guidance for Tax Administrations on the Application of the Hard-to-Value Intangibles*;
- The report *Transfer Pricing Guidance on Financial Transactions*; and
- The consistency changes to the rest of the *OECD Transfer Pricing Guidelines* needed to produce this consolidated version of the *Transfer Pricing Guidelines*.

OECD releases latest edition of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations

<https://www.oecd.org/tax/oecd-releases-latest-edition-of-the-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations.htm>

RSM Tax Advisory (Hong Kong) Limited

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- 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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