



Use of IT in Tax Administration

**Inland Revenue Department
Hong Kong SAR**



8th IMF-Japan High-Level Tax Conference for Asian Countries | March 22-23

Inland Revenue Department (IRD)

Primary function

- **To raise revenue to finance public expenditure through administering the**
 - **Inland Revenue Ordinance**
 - **Stamp Duty Ordinance**
 - **Betting Duty Ordinance**
 - **Business Registration Ordinance**
 - **Tax Reserve Certificates Ordinance**



Challenges

- **Increasing public demand for quality service**
- **Pressing need to enhance efficiency**
- **To provide better service with less resources**

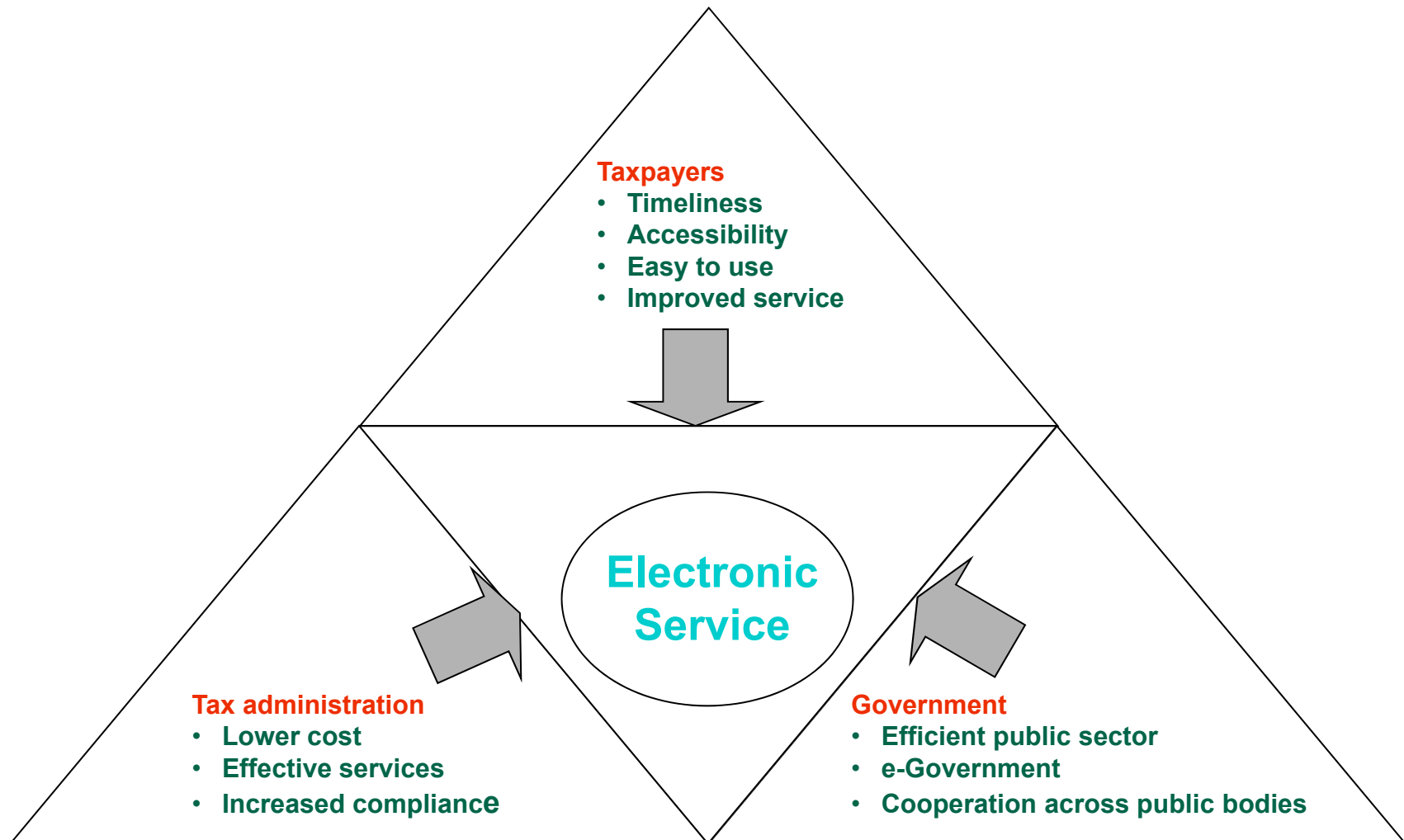


Solution

- **Make best use of IT**
- **Introduce Electronic Service**
- **Promote e-Government**



Factors influencing channel strategy



Considerations when developing electronic service

- **Provide customer-centric service**
- **Improve the accessibility of services**
- **Integrate Electronic Service with other processes**
- **Ensure the security of electronic transactions**



Work plans (1)

- **Commissioned Information Systems Strategy (ISS) Review and Departmental IT Plan**
- **Conducted Business Process Re-engineering**



Work plans (2)

- **Provided legislative framework for e-initiatives**
 - Allow the use of password as an alternative means for signing e-tax returns
 - Electronic stamping of certain instruments
- **Enhanced the system infrastructure**
- **Adopted active outsourcing strategy**



What We Have Achieved So Far



IRD Website

The screenshot displays the IRD website interface. At the top, it features the IRD logo and the text 'Inland Revenue Department The Government of the Hong Kong Special Administrative Region'. Below this is a navigation bar with 'Home', 'What's New', 'About Us', 'Publications and Press Releases', 'Access to Information', 'Policies', 'Tax Information - Individuals / Businesses', 'Tax Information - Others', 'Public Forms and Pamphlets', 'Electronic Services', 'Tender Notices', 'FAQ', 'Contact Us', and 'Related Links'. The main content area is divided into several sections. On the left, there are buttons for 'eFiling of Tax Return - Individuals', 'eFiling of Profits Tax Return', and 'eTAX'. The central banner promotes 'File Tax Return-Individuals Through eTAX Enjoy Personalised Online Tax Services' with bullet points: 'Pre-filing of data', 'Extension of time for filing', and 'Estimation of Salaries Tax payable'. To the right, a 'What's New' section lists recent news items, including 'The Agreement between the Government of the Hong Kong Special Administrative Region ...', 'HK, Canada tax treaty in force', 'LCQ11: Arrangements for payment of salaries tax', 'Second Protocol Modifying the Protocol to the Agreement between the Government of ...', and 'HK, Austria protocol to tax treaty in force'. At the bottom, there are various service icons like 'Register Now', 'Tax Return-Individuals', 'E-Filing', 'Profits Tax Return Electronic Filing', 'Tax Computation', 'Property Stamping', 'Payment', and 'INFO 資訊安全網'.

- Tax information on various topics
- Information pamphlets for downloading
- A variety of electronic services



Electronic submission of employer's returns

- **Allow submission with electronic storage media by using**
 - **Self-developed program**
 - **IRD's free software**
- **e-Filing through the Internet**



Return processing - AFAL System

Tax Returns

IR50 (2014/15) (English) (Individuals)

YEAR OF ASSESSMENT 2014/15

6A1

MR. LEE, TAI FU 李太富

ROOM 306
JUSTICE BUILDING
1 JUSTICE ROAD
HONG KONG

RESIDENTIAL TAX
INLAND REVENUE DEPARTMENT
1875-2000

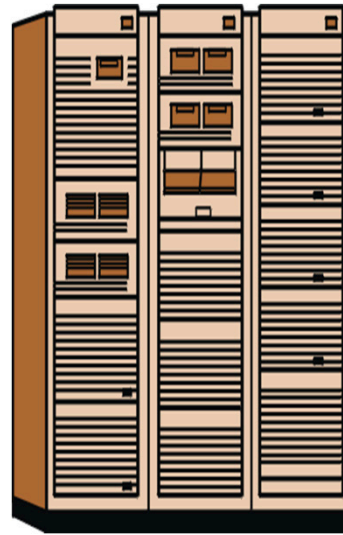
ASSISTANT COMMISSIONER

05 MAY 2023

PART 1 PERSONAL PARTICULARS (Please use BLOCK LETTERS)

PART 2 INDICATION OF INCOME (Please check 'Yes' or 'No')

PART 3 PROPERTY TAX (Do you have any UNREGISTERED properties which were not being let during the year?)



Auto-assessment

Manual examination

IR50 (2014/15) (English) (Individuals)

YEAR OF ASSESSMENT 2014/15

6A1

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ASSISTANT COMMISSIONER

05 MAY 2023

ASSESSMENT

ASSESSED AMOUNT

TAX PAYABLE

85%

Tax Audit



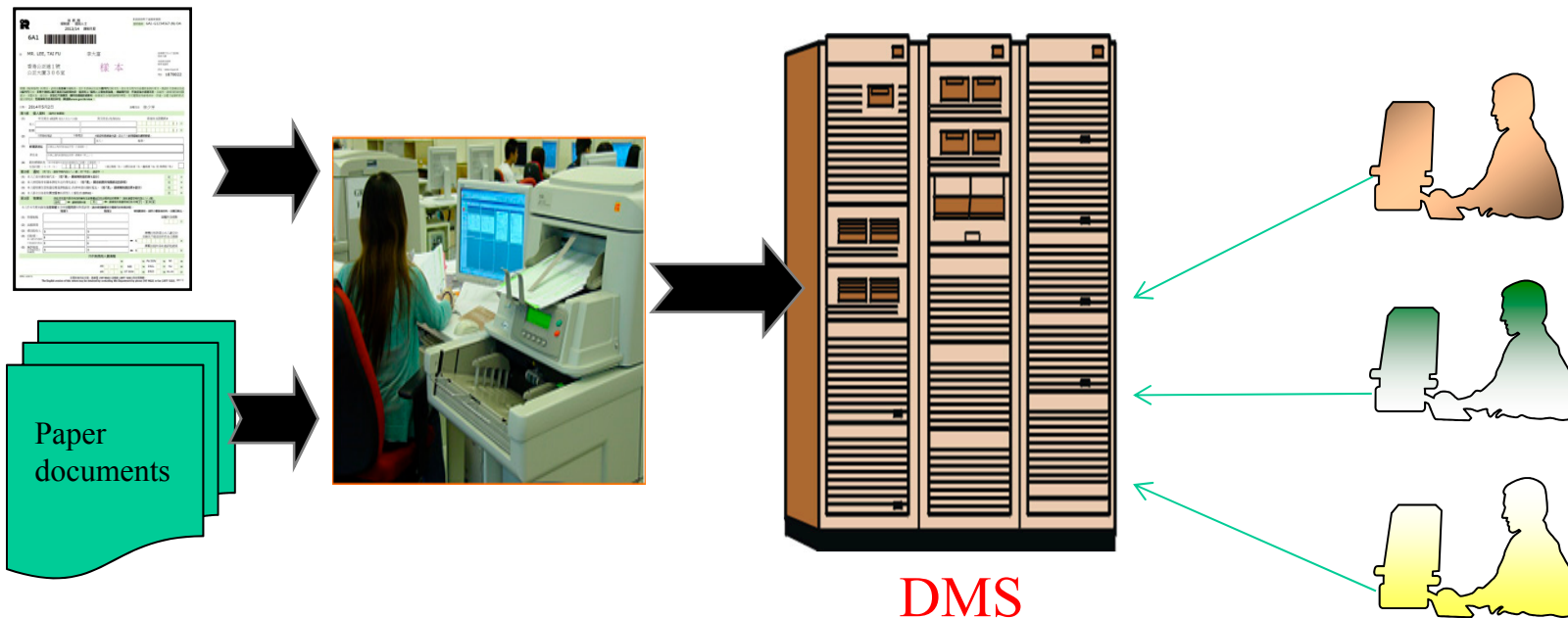
15%

Major functions:

- Screen tax returns for automatic issue of assessment
- Select cases for tax audit



Document Management System

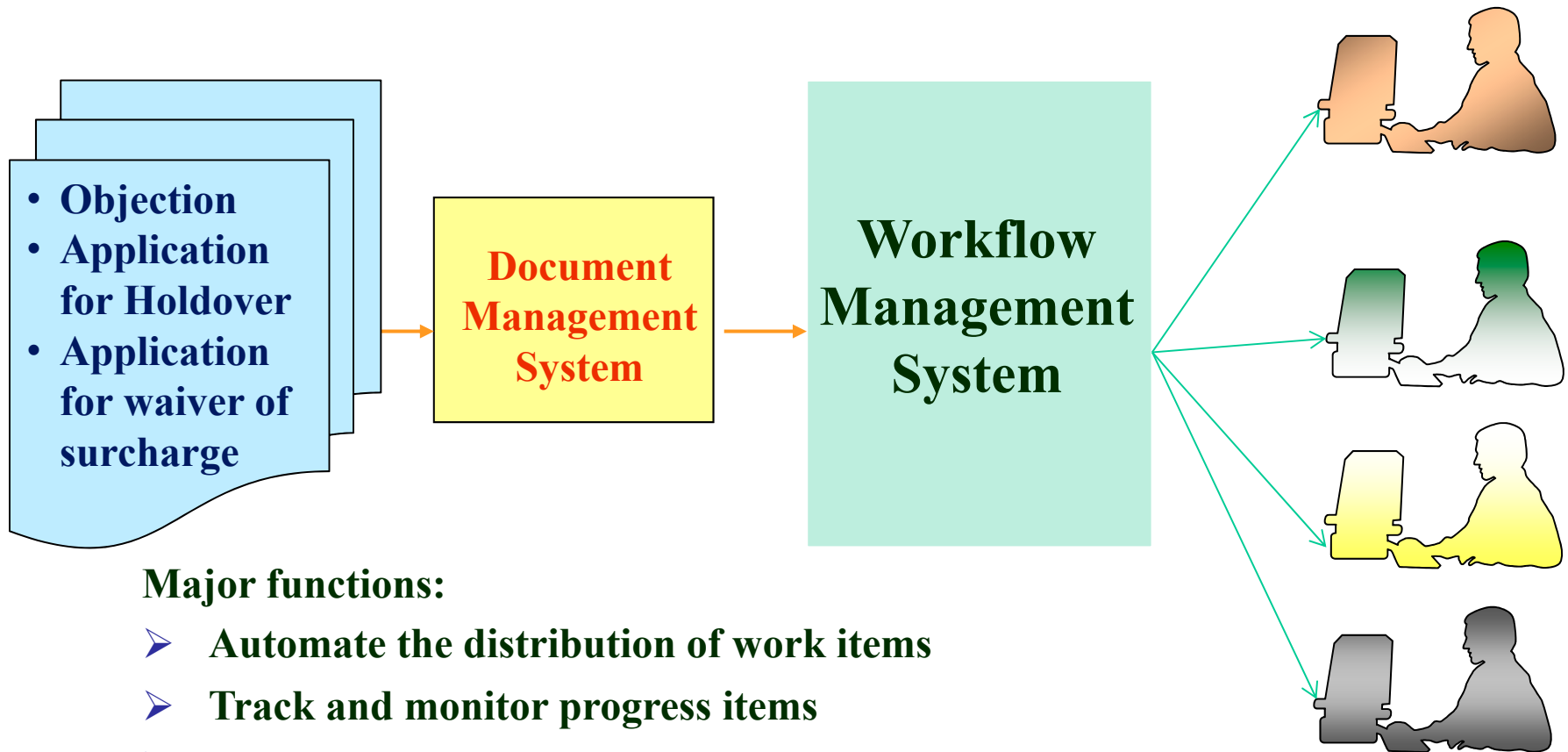


Major functions:

- Convert paper documents into digitised images
- Store electronic images of tax returns and correspondence
- Provide a single and comprehensive repository for all paper and electronic documents
- Allow concurrent access by authorised users



Workflow Management System



Major functions:

- Automate the distribution of work items
- Track and monitor progress items
- Generate management reports automatically
- Bring about a more paperless working environment





The new gateway to IRD's e-Services



eTAX

The screenshot shows the eTAX website interface. At the top, there is a header with the GovHK logo and the text "GovHK 香港政府一站通" on the left, and "繁體" and "Exit" on the right. Below the header is a navigation menu on the left with categories like "Online Demo", "FAQs", "Tips and Tools", "Related Information", "Contact Us", and "eTAX Help Desk". The main content area features a banner for the Inland Revenue Department with the text "Welcome to eTAX Easy, secure and environment-friendly". Below the banner, there are sections for "File your Tax Return - Individuals through eTAX to enjoy automatic extension of one month for filing, pre-filing of data and estimation of Salaries Tax payable." and "eTAX provides you with" followed by a list of benefits: "A personal tax account with IRD", "A wide range of online services", "Personalised services", and "Secure services". To the right, there is a "Top eTAX Services" section listing various services like "Filing of Tax Return - Individuals", "Opening of eTAX Account", "Business Registration No. Enquiry & Supply of Information", "Stamping of Property Document", and "Computation of Tax Payable". At the bottom of the main content area, there are buttons for "Login", "View Services", and "Apply for eTAX Password". The URL "www.gov.hk/etax" is displayed in large blue text. The footer includes the "Asia's world city" logo, the "HONG KONG" logo, and the system tray showing "我的電腦" and "100%" zoom.

GovHK 香港政府一站通

繁體

Exit

Online Demo

FAQs

Tips and Tools

Allowances

Tax Rate

Tax Computation

Exchange Rate

Related Information

Budget Proposal

Extension Granted to e-Filers

Tax Return & Guide

Assessment

Payment

eTAX Terms & Conditions

eTAX Security Statement

Contact Us

eTAX Help Desk

Performance Pledge

Inland Revenue Department
The Government of the Hong Kong Special Administrative Region

稅務易 eTAX

Welcome to eTAX
Easy, secure and environment-friendly

File your Tax Return - Individuals through eTAX to enjoy automatic extension of one month for filing, pre-filing of data and estimation of Salaries Tax payable.

eTAX provides you with

- ✓ A personal tax account with IRD
- ✓ A wide range of online services
- ✓ Personalised services
- ✓ Secure services

Know more about eTAX >>

Top eTAX Services

- Filing of Tax Return - Individuals
- Opening of eTAX Account
- Business Registration No. Enquiry & Supply of Information
- Stamping of Property Document
- Computation of Tax Payable

Login View Services Apply for eTAX Password

www.gov.hk/etax

Asia's world city HONG KONG

我的電腦 100%



eTAX

- Delivered through a one-stop portal to enable taxpayers to obtain a wide range of personalised e-Services
- “Account basis” instead of “Transaction basis”
- Registered users are allotted with personal accounts (eTAX Account)
- For taxpayers who are individuals



eTAX Account

- Information and services provided through the eTAX Account are grouped under 4 sections:



Pro Online Se Tax Posi Message Box



e-Notices

- **eTAX Account holders may select to receive electronic notices and documents related to**
 - Filing of *Tax Return for Individuals*
 - *Assessment*
 - *Tax Payment*
- **Sent to Message Box of eTAX Account**

Message alerts are also sent to private email account



e-Alerts

- **e-Alert** will be issued before the deadline for
 - Filing of *Tax Return for Individuals*
 - *Tax Payment*
- **Sent to Message Box of eTAX Account**
Message alerts are also sent to private email account



Services under eTAX (1)

- **Individuals**

- Filing of Tax Return – Individuals and tax computation
- Viewing of eTAX account, tax position and messages
- Change of personal particulars, profile and password
- Objection, holdover claims etc.



Services under eTAX (2)

➤ **Property**

- Stamping of property document and computation of stamp duty
- Filing and viewing of Property Tax Return for jointly owned properties



Services under eTAX (3)

➤ **Business**

- Business Registration Number enquiry and other Business Registration services
- Filing of Profits Tax Return
- Filing of Employer's Return



Services under eTAX (4)

➤ **Payment**

- Payment of tax bills, Business Registration fee and Stamp Duty
- Purchase of Tax Reserve Certificate



eTAX Security

- Stringent administrative and system security measures, including:
 - System design and regular review with reference to latest best practice
 - Operated in secure site with well-proven industry standard encryption technology on data transmission over the Internet and firewalls to prevent unauthorized access
 - User authentication using Taxpayer Identification Number (TIN) and eTAX Password or Digital Certificate



eTAX Statistics

- **No. of eTAX accounts as at 31/1/2017: 735,000**
- **Year of Assessment 2015/16**
 - **513,000 e-filing of Individuals Tax Returns (20%)**
 - **404,000 e-assessment notices issued (14%)**
 - **262,000 e-stamping of property transactions (56%)**
 - **2,008,000 e-Business Registration Number Enquiry (100%)**



Experience Sharing

- **Firm commitment of and full support by the top management**
- **Re-design of business processes**
- **E-Initiative is an enabler, not an end itself**
- **Address users' security concerns**
- **Staff training for e-challenge and development of e-enabled culture**
- **Widen the accessibility of the services**
- **Vigorous efforts to enhance the public awareness**



Thank You

