



Accounting | Tax | Corporate Services

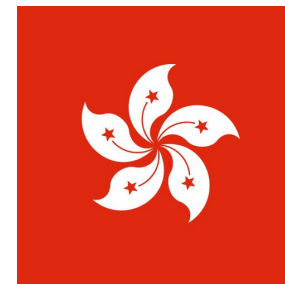
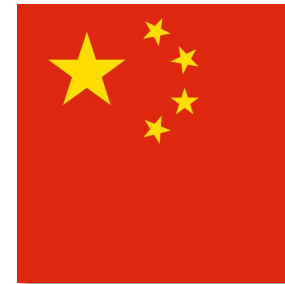
The Comparison of the Three Asian Dragons: Hong Kong – China – Singapore

Analysis of the main fundamentals of three key countries in Asia



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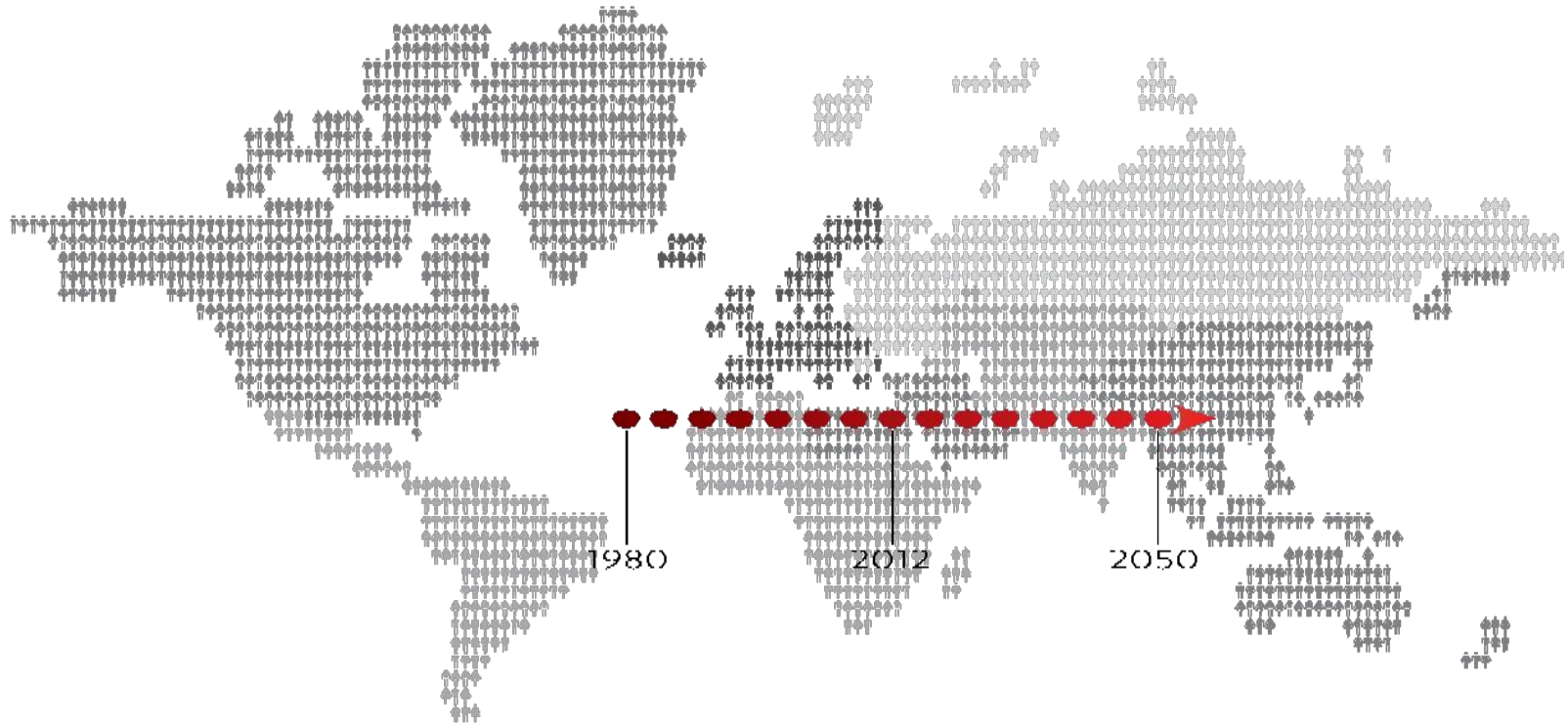
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PREAMBLE

Asia is on track to account for 50% of global GDP and 40% of global consumption by 2040—a real shift in the world's center of economic gravity.

Source: McKinsey report. "Asia is now"



The pandemic has shown how the Chinese economy, whether strong or weak, has a powerful impact on business and financial markets worldwide.

PREAMBLE

Top 20 economies based on GDP at PPPs in 2050 will include 8 Asian countries. China, India and Indonesia within the top 4.

Emerging markets will dominate the world's top 10 economies in 2050 (GDP at PPPs)

	2016	2050	
China	1	1	China
US	2	2	India
India	3	3	US
Japan	4	4	Indonesia
Germany	5	5	Brazil
Russia	6	6	Russia
Brazil	7	7	Mexico
Indonesia	8	8	Japan
UK	9	9	Germany
France	10	10	UK

■ E7 economies ■ G7 economies

Sources: IMF for 2016 estimates, PwC analysis for projections to 2050

Table 1: Projected rankings of economies based on GDP at PPPs (in constant 2016 \$bn)

GDP PPP rankings	2016 rankings		2030 rankings		2050 rankings	
	Country	GDP at PPP	Country	Projected GDP at PPP	Country	Projected GDP at PPP
1	China	21269	China	38008	China	58499
2	United States	18562	United States	23475	India	44128
3	India	8721	India	19511	United States	34102
4	Japan	4932	Japan	5606	Indonesia	10502
5	Germany	3979	Indonesia	5424	Brazil	7540
6	Russia	3745	Russia	4736	Russia	7131
7	Brazil	3135	Germany	4707	Mexico	6863
8	Indonesia	3028	Brazil	4439	Japan	6779
9	United Kingdom	2788	Mexico	3661	Germany	6138
10	France	2737	United Kingdom	3638	United Kingdom	5369
11	Mexico	2307	France	3377	Turkey	5184
12	Italy	2221	Turkey	2996	France	4705
13	South Korea	1929	Saudi Arabia	2755	Saudi Arabia	4694
14	Turkey	1906	South Korea	2651	Nigeria	4348
15	Saudi Arabia	1731	Italy	2541	Egypt	4333
16	Spain	1690	Iran	2354	Pakistan	4236
17	Canada	1674	Spain	2159	Iran	3900
18	Iran	1459	Canada	2141	South Korea	3539
19	Australia	1189	Egypt	2049	Philippines	3334
20	Thailand	1161	Pakistan	1868	Vietnam	3176

INTRODUCTION



Hong Kong



China



Singapore

Hong Kong, China and Singapore are the *Three Asian Dragons* who share a colonial history one way or another. Today they have all become logistics, business and financial hubs in the Asian region.

There is no deny that there is an ever-rising economic power in Asia, but which of the *Three Asian Dragons* provides the most comfortable environment for investors, which yields the maximum return with minimum capital, which is **the best?**

SINGAPORE



AT A GLANCE

- Favourable taxation policies
- Strategic position within South East Asia
- Over 80 double taxation avoidance agreements
- Free Trade agreements with neighboring countries
- Government incentives

GDP GROWTH

- **3-4%** GDP growth expected towards 2022
- Businesses restructuring in disruptive moments
- More than **5 in 10** workers in Singapore have in high-skilled employment
- Complement Singaporeans with foreign workforce
- **26%** of foreigners (2022)
- **Incentives** to get Top Talent

THREE MAIN ASPECTS OF BUSINESS SET-UP, TAX, PERSONNEL

	Hong Kong	China	Singapore
Business Entity set-up	<ul style="list-style-type: none">• Straightforward process and short time of less than a week• Minimum capital at HKD 1.00• Simple document and no license requirements (except for specific sectors)	<ul style="list-style-type: none">• Straightforward process and medium time of 2 weeks• Minimum capital at CNY 1.00• Simple document and no license requirements (except for specific sectors)	<ul style="list-style-type: none">• Straightforward process and short time of less than a week• Minimum capital SGD 1• Simple document and no license requirements (except for specific sectors)

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THREE MAIN ASPECTS OF BUSINESS SET-UP, TAX, PERSONNEL

	Hong Kong	China	Singapore
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PERSONAL INCOME TAX

	Hong Kong	China	Singapore
Salary, benefits, allowance	<ul style="list-style-type: none">• Maximum Tax rate is 15% (starting from an income beyond 2Mil)• Housing allowance capped at 10% of salary income• Other benefits generally taxable•	<ul style="list-style-type: none">• Salary tax on progressive rates up to 45% for income > CNY 960,000 per Year• Housing allowance non-taxable if employer presents rent receipt from landlord - rent could be paid by employer or employee before reimbursement•	<ul style="list-style-type: none">• Salary tax on progressive rates up to 20% for income over SGD 320,000• Accommodation and related benefits are generally taxable• Accommodations are taxed using special formulas resulting into a lower taxation

IMMIGRATION

	Hong Kong	China	Singapore
Visa	<ul style="list-style-type: none"> • Trainee Visa • Employment • Investment • Capital Scheme • Dependent • Residency 	<ul style="list-style-type: none"> • F Visa – Business • Z Visa – Employment (And accompanying family members) • L Visa – Tourist Visa • X Visa – Student Visa • D Visa – Residence Visa = Permanent Residence 	<ul style="list-style-type: none"> • EP – Employment Pass • EntrePass – Entrepreneur pass • SP – Skills Pass • PEP – Personalized Employment pass • Miscellaneous employment pass • Dependent pass • PR – Permanent Resident Status

ANNUAL COMPLIANCE

Annual Compliance	Hong Kong	China	Singapore
Compliance	Annual Return	Annual Return	AGM + Annual Return
Business Registration (BR)	Required + Annual Renewal	Required + Annual Renewal	Required No need to renew it annually
Annual Audited Accounts	Required – by a registered HK CPA	Audited Financial statements are required only if: - The WOFE will proceed a dividend distribution - It is required by the authority	Audited Financial Statements if the company meets 2 of the following 3: • Total annual revenue > S\$10 million • Total assets > S\$10 million • More than 50 employees
Profit Tax Return (PTR)	Required	Required Monthly Quarterly Annually	Required to declare the revenue amount and Estimated Chargeable Income (ECI)
Profits Tax Rate	8.25% profits up to \$2,000,000; 16.5% profits over \$2,000,000	2.5%/5%/25%	17% (Tax exemptions for resident and foreign companies)

REQUIREMENTS TO SET UP

Requirements	Hong Kong	China	Singapore
Directors	Min 1 - Max 50 Doesn't need to reside in HK	General Manager or Board of director Legal Representative	A minimum of one resident director is mandatory
Shareholders	Min 1 - Max 50 Doesn't need to reside in HK Can be the same as director(s) Can be individual or corporate	Can be individual or corporate	Min 1 - Max 50 Doesn't need to reside in SG Can be the same as director(s) Can be individual or corporate
Company Secretarial	Yes. Must be resident in Hong Kong	Supervisor	A qualified company secretary must be appointed Must be resident in Singapore.
Tax Representative	Required	Appointed qualified accountant.	Tax Agent is generally used.
Register Address	Yes – might be the Company Secretary For working permit purposes a physical office is required.	Physical office is required	A local Singapore address shall be the registered address of the company. Must be a physical address, cannot be a PO Box.
Bank Account	Yes, subject to the bank	Yes, subject to the bank.	Easy, but an assessment is suggested

DOUBLE TAXATION AVOIDANCE AGREEMENTS WITH SINGAPORE

Albania	Armenia	Australia	Austria	Bahrain	Bangladesh	Barbados	Belarus	Belgium	Brazil
Brunei	Bulgaria	Cambodia	Canada	China, People's Republic of	Cyprus	Czech Republic	Denmark	Ecuador	Egypt
Estonia	Ethiopia	Fiji	Finland	France	Georgia	Germany	Ghana	Greece	Guernsey
Hungary	India	Indonesia	Ireland	Isle of Man	Israel	Italy	Japan	Jersey	Jordan
Kazakhstan	Korea, Republic of	Kuwait	Laos	Latvia	Libya	Liechtenstein	Lithuania	Luxembourg	Malaysia
Malta	Mauritius	Mexico	Mongolia	Morocco	Myanmar	Netherlands	New Zealand	Nigeria	Norway
Oman	Pakistan	Panama	Papua New Guinea	Philippines	Poland	Portugal	Qatar	Romania	Russian Federation
Rwanda	San Marino	Saudi Arabia	Serbia	Seychelles	Slovak Republic	Slovenia	South Africa	Spain	Sri Lanka
Sweden	Switzerland	Taiwan	Thailand	Tunisia	Turkey	Turkmenistan	Ukraine	United Arab Emirates	United Kingdom
Uruguay	Uzbekistan	Vietnam							

Source: IRAS, Inland Revenue Authority of Singapore

ASEAN FREE TRADE AREA (AFTA)

- ASEAN was first formed in 1967 with six member countries: Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand and was subsequently joined by Cambodia, Laos, Myanmar and Vietnam.
- The AFTA aims to provide free flow of trade in **goods, investment, services** and **e-commerce** within ASEAN.
- Singapore exporters to ASEAN will benefit from **lower tariff** due to AFTA. Singapore exporters are able to export to other ASEAN member economies with most of the tariffs in the region of 0% to 5%.

0% Tariffs - Singapore, Thailand, Indonesia, Brunei, Malaysia and the Philippines,
97.7% import tariffs eliminated - Cambodia, Laos, Myanmar and Vietnam (2018)
- **Trade in Services.** The ASEAN Framework Agreement on Services (AFAS) aims to eliminate restrictions to trade in services and enhance cooperation in services within ASEAN.

OTHER RELEVANT FREE TRADE AGREEMENTS

EUSFTA

- Free trade agreement between the EU and Singapore
- Singapore will remove tariffs on **all EU products** entering Singapore.
- The EU will gradually remove all tariffs too.

CPTTP

- CPTTP consists of the following countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, NZ, Peru, Singapore and Vietnam
- CPTTP removes **tariff elimination on an estimated 90%** of tariff lines across all members
- Companies gain flexibility to make products for any of the CPTTP countries without having to change processes, parts, suppliers or components, as long as the item qualifies under the CPTTP's Rules of Origin (ROO).

RCEP

15 countries – 10 member states of the Association of Southeast Asian Nations (ASEAN), China, Japan, South Korea, Australia, and New Zealand.

Tariff elimination of about 92% of goods traded amongst RPCs countries, **Transparency** on import regulations, streamlined and **simplified customs procedures**

CHINA

BACKGROUND & VISION

- **2nd world's largest** economy calculated with nominal GDP
- **1st position** calculated with the PPP GDP (purchasing power parity)
- **Top Tier 1 cities:** Beijing, Shanghai, Hangzhou, Shenzhen, Chengdu, Guangzhou, in terms of their importance to high networth individuals (HNWI)
- **1st largest city**, Shanghai, of China and its main commercial and financial centre
- **Link between China's inland regions and the World.**
- **By 2025 a modern metropolis and a global economic, financial, trading and shipping center**



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**Minimum capital amount of WFOE should not be lower than RMB300,000. For WFOE trading the minimum capital amount should not be lower than RMB1,000,000

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Compliance	Annual Return	Annual Return	AGM + Annual Return
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Company Secretarial	Yes. Must be resident in Hong Kong	Supervisor	A qualified company secretary must be appointed Must be resident in Singapore.
Tax Representative	Required	Appointed qualified accountant.	Tax Agent appointment is a general used.
Register Address	Yes - might be the Company Secretary For working permit purposes a physical office is required.	Physical office is required. Some collective address can be used as the virtual address	A local Singapore address shall be the registered address of the company. Must be a physical address, cannot be a PO Box.
Bank Account	Yes, subject to the bank	Yes, subject to the bank	Easy, but an assessment is suggested

LIST OF DOUBLE TAXATION AVOIDANCE AGREEMENTS WITH PEOPLE'S REPUBLIC OF CHINA

ALBANIA	ALGERIA	ANGOLA	ARGENTINA	ARMENIA	AUSTRALIA	AUSTRIA	AZERBAIJAN	BAHRAIN	BANGLADESH
BARBADOS	BELARUS	BELGIUM	BOTSWANA	BRAZIL	BRUNEI	BULGARIA	CAMBODIA	CANADA	CHILE
CROATIA	CUBA	CYPRUS	CZECH	CZECHOSLOVAKIA	DENMARK	ECUADOR	EGYPT	ESTONIA	ETHIOPIA
FINLAND	FRANCE	GABON	GEORGIA	GERMANY	GREECE	HUNGARY	ICELAND	INDIA	INDONESIA
IRAN	IRELAND	ISRAEL	ITALY	JAMAICA	JAPAN	KATAR	KAZAKHSTAN	KENYA	KOREA
KUWAIT	KYRGYZSTAN	LAOS	LATVIA	LITHUANIA	LUXEMBOURG	MACEDONIA	MALAYSIA	MALTA	MAURITIUS
MEXICO	MOLDOVA	MONGOLIA	MONTENEGRO	MOROCCO	NEPAL	NEW ZEALAND	NIGERIA	NORWAY	OMAN
PAKISTAN	PAPUA NEW GUINEA	POLAND	PORTUGAL	ROMANIA	RUSSIA	RWANDA	SAUDI ARABIA	SERBIA	SEYCHELLES
SINGAPORE	SLOVENIA	SOUTH AFRICA	SPAIN	SRI LANKA	SUDAN	SWEDEN	SWITZERLAND	SYRIA	Tajikistan
THAILAND	THE NETHERLANDS	THE REPUBLIC OF CONGO	TRINIDAD AND TOBAGO	TUNIS	TURKEY	TURKMENISTAN	U.K.	U.S.A.	UGANDA
UKRAINE	UNITED ARAB EMIRATES	UZBEKISTAN	VENEZUELA	VIET NAM	ZAMBIA	ZIMBABWE	THE PHILIPPINES		

HONG KONG

BACKGROUND & VISION

Re-exports

- **51.4%** of re-exports = China origin
- **39%** exports to China mainland

The Greater Bay area – China's next big thing

- Connects **11 cities**: Hong Kong, Guangzhou, Shenzhen and Macau + 7 cities on Mainland China
- Single **economic and business hub** with an important role in the current Five-Year Plan (2021-25).

Capital fundraising

- Ranked **#1** IPO fund raising globally in 6 of the past 10 years



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Bank Account	Yes, subject to the bank	Yes, subject to the bank.	Easy, but an assessment is suggested

LIST OF DOUBLE TAXATION AVOIDANCE AGREEMENTS WITH HONG KONG SAR

Austria	Belarus	Belgium	Brunei	Cambodia	Canada	Czech	Estonia
Finland	France	Georgia	Guernsey	Hungary	India	Indonesia	Ireland
Italy	Japan	Jersey	Korea	Kuwait	Latvia	Liechtenstein	Luxembourg
Macao SAR	Mainland of China	Malaysia	Malta	Mexico	Netherlands	New Zealand	Pakistan
Portugal	Qatar	Romania	Russia	Saudi Arabia	Serbia	South Africa	Spain
Switzerland	Thailand	United Arab Emirates	United Kingdom	Vietnam			

Source: Inland Revenue Department, HK

Closer Economic Partnership Arrangement (CEPA)

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

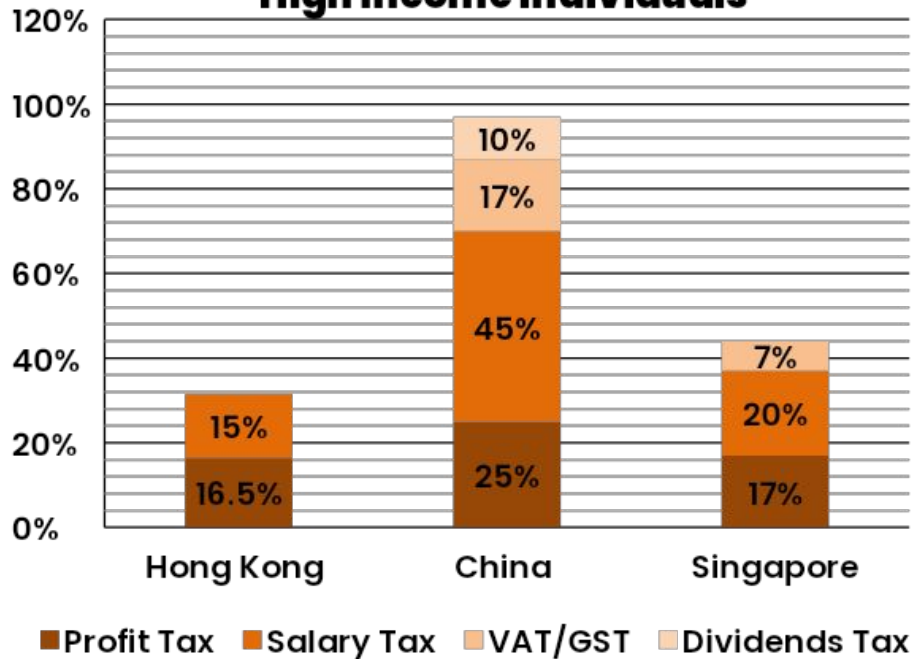
- ✓ For Hong Kong – provides a window of opportunity for Hong Kong businesses to gain greater access to the Mainland market.
- ✓ For Mainland, Hong Kong serves as a perfect "springboard" for Mainland enterprises to reach out to the global market and accelerating the Mainland's full integration with the world economy.
- ✓ Foreign investors are also welcome to establish businesses in Hong Kong to leverage on the CEPA benefits and join hands in tapping the vast opportunities of the Mainland market.

CEPA covers 3 broad areas:

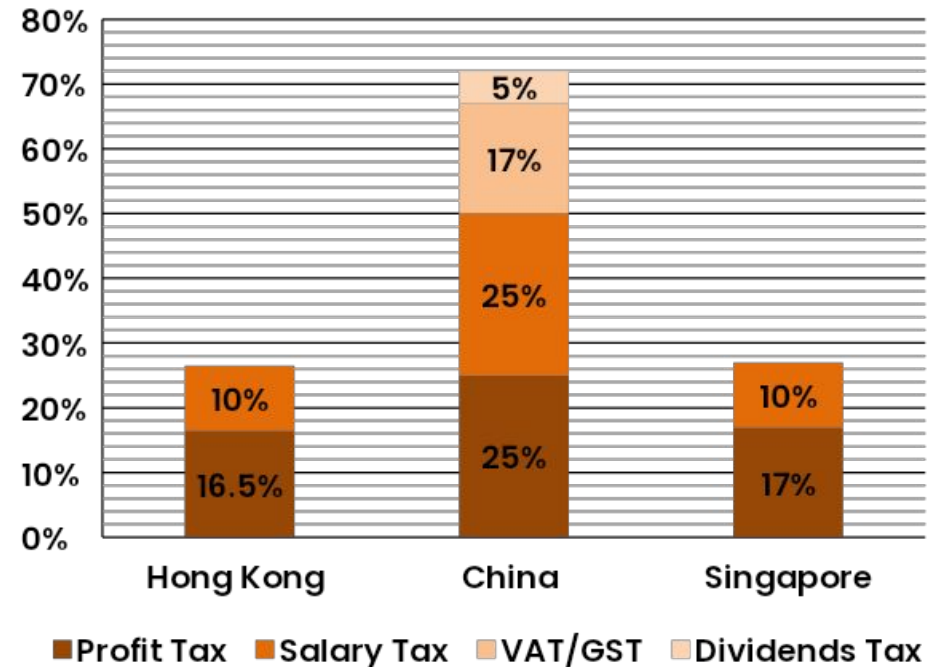
- **Trade in goods** – All goods of Hong Kong origin importing into the Mainland enjoy tariff free treatment, upon applications by local manufacturers and upon the CEPA rules of origin (ROOs) being agreed and met.
- **Trade in services** – Hong Kong service suppliers enjoy preferential treatment in entering into the Mainland market in various service areas. Professional bodies of Hong Kong and the regulatory authorities in the Mainland have also signed a number of agreements or arrangements on mutual recognition of professional qualification.
- **Trade and investment facilitation** – Both sides agreed to enhance cooperation in various trade and investment facilitation areas to improve the overall business environment.

TAX COMPARISON TABLE

High Income Individuals



Medium Income Individuals

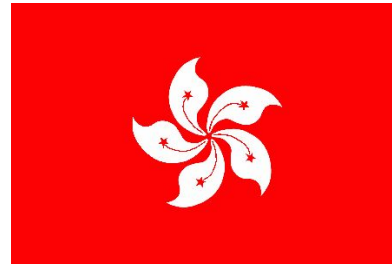


DOUBLE TAXATION AGREEMENT

Double taxation arises when two or more tax jurisdictions overlap, such that the same item of income or profit is subject to tax in each.



Worldwide Basis



**Territoriality basis
Income/profit**

A DTA provides certainty to investors on the taxing rights of the contracting parties; helps investors to **better assess their potential tax liabilities** on economic activities; and provides an added incentive for overseas companies to do business in Hong Kong/Singapore/China, and likewise, for Hong Kong/Singapore companies to do business overseas.

DTA network that would minimise exposure of Hong Kong/Singapore/China residents and residents of the DTA partner to double taxation. Hong Kong/Singapore has actively engaged the trading partners in negotiating DTAs (covering various types of income).

GENERAL PRINCIPLES OF THE DTA

Taxes covered by the DTA is limited to income taxes and would therefore exclude customs and excise duties.

Definition of Permanent Establishment (“PE”): PE is a concept that features in all DTAs. The presence of a PE would generally determine whether an entity is taxable in another country. It basically means a fixed place where a business is wholly or partly carried on and may include:

A place of management; A branch; An office; A factory; A warehouse; A workshop; A farm or plantation; A mine, oil well, quarry or other place of extraction of natural resources; A building or work site or a construction, installation or assembly project.

And without prejudice to the generality of the foregoing, a person shall be deemed to have a permanent establishment in Singapore if that person:

- Carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- Has another person acting on that person’s behalf in Singapore who:
 - Has and habitually exercises an authority to conclude contracts;
 - Maintains a stock of goods or merchandise for the purpose of delivery on behalf of that person; or
 - Habitually secures orders wholly or almost wholly for that person or for such other enterprises as are controlled by that person.

GENERAL PRINCIPLES OF THE DTA

INCOME FROM IMMOVABLE PROPERTY	Such as rental income from real estate, is usually taxed both in the country of source (where the property is situated) and country of residence.
BUSINESS PROFITS	Which are not attributable to a PE are not taxable. However, if business profits are generated through a PE, the enterprise is allowed to deduct a reasonable amount of expenses attributable to that PE.
AIRLINE OR SHIPPING PROFITS	Derived by an enterprise of one country from the other country are entitled to either full or partial exemption.
DIVIDEND INCOME	May be taxed in the recipient's country of residence and that the country of source (i.e. the country in which the company paying the dividend is resident) has the right to tax the dividend income. Normally the country of source would grant full or partial tax exemption or impose a reduced dividend withholding tax rate. Since Singapore adopts a one-tier corporate system it does not levy withholding tax on dividend payments. Whether they are taxable in the recipient country would depend on the domestic tax laws of that country and what the treaty specifies. Interest will be exempted or taxed at a reduced
INTEREST	Will be exempted or taxed at a reduced rate in the country in which the interest income arises (source country).

PRACTICAL DETAILS NEW SCENARIOS

CLASSIC DEFINITIONS

PAYER	Dividends Art. 10⁽¹⁾	Interests Art. 11⁽²⁾ (3)	Royalty Art. 12
ITALY	10%	12,50%	15%
HK	0%	0%	4,95% ⁽⁴⁾

Transferor Resident in:	Capital Gain Art. 13
ITALY	Capital Gain taxed only in Italy
HK	Capital Gain taxed only in HK (0%), with the only exception if more than 50% of the value of the transferred stocks comes from real estate situated in Italy ⁽⁵⁾

¹With the exception of a permanent business establishment

²With the exception of a permanent business establishment

³Debtor is exempted if Public Subject

⁴In case the royalty is due to a correlated subject and the intellectual property is linkabile to a HK resident: 15%.

⁵The exception does not apply if the sold bonds are listed in any stock exchange market.

INDIVIDUALS' FISCAL RESIDENCY IN ITALY: D.P.R. 917/86 T.U.I.R.

Art. 2 comma 2

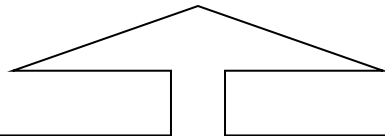
For more than 183 days
(184 in leap years)

In Italy:

Registration in the Residents' Civil
Registry;
Domiciled in Italy;
Residency (constant abode) in Italy.

**IS CONSIDERED RESIDENT IN ITALY FOR
THE RELEVANT TAX LAW PURPOSES**

(Worldwide Taxation Principle)



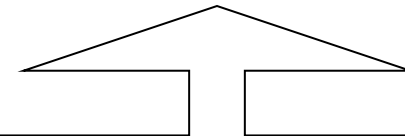
It is up to the relevant inland revenue
body to prove the actual existence of
the above-mentioned requirements.

Art. 2 comma 2-bis **(Black list).**

In any case, the Italian citizen that has
spontaneously unsubscribed himself
from the Residents Civil Registry and
has moved to a Black List Country.

**IS CONSIDERED, UNTIL PROVED
OTHERWISE, RESIDENT IN ITALY FOR THE
RELEVANT TAX LAW PURPOSES**

(Worldwide taxation principle)



BURDEN OF PROOF INVERSION
It is up to the Italian citizen to prove that
his residency is abroad.

SCENARIOS

WITHOUT DTA AND WITH BLACK LIST (Current situation)

Both articles apply

- art. **2, comma 2;**
- art. **2 comma 2-bis;**

The Italian worker can be considered both resident in Italy and in HK.

WITH DTA AND WITHOUT BLACK LIST (Expected situation)

Just one article applies

- art. **2, comma 2;**

and

in DTA art. 4 par. 2, the issue of a potential double residency is duly regulated and settled.

LEGISLATION AND PRACTICE

- Art. 167 and 168 D.P.R. 917/86 T.U.I.R.
- DM 429/2001
- RM 165/E 22/06/2009
- CM 18/E 12.02.2002
- CM 23/E 26/05/2011
- CM 28/E 24/06/2011
- RM 81/E 27/07/2012

CURRENT SITUATION

NO DTA YES BLACK LIST:



- For the instance of fiscal transparency, the income is attributed to the Italian subject, based on his share.
- Taxation with a 27% minimum average rate on the income, recalculated in accordance with Italian Law.

TO NOT APPLY CFC NORMS

Request of exemption of CFC rules addressed to the Italian
Inland Revenue body

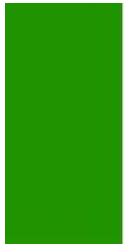
(Istanza di Interpello Preventivo)



Obligation to prove the existence of two exemptions:

- **First Exemption:** Actual business in the market of the BLACK LIST country
- **Second Exemption:** Absence of an elusive aim

YES DTA **NO** BLACK LIST:



0%
Transfer of income for
Fiscal Transparency
to the Italian Subject
Taxation ONLY in HK/SGP 16.5%



EXAMPLE

Srl/Spa **ITA** holding a **60%** Share in an **HK Company**

Hypothesis 1

Attribution of
Company Profit:
USD 500,000

NO DTA YES BLACK LIST:

Redetermination of Profits in accordance with TUIR norms (for the sake of simplicity, same as in HK):
USD 500,000

Share attributed to ITA: USD 300,000
ITA taxation (27.50%): **USD 82,500**

YES DTA NO BLACK LIST:

Share attributed to ITA: USD 300,000
ITA taxation (Pex) 1.375%: **USD 4,125**

Hypothesis 2

ITA sells its Share
with Capital Gain
USD 500,000

NO DTA YES BLACK LIST:

Capital gained: USD 500,000
ITA Taxation 27.50%: **USD 137,500**

YES DTA NO BLACK LIST:

Capital gained: USD 500,000
ITA taxation 1.375%: **USD 6,875**

OPERATIONAL FRAMEWORK WITH BLACK LIST SUBJECTS (HONG KONG/SINGAPORE)

LEGISLATION AND PRACTICE

- Art. 110 TUIR c. 10/12-bis D.P.R. 617/86
- DM 23/01/2002
- DM 27/12/2002
- CM 1/E 19/01/2007
- RM 363/E 29/09/2008
- CM 1/E 26/01/2009
- CM 23/E 26/05/2011
- CM 35/E 20/09/2012

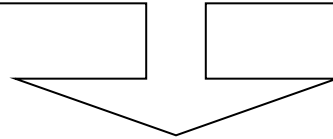


TO NOT APPLY ART. 110 TUIR

During the control of the Inland Revenue body

OR

Through preemptive clarification request addressed to the Italian
Inland Revenue body



Obligation to prove the existence of **EXEMPTIONS**:

The HK/SGP subject main business activity is a commercial one

Or alternatively

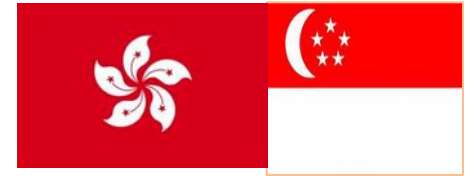
The operations have had execution and are related to an
effective economic interest

CURRENT SITUATION

NO DTA **YES** BLACK LIST:

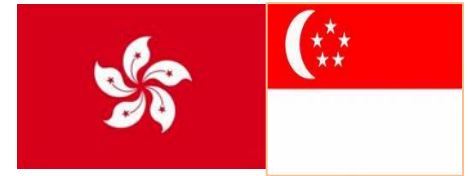
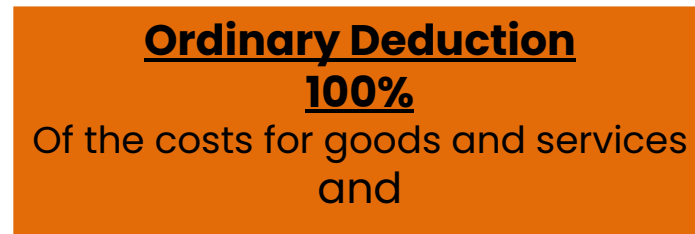
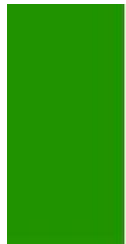


COSTS AND SERVICES NOT DEDUCTIBLE



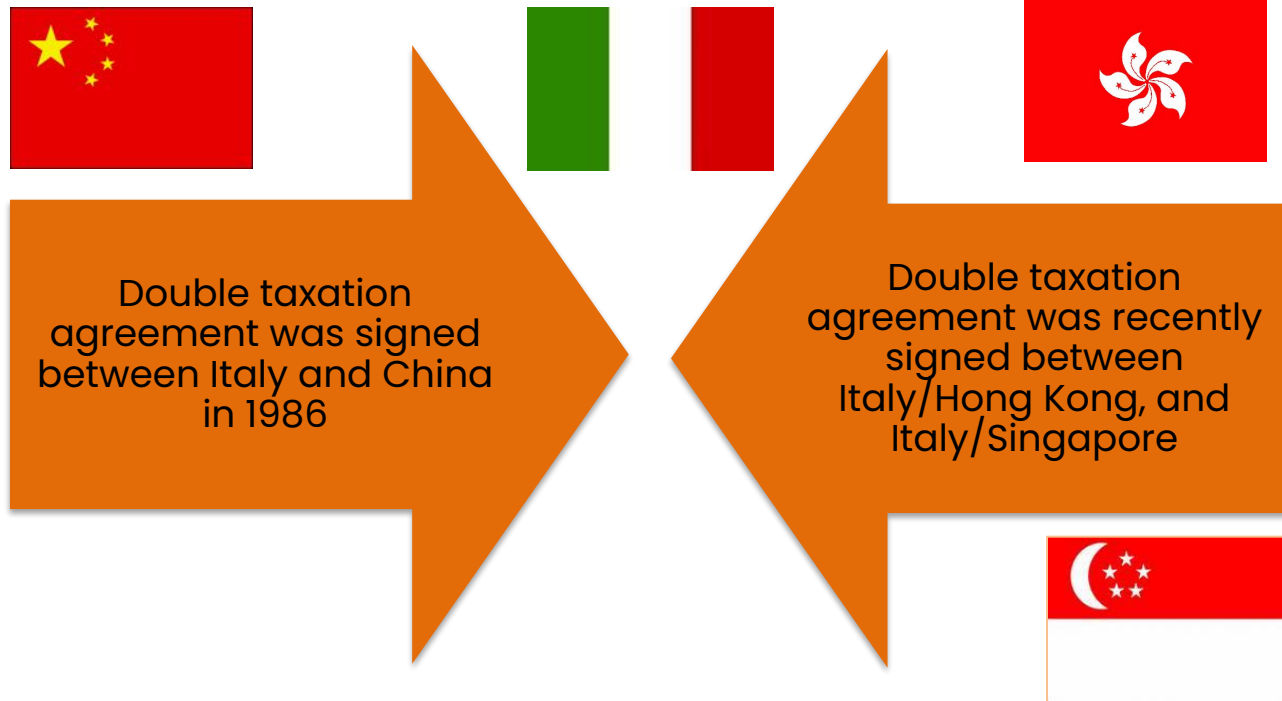
EXPECTED SITUATION

YES DTA **NO** BLACK LIST:



- ❑ No Preemptive CLARIFICATION REQUEST OR proof of EXEMPTIONS
- ❑ No monthly/quarterly notification of operations with HK/SGP subjects to the Italian Inland Revenue Body
- ❑ No report in the dedicated space of the tax return form (MODELLO UNICO)

DTA HONG KONG & ITALY



Many other countries are also signing Double Taxation Agreements with China, Hong Kong and Singapore

CONCLUSIONS



The ideal gateway for international businesses operating to/from China and locally in Hong Kong



The ideal base for businesses operating within China domestic market



The ideal base for international businesses operating to/from Southeast Asia and in Singapore

Establishing a base in one or all of the *Three Dragon Countries* is a must for foreign businesses who wish to tap into the Asian market. Local specific expertise is the key element towards a quick, effective and cost-rational set-up and compliance for Hong Kong, Singapore and China businesses. Each country provides a unique environment which could be advantageous or disadvantageous for investors, therefore a thorough understanding of the economic and political system is highly beneficial for entrepreneurs to make sensible business decisions, leading to a fruitful foreign venture.

CONTACTS

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