

Weekly Alert

2020 ISSUE 7

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

Welcome to 2020 issue 7 of Weekly Alert covering technical development in taxation around the globe.

TAX – PRC

1. 2020B Version of Export Tax Refund Rates Library (关于发布出口退税率文库 2020B 版的通知)

On 17 March 2020, the State Taxation Administration (“STA”) released the “*Notice of 2020B Version of Export Tax Refund Rates Library*”.

The new 2020B Version of Export Tax Refund Rates Library is placed under the STA's FTP system which is ready for all local tax authorities to download and release to the enterprises. Local tax authorities must strictly apply these export tax rebate rates. It is strictly forbidden to change the export tax refund rate without authorization.

税总函〔2020〕44号

<http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5146342/content.html>

2. Increasing the Export Tax Rebate Rate of Certain Products (关于提高部分产品出口退税率的公告)

On 17 March 2020, the STA issued the “*Announcement of Increasing the Export Tax Rebate Rate of Certain Products*” which took effect from 20 March 2020.

According to the Notice, the export tax rebate rates for 1,084 products (such as porcelain sanitary appliances) have been increased to 13%; and 380 products (such as plant growth regulators) have been increased to 9%.

财政部 税务总局公告 2020 年第 15 号

<http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5146338/content.html>

TAX – International

1. Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses

On 18 March 2020, the Canada Prime Minister announced various economic and tax measures to help Canadians facing hardship as a result of the COVID-19 outbreak. The main tax measures including:

- ✧ The filing due date for the 2019 tax returns of individuals will be deferred until 1 June 2020.
- ✧ For trusts having a taxation year ending on 31 December 2019, the return filing due date will be deferred until 1 May 2020.
- ✧ Allowing all taxpayers to defer, until after 31 August 2020, the payment of any income tax amounts that become owing on or after 18 March 2020 and before September 2020. No interest or penalties will accumulate on these amounts during this period.
- ✧ The Canada Revenue Agency will recognize electronic signatures as a temporary administrative measure in order to reduce the necessity for taxpayers and tax preparers to meet in person.
- ✧ The Canada Revenue Agency will not contact any small or medium business to initiate any new goods and services tax, harmonized sales tax or income tax audits for the next four weeks. For the vast majority of businesses, the Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives.

Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses

<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>

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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