

# Weekly Alert

2019 ISSUE 36

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

Welcome to 2019 issue 36 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. Stamp Duty Statistics

On 10 September 2019, the Inland Revenue Department (“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 August 2019. The IRD collected SSD of HK\$22.5 million, BSD of HK\$331.4 million and DSD/NRSD of HK\$937.2 million in August 2019.

##### Stamp Duty Statistics

<https://www.ird.gov.hk/eng/pdf/2019/3d082019.pdf>

#### 2. Tax Guide for Charitable Institutions and Trusts of a Public Character

On 6 September 2019, the IRD released an updated Tax Guide for Charitable Institutions and Trusts of a Public Character in its website.

The Tax Guide contains the IRD’s interpretation and practice in relation to the meaning, constitution and taxation of charity and the duties and obligations of charitable institutions and other related matters.

##### Tax Guide for Charitable Institutions and Trusts of a Public Character

[https://www.ird.gov.hk/eng/pdf/tax\\_guide\\_for\\_charities.pdf](https://www.ird.gov.hk/eng/pdf/tax_guide_for_charities.pdf)

## TAX – PRC

### 1. **Announcement of the Customs Tariff Commission of the State Council on the First List of US Goods Excluded from the First Round of Additional Tariffs** (国务院关税税则委员会关于第一批对美加征关税商品第一次排除清单的公告)

On 11 September 2019, the Customs Tariff Commission of the State Council released the “*Announcement of the Customs Tariff Commission of the State Council on the First List of US Goods Excluded from the First Round of Additional Tariffs*”.

According to the Announcement, the Commission unveiled two tariff exclusion lists of the designated US imports. The exclusion will take effect from 17 September 2019 to 16 September 2020 and all items on these two lists will be excluded from additional tariffs for this period. For the commodities on the first list, tariffs already imposed are eligible for refunds. However, for the commodities on the second list, the tariffs already imposed are non-refundable.

税委会公告〔2019〕6号

[http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201909/t20190911\\_3384638.html](http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201909/t20190911_3384638.html)

## TAX – International

### 1. **IRS Announced New Procedures to Enable Certain Expatriated Individuals a Way to Come Into Compliance with Their U.S. Tax and Filing Obligations**

On 6 September 2019, the U.S. Internal Revenue Service (“IRS”) announced new procedures that will enable certain individuals who relinquished their U.S. citizenship to come into compliance with their U.S. tax and filing obligations and receive relief for back taxes.

The relief procedures for certain former citizens apply only to individuals who have not filed U.S. tax returns as U.S. citizens or residents, owe a limited amount of back taxes to the United States and have net assets of less than US\$2 million. Only taxpayers whose past compliance failures were non-wilful can take advantage of these new procedures. Many in this group may have lived outside the U.S. most of their lives and may have not been aware that they had U.S. tax obligations.

Eligible individuals wishing to use these relief procedures are required to file outstanding U.S. tax returns, including all required schedules and information returns, for the five years preceding and their year of expatriation. If the taxpayer's tax liability does not exceed a total of US\$25,000 for the six years in question, the taxpayer will be relieved from paying U.S. taxes. Individuals who qualify for these procedures will not be assessed penalties and interest.

### **IRS Announced New Procedures to Enable Certain Expatriated Individuals a Way to Come Into Compliance with Their U.S. Tax and Filing Obligations**

<https://www.irs.gov/newsroom/irs-announces-new-procedures-to-enable-certain-expatriated-individuals-a-way-to-come-into-compliance-with-their-us-tax-and-filing-obligations>

## 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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