BEPS 2.0 – A fundamental change to the taxation of large businesses in Hong Kong

On 20th December the OECD published details of their global minimum tax proposals. These will reshape the global tax landscape and could have a wide range of implications for large multinational enterprise groups.

In less than 12 months, significant changes are expected to be introduced to Hong Kong's tax system as a result of the OECD's BEPS 2.0 initiatives and the inclusion of Hong Kong SAR in the EU's tax 'grey-list'. This will result in significant tax increases for some groups. Others may need to consider whether their current business arrangements are still the most appropriate, while all will face a challenge of understanding the complex new rules and ensuring they have the necessary systems in place to meet their compliance obligations.

In this session we will discuss how the OECD's BEPS 2.0 Pillar 2 rules may affect businesses in Hong Kong and the key areas for consideration. Key topics that will be discussed include:

- The potential impact for groups with tax losses and timing differences;
- The potential impact on accounting disclosures;
- Key considerations for certain industries such as shipping and real-estate;
- What actions affected businesses in Hong Kong can take to prepare themselves for the upcoming changes including managing data collection; and
- The potential responses from the Hong Kong SAR Government as a result of the latest BEPS 2.0 developments and the inclusion of Hong Kong SAR in the EU's "tax grey-list.