

# Weekly Alert

2019 ISSUE 19

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

Welcome to 2019 issue 19 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. Tax Obligations of Taxpayers and Employers

On 16 May 2019, the Inland Revenue Department (“IRD”) published a notice reminding various tax obligations of employers and taxpayers under Sections 51(2), (6), (7) and (8); and 52(4), (5), (6) and (7) of the Inland Revenue Ordinance.

##### **Inland Revenue Department Notice**

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

#### 2. Taxpayer Convicted of False Claims for Additional Dependent Parent Allowance

On 14 May 2019, a taxpayer was convicted at the West Kowloon Magistrates’ Courts on four charges of evading salaries tax.

The taxpayer made false statements in his tax returns for claiming additional dependent parent allowance for the years of assessment 2011/12, 2012/13 and 2014/15. The total tax involved was HK\$13,607. Sentencing was adjourned to 4 June 2019 pending a probation officer’s report and community service order report.

##### **Taxpayer Convicted of False Claims for Additional Dependent Parent Allowance**

<https://www.ird.gov.hk/eng/ppr/archives/19051401.htm>

#### 3. Stamp Duty Statistics

On 10 May 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 April 2019. The IRD collected SSD of HK\$17.5 million, BSD of HK\$711.2 million and DSD/NRSD of HK\$2,200.4 million in April 2019.

##### **Stamp Duty Statistics**

[https://www.ird.gov.hk/eng/ppr/mthly\\_statistics.htm](https://www.ird.gov.hk/eng/ppr/mthly_statistics.htm)

## TAX – PRC

### 1. **Announcement of Imposing Additional Tariffs on Goods Originating from the US** (国务院关税税则委员会关于对原产于美国的部分进口商品提高加征关税税率的公告)

On 13 May 2013, the Customs Tariff Commission of the State Council issued the “*Announcement of Imposing Additional Tariffs on Goods Originating from the US*”.

The Announcement provides the lists of products originating from the US which will subject to additional tariffs (from 5% to 25%) from 1 June 2019.

税委会公告〔2019〕3号

[http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190513\\_3256788.html](http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190513_3256788.html)

## TAX – International

### 1. **VAT Fraud: New Tool to Help EU Countries Crack Down on Criminals and Recoup Billions**

On 15 May 2019, the European Commission welcomed the launch of the Transaction Network Analysis (“TNA”) tool which allows European Union (“EU”) Member States to rapidly exchange and jointly process value-added tax (“VAT”) data.

The TNA will allow tax authorities fast and easy access to cross-border transaction information, leading to quick action when potential VAT fraud is flagged. It will also allow much closer cooperation between the EU’s network of anti-fraud experts when it comes to jointly analysing information so that VAT fraud can be detected and intercepted as fast and effectively as possible.

**VAT Fraud: New Tool to Help EU Countries Crack Down on Criminals and Recoup Billions**

[http://europa.eu/rapid/press-release\\_IP-19-2468\\_en.htm](http://europa.eu/rapid/press-release_IP-19-2468_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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