

Weekly Alert

2018 ISSUE 10

RSM TAX ADVISORY (HONG KONG) LIMITED 羅 申 美 稅 務 諮 詢 有 限 公 司

Welcome to 2018 issue 10 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Gazettal of Inland Revenue (Amendment) Bill 2018

The Inland Revenue (Amendment) Bill 2018 was gazetted on 9 March 2018. The Bill seeks to implement the concessionary revenue measures as proposed in the 2018/19 Budget. The Bill will be introduced into the Legislative Council on 21 March 2018.

Gazettal of Inland Revenue (Amendment) Bill 2018

<https://www.ird.gov.hk/eng/ppr/archives/18030701.htm>

2. Launch of the CbC Reporting Portal

The Country-by-Country (“CbC”) Reporting Portal was launched on 5 March 2018. Hong Kong Ultimate Parent Entities of Reportable Groups (“HK UPEs”) can now voluntarily file CbC Returns for accounting periods beginning between 1 January 2016 and 31 December 2017 via the Portal. HK UPEs, intending to make such filings have to register on the Portal; and they are required to use an e-Cert (Organizational) with Automatic Exchange of Information (“AEOI”) Functions for the purpose of authentication.

CbC Reporting

www.ird.gov.hk/eng/tax/dta_cbc.htm

TAX – PRC

1. **Notice on the Issues Concerning the Operation Procedures on Reviewing VAT Filing** (关于《增值税纳税申报比对管理操作规程（试行）》执行有关事项的通知)

On 30 October 2017, the State Administration of Taxation (“SAT”) issued the “*Notice on the Operation Procedures on Reviewing Value-added Tax (“VAT”) Filing*” (the “Notice”) setting out the tax bureau’s operation procedures on reviewing and checking VAT returns filed by taxpayers which was proposed to be implemented from 1 March 2018.

The SAT has recently issued a circular extending the implementation date of the Notice from 1 March 2018 to 1 May 2018.

税总函〔2018〕94号

<http://www.chinatax.gov.cn/n810341/n810755/c3311036/content.html>

税总发〔2017〕124号

<http://www.chinatax.gov.cn/n810341/n810755/c2898030/content.html>

TAX – International

1. **European Commission Responds to the US Restrictions on Steel and Aluminium Affecting the EU**

On 1 March 2018, the US President Trump announced the imposition of additional duties on European Union (“EU”) exports of steel and aluminum to the US. The new import duties are set at 25% on steel and 10% on aluminum.

The EU Commissioner for Trade, Cecilia Malmstrom advised that the EU would seek dispute settlement consultations with the US in Geneva at the earliest opportunity. European Commission President Jean-Claude Juncker said that the European Commission would bring forward a proposal for World Trade Organization (“WTO”) compatible countermeasures against the US.

European Commission Responds to the US Restrictions on Steel and Aluminium Affecting the EU
http://europa.eu/rapid/press-release_STATEMENT-18-1484_en.htm

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.
- 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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