



Hong Kong Salaries Tax Update on Termination Payments and Benefits-in-kind

Programme Code: SCPD18090601

It is important to understand the principles for ascertaining the taxability of termination payments, not only focusing on the terms of the employment contract and termination agreement, but also the circumstantial evidence.

The courts have consistently regarded termination payments under an employment contract as taxable employment income. The Inland Revenue Department ("IRD") also changed its concessionary practice of exempting payment in lieu of notice ("PILON") to align with the decision handed down by the Court of Final Appeal in the Fuchs case (to assess PILON accrued from 1 April 2012 onwards as fully taxable). In Poon Cho-ming, John v. Commissioner of Inland Revenue, the Court of First Instance ("CFI") held that termination payment and share option gain are income from employment and subject to salaries tax. Upon appeal, the Court of Appeal decision was released recently which overruled the CFI's decision and decided in favour of the taxpayer.

In this seminar, PwC tax professionals will share with you:

- IRD point of view on taxation of termination payment and benefits-in-kind (such as overtime meal / taxi, mobile phone, or outings) from the Hong Kong salaries tax perspective
- updates on relevant technical issues
- real-life cases
- guidance from recent court cases and the annual meetings between the IRD and HKICPA.

Date	Thursday, 6 September 2018	
Time	7:00 p.m. – 8:30 p.m.	
Venue	Hong Kong Institute of CPAs, 27/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong	
Format	Seminar	
Language	Cantonese	
Fee	HKICPA member or student:	HK\$150
	IA/ HKIAAT member or student:	HK\$150
	Non-member:	HK\$330
Speaker	Mr. Louis Lam , Partner, PwC Global Mobility Services Mr. Eric Leung , Senior Manager, PwC Global Mobility Services	
Participants	CEOs; CFOs; COOs; Tax directors; Directors and corporate senior executives (especially in taxation, finance and accounting)	
Competency*	Taxation	
Rating*	Intermediate level	
CPD hours	1.5	

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About the speakers

Mr. Louis Lam, Partner, PwC Global Mobility Services

Mr. Lam is a tax partner at PwC with over 20 years of experience specialising in Hong Kong / China cross border individual tax consulting and compliance. He advises clients in drafting company policy and employment terms covering housing benefits, remuneration package structuring, tax equalisation, termination package and talent mobility policy, handling tax audit and penalty, cross border social security planning, etc.

Mr. Lam has extensive experience advising overseas, China and Hong Kong clients in private equity and asset management industries, and leading global financial institutions, to design and enhance pre-/post-IPO employee share based compensation schemes, carried interest plans and co-investment plans, with a holistic approach to cover talent mobility and retention, market trend, tax, foreign exchange, finance, legal, etc. perspectives; and to assist in performing applicable tax and foreign exchange registration and compliance reporting.

Mr. Lam also advises multinational companies on deployment structures and models for talent mobility in China, Hong Kong and overseas for inbound and outbound travellers and assignees, taking into account the local tax incentives, tax and social security treaties protection, mitigation of permanent establishment exposures for employers, and non-tax commercial consideration.

Mr. Lam is a Certified Tax Adviser (Hong Kong), and members of Taxation Institute of Hong Kong, Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants.

Mr. Eric Leung, Senior Manager, PwC Global Mobility Services

Mr. Leung is a senior manager at PwC with over 10 years of experience in providing consultation and tax compliance services to both employers and employees. His clients include financial institutions, logistics companies, trading conglomerates, and other multi-national and domestic companies on which advice related to employment and compensation structures (e.g. long-term incentive schemes) are provided.

Mr. Leung has actively involved in financial institutions projects which includes international and local retail bank with major presence in Asia, and private bank with branch in Hong Kong, in review of remuneration policy and completing the Hong Kong Monetary Authority's self-assessments on sound remuneration systems ("CG-5") and experienced in assessment of compliance of CG-5 by financial institutions.



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