

Weekly Alert

2019 ISSUE 14

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

Welcome to 2019 issue 14 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Notice on Employer's Return of Remuneration and Pensions

On 11 April 2019, the Inland Revenue Department (“IRD”) issued a notice regarding the issuance of Employer's Returns of Remuneration and Pensions (Forms BIR56A) for the year ended 31 March 2019. Forms BIR56A were issued by the IRD on 1 April 2019 and employers are required to file the completed Forms BIR56A within one month together with Forms IR56B for relevant employees.

For employers with staff employed during the year ended 31 March 2019 but have not yet received a Form BIR56A, they can complete the request form as provided in the notice and send it back to the IRD.

Inland Revenue Department Notice

https://www.ird.gov.hk/eng/pdf/2019/notice_apr.pdf

2. DIPN 5 (Revised) & DIPN 55

Starting from 1 April 2018, capital expenditure incurred for procuring environmental protection installation is deducted in full in one year instead of over five years. On 11 April 2019, the IRD issued the Revised Departmental Interpretation and Practice Notes No. 5 (“DIPN 5”) to reflect the changes in this tax deduction.

The IRD also released a new DIPN 55 on Deduction for Research and Development (“R&D”) Expenditure which explains how a taxpayer is entitled to the 100% tax deduction or enhanced tax deduction for R&D expenditure.

DIPN 5 (Revised)

<https://www.ird.gov.hk/eng/pdf/2019/dipn05.pdf>

DIPN 55

<https://www.ird.gov.hk/eng/pdf/2019/dipn55.pdf>

3. Stamp Duty Statistics

On 10 April 2019, the 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”) for March 2019. The IRD collected SSD of HK\$36.1 million, BSD of HK\$373.9 million and DSD/NRSD of HK\$1,173.2 million in March 2019.

Stamp Duty Statistics

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

TAX – PRC

1. Announcement of New Tax Forms (2019 Version) for Advance Payments of Enterprise Income Tax by Non-resident Enterprises

(关于发布《中华人民共和国非居民企业所得税预缴申报表（2019年版）》等报表的公告)

The State Taxation Administration has released the “*Announcement of New Tax Forms (2019 Version) for Advance Payments of Enterprise Income Tax by Non-resident Enterprises*” which specifies the respective timeline in years 2019 and 2020 for using each new tax form.

国家税务总局公告 2019 年第 16 号

<http://www.chinatax.gov.cn/n810341/n810755/c4194220/content.html>

2. Notice on Adjustment of Import Tax on Imported Goods

(国务院关税税则委员会关于调整进境物品进口税有关问题的通知)

On 8 April 2019, the Customs Tariff Commission of the State Council released the “*Notice on Adjustment of Import Tax on Imported Goods*” which took effect from 9 April 2019.

According to the Notice, the import tax of goods under Category 1 and 2 are reduced from 15% and 25% to 13% and 20% respectively. Goods in Category 1 include books, computers, food, furniture and medicines while that in Category 2 include textiles, electronic appliances and bicycles.

税委会〔2019〕17号

http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201904/t20190408_3216190.html?flyarg=1&flyarg=2

TAX – International

1. IRS Reminds those with Foreign Assets of Annual April 15 FBAR Deadline

The US Internal Revenue Service (“IRS”) has reminded US citizens and resident aliens, including those with dual citizenship, that if they have a foreign bank or financial account, they will be required to file their annual Report of Foreign Bank and Financial Accounts (“FBAR”) by 15 April 2019.

IRS Reminds those with Foreign Assets of Annual April 15 FBAR Deadline

<https://www.irs.gov/newsroom/irs-reminds-those-with-foreign-assets-of-annual-april-15-fbar-deadline>

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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