

Weekly Alert

2021 ISSUE 52

RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2021 issue 52 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Inland Revenue Department (“IRD”) Annual Report 2020-21

On 30 December 2021, the IRD released the Annual Report for 2020-2021, summarizing the Department’s performance during the year of assessment 2020-21 and highlighting the upcoming development in certain areas.

2020-21 Annual Report

https://www.ird.gov.hk/eng/ppr/are20_21.htm

2. IRD Notice: Pay promptly as tax is falling due

On 29 December 2021, the IRD published a newspaper notice to remind taxpayers that tax for the year of assessment 2020/21 is generally falling due in the coming January. The IRD urges taxpayers to note due dates as stated on their demand notes and make prompt payments.

Moreover, the IRD warns that default in tax payment may lead to the following recovery actions and no prior notice will be given.

Taxpayers with financial difficulties in settling their tax bills by the due dates may write in to apply for payment by instalments. For instalment plans approved for settlement of Salaries Tax, Profits Tax and Personal Assessment demand notes issued between May 2021 and May 2022 for the Year of Assessment 2020/21, no surcharge will be imposed for a maximum period of one year counting from the respective due dates of the demand notes.

Inland Revenue Department Notice: Pay promptly as tax is falling due

https://www.ird.gov.hk/eng/pdf/2021/notice_dec_2021.pdf

TAX – PRC

1. Notice of adjustments on the “Zero-Tariff” Policy for Raw and Auxiliary Materials in Hainan Free Trade Port

The Ministry of Finance, the Customs Office and the State Taxation Administration jointly announced the adjustments on Hainan Free Trade Port’s “Zero-Tariff” Policy (“the Policy”) for raw and auxiliary materials on 24 December 2021.

187 products (including fresh cassava, vinyl chloride, aircraft engine parts, etc.) are added to Hainan Free Trade Port’s “Zero-Tariff” raw and auxiliary materials list. Other contents of the Policy remain unchanged and effective.

The Announcement takes effect from 24 December 2021.

財關稅〔2021〕49號

http://gss.mof.gov.cn/gzdt/zhengcefabu/202112/t20211224_3777961.htm

2. Announcement of the Customs Tariff Commission of the State Council on the List of U.S. Products subject to the Sixth Extension of the Exclusion from Additional Tariffs on U.S. Products

On 24 December 2021, the Customs Tariff Commission of the State Council announced a further extension of the exclusion from additional tariffs for certain U.S. Products.

In accordance with the Announcement of the Customs Tariff Commission of the State Council on the List of U.S. Products Excluded from the Second Round of Additional Tariffs on U.S. Products (稅委會公告[2020]10號) and the Announcement of the Customs Tariff Commission of the State Council on the List of U.S. Products Excluded from the Fourth Round of Additional Tariffs on U.S. Products (稅委會公告[2021]5號), the list of U.S. products to be excluded from additional tariffs (“the List”) expired on 25 December 2021.

The Customs Tariff Commission of the State Council decided to extend the period of exclusion outlined in 稅委會公告[2020]10號 and 稅委會公告[2021]5號 from 26 December 2021 to 31 December 2021. For the products listed in the attachment to the current Announcement, such products shall continue to be exempted from the additional tariffs levied by China against the U.S. under Section 301 measures up to 31 June 2022.

稅委會公告〔2021〕9號

http://gss.mof.gov.cn/gzdt/zhengcefabu/202112/t20211224_3777971.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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