

# Weekly Alert

2019 ISSUE 20

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

Welcome to 2019 issue 20 of Weekly Alert covering technical development in taxation around the globe.

### TAX – PRC

#### 1. Announcement on the EIT Policy for Integrated Circuit Design and Software Enterprises (关于集成电路设计和软件产业企业所得税政策的公告)

On 17 May 2019, the Ministry of Finance and the State Taxation Administration jointly issued the “*Announcement on the Enterprise Income Tax (“EIT”) Policy for Integrated Circuit Design and Software Enterprises*”.

According to the Announcement, qualified software and integrated circuit design enterprises will be exempted from EIT in their first and second profit-making years and enjoyed a 50% reduction on the 25% EIT rate from the third to fifth years until expiry of the preferential period, which shall start from the first profit-making year prior to 31 December 2018.

财政部 税务总局公告 2019 年第 68 号

[http://szs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190521\\_3261938.html](http://szs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190521_3261938.html)

#### 2. Notice of Abolition of Fee for Digital Certificates (国家税务总局广东省税务局关于停止支持收费数字证书的通知)

The Guangdong Provincial Tax Bureau has issued the “*Notice of Abolition of Fee for Digital Certificates*” which abolished the fee for digital certificates from 1 January 2019. The Tax Bureau has provided free tax filing software and encourage taxpayers to use the relevant software to process their tax filing.

国家税务总局广东省税务局关于停止支持收费数字证书的通知

[http://www.gd-n-tax.gov.cn/gdsw/tzgg/2019-05/17/content\\_522a1596d2664585899a3414d1a09717.shtml](http://www.gd-n-tax.gov.cn/gdsw/tzgg/2019-05/17/content_522a1596d2664585899a3414d1a09717.shtml)

## TAX – International

### 1. Distance-based Charging Supports the Shift to Sustainable Road Transport

On 22 May 2019, the Organisation for Economic Co-operation and Development (“OECD”) and the International Transport Forum (“ITF”) launched a report, *Tax Revenue Implications of Decarbonising Road Transport – Scenarios for Slovenia*, to analyse how distance-based charges can help sustain tax revenues and improve environmental and mobility outcomes.

The simulations for Slovenia show that a moderate kilometre charge on motorways that gradually increases from 0.7 Eurocent/km in 2020 to 4.6 Eurocent/km in 2050 could cover the potential decline of fuel tax revenues. Shifting to distance-based charges will allow governments to lessen its dependence on fossil fuels-based revenue and serve as a more sustainable revenue source.

#### **Distance-based Charging Supports the Shift to Sustainable Road Transport**

<http://www.oecd.org/tax/distance-based-charging-supports-the-shift-to-sustainable-road-transport.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.
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- 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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