

# Weekly Alert

2019 ISSUE 39

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

Welcome to 2019 issue 39 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. **Orders on Comprehensive Avoidance of Double Taxation Agreement with Cambodia and Protocol to Comprehensive Avoidance of Double Taxation Arrangement with the Mainland gazetted**

Two Orders made by the Chief Executive regarding the implementation of Comprehensive Avoidance of Double Taxation Agreement (“CDTA”) with Cambodia and the Fifth Protocol to the CDTA with the Mainland are gazetted on 4 October 2019. The Cambodia CDTA and the Fifth Protocol to the Mainland CDTA were signed in June and July 2019 respectively.

Under the Cambodia CDTA, Cambodia’s withholding tax rates for Hong Kong residents on dividends, interest, royalties and fees for technical services will be reduced from the current level of 14% to 10%.

The Fifth Protocol to the Mainland CDTA incorporates a new article to provide tax relief to qualified Hong Kong and Mainland teachers and researchers working on the other side. The Protocol also makes some amendments to ensure the Mainland CDTA follows the latest international tax standard.

**Orders on Comprehensive Avoidance of Double Taxation Agreement with Cambodia and Protocol to Comprehensive Avoidance of Double Taxation Arrangement with the Mainland gazetted**

<https://www.ird.gov.hk/eng/ppr/archives/19100201.htm>

#### 2. **Notify Inland Revenue Department Promptly of Change of Address**

On 3 October 2019, the Inland Revenue Department (“IRD”) published a notice reminding taxpayers to report any change of address to the IRD within one month of the date of change. Taxpayers can complete the form as provided in the IRD’s notice and send it back to the IRD by post or by facsimile.

For taxpayers who have opened eTAX account with the IRD, they can notify the change of postal address through the account.

**Inland Revenue Department Notice**

[https://www.ird.gov.hk/eng/pdf/2019/address\\_change.pdf](https://www.ird.gov.hk/eng/pdf/2019/address_change.pdf)

## TAX – PRC

### 1. **Announcement of Updating the Declaration Forms for Urban Land Use Tax and Property Tax** (关于修订城镇土地使用税和房产税申报表的公告)

The State Taxation Administration has released the “*Announcement of Updating the Declaration Forms for Urban Land Use Tax and Property Tax*” which took effect from 1 October 2019.

According to the Announcement, the original separate urban land use tax and property tax declaration forms will be consolidated into one unified form. There are also some amendments on the items of the declaration form.

国家税务总局公告 2019 年第 32 号

<http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5137322/content.html>

## TAX – International

### 1. **Four Years on and Half a Billion Dollars Later - Tax Inspectors Without Borders**

The Tax Inspectors Without Borders (“TIWB”) is a joint OECD/UNDP programme launched in July 2015 to strengthen developing countries’ auditing capacity and multinationals’ compliance worldwide by sending expert tax auditors to help interested tax administrations in developing countries.

According to the latest TIWB annual report, the assistance of TIWB has delivered nearly USD500 million in additional revenue for developing countries. The annual reports shows that TIWB is an excellent value for money programme, in which every dollar invested in the programme has led to USD100 in additional revenue.

The success of the current TIWB model has spurred interest in expanding the initiative to other opportunities including tax crime investigations, joint audit, automatic exchange of information, tax treaty negotiations and dispute resolution.

**Four Years on and Half a Billion Dollars Later - Tax Inspectors Without Border**

<http://www.oecd.org/tax/four-years-on-and-half-a-billion-dollars-later-tax-inspectors-without-borders.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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