



The G7 agree on 15 per cent global minimum business tax rate

The meeting of G7 Finance Ministers and Central Bank Governors (the G7) on 4-5 June reached agreement on international tax reform, requiring multinational companies to pay a minimum tax rate of 15 per cent in each country where they operate. The G7 comprises Canada, France, Germany, Italy, Japan, the UK and the US.

The key aspects of the G7 agreement comprise a global effective tax rate of at least 15 per cent and a new profit allocation mechanism where at least 20 per cent of the profit of a multinational group above a nominated profit threshold of 10 per cent will be allocated to market jurisdictions.

Hong Kong businesses who may be affected by BEPS 2.0 should start considering which parts of their business may be affected and understand the impact for various stakeholders.

Structure of the Proposed Rules

Two core issues are addressed with two sets of rules. The first set, the Pillar One rules aim at amending the nexus and profit location rules to make multinational groups that operate digitally pay taxes in jurisdictions where their customers are located, rather than where their headquarters are. The second set, the Pillar Two rules, seek to set a global minimum effective tax rate for large multinationals operating around the world. The idea is that the location chosen for business activities cannot be used to achieve more desirable (lower) tax outcomes.

Consequences for Hong Kong

A minimum global tax rate of 15% would only be 1.5% lower than Hong Kong's headline tax rate of 16.5%, meaning that many businesses in Hong Kong that have offshore profits or are making claims under incentive regimes may find that their effective tax rate is below the global minimum. Hong Kong is likely to adopt the provisions of BEPS 2.0 and may also take steps to update its tax base to ensure that its tax system for multinational enterprises remains fit for purpose in light of the international tax changes.

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Agreement on the proposals requires consensus among the 139 jurisdictions that are members of the Inclusive Framework. Efforts are focused now on trying to achieve that consensus in July when the G20 finance ministers next meet, although a number of jurisdictions still have reservations.

Readers should monitor these developments closely.



G7 同意全球最低企业税率 15%

七大工业国集团（G7）财长 5 日支持美国的提议，同意将全球性最低企业税率定为 15%。G7 包括加拿大、法国、德国、意大利、日本、英国和美国。

G7 协议的关键内容包括设全球最低企业税率至少 15%和新的利润分配机制，将适用于利润率至少为 10%的跨国公司，超过 10%利润的 20%将被重新分配，征税权力将由各国政府分享。

可能受 BEPS 2.0 影响的香港企业应开始考虑其业务的哪些部分可能受到影响，并了解对各利益相关者的影响。

拟议规则的结构

G7 协议会议讨论了两个核心问题（第一支柱规则和第二支柱规则）。第一支柱规则旨在修改利润定位规则，使以运营跨境数字服务的跨国集团在其客户所在的司法管辖区而不是其总部所在的司法管辖区纳税。第二支柱规则，旨在为在世界各地运营的大型跨国公司设定全球最低企业税率，以确保跨国公司在其经营的每个国家至少缴纳 15%的税，以打击避税行为。

对香港的影响

全球 15% 的最低企业税率仅比香港 16.5% 的总体税率低 1.5%，这意味着许多在香港拥有离岸利润可能会发现其有效税率为低于全球最低企业税率。香港可能会采用 BEPS 2.0 的规定，也可能采取更新税基，以确保其跨国企业的税收制度能够适应国际税收变化。

跨国集团或会受到 BEPS 2.0 影响的应开始考虑其业务的哪些部分可能受到影响，并了解对不同利益相关者的影响。

就提案达成一致需要 139 个司法管辖区成员达成共识。现在重点是试图在 7 月 G20 财长会议时达成这一共识，尽管一些司法管辖区仍有保留意见。

读者应密切关注这些发展。