

# Weekly Alert

## 2021 ISSUE 6

## RSM TAX ADVISORY (HONG KONG) LIMITED

### 羅申美稅務諮詢有限公司

Welcome to 2021 issue 6 of Weekly Alert covering technical development in taxation around the globe.

### TAX – Hong Kong

#### 1. Stamp Duty Statistics (January 2021)

On 9 February 2021, the 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 January 2021. During the month, the IRD collected SSD of HK\$50.5 million, BSD of HK\$143 million and DSD/NRSD of HK\$343.5 million.

#### Stamp Duty Statistics (January 2021)

<https://www.ird.gov.hk/eng/pdf/2021/3d012021.pdf>

### TAX – PRC

#### 1. Q&A on the digitized management and operation of electronic VAT invoices (關於增值稅電子專用發票電子化管理與操作有關問題的答問)

On 5 February 2021, State Taxation Administration (“STA”) released a Q&A regarding the Implementation of the Electronic Special Value-Added Tax Invoice System announced in December 2020. This document is to respond to and clarify the inquiries about “electronic special invoice system”.

The document indicates that the legal validity of electronic special VAT invoice as an electronic accounting document is identical to the paper invoice. It also provides the solutions common questions on the operation of the system, as well as demonstration of how to issue electronic invoices, to check the authenticity of the invoices and to apply for tax refund after receiving the electronic invoices etc.

財政部會計司 國家檔案局經濟科技檔案業務指導司 國家稅務總局貨物和勞務稅司關於增值稅電子專用發票電子化管理與操作有關問題的答問

<http://www.chinatax.gov.cn/chinatax/n810341/n810760/c5161389/content.html>

## 2. Wang Jun, OECD official meet over video conference, make multiple achievements (王軍與 OECD 稅收政策與管理中心主任帕斯卡舉行會談並取得四項共識)

On 4 February 2021, the head of the STA Wang Jun met with Pascal Saint-Amans, Director of the Center for Tax Policy and Administration at the Organization for Economic Cooperation and Development (“OECD”).

During the conference, the cooperation mechanism for tax collection and management under the Belt and Road Initiative Tax Administration Cooperation Mechanism (“BRITACOM”), the reform of electronic invoicing, and the major work schedules of the Center for Tax Policy and Administration in 2021 were discussed.

The two sides have reached a consensus in four areas:-

1. jointly participate in global tax governance for the digital economy
2. advance BRITACOM tax cooperation
3. help developing countries enhance tax collection management capabilities
4. keep pushing forward bilateral taxation cooperation.

**Wang Jun, OECD official meet over video conference, make multiple achievements**  
<http://www.chinatax.gov.cn/eng/c101269/c5161483/content.html>

## TAX – International

### 1. New IRS form available for self-employed individuals to claim COVID-19 sick and family leave tax credits under FFCRA

On 8 February 2021, the Internal Revenue Service announced that a new form ([IRS Form 7202, “Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals”](#)) is available for eligible self-employed individuals to claim sick and family leave tax credits under the Families First Coronavirus Response Act (FFCRA).

Eligible self-employed individuals will determine their qualified sick and family leave equivalent tax credits with the new form. Appropriate documentation is required to establish their eligibility for the credits as an eligible self-employed individual.

Eligible self-employed individuals must:

- Conduct a trade or business that qualifies as self-employment income, and
- Be eligible to receive qualified sick or family leave wages under the Emergency Paid Sick Leave Act as if the taxpayer was an employee.

**New IRS form available for self-employed individuals to claim COVID-19 sick and family leave tax credits under FFCRA**

<https://www.irs.gov/newsroom/new-irs-form-available-for-self-employed-individuals-to-claim-covid-19-sick-and-family-leave-tax-credits-under-ffcra>

## 2. New OECD self-assessment tool to assist tax administrations in managing operational risks

On 9 February 2021, a new part of OECD's Tax Administration Maturity Model series, Enterprise Risk Management Maturity Model was released. This is a new diagnostic tool on enterprise risk management developed and piloted by the Forum on Tax Administration's Enterprise Risk Management Community of Interest.

As tax administrations face many risks to the stability and resilience of their operations, ranging from systems risks, to reputational and compliance risks. This model aims to help tax administrations globally to assess their current performance and to consider future possible reforms, paving the way to more seamless and frictionless tax administration.

### **New OECD self-assessment tool to assist tax administrations in managing operational risks**

<http://www.oecd.org/tax/administration/new-oecd-self-assessment-tool-to-assist-tax-administrations-in-managing-operational-risks.htm>

## RSM Tax Advisory (Hong Kong) Limited

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- 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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