

# Weekly Alert

2020 ISSUE 3

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

Welcome to 2020 issue 3 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. Interest on Tax Reserve Certificates

Tax Reserve Certificates (“TRC”) bear simple interest which is calculated monthly (including part of a month) from the date of purchase to the date of payment of tax. From 17 January 2020, the new annual rate of TRC interest will be 0.3667% against the current rate of 0.25%, i.e. the new rate will be HK\$0.0306 per month per HK\$100.

The new rate will apply to all certificates purchased on or after 17 January 2020. Certificates purchased before 17 January 2020, will continue to earn interest at the rates prevailing on their respective purchase dates.

#### Interest on Tax Reserve Certificates

<https://www.ird.gov.hk/eng/ppr/archives/20011601.htm>

#### 2. Inland Revenue Department Notice - Stamp Duty Statistics

On 10 January 2020, 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”) collected in December 2019. The IRD collected SSD of HK\$11.0 million, BSD of HK\$217.9 million and DSD/NRSD of HK\$670.3 million in December 2019.

#### Stamp Duty Statistics

<https://www.ird.gov.hk/eng/pdf/2019/3d122019.pdf>

## TAX – PRC

### 1. 2020 Tariff Schedule for Imports and Exports

(国务院关税税则委员会关于发布《中华人民共和国进出口税则（2020）》的公告)

The Customs Tariff Commission of the State Council has recently issued the “2020 Tariff Schedule of the People’s Republic of China for Imports and Exports”, which took effect from 1 January 2020.

The most-favoured-nation tariff rates, provisional tariff rates for imports, conventional tariff rates, and preferential tariff rates for 2020 have been adjusted pursuant to the *Circular of the Customs Tariff Commission of the State Council on the Plan for Adjustments to Provisional Tariff Rates for Imports and Other Tax Rates*.

税委会公告〔2019〕9号

[http://gss.mof.gov.cn/gzdt/zhengcefabu/201912/t20191230\\_3452186.htm](http://gss.mof.gov.cn/gzdt/zhengcefabu/201912/t20191230_3452186.htm)

## TAX – International

### 1. IRS Helps Workers, Businesses with New Gig Economy Tax Center

On 9 January 2020, the US Internal Revenue Service (“IRS”) announced the launch of a new Gig Economy Tax Center, which aims to help taxpayers to meet their tax obligations through more streamlined information.

The gig economy is also known as the sharing, on-demand or access economy. It usually includes businesses that operate an app or website to connect people to provide services to customers. The Gig Economy Tax Center streamlines various resources, making it easier for taxpayers to find information for various tax topics such as the filing requirements, making quarterly estimated income tax payments, paying self-employment taxes, paying Federal Insurance Contribution, Medicare and Additional Medicare, deductible business expenses, etc.

**IRS Helps Workers, Businesses with New Gig Economy Tax Center**

<https://www.irs.gov/newsroom/irs-helps-workers-businesses-with-new-gig-economy-tax-center>

## 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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