

Annual Report on

Performance Pledge

1.4.2004 - 31.3.2005



Serve with devotion
Strive for perfection



Inland Revenue Department
Hong Kong Special Administrative Region



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Performance Pledge

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Vision

We aim to be an excellent tax administration that plays an important part in promoting Hong Kong's prosperity and stability.

Mission

We are committed to -

- collecting revenue efficiently and cost-effectively;
- providing courteous and effective service to the taxpaying public;
- promoting compliance through rigorous enforcement of law, education and publicity programmes; and
- enabling staff to acquire the necessary knowledge, skills and attitude so that they can contribute their best to the achievement of our vision.

Values

Our core values are -

- **P**rofessionalism
- **E**fficiency
- **R**esponsiveness
- **F**airness
- **E**ffectiveness
- **C**ourtesy
- **T**eamwork

Slogan

Serve with devotion Strive for perfection

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Message from the Commissioner

I am pleased to report that the Inland Revenue Department has achieved the targets in most of its performance pledges in the year ended 31 March 2005. It has also excelled some of the targeted performance. These results are most encouraging especially in the light of the Government's expenditure reduction programme and manpower cut.

The Department makes much effort in improving its services through information technology initiatives and staff motivation and training programmes. In the year, basing on the feedback from users of e-filing services, the Department has enhanced the system extensively and added new functions like "Pre-filling of data" and "Estimation of Salaries Tax payable". Coupled with an extension of time limit by two weeks, it is hoped that taxpayers could be encouraged to file their tax returns electronically. Also, the e-stamping service, which was launched in August 2004, enables duty payers to submit stamping applications for instruments relating to landed property via the Internet and hence obviates the need of going through the formalities in person at the Department. Duty payers can also obtain instant stamping upon online payment of stamp duty and submit online statutory notification in respect of tenancy agreements to the Rating and Valuation Department. Added to the list is the new web service of extracting of information from the business register electronically. Users are supplied with information instantly without the need to wait for the same to come through post. All in all, we are pleased to note the growing popularity of our e-services and motivated to do even better.

We believe in the importance of maintaining and strengthening the service culture and the sense of belonging among our staff. The Department strives to achieve these objectives through streamlining the operation procedures and providing more tools to enhance staff efficiency. At the same time, we organize a variety of recreational and educational activities to help relieve staff stress while fostering friendship among colleagues. More importantly, with the provision of suitable training, my colleagues can rise to challenge. Indeed, I am very proud of my colleagues who have shown unflinching support to the Department's mission of providing courteous and effective services to the taxpaying public. In recognition of the efforts contributed by the front-line staff, 36 awards had been presented in the mid year to those officers voted by the public as the "Outstanding Customer Service Staff". I would also like to take this opportunity to thank the members of the Users' Committee who have offered valuable advice on our services and useful suggestions for improvement.

My heartfelt thanks also go to the taxpayers for their support. In the days ahead, we will continue to strive for perfection in providing quality service to the taxpaying public.

LAU MAK Yee-ming, Alice, J.P.
Commissioner of Inland Revenue



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Users' Committee

An independent Users' Committee monitors the Department's performance in relation to matters covered by the pledge.

The Committee meets quarterly to review the actual achievement of the Department and to make suggestions for improving the Department's services. Members also visited the Business Registration Office, the Enquiry Service Centre and the Document Processing Centre during the year, and sought views of front-line staff on the relevant pledge.

To ensure broad representation, the membership includes tax practitioners, professionals and academics. Members of the Committee are as follows:

Mr LUK Nai-man (Chairman)

Mr Owen CHAN Shui-shing

Mr Peter C W CHOY

Mr Andrew J HALKYARD

Mr Patrick HO Kin-wai

Ms Katy LAM

Mr K C LAW

Mr Louis LEUNG Kent-ning

Dr Eric LI Ka-cheung

Mr Tim LUI Tim-leung

Mr Michael A OLESNICKY

Ms Samantha SUEN

Mr TAI Hay-yuen

Professor Judy S L TSUI

Mr Leonard WONG Ching-ping

Miss Stella YAU Mun-wah (Secretary)



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Service Standards Committee

A Departmental Service Standards Committee is established and tasked to provide the Users' Committee with quarterly statistical reports on the Performance Pledge and to formulate plans to improve the Department's services. A sub-committee is formed each year to organize the Outstanding Customer Service Awards Competition. Members of the Committee, who represent different operating units and sections, are as follows:

Mr LUK Nai-man (Chairman)

Mrs CHU TSANG Hin-ngor

Ms HO Man-li

Mrs LAI CHI Lai-ming

Miss LAU Ming-sum

Miss LAU Pui-ye

Miss TSE Woon-ping

Mr TSE Yue-keung

Mr WONG Kai-keung

Miss Stella YAU Mun-wah

Ms Teresa HO Wai-ye (Secretary)



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The results achieved in the year under review were all within target.

The trend of electronic payment of tax

A continuous growth is recorded for electronic payments - by telephone, bank ATM or the Internet. The total number of such transactions made increased by 123,777 or 11% over the previous year.

Number of transactions

2003 - 04

1,127,551

2004 - 05

1,251,328

	Service	Performance Target	Actual Achievement	
1	Counter enquiries		2004 - 05	2003 - 04
	- attended to within 10 minutes (in peak times)	95%	98.9%	98%
2	Telephone enquiries			
	- answered within 3 minutes (in peak period)	80%	83.7%	83.2%
3	Written enquiries - simple matters			
	- replied within 10 working days	99%	100%	100%
4	Written enquiries - technical matters			
	- replied within 25 working days	98%	99.9%	99.8%
5	Returns processing			
	Profits tax returns			
	- assessed within 9 months	80%	87.4%	87%
	Property tax returns			
	- assessed within 9 months	96%	98.7%	99.1%
	Composite tax returns			
	- assessed within 9 months	96%	99%	98.8%

	Service	Performance Target	Actual Achievement	
			2004 - 05	2003 - 04
6	Tax returns for first-time taxpayers			
	Profits tax - issued within 3 months	98%	100%	100%
7	Salaries tax - issued within 5 months	98%	100%	99.7%
	Request for issuance of notice of no objection for company deregistration - processed within 25 working days	98%	100%	100%
8	Tax reserve certificate transactions - processed within 14 working days (in peak period)	98%	100%	100%
	Acknowledgements of objection - processed within 21 working days (in peak period)	98%	99.8%	99.6%
9	Processing of objections - processed within 4 months	98%	99.9%	99.8%
	Applications for holdover of provisional tax - processed within 14 working days	98%	100%	99.8%
10	Issue receipts for tax payments made by electronic means - issued within 7 working days	98%	100%	100%
	Refunds arising from overpayment of tax - made within 25 working days	98%	99.8%	99.8%
11	Refunds arising from revision of assessment - made within 25 working days	98%	100%	100%
	Tax audit and investigation - processed within 2 years	80%	88.3%	87.3%

	Service	Performance Target	Actual Achievement	
			2004 - 05	2003 - 04
16	Assignments and sale and purchase agreements - stamped within 6 working days	98%	99.4%	100%
17	Application for deferred payment of stamp duty on agreements for sale of residential property - processed within 6 working days	98%	99.9%	100%
18	Contract notes and lease agreements - stamped on the same day	98%	99.9%	100%
19	Claims for exemption (for transfers between group companies) - processed within 3 months	80%	93.3%	92.7%
20	New business registration certificates Application over the counter - issued within 30 minutes	99%	100%	100%
	Application by post or through the Electronic Service Delivery Scheme - issued within 2 working days	99%	100%	100%
21	Extracts of information on business register - issued within 2 working days	99%	100%	100%
22	Change of business registration particulars Notifications over the counter to be - updated within 30 minutes	97%	100%	100%
	Notifications by post - updated within 6 working days	99%	100%	100%
23	Estate duty affidavits / statements in lieu of affidavit - dutiable or complicated cases finalized within 3 years	90%	92.2%	88.7%

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Work Plan for 2005-06

The Department strives to improve its services in order to satisfy our customers' needs. Further to the newly introduced user-friendly features including "Pre-filling of data" and "Estimation of Salaries Tax payable" since April 2005, the IRD will continue to collect taxpayers' feedback on Internet filing service for future enhancement. For achieving more transparency in its operations, the Department will continue updating its Departmental Interpretation and Practice Notes so that both the taxpaying public and the tax practitioners are informed of the Departmental view on various tax related matters.

In the drive for continuous improvements, 4 enhanced pledges have been introduced with effect from April 2005. The relevant details are set out below:

		Enhanced Target	Existing Target
1	Stamp Duty Processing of claims for exemption (for transfers between group companies) within 3 months	85%	80%
2	Business Registration Issue of Certified Extracts of Information	next working day	2 working days
3	Business Registration Change of business registration particulars	notifications by post / through the Electronic Service Delivery Scheme	notifications by post
4	Estate Duty Affidavits and Statements in lieu of Affidavits Exempt and simple cases (involving landed properties, private company shares or interest in business) - Assessments or certificates of exemption issued	3 months	6 months

6 Enquiry Service

Description of Service

The Enquiry Service Centre situates at the first and second floors of the Revenue Tower handles general telephone and counter enquiries. The Centre, equipped with a computer network linked to the Department's Knowledge Database, aims at providing an immediate "one-stop" service as far as possible.

For the convenience of callers, the Centre has installed an electronic queuing system to enable taxpayers requiring counter services to be served according to tag numbers in sequence.

A taxpayer service team manned by professional officers is also situated in the Centre to provide fast and convenient service to the public on specific urgent cases.

The Centre makes use of an Interactive Telephone Enquiry System with 120 telephone lines. In addition to speaking to operators during office hours, callers can, on a 24-hour basis, gain access to a wide range of tax information by listening to recorded messages or obtaining facsimile copies of the information and forms. A leave-and-call-back facility is available. The general enquiry hotline is 187 8088.

To provide more tax information to the public, many information leaflets are written on topics of common interest and made available on the two form stands installed on the ground floor and the first floor of the Revenue Tower. In addition, the public can get information and download forms from the Department's Homepage on the Internet (web site: www.ird.gov.hk).



Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1	Counter enquiries		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	Peak Times (10:30 am to 4:30 pm)		
	• Waiting time within 10 minutes	95%	98.9% 98%
	Outside Peak Times		
	• Waiting time within 10 minutes	99%	100% 99.9%
	Number of counter enquiries		394,968 404,133
2	Telephone enquiries		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	July to April		
	• Connected telephone calls answered by staff within 3 minutes	90%	97.7% 94.7%
	• Connected telephone calls answered by staff within 4 minutes	95%	99.8% 99.3%
	• Number of telephone calls answered by staff		513,523 539,196
	May and June		
	• Connected telephone calls answered by staff within 3 minutes	80%	83.7% 83.2%
	• Connected telephone calls answered by staff within 4 minutes	90%	98.4% 98.1%
	• Number of telephone calls answered by staff		172,085 172,813
	Full year		
	• Average waiting time		1 minute 1.2 minutes
	• Number of telephone calls		
	- answered by system	655,626	721,036
	- answered by staff	685,608	712,009
	• Number of fax requests	12,905	16,613
	• Number of leave-and-call-back requests	62,552	71,993

Terms Used

in this report, performance achievements have been classified using the following terms:

- "Achieved" - result meets or exceeds target
- "Substantially Achieved" - result falls short of target by not more than 2%

7 Written Enquiries

Description of Service

Enquiries are classified as enquiries on "simple matters" or "technical matters" depending on the level of complexity. Enquiries on simple matters can usually be handled without reference to specific files as in most cases the information is available from the Department's database. These enquiries include questions related to the lodgement of returns, requests for duplicate returns or copies of notices of assessment, eligibility for personal assessment and tax payment status. All other enquiries are classified as enquiries on technical matters.

Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	Enquiries - simple matters			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Replied within 10 working days	99%	100%	100%
	• Number of replies		206,032	224,347
2	Enquiries - technical matters			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Replied within 25 working days	98%	99.9%	99.8%
	• Replied within 50 working days	99%	100%	100%
	• Number of replies		238,167	255,435

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Returns Processing

Description of Service

Composite tax returns are issued annually to individuals in bulk in May whereas profits tax returns (corporations and partnership businesses) and property tax returns (jointly-owned properties) are issued in bulk in April. Apart from these issues, returns are also issued periodically as and when necessary.

Following lodgement and processing of returns, notices of assessment are issued. Cases assessed per return in the first instance may be selected for audit later. For others, further information is sometimes requested before assessments are made. If returns are not submitted within the prescribed time, officers may estimate the amount of assessable profit or income of the taxpayers.

Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1	Profits tax returns (Corporations and partnership businesses)		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• From the date of issue of tax returns, assessments made within:		
	- 9 months	80%	87.4%
	- 12 months	95%	99.2%
	- 15 months	100%	100%
	• Number of tax returns issued during April 2003 to June 2004	342,610	347,067
2	Property tax returns (Jointly-owned properties)		
	<i>Performance evaluation</i>	<i>Substantially Achieved</i>	<i>Substantially Achieved</i>
	• From the date of issue of tax returns, assessments made within:		
	- 6 months	80%	91.6%
	- 9 months	96%	98.7%
	- 12 months	100%	99.9%
	• Number of tax returns issued during April 2003 to September 2004	290,073	397,985
3	Composite tax returns		
	<i>Performance evaluation</i>	<i>Substantially Achieved</i>	<i>Substantially Achieved</i>
	• From the date of issue of tax returns, assessments made within:		
	- 6 months	80%	93.8%
	- 9 months	96%	99%
	- 12 months	100%	99.9%
	• Number of tax returns issued during April 2003 to September 2004	4,139,469	4,251,598

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Tax Returns for First-time Taxpayers

Description of Service

Profits Tax

Notifications of chargeability to profits tax are received from new businesses from time to time. Profits tax returns will be issued within 3 months upon receipt of such notifications.

Salaries Tax

Notifications of chargeability to tax for first-time salaries taxpayers are normally given to the Department either by the employees in a letter or by the employers on a specified form (I.R.56E).

Responses to the notifications include :

- the issue of a return for provisional or final tax to the employee if he is liable to tax;
- the issue of a reply to the employee advising that a tax return will be issued to him in the next annual bulk issue if the date of notification is close to the bulk issue date;
- the issue of a reply to the employee advising that a tax return will not be issued to him as he is not liable to tax.

Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1	Profits Tax		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• After receiving notifications of chargeability from taxpayers, replies made within 3 months	98%	100%
	• Number of replies made	124	215
2	Salaries Tax		
	Non-Taxable Cases		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• After receiving notifications of employment from employees, replies made within 25 working days	98%	100%
	• Number of replies made	1	67
	Taxable Cases		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	April to November		
	• In response to notifications, tax returns issued within 3 months	98%	100%
	December to March		
	• In response to notifications, tax returns issued within 5 months	98%	99.7%
	• Number of tax returns issued	9,807	5,961

10 Company Deregistration

Description of Service

Section 88B of Inland Revenue Ordinance (Cap.112) provides that in response to a request made by a person who is entitled to apply for the deregistration of a private company under the Companies Ordinance, the Commissioner of Inland Revenue may issue a written notice stating that he has no objection to the company being deregistered.

The Commissioner of Inland Revenue will issue a notice of no objection to a company applying for deregistration if the company has no outstanding tax matters or liabilities. Otherwise, the Commissioner will issue a notification to the company stating the matters or liabilities that are outstanding. Upon clearance of all outstanding matters or liabilities, the applicant can re-submit the request by completing the lower portion of the notification. No further fee is payable on the re-submission.

The applicant can expect to receive a notification within 25 working days from the date of lodgement of a valid application and the payment of the prescribed fee.

Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1 Processing of requests for issuance of notice of no objection for company deregistration			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Processed within 25 working days	98%	100%	100%
• Number of requests processed		28,311	29,599



11 Tax Reserve Certificates

Description of Service

Taxpayers may purchase tax reserve certificates as a means to accumulate fund for paying their tax liability in future. They may also be required to purchase certificates to cover, in whole or in part, the tax in dispute upon lodgement of their objections against assessments raised on them. Interest is payable on tax certificates when they are redeemed to pay tax except in the case of objection cases, where interest is payable only if the taxpayer's objection is successful.

Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	Purchase & Redemptions			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	July to December			
	• Processed within 10 working days	98%	100%	100%
	• Number of transactions		47,093	144,882
	January to June			
	• Processed within 14 working days	98%	100%	100%
• Number of transactions		115,118	103,278	



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Notices of Objection

Description of Service

Any taxpayer aggrieved by an assessment can exercise his right of objection by giving a written notice of objection to the Commissioner of Inland Revenue within one month of the date of the notice of assessment.

An acknowledgement letter will be issued.

After examining the objection, the Assessing Officer will issue a "notice of settlement of objection" or a "notice of decision by Assessing Officer".

"Notice of settlement of objection" includes:

- notice of revised assessment,
- notification of refund, and
- letter notifying the settlement of objection.

"Notice of decision by Assessing Officer" will advise the taxpayer that the objection cannot be settled and at the same time will:

- seek further information,
- propose a basis of settlement of objection,
- advise the withdrawal of objection, or
- notify the submission of the case for the Commissioner's determination.

Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	Acknowledgements of objection			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	May to August			
	• Issued within 14 working days	98%	99.7%	99.8%
	• Issued within 21 working days	99%	99.9%	100%
	• Number of acknowledgements		15,522	11,467
	September to April			
	• Issued within 21 working days	98%	99.8%	99.6%
	• Issued within 28 working days	99%	99.9%	99.9%
	• Number of acknowledgements		56,629	59,616
2	Processing of objections			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Processed within 4 months	98%	99.9%	99.8%
	• Number of cases processed		72,087	68,225

13 Tax Holdover Claims

Description of Service

Taxpayers can apply in writing to have the whole or part of their provisional tax held over for specified reasons stipulated in the Inland Revenue Ordinance. The application must be lodged not later than 28 days before the date on which the provisional tax is due to be paid or 14 days after the date of the notice for payment of provisional tax, whichever is the later.

After examining the validity of each application, a reply is given by :

- confirming the amount of provisional tax to be held over; or
- requesting for further information.

Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1 Tax Holdover Claims			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Replied within 14 working days	98%	100%	99.8%
• Replied within 21 working days	99%	100%	100%
• Number of replies		44,317	50,082



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Receipts for Tax Payments Made by Electronic Means

Description of Service

Tax can be paid by electronic means, by post or in person. Currently, we are offering three electronic payment channels to the public: the telephone, the bank automated teller machine and the Internet. Electronic payments are safe and convenient to taxpayers and cost-efficient to the Department. Based on feedback from most users, the Department issues an official receipt for each electronic payment received.

Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1 Receipts for tax payments made by electronic means			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
July to November			
• Issued within 4 working days	98%	100%	100%
December to June			
• Issued within 7 working days	98%	100%	100%
• Number of cases processed		1,251,328	1,127,551



15 Refunds of Tax

Description of Service

Any tax overpaid will be refunded to the taxpayer within 25 working days of the date of receipt of the overpayment.

Refund arising from a revision of assessment (as a result of allowing an objection, an appeal or a claim) will be made to the taxpayer within 25 working days from the date of notification to revise the assessment.

Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	Overpayment of Tax			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Refunds issued within 25 working days	98%	99.8%	99.8%
	• Number of refunds issued		27,638	28,489
2	Revision of Assessment			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Refunds issued within 25 working days	98%	100%	100%
	• Number of refunds issued		54,537	51,490

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Tax Audit and Investigation

Description of Service

The Field Audit and Investigation Unit serves to promote voluntary compliance and to counter tax evasion through, among other things, tax audit and tax investigation.

Tax audit is conducted on Profits Tax, Salaries Tax and Property Tax cases to ensure the correctness of tax returns filed by taxpayers while tax investigation involves an in-depth inquiry into the affairs of taxpayers where tax evasion is suspected.

Depending on the complexity of each case, the time required for the completion of tax audit or investigation varies from one case to another.

With a view to improving taxpayers' service and increasing transparency in the conduct of field audit and investigation, the Department has published its penalty policy on the web site and through the Fax-A-Form service. Where penalty in the form of additional tax is imposed on a taxpayer, the notice of additional tax assessment shall disclose the basis for computing the penalty.



Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	Field Audit and Tax Investigation			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	Processed within:			
	• 6 months	45%	74.4%	74.8%
	• 1 year	65%	81.4%	81.1%
	• 2 years	80%	88.3%	87.3%
	• 3 years	90%	92.2%	92%
	• Number of cases processed		1,863	1,863

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Documents Stamping

Description of Service

Instruments chargeable with stamp duty (e.g. assignments, sale and purchase agreements of landed properties, contract notes and transfer deeds of Hong Kong stock, and lease agreements) are examined and assessed by the Stamp Office. Upon payment of stamp duty, the instruments will be stamped and returned to the applicants. Additional processing time is normally required if valuation of the property stated in the instruments has to be ascertained.

Transfers of landed properties and Hong Kong stocks between group companies are exempted from payment of stamp duty. Applications for such exemption have to be made to the Stamp Office by way of statutory declarations. The applicant will be notified of the result of the application in writing.

With effect from August 2004, duty payers may apply for a stamp certificate in respect of assignments, sale and purchase agreements of landed properties and lease agreements through the Internet under the ESD Scheme.



Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1	Assignments and sale & purchase agreements		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Stamped within 6 working days	98%	100%
	• Number of documents	244,148	233,195
2	Processing of applications for deferred payment of stamp duty on agreements for sale of residential property		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Processed within 6 working days	98%	100%
	• Number of applications	33,609	14,807
3	Contract notes and lease agreements		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Stamped within the same day	98%	100%
	• Number of documents	896,162	903,338
4	Claims for exemption (for transfers between group companies)		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Processed within 3 months	80%	92.7%
	• Processed within 12 months	90%	98.3%
	• Number of claims processed	550	654

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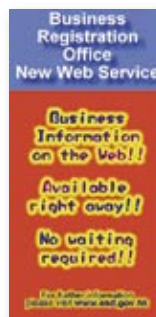
Business Registration

Description of Service

A person carrying on a business is required to apply to the Business Registration Office for the registration of that business within one month of its commencement. All applications for registration must be submitted together with the appropriate business registration fee. On completion of the registration procedures, a valid business registration certificate for the business will be issued.

Any person may, on payment of the prescribed fee, apply for supply of extracts of information on the Business Register in respect of a specified registered business.

Where there are any changes to the particulars of a registered business, such changes must be reported to the Business Registration Office within one month, whereupon the Business Register will be updated accordingly.



Performance for 12 months ending on 31 March 2005

		Target	Output	
			2004 - 05	2003 - 04
1	New certificates			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Applications over the counter issued within 30 minutes	99%	100%	100%
	Number of new certificates issued		114,600	100,019
	• Applications by post or through the Electronic Service Delivery Scheme issued within 2 working days	99%	100%	100%
Number of new certificates issued		3,064	2,583	
• Total number of new certificates issued		117,664	102,602	
2	Extracts of information			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Issued within 2 working days	99%	100%	100%
• Number of extracts of information issued		210,719	201,878	
3	Change of business registration particulars			
	<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
	• Notifications over the counter to be updated within 30 minutes	97%	100%	100%
	Number of business registration records updated		92,908	80,611
	• Notifications by post to be updated within 6 working days	99%	100%	100%
Number of business registration records updated		68,716	82,132	
• Total number of business registration records updated		161,624	162,743	

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Estate Duty Affidavits / Statements in lieu of Affidavits

Description of Service

Any person applying to the Court for a grant of representation to administer a deceased person's estate must first obtain estate duty clearance from the Estate Duty Office. He / she will need to complete and submit an estate duty affidavit or for small estate, a statement in lieu of affidavit. After examination and verification, the Estate Duty Office will issue an estate duty assessment or a certificate of exemption, whichever appropriate. The processing time varies according to the complexity of each case.



Performance for 12 months ending on 31 March 2005

	Target	Output	
		2004 - 05	2003 - 04
1	Exempt & Simple Cases not involving landed properties, private shares or business interests		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Assessments or certificates issued within 6 weeks	98%	99.7%
	• Number of cases processed	8,382	8,212
2	Exempt & Simple Cases involving landed properties, private shares or business interests		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Achieved</i>
	• Assessments or certificates issued within:		
	- 6 months	85%	98.4%
	- 12 months	99%	100%
	• Number of cases processed	6,791	6,497
3	Dutiable or Complicated Cases		
	<i>Performance evaluation</i>	<i>Achieved</i>	<i>Substantially Achieved</i>
	Assessments or certificates issued within:		
	- 1 year	55%	63.8%
	- 2 years	80%	81%
	- 3 years	90%	88.7%
	• Number of cases processed	730	938

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Complaints and Compliments

Description of Service

Taxpayers dissatisfied with the services provided by the Department may contact the Complaints Officer :

- telephone on 2594 5000
- at 37th Floor, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong
- at GPO Box 11234, Hong Kong
- by fax to 2802 7625, or
- by e-mail to taxinfo@ird.gov.hk

Complaints are dealt with immediately when the necessary information is available in the Department's Database. In other cases, a written response is provided within 18 working days of receipt of the respective complaint. An interim reply is issued within 10 working days.

Performance for 12 months ending on 31 March 2005

		Output	
		2004 - 05	2003 - 04
1	Complaints		
	• Interim replies made within 10 working days	100%	99.8%
	• Substantive replies made within 18 working days	100%	100%
	• Number of complaints	404	461
	Analysis of complaints	Number	%
	• Profits Tax (Corporations & Partnership Businesses)	11	3%
	• Profits Tax (Sole Proprietorships), Salaries Tax, Property Tax and Personal Assessment	216	53%
	• Tax Collection, Business Registration, Stamp Duty and Estate Duty	93	23%
	• Field Audit and Tax Investigation	23	6%
	• General Enquiries and Appeals	61	15%
	Total	404	100%
	Findings	Number	%
	• Substantiated	48	12%
	• Partially substantiated	139	34%
	• Not Substantiated	217	54%
	Total	404	100%

	Output	
	2004 - 05	2003 - 04
2 Number of Ombudsman complaint cases	22	20
3 Number of Letters of Compliments received from taxpayers	163	111

Two Inland Revenue Officers won the 2004 Ombudsman Awards for Public Officers



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Tax Education and e-Seminars

The Department firmly believes that taxpayer education can help promoting voluntary compliance by employers and taxpayers. Hence, in response to and in anticipation of the common interest of taxpayer, we expand and / or update the web content including a series of e-Departmental Interpretation and Practice Notes [e-DIPNs] and e-Seminars in the Department's Homepage. The e-DIPNs contain the Department's interpretation of certain tax provisions in the Inland Revenue Ordinance and the relevant practice it adopts. (They facilitate the taxpaying public to understand both the Department's views and operations.) The e-Seminars provide detailed guidance to tax representatives, employers, property owners and individual taxpayers on how to complete tax returns and fulfil other tax obligations. To assist the taxpayers further, the Department uploads the frequently asked questions (FAQs) for their reference. Providing taxpayer education information through the Internet is recognized as a very effective communication mode as it enables the taxpayers to reach the Department around-the-clock.

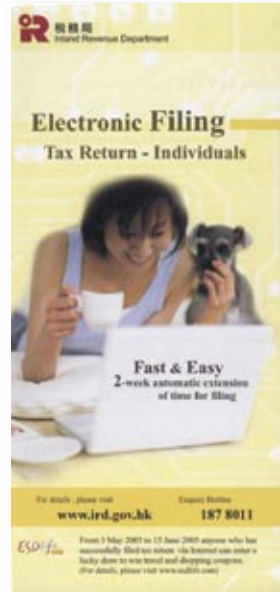


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Electronic Filing of Tax Returns

The Department has improved the functionality and user-friendliness of its Internet tax return filing service. Apart from redesigning the screen flow, with effect from April 2004, the Department introduced three new features, namely "Retrieval", "Save and Resume" and "Viewing and Printing".

The "Retrieval" function reduces the time required for filling the current year tax return electronically as it "pre-fills" some personal data of the taxpayers by reference to that in their tax returns filed last year under the ESD Scheme. The "Save and Resume" function enables the taxpayers to save the partially completed tax returns and retrieve them later for completion within one month. The "Viewing and Printing" function allows individuals to view and print their electronic tax returns that were filed through the ESD Scheme in the past 2 years. These new features have enhanced tremendously the ease and simplicity of filing tax returns electronically.



網上報稅 簡單快捷
Internet Filing Fast & Easy. More Benefits to You

- 預填報稅日期
Pre-filing of return date
- 估計應繳稅項
Computation of assessed
taxable tax payable
- 部分報稅可自動保留
2-week extension of time for filing
- 暫停未完成的報稅表資料
可增於一個月內完成餘下部份
Suspending of partially completed returns for
further completion within 1 month
- 隨時查看報稅內閣資料
可獲個人電子報稅資料
Viewing of your electronic return status anytime
during the 2-year retention period

網上報稅服務詳情請向：● 個別查詢服務熱線 ●
 詳情請參閱報稅指南，上列資料網頁 ●
 Like Internet Filing for Tax Return-Individuals and Property Tax Returns,
 For details, please visit the information bulletin next to your return.
 查詢詳情請向：● 查詢服務熱線 ●
 詳情請參閱報稅指南 ●
 For details, please visit the information bulletin next to your return.

請即上網報稅，登入 www.esd.gov.hk
 For information, log on

請即上網報稅，登入 www.esd.gov.hk
 For information, log on

請即上網報稅，登入 www.esd.gov.hk
 For information, log on

File your tax returns via Internet on or before 15 June 2007 to participate in
 ESD's lucky draw with 1,000 and shopping coupons.
 Please refer to ESD's website www.esd.gov.hk or contact ESD's enquiry hotline at 27 01 2222 for details.

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The Taxpayer's Charter

Your Rights as a Taxpayer

1. Tax Liability

You only have to pay the amount of tax due under the law.

2. Courteous Treatment

You are entitled to courteous treatment in your dealings with us.

3. Professional Service

You are entitled to receive our service in a timely manner in accordance with our pledged standards. You can expect assistance from us to help you understand and meet your tax obligations. You can expect us to act in an impartial, professional and fair manner.

4. Privacy and Confidentiality

You are entitled to expect that the information you provide us will be used only for purposes the law allows; that it will not be disclosed to anyone, except as authorized by law.

5. Access to Information

You are entitled access to your own tax information held by us as permitted by the law.

6. Bilingual Service

You are entitled to our service in Chinese or English, at your choice.

7. Complaints and Appeals

If you are not satisfied with our service, you have the right to give comments and complain to us or to the Ombudsman. If you disagree with the amount of your tax assessment, you have the right of objection and appeal.

Your Obligations as a Taxpayer

1. Honesty

You should be honest in your dealings with us.

2. Lodgement of Returns, Documents and Information

You should file correct returns and documents and provide complete and accurate information within time limits specified.

3. Tax Payment

You should pay your tax due on time.

4. Record Keeping

You should keep sufficient records to enable your tax liability to be ascertained accurately.

5. Keeping IRD Posted

You should keep us informed upon change of business or correspondence address.



Your Rights Your Obligations

The Taxpayer's Charter helps the taxpaying public understand their rights and obligations.