

Weekly Alert

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RSM TAX ADVISORY (HONG KONG) LIMITED

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Welcome to 2021 issue 32 of Weekly Alert covering technical development in taxation around the globe.

TAX – Hong Kong

1. Stamp Duty Statistics (July 2021)

On 10 August 2021, the Inland Revenue Department 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 July 2021. During the month, the IRD collected SSD of HK\$14.1 million, BSD of HK\$120 million and DSD/NRSD of HK\$845.5 million.

Stamp Duty Statistics (July 2021)

<https://www.ird.gov.hk/eng/pdf/2021/3d072021.pdf>

TAX – International

1. Progress towards a fairer global tax system continues as additional countries bring their preferential tax regimes in line with international standards

On 5 August 2021, the OECD/G20 Inclusive Framework on BEPS approved the new outcomes on the review of preferential tax regimes.

At the meeting in April 2021, the Forum on Harmful Tax Practices (“FHTP”) took new conclusions on 25 regimes as part of the implementation of the BEPS Action 5 minimum standard. Some of the key outcomes are highlighted below:

Jurisdiction	Government commitment	Status
Australia	Abolishment of Offshore banking regime with grandfathering provided to existing taxpayers within the FHTP’s timelines	Abolished (subject to final adoption of legislative amendments)
Philippine	Abolishment of Regional operating headquarters regime	Abolished from 1 January 2022 (without grandfathering)
United States	Abolishment of the Foreign derived intangible income (FDII) regime	In the process of being eliminated

Jurisdiction	Government commitment	Status
Dominican Republic	Amendment to Border development regime and Logistics centres regime	In the process of being amended
Gabon	Amendment to Special economic zones	In the process of being amended
Sint Maarten	Abolishment of Tax exempt company	In the process of being eliminated
Jordan	Amendment to Aqaba special economic zone; Abolishment of Free trade zones	In the process of being amended; Abolished (without grandfathering)
Trinidad & Tobago	Abolishment of Special economic zone	Not able to fulfil its commitment within the agreed timelines → considered as “harmful”
Hong Kong (China)	Introduction of new regime: - Profits tax concession for ship lessors and ship leasing managers	Designed in compliance with FHTP standards → considered as “not harmful”
Georgia	Introduction of new regime: - International company	Designed in compliance with FHTP standards → considered as “not harmful”

Progress towards a fairer global tax system continues as additional countries bring their preferential tax regimes in line with international standards

<https://www.oecd.org/tax/beps/progress-towards-a-fairer-global-tax-system-continues-as-additional-countries-bring-their-preferential-tax-regimes-in-line-with-international-standards.htm>

Harmful Tax Practices – Peer Review Results Update (as of August 2021)

<https://www.oecd.org/tax/beps/harmful-tax-practices-peer-review-results-on-preferential-regimes.pdf>

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.
- Provide tax expert witness services at Courts.
- Act as tax advisor on transfer pricing and tax compliance reviews for IPO applications.
- 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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