

Weekly Alert

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

Welcome to 2019 issue 24 of Weekly Alert covering technical development in taxation around the globe.

TAX – International

1. **The US Internal Revenue Service Reminds Taxpayers with Expiring ITINs to Renew Early to Prevent Refund Delays**

The US Internal Revenue Service (“IRS”) reminds taxpayers with expiring Individual Taxpayer Identification Numbers (“ITINs”) at the end of 2019 to take immediate action to submit their renewal applications early to avoid refund delays next year.

Under the Protecting Americans from Tax Hikes Act, ITINs that have not been used on a federal tax return at least once in the last three consecutive years will expire on 31 December 2019. In addition, ITINs with middle digits 83, 84, 85, 86 or 87 that have not already been renewed will also expire at the end of the year. These affected taxpayers who expect to file a tax return in 2020 must submit a renewal application as soon as possible.

Millions More ITINs Set to Expire in 2019; IRS Says Renew Early to Prevent Refund Delays

<https://www.irs.gov/newsroom/millions-more-itins-set-to-expire-in-2019-irs-says-renew-early-to-prevent-refund-delays>

2. **IRS and Treasury Issued Guidance Related to Global Intangible Low-taxed Income**

On 14 June 2019, the US Treasury Department and the IRS issued final and proposed regulations concerning global intangible low-taxed income (“GILTI”), foreign tax credit, treatment of domestic partnerships for purposes of determining the Subpart F income of a partner and treatment of income of a controlled foreign corporation subject to a high rate of foreign tax.

The final regulations provide guidance relating to the determination of a US shareholder’s pro rata share of a controlled foreign corporation’s Subpart F income and GILTI included in the US shareholder’s gross income as well as certain reporting requirements relating to the inclusions of Subpart F income and GILTI.

IRS and Treasury Issue Guidance Related to GILTI

<https://www.irs.gov/newsroom/irs-and-treasury-issue-guidance-related-to-global-intangible-low-taxed-income-gilti>

3. OECD Expands Transfer Pricing Country Profiles to Cover 55 Countries

On 18 June 2019, the Organisation for Economic Co-operation and Development (“OECD”) released the new transfer pricing country profiles for Chile, Finland and Italy, bringing the total number of countries covered to 55 (including China, UK, US etc). In addition, the OECD has updated the information contained in the country profiles for Colombia and Israel.

These transfer pricing country profiles reflect the current state of legislation and practice in each country regarding the application of the arm’s length principle and other key transfer pricing aspects. They include information on the arm's length principle, transfer pricing methods, intangible property, comparability analysis, intra-group services, transfer pricing documentation, cost contribution agreements, administrative approaches to avoiding and resolving disputes, safe harbours and other implementation measures.

OECD Expands Transfer Pricing Country Profiles to Cover 55 Countries

<https://www.oecd.org/tax/transfer-pricing/oecd-expands-transfer-pricing-country-profiles-to-cover-55-countries.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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