

Weekly Alert

2020 ISSUE 9

RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2020 issue 9 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. IRD's Arrangements for Issue of Tax Returns for 2019/20

The property tax returns and employer's returns for the year of assessment 2019/20 were issued on 1 April 2020. The Inland Revenue Department (“IRD”) will issue profits tax returns and tax returns for individuals for the year of assessment 2019/20 on 4 May and 1 June 2020 respectively.

The deadline for filing the tax returns is within one month from the date of issue of the relevant returns. For taxpayers who are represented, the filing deadline of 2019/20 profits tax returns will be extended as follows:

<u>Accounting Date</u>	<u>Extended Due Date</u>
1 April 2019 to 30 November 2019 (Accounting Date Code “N”)	30 June 2020
1 December 2019 to 31 December 2019 (Accounting Date Code “D”)	17 August 2020
1 January 2020 to 31 March 2020 (Accounting Date Code “M”)	16 November 2020

IRD's Arrangements for Issue of Tax Returns for 2019-20

<https://www.ird.gov.hk/eng/ppr/archives/20033001.htm>

2. Suspension of Service for Filing of Tax Return – Individuals through eTAX

In order to facilitate system update, the internet filing service for tax return for individuals is temporarily suspended from 30 March 2020 to 3 May 2020. The service will resume on 4 May 2020 for filing of tax returns for individuals for years of assessment 2017/18, 2018/19 and 2019/20.

Suspension of Service for Filing of Tax Return – Individuals through eTAX

https://www.ird.gov.hk/eng/tax/efiling_20200402.htm

3. Government Further Clarifies Eligibility Criteria of Retail Sector Subsidy Scheme

As many people have visited the Business Registration Office of the IRD to apply for a new business registration certificate or to change the nature of business as stated in the business registration certificate to “retail” with a view to applying for the subsidy of the Retail Sector Subsidy Scheme under the Anti-epidemic Fund, on 2 April 2020, the Government clarified that the Retail Subsidy Scheme does not require the nature of business on the applicants’ business registration to be “retail”. There is no need for retailers to change the nature of business on their business registration certificate to apply for the Scheme.

The Scheme requires applicants to be conducting substantial and substantive retail business at a physical store. All eligible retailers must have conducted substantial and substantive retail business before 1 January 2020. The Government will examine all the supporting documents submitted by the applicants, such as a recent photograph of the shopfront, Mandatory Provident Fund contributions statement, rental receipt, water or electricity bill, when reviewing the application.

Government Further Clarifies Eligibility Criteria of Retail Sector Subsidy Scheme

<https://www.ird.gov.hk/eng/ppr/archives/20040201.htm>

TAX – PRC

1. Notice of Extending the Tax Reporting Deadline for April 2020

(关于延长 2020 年 4 月纳税申报期限有关事项的通知)

In view of the latest situation of COVID-19, on 30 March 2020, the State Taxation Administration issued the “*Notice of Extending the Tax Reporting Deadline for April 2020*”.

For taxpayers who are filing tax returns on a monthly or quarterly basis, their tax reporting deadline will be extended from 20 April 2020 to 24 April 2020; the filing deadline may be further extended in Hubei Province.

关于延长 2020 年 4 月纳税申报期限有关事项的通知

<http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5147673/content.html>

TAX – International

1. Treasury, IRS Extend Filing Deadline and Federal Tax Payments Regardless of Amount Owed

The US Treasury Department and Internal Revenue Service (“IRS”) have announced that the federal income tax filing due date is automatically extended from 15 April 2020 to 15 July 2020. Taxpayers can also defer federal income tax payments due on 15 April 2020 to 15 July 2020, without penalties and interest, regardless of the amount owed. Taxpayers do not need to file any additional forms to qualify for this automatic federal tax filing and payment relief.

The IRS will continue to monitor issues related to the COVID-19 virus.

Treasury, IRS Extend Filing Deadline and Federal Tax Payments Regardless of Amount Owed

<https://www.irs.gov/newsroom/tax-day-now-july-15-treasury-irs-extend-filing-deadline-and-federal-tax-payments-regardless-of-amount-owed>

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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