



# Tax Link *by TIG*



The Institute's Taxation Interest Group (TIG) is a forum for CPAs to discuss matters of common interest in the field of Hong Kong and cross-border taxation and for professional development of CPAs in this area of expertise. *Tax Link* is a newsletter exclusive to TIG members covering local, cross-border and international tax matters.

## Events

### Upcoming event

Travis Benjamin of Baker & McKenzie will speak on "Recent developments in Hong Kong's transfer pricing regime" on 26 Nov. [Click](#) for further details and the application form.

### September and October events

The Sep TIG forum, moderated by tax committee chair, Ayesha Macpherson, focused on the proposed legislation on exchange of tax information. Over 170 participants took part. In a lively discussion on the issues, deputy secretary for financial services and the treasury (treasury), Clement Leung explained the rationale and the implications of the proposals, while Debbie Annells, TIG management committee convenor, offered a tax practitioner's perspective. [Click here for the presentation slides.](#)

In Oct, TIG held two events, each of which attracted around 230 participants. They were:

- Barrie Barlow, the taxpayer's counsel in the *Ngai Lik* case, discussed two important cases - *Ngai Lik* on anti-avoidance and transfer pricing, and *Datatronic* on profits apportionment in import processing arrangement.
- Caesar Wong, Deloitte tax partner, explored the developments in China on the taxation of non-resident companies.

## Publications

The following are some useful publications:

### 1. From the Hong Kong Institute of CPAs

- [Boosting tax information exchange](#)
- [Submission on Inland Revenue \(Amendment\) \(No. 2\) Bill](#)
- [Submission on Inland Revenue \(Amendment\) \(No. 3\) Bill](#). The government provided further information about [safeguards](#), to which the

Institute made an [additional submission](#). [Detailed developments](#) on this bill are also available on the LegCo's website.

### 2. From Inland Revenue Department

- Revised DIPNs [7](#), [8](#), [24](#), [26](#), [30](#) and [33](#)
- Advance rulings [case no.39](#) and [case no.40](#), respectively, on sections 18E and section 14 of the Inland Revenue Ordinance
- LegCo questions on depreciation allowances ([4 Nov](#) and [21 Oct](#)) and [double tax agreement with the Mainland](#)

### 3. On Hong Kong/ cross-border matters

- [SAT strengthens tax administration](#) by Deloitte
- [Non arm's length transfer pricing arrangements challenged under the general anti-avoidance provision in section 61A \(Ngai Lik\)](#) by Ernst & Young
- [Tax notes 25b July 2009](#): New transfer pricing regulation released as Guoshuifa [2009] No.2: How does the new China TP regulation impact your business? – A case study by Grant Thornton
- [China's new deemed tax residency rules could require private equity funds to "rethink" their structuring of investment in the country](#) by KPMG
- [Legal principle was applied in the Court of Appeal judgment on CIR v Datatronic Limited](#) by PwC

### 4. On international tax matters

- [The OECD releases the 2009 edition of its transfer pricing guidelines](#) by OECD

## TIG Needs You!

Know of a good tax article that is worth sharing or have suggestions for this newsletter? Please email [tig@hkicpa.org.hk](mailto:tig@hkicpa.org.hk).