

# Weekly Alert

## 2020 ISSUE 10

### RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2020 issue 10 of Weekly Alert covering technical development in taxation around the globe.

#### TAX – Hong Kong

##### 1. Inland Revenue Department Extends Tax Deadlines

In view of the latest situation of COVID-19, on 4 April 2020, the Inland Revenue Department (“IRD”) announced the deadlines for tax payments and lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 23 March and 2 May 2020 are automatically extended to 4 May 2020.

##### **Inland Revenue Department Extends Tax Deadlines**

<https://www.ird.gov.hk/eng/ppr/archives/20040401.htm>

##### 2. Government Announces Measures Involving Over HK\$130 Billion to Support Enterprises, Employees and the Public

On 8 April 2020, the Chief Executive, Mrs Carrie Lam announced a series of measures involving HK\$130 billion to help business stay afloat, keep workers in employment, relieve financial burdens of individuals and businesses and assist the economy to recover once the epidemic is contained.

One of the proposals on easing the cash flow and burden of businesses and individuals is to allow deferral of tax payments. The deadline for payment of tax for the year of assessment 2018/19 that will be falling due will be automatically extended for three months. The details will be announced by the IRD shortly.

##### **Government Announces Measures Involving Over HK\$130 Billion to Support Enterprises, Employees and the Public**

<https://www.info.gov.hk/gia/general/202004/08/P2020040800810.htm>

### 3. SFST's Speech on Public Finance at LegCo Finance Committee Special Meeting

The Secretary for Financial Services and the Treasury (“SFST”), Mr. James Lau delivered a speech on public finance at the special meeting of the Legislative Council (“LegCo”) Finance Committee on 6 April 2020.

Regarding international tax co-operation, Mr. James Lau advised that the Government will keep closely monitor on the latest developments of the work of the Organisation for Economic Co-operation and Development on setting rules for the imposition of a global minimum tax rate; and assess the consequences on Hong Kong’s tax regime. The Government will invite scholars, experts and members of the business community to tender advice on the matter, with a view to ensuring that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain Hong Kong’s premier business environment and competitiveness.

The Government will also continue to expand Hong Kong's network of Comprehensive Avoidance of Double Taxation Agreements (“CDTAs”), in order to reduce the tax burden on enterprises and individuals running businesses overseas. As of today, Hong Kong has signed 43 CDTAs, and negotiations with 14 tax jurisdictions are underway. It is targeted to bring the total number of CDTAs to 50 by the end of 2022.

#### SFST's Speech on Public Finance at LegCo Finance Committee Special Meeting

<https://www.ird.gov.hk/eng/ppr/archives/20040601.htm>

## TAX – PRC

### 1. Notice of Promoting the Bank-Tax Interaction to Aid the Resumption of Work and Production of Small and Micro Businesses

(关于发挥“银税互动”作用助力小微企业复工复产的通知)

In view of the latest situation of COVID-19, on 7 April 2020, the State Taxation Administration and China Banking and Insurance Regulatory Commission jointly issued the “*Notice of Promoting the Bank-Tax Interaction to Aid the Resumption of Work and Production of Small and Micro Businesses*”.

According to the Notice, tax authorities will work closely with insurance regulatory authorities and financial institutions to help small and micro enterprises in industries which are greatly affected by the epidemic. Financial institutions will introduce "bank-tax interaction" loan products, shorten the processing time for loan approval, increase the loan limit and extend the loan repayment period, etc for small and micro enterprises.

In areas such as Hubei, which is severely affected by the epidemic, the financial institutions can gradually expand the scope of enterprises applying for "bank-tax interaction" loans to Tax Credit Level C enterprises.

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<http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5148057/content.html>

## TAX – International

### 1. ATO Releases “One Stop Shop” for Essential Tax and Super Info on COVID-19 Stimulus Measures

The Australian Taxation Office (“ATO”) has updated its website with essential information about tax and superannuation changes under its COVID-19 stimulus measures.

The measures include:

- ✧ Giving individuals early access to their superannuation
- ✧ Providing cash flow assistance for employers
- ✧ Increasing the instant asset write off, making more businesses eligible
- ✧ Backing business investment by accelerating depreciation deductions
- ✧ Deferring by up to six months the payment date of amounts due through the business activity statement, income tax assessments, fringe benefits tax assessments and excise
- ✧ Working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans

### ATO Releases “One Stop Shop” for Essential Tax and Super Info on COVID-19 Stimulus Measures

<https://www.ato.gov.au/Media-centre/Media-releases/ATO-releases--one-stop-shop--for-essential-tax-and-super-info-on-COVID-19-stimulus-measures/#>

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- 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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