

Weekly Alert

2022 ISSUE 4

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

Welcome to 2022 issue 4 of Weekly Alert covering technical development in taxation around the globe.

TAX – PRC

1. Notice on Adjusting Operation and Tendering Period of Duty-free Shops at the Port During the Epidemic 《財政部等五部門關於調整疫情期間口岸進、出境免稅店經營和招標期限等規定的通知》

On 12 January 2022, the Ministry of Finance and other four departments jointly issued a notice on the matters relating to the operation and tendering period adjustment for duty-free shops during the epidemic. Details are as follow:

1) *Duty-free shops that have been approved for establishment in accordance with the administrative measures and have completed tendering*

The duty-free business enterprise and the tenderers (or port owner) may negotiate to extend the operating period confirmed at the time of bidding, for one time and up to two years. The extended business period can exceed ten years. The extension agreement should be signed by 31 December 2022 and filed with the relevant authorities in accordance with the administrative measures.

2) *Duty-free shops that have been approved for establishment during July 2020 to June 2022, but have not yet completed tendering,*

Tendering arrangements will be handled by local governments in accordance with the requirements of epidemic prevention and control. Such tendering is not subject to the time limit of completion within six months from the date of approval. However, it shall be completed by 31 December 2022.

3) *Duty-free shops that have not been approved for establishment in accordance with the administrative measures*

The establishment shall continue to be handled by the local governments and approved by relevant authorities.

財關稅〔2022〕3號

<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5172269/content.html>

TAX – International

1. Switzerland and the Global Forum Secretariat assist Tunisia for the implementation of automatic exchange of financial account information

On 21 January 2022, Switzerland, Tunisia and the Global Forum Secretariat launched a pilot project to assist Tunisia in meeting the commitment to start automatic exchange by 2024 during a high-level virtual meeting.

The pilot project will cover all aspects of the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (“AEOI”), from setting up the legal framework to the use of the data received. Tunisia will benefit from the legal and practice expertise of Switzerland in this cooperation. In the meeting, participants discussed the key steps of the implementation of the AEOI standard in terms of the legal framework, confidentiality and administrative and IT capacities, and agreed on a timeframe for the implementation of the pilot project.

Switzerland and the Global Forum Secretariat assist Tunisia for the implementation of automatic exchange of financial account information

<https://www.oecd.org/tax/exchange-of-tax-information/switzerland-and-global-forum-secretariat-assist-tunisia-for-the-implementation-of-automatic-exchange-of-financial-account-information.htm>

2. The status of third-round Economic Impact Payments and a reminder of claiming the Recovery Rebate Credit

On 26 January 2022, the Internal Revenue Service (“IRS”) announced that all third-round Economic Impact Payments have been issued and reminded people how to claim any remaining stimulus payment they’re entitled to on their 2021 income tax return as part of the 2021 Recovery Rebate Credit.

For parents of a child born or parents and guardians who added a new qualifying child to their family in 2021 and did not receive a third-round Economic Impact Payment for that child, they may be eligible to receive up to \$1,400 for the child by claiming the Recovery Rebate Credit. IRS encourages people to submit an accurate return and file electrically to avoid processing delays.

In addition, people who did not qualify for a first- and second-round Economic Impact Payment or got less than the full amounts may be eligible to claim the 2020 Recovery Rebate Credit on a 2020 income tax return. Individuals will need to file a 2020 tax return if they have not filed yet or amend their 2020 income tax return if it has already been processed.

All third Economic Impact Payments issued; parents of children born in 2021, guardians and other eligible people who did not receive all of their third-round EIPs can claim up to \$1,400 per person through the 2021 Recovery Rebate Credit

<https://www.irs.gov/newsroom/all-third-economic-impact-payments-issued>

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