



**Richard Albuquerque & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS (Practising)

# APRIL 2021

## Newsletter

## Tax audits & investigations

With the HK Government's budget deficit and the Inland Revenue Department's ("IRD") new leadership, it is expected that the IRD will increase its scrutiny on taxpayers and build up its measures in conducting tax audits and investigations. In particular, the IRD Assessors' views on offshore claims and cross-border related party transactions are tightening. As such new strategies are required when handling tax audits at present, particularly at the initial interview and willingness to settle stages. We have a team of tax professionals who can provide these specialized services.



For further details, please email us at  
[tax@rjacpahk.com](mailto:tax@rjacpahk.com)

## Trust, Succession & Tax Planning

Due to the COVID-19 outbreak and certainties surrounding this pandemic, it's imperative that one plans his or her succession through an enduring power of attorney and trust planning for his or her estate.

A Story to share :

Cornelius Vanderbilt made his fortune in the transportation business, starting by ferrying goods and passengers around New York Harbour in the early 19th century. Eventually, he switched from ships to trains, where he made his biggest fortune yet in the railroad business. William Henry Vanderbilt, son of Cornelius Vanderbilt did well, doubling the family fortune before his death, nine years after the passing of his father. The Vanderbilt heirs became known as wealthy socialites with a penchant for extravagant spending.

Meanwhile, John D. Rockefeller started Standard Oil of Ohio in 1870, and by the end of the decade his business was refining more than 90% of the oil in the United States. The largest part of the family fortune was put into the trust managed by a group of financial professionals referred to as the "Family Office". Six generations later, the "Family Office" is still managing the Rockefeller fortune, which is estimated to be more than \$10 billion.

Why did the Rockefellers keep their fortune while the Vanderbilts lost everything? The former did "keep the money together," using a trust as a legal tool to protect the fortune as much as possible from taxes, lawsuits and spendthrift heirs.

Design trusts that direct how money can and cannot be spent. And pass on your values to the next generation so that your vision doesn't stop with you.

Three forces work to erode financial wealth over multiple generations:

1. The division of assets among generations
2. Transfer taxes and capital gains taxes
3. Business risks and third-party attacks

## Second Passport for easier travel

As travel restrictions ease due to the vaccine roll-out in Hong Kong, a 2nd passport is a good option for those persons who hold passports of countries which are not easy to travel on which leads to constant requirements for visas which means valuable time wasted. A 2nd passport or a residency is a solution for this situation for eg. citizenship by financial and property investment for countries such as Grenada, Portugal and Vanuatu.

For further details, please contact us at [oin@rjacpahk.com](mailto:oin@rjacpahk.com)



### CONTACT US



**Founder & CEO**

📍 Richard Albuquerque & Co.  
Certified Public Accountants  
2/F, Lee Kee Commercial Building  
221-227 Queen's Road Central  
Hong Kong

✉ [info@rjacpahk.com](mailto:info@rjacpahk.com)

☎ +852 2544 4068

☎ +852 2544 5568