

# Weekly Alert

2022 ISSUE 7

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

Welcome to 2022 issue 7 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. Stamp Duty Statistics (January 2022)

On 14 February 2022, the Inland Revenue Department (“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 January 2022. The SSD, BSD and DSD/NRSD collected during the month are HK\$15.3 million, HK\$211.1 million and HK\$501.2 million respectively.

Stamp Duty statistics (January 2022)

<https://www.ird.gov.hk/eng/pdf/2022/3d012022.pdf>

### TAX – PRC

#### 1. Announcement on Adjusting “Zero Tariff” Policy of Hainan Free Trade Port for Self-use Production Equipment 《關於調整海南自由貿易港自用生產設備“零關稅”政策的通知》

The Ministry of Finance, General Administration of Customs and State Taxation Administration jointly announced the adjustment of the “Zero Tariff” Policy of Hainan Free Trade Port for Self-use Production Equipment below. The Announcement takes effect from 11 February 2022.

1) The extended list of Self-use Production Equipment includes:-

<i>Roller coasters (95082100)</i>	<i>Water rides (95082500)</i>
<i>Carousels, swings and roundabouts (95082200)</i>	<i>Water park amusements (95082600)</i>
<i>Dodge'em cars (95082300)</i>	<i>Amusement park rides (95082900)</i>
<i>Motion simulators and moving theatres (95082400)</i>	<i>Fairground amusements (95083000)</i>

2) Before the island-wide operation closure, import of the equipment mentioned above and specified in Cai Guan Shui [2021] No.7 by independent legal person registered in Hainan Free Trade Port is exempt from customs duty, import value-added tax and consumption.

財關稅〔2022〕4號

<http://www.chinatax.gov.cn/chinatax/n377/c5172786/content.html>

## TAX – International

### 1. Further details on additional relief for certain partnerships preparing schedules K-2 and K-3 for 2021

On 16 February 2022, the Internal Revenue Service (“IRS”) announced further details of additional transition relief for certain domestic partnerships and S corporations preparing the new schedules K-2 and K-3 to further ease the change to these new schedules. The new schedules K-2 and K-3 standardize international tax information to partners and flow-through investors. In addition, the changes ease flow-through return preparation compliance by clarifying obligations and standardizing the format for reporting.

Certain domestic partnerships and S corporations are eligible for relief and do not need to file Schedules K-2 and K-3 with the IRS or with its partners or shareholders.

#### **IRS provides further details on additional relief for certain partnerships preparing schedules K-2 and K-3 for 2021**

<https://www.irs.gov/newsroom/irs-provides-further-details-on-additional-relief-for-certain-partnerships-preparing-schedules-k-2-and-k-3-for-2021>

### 2. Closure of eSAT on 1 March

On 11 February 2022, the Australian Taxation Office announced that the eSAT would be closed down on 1 March 2022.

Users will not be able to lodge the below services if Online services for business is not yet registered:-

- New or amended auditor contravention reports (ACRs)
- Audit complete advices (ACAs).

#### **eSAT closes 1 March**

<https://www.ato.gov.au/Super/Sup/eSAT-closes-1-March/>

## 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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