

Weekly Alert

2018 ISSUE 51

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

Welcome to 2018 issue 51 of Weekly Alert covering technical development in taxation around the globe.

TAX – PRC

1. Notice on Continuing the Individual Income Tax Policy for the Mainland-Hong Kong Mutual Recognition of Funds Arrangement
(关于继续执行内地与香港基金互认有关个税政策的通知)

On 17 December 2018, the Ministry of Finance (“MOF”), State Administration of Taxation (“SAT”) and China Securities Regulatory Commission jointly issued the “*Notice on Continuing the Individual Income Tax Policy for the Mainland-Hong Kong Mutual Recognition of Funds (“MRF”) Arrangement*”.

According to the Notice, the gain derived by Mainland individual investors on the transfer of Hong Kong funds under the MRF arrangement during the period from 18 December 2018 to 4 December 2019 will continue be exempted from individual income tax.

财税〔2018〕154号

<http://www.chinatax.gov.cn/n810341/n810755/c3947083/content.html>

2. Notice on Preferential Tax Policies on Relocating Impoverished Population for Poverty Alleviation
(关于易地扶贫搬迁税收优惠政策的通知)

The MOF and the SAT have jointly issued the “*Notice on Preferential Tax Policies on Relocating Impoverished Population for Poverty Alleviation*”.

In respect of relocation of impoverished population, there are various preferential tax policies such as subsidies granted for the housing construction are exempted from individual income tax, the land used for constructing the houses for the impoverished population are also exempted from deed tax, stamp duty and land use tax, etc. These preferential tax policies are valid from 1 January 2018 to 31 December 2020.

财税〔2018〕135号

http://szs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201812/t20181218_3095200.html



THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



TAX – International

1. EU Releases VAT Regulations on E-Commerce

On 11 December 2018, the European Commission announced new detailed measures that will pave the way for a smooth transition to new value-added tax (“VAT”) rules for e-commerce that come into force in January 2021.

Under the new rules, from 2021, large online marketplaces will become responsible for ensuring that VAT is collected on sales of goods by non-European Union (“EU”) companies to EU consumers taking place on their platforms. The rules will be sent to Member States in the Council for agreement and to the European Parliament for consultation.

VAT: New Details on Rules for E-Commerce Presented, Including a New Role for Online Marketplaces in the Fight Against Tax Fraud

http://europa.eu/rapid/press-release_IP-18-6732_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.

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. Accordingly 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:

Dicky To

T: +852 2508 2863
E: dickyto@rsmhk.com

Eric Chen

T: +852 2583 1259
E: ericchen@rsmhk.com

Lilian Poon

T: +852 2583 1241
E: lilianpoon@rsmhk.com

Samuel Chan

T: +852 2583 1242
E: samuelchan@rsmhk.com

Patrick Ho

T: +852 2583 1258
E: patrickho@rsmhk.com

Caesar Wong

T: +852 2508 2851
E: caesarwong@rsmhk.com

Catherine Tsang

T: +852 2583 1256
E: catherinetsang@rsmhk.com

Chan Ka Ho

T: +852 2583 1249
E: khchan@rsmhk.com

Joanna Lee

T: +852 2583 1317
E: joannalee@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, 2018