

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

**FSTB(Tsy)058**

Head: 76 Inland Revenue Department    Subhead (No. & title):

Question Serial No.

2439

Programme:                    (3) Investigation and Field Audit

Controlling Officer:    Commissioner of Inland Revenue

Director of Bureau:    Secretary for Financial Services and the Treasury

Question:

The financial tsunami and economic downturn have given rise to a series of company closures and lay-offs. Does the Inland Revenue Department expect surges of cases of tax evasion, tax avoidance and delay in tax payments? Will the Department devote more resources and manpower to combat tax evasion and tax avoidance activities?

Asked by: Hon. WONG Ting-kwong

Reply:

The work of Inland Revenue Department (IRD) is expected to become more difficult during economic downturn. IRD will formulate appropriate work strategy so that its resources will be deployed according to service needs and departmental priorities.

In the year 2009-10, IRD will continue to monitor the resource and manpower position in the Investigation and Field Audit Unit. The Unit will also optimize the deployment of its available resources to enhance its efficiency and effectiveness to combat tax evasion and avoidance. For example, IRD will:

- (i) enhance the risk management by effectively using information technology and through closer liaison with assessing units; and
- (ii) strengthen staff training and improve officers' professional knowledge, experience and investigation technique through cross-unit job rotation, and participation in local and international tax and investigation seminars or training programmes.

Signature \_\_\_\_\_

Name in block letters    Mrs LAU MAK YEE MING, ALICE

Post Title                    Commissioner of Inland Revenue

Date                                    16 March 2009