



GMS Flash Alert



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Hong Kong - Automatic Three-Month Extension of 2018/19 Tax Payment Deadlines

Hong Kong's Chief Executive announced¹ recently that tax payment deadlines for 2018/19 Salaries Tax, Tax under Personal Assessment, and Profits Tax payments which fall between April to June 2020 are automatically extended by three months.

For the timeline of Hong Kong tax returns issuance for the 2019/20 tax filing season, please refer to our earlier report in GMS [Flash Alert 2020-160](#), 8 April 2020.

WHY THIS MATTERS

The extension of the deadlines for these tax payments should ease the short-term financial and cash-flow burdens on businesses and individuals arising from the COVID-19 crisis. Global mobility teams providing tax services should take the updated timetable into account when considering assignees' tax compliance processes and related assignee communications.

It's worthwhile noting that the Inland Revenue Department (IRD) made a further announcement to provide details and examples to illustrate which group(s) of taxpayers can delay their 2018/19 tax payments. Employers, employees, and global mobility teams may wish to take a closer look at these examples and exceptions to determine that the extension is applicable in their circumstances.

Three-Month Extension

Details of the three-month extension are outlined below:²

- If the Salaries Tax, Personal Assessment, and Profits Tax demand notes for the year of assessment 2018/19 fall due between April and June 2020, the deadline for payment of all tax payable thereon will be automatically extended for three months.
- No application by taxpayers is required for the relief.
- The automatic three-month extension is not applicable in the following situations:
 - o (1) Taxpayers who have to settle their tax liabilities before departing Hong Kong;
 - o (2) Taxpayers paying Property Tax;
 - o (3) Taxpayers who have been granted approval to pay their taxes under a monthly instalment plan.

KPMG NOTE

Taxpayers (businesses and individuals) whose daily lives and normal business operations have been disrupted due to the COVID-19 crisis may welcome these tax payment extensions. It will be important to plan ahead and schedule payments by the (extended) payment deadlines.

Surcharges can be imposed for late payment.

FOOTNOTES:

1 For the text of the press release by the Information Services Department, see: <https://www.ird.gov.hk/eng/ppr/archives/20040901.htm> .

2 For the text of the IRD relief measure in respect of the automatic extension of 2018/19 tax payment deadlines for three months, see: <https://www.ird.gov.hk/eng/tax/extension.htm> .

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Contact us

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