



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 同意全球最低企業稅率 15%

七大工業國集團（G7）財長 5 日支持美國嘅提議，同意把全球性最低企業稅率定為 15%。G7 包括加拿大、法國、德國、意大利、日本、英國同美國。

G7 協議嘅關鍵內容包括設全球最低企業稅率至少 15% 同新嘅利潤分配機制，將適用於利潤率至少為 10% 嘅跨國公司，超過 10% 利潤嘅 20% 將被重新分配，徵稅權力將由各國政府分享。

可能受 BEPS 2.0 影響嘅香港企業應開始考慮其業務嘅哪些部分可能受到影響，並了解對各利益相關者嘅影響。

擬議規則嘅結構

G7 協議會議討論了兩個核心問題（第一支柱規則同第二支柱規則）。第一支柱規則旨在修改利潤定位規則，要以運營跨境數字服務嘅跨國集團在其客戶所在嘅司法管轄區而唔係其總部所在嘅司法管轄區納稅。第二支柱規則，旨在為喺世界各地運營嘅大型跨國公司設定全球最低企業稅率，以確保跨國公司在其經營嘅每個國家至少繳納 15% 嘅稅，以打擊避稅行為。

對香港嘅影響

全球 15% 最低企業稅率僅比香港 16.5% 嘅總體稅率低 1.5%，意味住好多嘢香港擁有離岸利潤可能會發現其有效稅率為低於全球最低企業稅率。香港可能會採用 BEPS 2.0 嘅規定，都可能會採取措施更新稅基，以確保其跨國企業嘅稅收制度能夠適應國際稅收變化。

跨國集團或會受到 BEPS 2.0 影響嘅應開始考慮其業務嘅哪些部分可能受到影響，並了解對不同利益相關者嘅影響。

就提案達成一致需要 139 個司法管轄區成員達成共識。而家重點係試圖喺 7 月 G20 財長會議時達成共識，儘管一些司法管轄區仍有保留意見。

讀者應密切關注呢啲發展。