

Annual Report on Performance Pledge

Tax by the Law, Service from the Heart

Enquiry Service
Tax Returns
Stamp Duty
Business Registration
Registration

1/4/2007 – 31/3/2008



Inland Revenue Department
Hong Kong Special Administrative Region

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 –

- **Professionalism**
- **Effectiveness**
- **Efficiency**
- **Courtesy**
- **Responsiveness**
- **Teamwork**
- **Fairness**

60th Anniversary Slogan

**Tax by the Law,
Service from the Heart**

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Message from the Commissioner

I am pleased to report that the Inland Revenue Department has achieved the targets for most of its performance pledges in the year ended 31 March 2008. Performance in some areas comfortably exceeded the targets and these results are certainly pleasing.

Electronic facilities are playing an increasingly important role in enhancing services; providing taxpayers with an easy, secure and environment-friendly means to comply with the tax law. In early 2008 the Department launched eTAX, a taxpayer portal, marking the commencement of a new era for our e-services. With eTAX, taxpayers are able to keep track of their tax records in a secure and readily accessible manner. The system sends e-Alerts to remind taxpayers of approaching deadlines for filing their tax returns and making tax payments. Annual business with the Department can be done on the Internet at all hours: receipt and filing of a person's tax return, the receipt and payment of the tax bill, and even corresponding with IRD. Judging by the increasing number of eTAX Account users, we are confident that the service is going to be popular.

We are currently celebrating the Department's 60th anniversary. Throughout the years, the Department has continually strived to enhance its quality of service to the community. The devotion, perseverance and teamwork of our staff have been important ingredients in achieving success in these efforts, as has been reflected in our performance pledge results in recent years. We are pleased to note, on the one hand, the decreasing number of complaints and, on the other, the increasing number of compliments received from the public. In recognition of the exemplary service of our frontline officers, 33 awards were presented during the year to the officers voted by the public as "Outstanding Customer Service Staff".

I would like to thank taxpayers for their support and co-operation. My gratitude also goes out to members of the Users' Committee who have continued to offer valuable advice on our services and useful suggestions for improvement. With this support, we will continue to improve, as we "Tax by the Law" and "Serve from the Heart".

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 Performance Pledge.

The Committee meets quarterly to review the actual achievements of the Department and to make suggestions for improving the Department's services. Members visited the Stamp Office during the year to gain a better understanding of its operation. Dr Eric Li and some members also assisted the Department by liaising with banks, professional associations and universities in promoting eTAX, for example, a number of the banks' web sites now contain, on an ex gratia basis, IRD eTAX promotional banners.

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

Mrs Teresa CHU WONG Lai-fun (Chairman)	Dr Eric LI Ka-cheung
Ms Agnes CHAN Sui-kuen	Mr Tim LUI Tim-leung
Dr Daniel CHEUNG	Mr Eric NG
Mr Peter C W CHOY	Mr Michael A OLESNICKY
Mr Patrick HO Kin-wai	Mr Brian RENWICK
Ms Katy LAM	Ms Samantha SUEN
Mr K C LAW	Mrs YIP SHAM Yin-har
Mr Louis LEUNG Kent-ning	Ms 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:

Mrs Teresa CHU WONG Lai-fun (Chairman)	Ms TSE Woon-ping
Mrs CHU TSANG Hin-ngor	Mr Leonard WONG Ching-ping
Ms Yvonne FAN Kit-fong	Mr WONG Kai-keung
Mr John George Austin GRADY	Ms Stella YAU Mun-wah
Ms LAU Yim-kum	Mrs Ellen LAU MA Ching-suen (Secretary)
Mr Francis TSE Kin-chuen	



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Executive Summary

From April 2007 onwards, the Department has enhanced the standard in processing property tax returns and composite tax returns. In addition, the pledge on providing receipts to taxpayers who pay their taxes by electronic means was also enhanced.

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

Service	Performance Target	Actual Achievement	
		2007 - 08	2006 - 07
1. Counter enquiries			
• attended to within 10 minutes (in peak times)	95%	98.8%	98.4%
2. Telephone enquiries			
• answered within 3 minutes (in peak period)	80%	92.5%	86.8%
3. Written enquiries - simple matters			
• replied within 7 working days	95%	99.9%	99.9%*
4. Written enquiries - technical matters			
• replied within 21 working days	98%	99.9%	99.9%*
5. Returns processing			
Profits tax returns			
• assessed within 9 months	80%	87.6%	86.5%
Property tax returns			
• assessed within 9 months	96%	98.5%	98%
Composite tax returns			
• assessed within 9 months	96%	98.8%	99%
6. Tax returns for first-time taxpayers			
Profits tax			
• issued within 3 months	98%	100%	100%
Salaries tax			
• issued within 5 months	98%	100%	100%
7. Request for issuance of notice of no objection for company deregistration			
• processed within 21 working days	98%	100%	100%*

Service	Performance Target	Actual Achievement	
		2007 - 08	2006 - 07
8. Tax reserve certificate transactions			
• processed within 12 working days (in peak period)	98%	100%	100%*
9. Acknowledgements of objection			
• processed within 18 working days (in peak period)	98%	99.9%	99.9%*
10. Processing of objections			
• processed within 4 months	98%	99.9%	99.8%
11. Applications for holdover of provisional tax			
• processed within 12 working days	98%	99.9%	99.9%*
12. Issue receipts for tax payments made by electronic means			
• issued within 6 working days	99%#	100%	100%*
13. Refunds arising from overpayment of tax			
• made within 21 working days	98%	99.9%	99.9%*
14. Refunds arising from revision of assessment			
• made within 21 working days	98%	100%	100%*
15. Tax audit and investigation			
• processed within 2 years	80%	91.7%	89.8%
16. Assignments / sale and purchase agreements and application for deferred payment of stamp duty on agreements for sale of residential property			
• stamped / processed within 5 working days	98%	99.3%	99.6%*
17. Contract notes and lease agreements			
• stamped on the same day	98%	99.7%	99.9%

Service	Performance Target	Actual Achievement	
		2007 - 08	2006 - 07
18. Claims for exemption (for transfers between group companies)			
• processed within 3 months	85%	91.5%	91.7%
19. New business registration certificates			
Applications over the counter			
• issued within 30 minutes	99%	100%	100%
Applications by post or through the GovHK			
• issued within 2 working days	99%	100%	100%
20. Certified extracts of information on business register			
• issued within the next working day	99%	100%	100%
21. Change of business registration particulars			
Notifications over the counter			
• updated within 30 minutes	97%	99.8%	100%
Notifications by post or through the GovHK			
• updated within 5 working days	99%	99.6%	100%*

*The target processing time has been shortened by one working day for every six working days pledged since 1 July 2006 due to the implementation of the five-day week.

The 2007-08 enhanced target.

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Work Plan for 2008-09

In line with its customer-oriented service strategy, the Inland Revenue Department continues to enhance its electronic services.

Following the launch of eTAX portal on 19 January 2008, a taxpayer can now open an eTAX Account at anytime to enjoy a range of electronic tax services. By a single login to such an Account, the taxpayer can file tax returns through the Internet, receive e-Alerts concerning return-filing and tax-paying due dates, view the tax position in relation to returns, assessments and tax payable, etc.

To encourage taxpayers to open eTAX Accounts and file tax returns through eTAX, the Department will grant automatic extensions of 1 month to all taxpayers who file their 2007-08 tax returns electronically.

In April 2008, the Department introduced a new pledge in relation to processing applications for eTAX access codes. The relevant details are set out below:

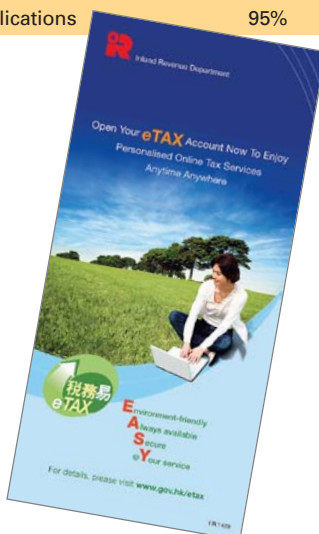
New Target

1. eTAX

Issue of Access Code Notice

- Applications through the GovHK
 - Issue within 2 working days after receipt of applications

95%



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Enquiry Service

Description of Service

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

For the convenience of callers, the Centre has installed an electronic queuing system, using tag numbers, so that taxpayers can be served in the order in which they arrive.

The Centre makes use of an Interactive Telephone Enquiry System, with 144 telephone lines to provide service through the general enquiry hotline number, 187 8088. Callers can gain access on a 24-hour basis to a wide range of tax information by listening to recorded messages and obtaining facsimile copies of leaflets and forms. Callers can choose to speak to operators during office hours. A "Leave-and-call-back" facility, for recording information requests, and a "Fax-in enquiry" service are also available. An eTAX help desk hotline at 183 2011 was added in January 2008 to support users of eTAX services at <www.gov.hk/etax>.

Information leaflets on topics of general interest are available at the two form stands located on the ground and first floors of Revenue Tower. The public may also obtain tax information and download forms from the Department's web site at <www.ird.gov.hk>.



Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Counter enquiries			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
Peak times (10:30 a.m. to 5:00 p.m. *)			
• Waiting time within 10 minutes	95%	98.8%	98.4%
Outside peak times			
• Waiting time within 10 minutes	99%	99.9%	99.8%
Number of counter enquiries		380,891	393,728

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%	95%	96.1%
• Connected telephone calls answered by staff within 4 minutes	95%	99.3%	99.6%
• Number of telephone calls answered by staff		473,517	471,645
May and June			
• Connected telephone calls answered by staff within 3 minutes	80%	92.5%	86.8%
• Connected telephone calls answered by staff within 4 minutes	90%	99.4%	99.1%
• Number of telephone calls answered by staff		168,841	182,531
Full year			
• Average waiting time		1 minute	1.1 minute
• Number of telephone calls			
- answered by system		454,567	615,692
- answered by staff		642,358	654,176
• Number of fax requests		9,769	8,592
• Number of leave-and-call-back requests		12,540	58,055

*With effect from 1 April 2007, the peak times is from 10:30 a.m. to 5:00 p.m. from Monday to Friday.

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%

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 technical matters.

Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Enquiries - simple matters			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Replied within 7 working days	95%	99.9%	99.9%*
• Replied within 9 working days	99%	100%	100%*
• Number of replies		223,075	214,133
2. Enquiries - technical matters			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Replied within 21 working days	98%	99.9%	99.9%#
• Replied within 42 working days	99%	100%	100%#
• Number of replies		235,703	244,531

*The target between April 2006 and June 2006 was to complete 95% of the work "within 8 working days" and 99% of the work "within 10 working days" respectively.

The target between April 2006 and June 2006 was to complete 98% of the work "within 25 working days" and 99% of the work "within 50 working days" respectively.



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 2008

	Target	Output	
		2007 - 08	2006 - 07
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%	87.6%	86.5%
- 12 months	95%	99.5%	99.3%
- 15 months	100%	100%	100%
• Number of tax returns issued during April 2006 to June 2007		351,993	346,397
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	85%*	92.3%	91.8%
- 9 months	96%	98.5%	98%
- 12 months	100%	99.8%	99.7%
• Number of tax returns issued during April 2006 to September 2007		282,712	295,246
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	85%*	93.4%	93.6%
- 9 months	96%	98.8%	99%
- 12 months	100%	99.8%	99.9%
• Number of tax returns issued during April 2006 to September 2007		4,234,812	4,173,363

*The 2007-08 enhanced target.

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 2008

	Target	Output	
		2007 - 08	2006 - 07
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%	100%
• Number of replies made		33	54
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 21 working days	98%	100%	100%*
• Number of replies made		1	2
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%	100%
December to March			
• In response to notifications, tax returns issued within 5 months	98%	100%	100%
• Number of tax returns issued		14,217	14,178

*The target between April 2006 and June 2006 was to complete 98% of the work "within 25 working days".

Description of Service

Section 88B of Inland Revenue Ordinance 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 notice of no objection.

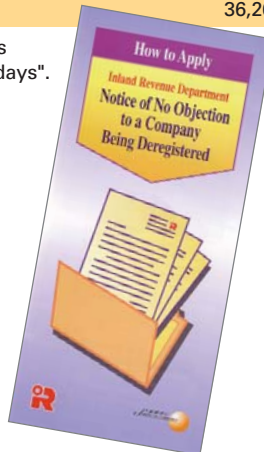
The Commissioner of Inland Revenue will issue a notice of no objection to a company applying for deregistration if the company has no outstanding tax matters or liabilities. Otherwise, the Commissioner will issue a letter to the company stating the matters or liabilities that are outstanding. Upon clearance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

The applicant can expect to receive a reply within 21 working days after the date of lodgement of a valid application and the payment of the prescribed fee.

Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Processing of requests for issuance of notice of no objection for company deregistration			
Performance evaluation		Achieved	Achieved
• Processed within 21 working days	98%	100%	100%*
• Number of requests processed		36,261	33,404

*The target between April 2006 and June 2006 was to complete 98% of the work "within 25 working days".



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Tax Reserve Certificates

Description of Service

Taxpayers may purchase tax reserve certificates to save fund for paying their tax liability in future. Upon lodging objection against their assessments, taxpayers may be required to purchase tax reserve certificates to cover, in whole or in part, the tax in dispute. Interest is payable on tax reserve certificates when they are redeemed to pay tax and, for objection cases, payable if the taxpayer's objection is successful.

Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Purchase & redemptions			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
July to December			
• Processed within 9 working days	98%	100%	100%
• Number of transactions		44,882	45,520
January to June			
• Processed within 12 working days	98%	100%	100%*
• Number of transactions		111,316	131,863

*The target between April 2006 and June 2006 was to complete 98% of the work "within 14 working days".



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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 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Acknowledgements of objection			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
May to August			
• Issued within 12 working days	98%	99.9%	99.5%*
• Issued within 18 working days	99%	100%	99.7%*
• Number of acknowledgements		14,569	16,107
September to April			
• Issued within 18 working days	98%	99.9%	99.9%#
• Issued within 24 working days	99%	100%	99.9%#
• Number of acknowledgements		49,008	60,491
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		67,558	78,202

*The target between May 2006 and June 2006 was to complete 98% of the work "within 14 working days" and 99% of the work "within 21 working days" respectively.

The target for the month of April 2006 was to complete 98% of the work "within 21 working days" and 99% of the work "within 28 working days" respectively.

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 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Tax holdover claims			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Replied within 12 working days	98%	99.9%	99.9%*
• Replied within 18 working days	99%	100%	100%*
• Number of replies		39,987	47,558

*The target between April 2006 and June 2006 was to complete 98% of the work "within 14 working days" and 99% of the work "within 21 working days" respectively.

Receipts for Tax Payments made by Electronic Means

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.

	Target	Output	
		2007 - 08	2006 - 07
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	99%*	100%	100%
December to June			
• Issued within 6 working days	99%*	100%	100%#
• Number of cases processed		1,385,651	1,339,172

The target between April 2006 and June 2006 was to complete 98% of the work "within 7 working days".



Description of Service

Any tax overpaid will be refunded to the taxpayer within 21 working days after 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 21 working days after the date of notification to revise the assessment.

Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Overpayment of tax			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Refunds issued within 21 working days	98%	99.9%	99.9%*
• Number of refunds issued		25,571	26,852
2. Revision of assessment			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Refunds issued within 21 working days	98%	100%	100%*
• Number of refunds issued		47,494	55,400

*The target between April 2006 and June 2006 was to complete 98% of the work "within 25 working days".

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Tax Audit and Investigation

Description of Service

The Field Audit and Investigation Unit serves to counter tax evasion and avoidance and to promote voluntary compliance through tax audit and 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 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Field audit and tax investigation			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
Processed within:			
• 6 months	45%	78.9%	77.7%
• 1 year	65%	84.5%	83.3%
• 2 years	80%	91.7%	89.8%
• 3 years	90%	95.3%	93.4%
• Number of cases processed		1,864	1,875



Description of Service

Instruments chargeable with stamp duty (e.g. assignments, sale and purchase agreements of landed properties, lease agreements, contract notes and transfer deeds of Hong Kong stock etc.) 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.

Duty payers can apply for a stamp certificate in respect of assignments, sale and purchase agreements of landed properties and lease agreements through the Internet by using e-Stamping service under GovHK <www.gov.hk/estamping>. After payment of stamp duty, duty payers can print the stamp certificate at their own printer. The stamp certificate has the same legal status as the stamps imprinted on the instruments.

Performance for 12 months ending on 31 March 2008

	Target	Output	
		2007 - 08	2006 - 07
1. Assignments and sale & purchase agreements / 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>
• Stamped / processed within 5 working days	98%	99.3%	99.6%*
• Number of documents / applications		136,600	115,219
2. Contract notes and lease agreements			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Stamped within the same day	98%	99.7%	99.9%
• Number of documents		1,494,191	1,249,124
3. Claims for exemption (for transfers between group companies)			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Processed within 3 months	85%	91.5%	91.7%
• Processed within 12 months	95%	99.6%	99.3%
• Number of claims processed		732	684

*The target between April 2006 and June 2006 was to complete 98% of the work "within 6 working days".

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 2008

	Target	Output	
		2007 - 08	2006 - 07
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		141,679	128,436
• Applications by post or through the GovHK			
- Issued within 2 working days	99%	100%	100%
• Number of new certificates issued		3,836	3,500
Total number of new certificates issued		145,515	131,936
2. Certified extracts of information			
<i>Performance evaluation</i>		<i>Achieved</i>	<i>Achieved</i>
• Issued within the next working day	99%	100%	100%
• Number of certified extracts of information issued		213,188	216,659
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%	99.8%	100%
• Number of business registration records updated		123,490	114,635
• Notifications by post or through the GovHK to be updated within 5 working days	99%	99.6%	100%*
• Number of business registration records updated		62,723	63,502
Total Number of business registration records updated		186,213	178,137

*The target between April 2006 and June 2006 was to complete 99% of the work "within 6 working days".

Description of Service

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

- by telephone at 2594 5000
- at 37th Floor, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong
- by mail to 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 information is available on computer. In other cases, a written response is provided within 15 working days after receipt of the respective complaint. Interim replies are issued within 7 working days.

Performance for 12 months ending on 31 March 2008

Output		
	2007 - 08	2006 - 07
1. Complaints		
• Interim replies made within 7 working days	99.7%	99.5%*
• Substantive replies made within 15 working days	99.7%	99.5%*
• Number of complaints	355	431
Analysis of complaints	Number	%
• Profits Tax (Corporations and Partnership Businesses)	23	6%
• Profits Tax (Sole Proprietorships), Salaries Tax, Property Tax and Personal Assessment	194	55%
• Tax Collection, Business Registration and Stamp Duty	102	29%
• Field Audit and Tax Investigation	11	3%
• General Enquiries and Appeals	25	7%
Total	355	100%
Findings	Number	%
• Substantiated	39	11%
• Partially substantiated	104	29%
• Not substantiated	212	60%
Total	355	100%

*The target between April 2006 and June 2006, interim replies were made "within 8 working days" and substantive replies were made "within 18 working days".

	Output	
	2007 - 08	2006 - 07
2. Number of Ombudsman complaint cases	14	19
3. Number of Letters of Compliments received from taxpayers	111	80

Inland Revenue Officer won the 2007 Ombudsman Award for Public Officers.



The Department firmly believes that taxpayer education can help in promoting voluntary compliance by employers and taxpayers. To enable taxpayers to access tax information provided by the Department around the clock, topics of common interest to taxpayers have already been uploaded to the Department's Homepage. The information uploaded includes a series of e-Departmental Interpretation and Practice Notes [e-DIPNs] and e-Seminars. The e-DIPNs contain the Department's interpretation of certain tax provisions of the Inland Revenue Ordinance and the relevant practices it would adopt. They serve to enhance the taxpaying public's understanding of both the Department's views and operations. Similarly, the e-Seminars provide detailed guidance to tax representatives, employers, property owners and individual taxpayers on how to complete tax returns and fulfill their tax obligations. To assist the taxpayers further, the Department also uploads the frequently asked questions (FAQs) for their reference.

Starting from January 2008, the Department has uploaded to the "Taxes & Duties" cluster under the GovHK tax information and articles specially written for taxpayers such as telling employees what tax obligations they have to fulfill. Similar information will be uploaded to the government portal in the coming months for enhancing taxpayer education.

The screenshot displays the Inland Revenue Department (IRD) website interface. The top navigation bar includes the IRD logo, the text 'Inland Revenue Department The Government of the Hong Kong Special Administrative Region', and a search bar. Below the navigation bar, there are several main sections:

- 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, Contact Us, Related Links.
- Publications and Press Releases**: With effect from 1 April 2002, Departmental Interpretation and Practice Notes (DIPNs) will only be published on the IRD website. Downloading of these materials from the website is acknowledged and that it is for non-commercial purpose.
- Departmental Interpretation and Practice Notes**: A section for e-DIPNs.
- e-Seminars**: e-Seminar for Employers, e-Seminar for Employees.
- FAQ**: A list of frequently asked questions, including:
 - 2008-09 Budget - Tax Cuts
 - Returns
 - Allowances and Deductions
 - Payments and Refunds
 - Tax Reserve Certificates
 - Q & A for e-Seminars
 - Other FAQs
- Returns**: A section for tax returns, including:
 - Completion of Employer's Return
 - Completion of Profits Tax Return
 - Completion of Profits Tax Return (Supplementary)
 - Completion of Electronic Return (IR 525/526)
 - Completion of Profits Tax Return
 - Completion of Property Tax Return
 - Completion of Tax Return (Individual)
 - IR56B Software
 - Personal Assessment
- Taxes & Duties**: A section for various taxes and duties, including:
 - Salaries Tax: Personal Assessment, Self Assessment, Assessment and Payment, Assessment and Payment (Supplementary), Assessment and Payment (Supplementary - Supplementary), Assessment and Payment (Supplementary - Supplementary).
 - Profits Tax: For the Self-Employed, For the Self-Employed (Supplementary), For the Self-Employed (Supplementary - Supplementary), For the Self-Employed (Supplementary - Supplementary).
 - Stamp Duty: For the Self-Employed, For the Self-Employed (Supplementary), For the Self-Employed (Supplementary - Supplementary), For the Self-Employed (Supplementary - Supplementary).
 - Other Taxes: For the Self-Employed, For the Self-Employed (Supplementary), For the Self-Employed (Supplementary - Supplementary), For the Self-Employed (Supplementary - Supplementary).

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Electronic Filing of Tax Returns

The Inland Revenue Department is committed to promoting electronic services. To assist taxpayers in filing their tax returns electronically, in early 2007 the Department re-designed its "Electronic Filing" promotion and information leaflet, to present the steps and tips for using the service in a more concise, precise and user friendly manner.

In April 2007, the Department also enhanced the electronic filing process by making its interactive instructions and guidance notes easier to understand. During the review period, the main features of the Internet filing function included 'Pre-filing of data', 'Estimation of salaries tax payable', 'Saving of data' and 'Viewing and Printing'.

The Department also updated its tax computation function to take into account the tax relief measures proposed in the 2008-09 Budget. Through Internet filing, a taxpayer can easily and quickly learn the amount of tax payable following the implementation of the tax relief measures.



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

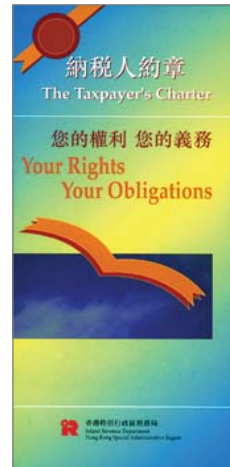
You should pay your tax due on time.

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.

