



**Inland Revenue Department**

The Government of the Hong Kong Special Administrative Region

# ANNUAL REPORT ON PERFORMANCE PLEDGE 2017-18



Tax by the Law  
Service from the Heart

## 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 | • Efficiency    | • Responsiveness |
| • Fairness        | • Effectiveness | • Courtesy       |
| • Teamwork        |                 |                  |

## Motto

Tax by the Law, Service from the Heart



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# 1 Message from the Commissioner

I am pleased to report that the Inland Revenue Department has achieved all the targets of our performance pledges in the year ended 31 March 2018. Performance in some areas comfortably exceeded the targets and these results are certainly pleasing.

The achievement in relation to our performance pledges is entirely attributed to the dedicated efforts of IRD colleagues. In recognition of the exemplary service of our frontline officers, 51 awards were presented during the year to the officers voted by the public as "Outstanding Customer Service Staff".



The Department is committed to providing efficient and customer-centric services to help taxpayers fulfill their tax obligations. We also continue to enhance our service through the provision of electronic services and advancing the information technology. In November 2017, the IRD's website was revamped with responsive web design. Whatever devices (e.g. desktop computers, tablets or mobile phones) members of the public are using to browse the IRD's website, our responsive web design will give them the optimal viewing and interaction experience by automatically adjusting the contents to perfectly fit the screen sizes, resolutions and orientation. By a single login to the eTAX Account, a taxpayer can file tax returns through the Internet, receive e-Alerts concerning return-filing and tax-paying due dates, receive electronic receipts after tax payments, view the tax position in relation to returns, assessments and tax payable, etc. Employers can also file Employer's Annual Return and Employer's Notifications under eTAX through the Internet. With effect from 1 April 2018, the number of IR56B records that can be uploaded by filers of Employer's Returns through their own eTAX Accounts has increased from 200 to 800 records.

I would like to thank taxpayers for their support and encouragement. My gratitude also goes out to members of the Users' Committee who have continued to offer valuable advice and constructive suggestions on our services. We will strive to continuously provide effective service to the community, as we proclaim in our motto – "Tax by the Law, Service from the Heart".

**WONG Kuen-fai**  
**Commissioner of Inland Revenue**

## 2 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 makes suggestions for improving the Department's services. Members visited the Department during the year to gain a better understanding of the eTAX service; the operations of the Stamp Office and the Enquiry Service Centre; and the work procedures on handling purchase and redemptions of tax reserve certificates and issuing receipts for tax payments made by electronic means, and to seek the views of the staff on the pledges.

To ensure broad representation, members are drawn from different sectors, including legal practitioner, tax practitioners, academics and public relations professionals. Members of the Committee in 2017-18 were as follows:

Mr TAM Tai-pang (Chairman)

Dr Derek CHAN

Ms Frances CHAN Lai-fun

Ms Agnes CHAN Sui-kuen

Mr Joseph CHEUNG Wang-ngai

Mr Peter C W CHOY

Mr FUNG Pui-cheung

Mr Patrick HO Kin-wai

Ms Katy LAM

Ms Elizabeth LAW

Mr K C LAW

Dr Eric LI Ka-cheung

Mrs Natalia SENG

Mr Percy WONG

Ms Judy YIP Wai-fun

Ms MUI Tsz-ling (Secretary)



### 3 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 in 2017-18, who represented different operating units and sections, were as follows:

Mr TAM Tai-pang (Chairman)

Mr Tony WONG Kai-cheong

Mr FU Kwok-on

Ms Irene TSOI Chi-yi

Mr Francis TSE Kin-chuen

Ms LAU Wai-sum

Mr Samuel TAM Wai-keung

Ms MUI Tsz-ling

Ms LEUNG Pui-ying

Ms MAK Pui-lin

Ms Monita HO Ka-po (Secretary)

## 4 Executive Summary

The results achieved in the year 2017-18 were all within target.

Services		Performance Targets	Actual Achievement	
			2017-18	2016-17
<b>1</b>	<b>Counter enquiries</b>			
	• attended to within 10 minutes (in peak times)	95%	<b>98.1%</b>	98.2%
<b>2</b>	<b>Telephone enquiries</b>			
	• answered within 3 minutes (in peak period)	80%	<b>87.3%</b>	88.4%
<b>3</b>	<b>Written enquiries - simple matters</b>			
	• replied within 7 working days	96%	<b>99.9%</b>	99.9%
<b>4</b>	<b>Written enquiries - technical matters</b>			
	• replied within 21 working days	98%	<b>99.9%</b>	99.9%
<b>5</b>	<b>Returns processing</b>			
	<b>Profits tax returns</b>			
	• assessed within 9 months	80%	<b>86.1%</b>	86.6%
	<b>Property tax returns</b>			
	• assessed within 9 months	96%	<b>97.9%</b>	97.5%
	<b>Composite tax returns</b>			
	• assessed within 9 months	96%	<b>96.9%</b>	97.1%
<b>6</b>	<b>Tax Returns for first-time taxpayers</b>			
	<b>Profits tax</b>			
	• issued within 3 months	98%	<b>100%</b>	100%
	<b>Salaries tax</b>			
	• issued within 5 months	98%	<b>99.9%</b>	99.9%
<b>7</b>	<b>Requests for issuance of Notice of No Objection for Company Deregistration</b>			
	• processed within 21 working days	98%	<b>100%</b>	100%
<b>8</b>	<b>Tax reserve certificate transactions</b>			
	• processed within 12 working days (in peak period)	99%	<b>100%</b>	100%

	Services	Performance Targets	Actual Achievement	
			2017-18	2016-17
<b>9</b>	<b>Replies to notices of objection</b>			
	<ul style="list-style-type: none"> <li>processed within 18 working days (in peak period)</li> </ul>	98%	<b>99.9%</b>	99.9%
<b>10</b>	<b>Processing of objections</b>			
	<ul style="list-style-type: none"> <li>processed within 4 months</li> </ul>	98%	<b>99.9%</b>	99.9%
<b>11</b>	<b>Applications for holdover of provisional tax</b>			
	<ul style="list-style-type: none"> <li>processed within 12 working days</li> </ul>	98%	<b>99.9%</b>	100%
<b>12</b>	<b>Issue paper receipts for tax payments made through electronic means by corporations, partnerships and jointly-owned property owners</b>			
	<ul style="list-style-type: none"> <li>issued within 4 working days</li> </ul>	99%	<b>100%</b>	100%
<b>13</b>	<b>Refunds arising from overpayment of tax</b>			
	<ul style="list-style-type: none"> <li>made within 18 working days</li> </ul>	98%	<b>99.9%</b>	99.9%
<b>14</b>	<b>Refunds arising from revision of assessment</b>			
	<ul style="list-style-type: none"> <li>made within 10 working days</li> </ul>	98%	<b>100%</b>	100%
<b>15</b>	<b>Tax audit and investigation</b>			
	<ul style="list-style-type: none"> <li>processed within 2 years</li> </ul>	80%	<b>92.5%</b>	90.5%
<b>16</b>	<b>Stamping of assignments, sale and purchase agreements and lease agreements through GovHK</b>			
	<b>Payment by on-line mode</b>			
	<ul style="list-style-type: none"> <li>Stamp certificate issued instantly through GovHK after receipt of stamp duty</li> </ul>	99%	<b>100%</b>	100%
	<b>Payment by off-line mode</b>			
	<ul style="list-style-type: none"> <li>Stamp certificate issued within 2 working days through GovHK after receipt of stamp duty</li> </ul>	99%	<b>100%</b>	100%
<b>17</b>	<b>Requests for stamping of assignments and sale and purchase agreements</b>			
	<ul style="list-style-type: none"> <li>stamped within 5 working days</li> </ul>	98%	<b>99.4%</b>	99.8%
<b>18</b>	<b>Requests for stamping of contract notes and lease agreements</b>			
	<ul style="list-style-type: none"> <li>stamped on the same day</li> </ul>	98%	<b>99.6%</b>	99.7%



	Services	Performance Targets	Actual Achievement	
			2017-18	2016-17
<b>19</b>	<b>Claims for stamp duty exemption (for transfers between group companies)</b>			
	• processed within 3 months	85%	<b>99.8%</b>	96.3%
<b>20</b>	<b>New business registration certificates *</b>			
	<b>Applications over the counter</b>			
	• issued within 30 minutes	99%	<b>99.9%</b>	99.8%
	<b>Applications by post or through GovHK</b>			
	• issued within 2 working days	99%	<b>100%</b>	100%
<b>21</b>	<b>Certified extracts of information on business register</b>			
	• issued within the next working day	99%	<b>100%</b>	100%
<b>22</b>	<b>Change of business registration particulars</b>			
	<b>Notifications over the counter</b>			
	• updated within 30 minutes <sup>#</sup>	97%	<b>99.9%</b>	99.9%
	<b>Notifications by post or through GovHK</b>			
	• updated within 5 working days	99%	<b>99.6%</b>	99.8%
<b>23</b>	<b>Issue of Access Code Notice</b>			
	<b>Applications through GovHK</b>			
	• issued within 2 working days	98%	<b>100%</b>	100%
<b>24</b>	<b>Issue electronic receipts to eTAX Account holders for tax payments made by electronic means</b>			
	• issued within 2 working days	99%	<b>100%</b>	100%
<b>25</b>	<b>Handling of complaints</b>			
	• Interim replies made within 7 working days	99%	<b>100%</b>	100%
	• Substantive replies made within 15 working days	99%	<b>100%</b>	100%

\* Not applicable to applications submitted to the Companies Registry.

# Not applicable to notifications submitted in bulk over the counter.

## 5 Enquiry Service

### Description of Service



The Enquiry Service Centre is located on the first and second floors of Revenue Tower. It handles general counter and telephone enquiries received through the general enquiry hotline number 187 8088. The Centre also handles enquiries received through the eTAX help desk hotline number 183 2011.

The Centre is equipped with a computer network linked to the Department's Knowledge Database and aims to provide, as far as possible, a "one-stop" service.

For the convenience of callers, the Centre has installed an electronic queuing system, so that taxpayers can be served in the order of their arrival time.



The Centre operates an Interactive Telephone Enquiry System with 144 telephone lines. Callers can have 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 requests and a "Fax-in enquiry" service are also available.

Information leaflets on topics of general interest are available for collection on the first floor of the Revenue Tower. The public may also obtain general tax information and download forms from the Department's website at <[www.ird.gov.hk](http://www.ird.gov.hk)>.

## Performance for the 12 months ending 31 March 2018

		Performance	
		2017-18	2016-17
<b>1</b>	<b>Counter enquiries</b>		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	<b>Peak times (10:30 a.m. to 5:00 p.m.)</b>		
	• Waiting time within 10 minutes	95% <b>98.1%</b>	98.2%
	<b>Outside peak times</b>		
	• Waiting time within 10 minutes	99% <b>99.9%</b>	99.9%
	Number of counter enquiries	<b>426,591</b>	386,151
<b>2</b>	<b>Telephone enquiries</b>		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	<b>July to April</b>		
	• Connected telephone calls answered by staff within 3 minutes	90% <b>94.2%</b>	94.8%
	• Connected telephone calls answered by staff within 4 minutes	95% <b>99.2%</b>	99.2%
	• Number of telephone calls answered by staff	<b>501,014</b>	537,421
	<b>May and June</b>		
	• Connected telephone calls answered by staff within 3 minutes	80% <b>87.3%</b>	88.4%
	• Connected telephone calls answered by staff within 4 minutes	90% <b>97%</b>	97.4%
	• Number of telephone calls answered by staff	<b>171,272</b>	174,359
	<b>Full year</b>		
	• Average waiting time	<b>1.2 minute</b>	1.1 minute
	• Number of telephone calls		
	- answered by system	<b>741,949</b>	770,107
	- answered by staff	<b>672,286</b>	711,780
	• Number of fax requests	<b>5,726</b>	2,685
	• Number of leave-and-call-back requests	<b>39,198</b>	33,211

## 6 Written Enquiries

### Description of Service

Enquiries are classified into enquiries on “simple matters” or “technical matters” depending on the level of complexity. Enquiries on simple matters can usually be handled without reference to the specific files as in most cases the information is available from the Department’s database. They 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 the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
1	Enquiries - simple matters			
	Performance evaluation		Achieved	Achieved
	• Replied within 7 working days	96%	99.9%	99.9%
	• Replied within 9 working days	99%	99.9%	99.9%
	• Number of replies		348,412	371,019
2	Enquiries - technical matters			
	Performance evaluation		Achieved	Achieved
	• Replied within 21 working days	98%	99.9%	99.9%
	• Replied within 42 working days	99%	99.9%	100%
	• Number of replies		296,516	291,549

# 7 Returns Processing

## Description of Service

The bulk of the tax return is issued to individuals in May whereas the bulk of the profits tax return (corporations and partnership businesses) and property tax return (jointly owned properties) is issued in April each year. Apart from these bulk issues, returns are also issued periodically as and when necessary.

The Department will examine the returns filed by the taxpayers and issue notices of assessment. Cases assessed per return in the first instance may be selected for audit later. In some cases, further information may be sought before assessments are made. Where returns are not submitted, the Department may raise estimated assessments on the taxpayers concerned.

## Performance for the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
<b>1</b>	<b>Profits tax returns</b> (Corporations and partnership businesses)			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	<ul style="list-style-type: none"> <li>From the date of issue of tax returns, assessments made within:                             <ul style="list-style-type: none"> <li>9 months</li> <li>12 months</li> <li>15 months</li> </ul> </li> <li>Number of tax returns issued during April 2016 to June 2017</li> </ul>	80% 95% 100%	<b>86.1%</b> <b>99.2%</b> <b>100%</b> <b>458,466</b>	86.6% 99.3% 100% 451,168
<b>2</b>	<b>Property tax returns</b> (Jointly owned properties)			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	<ul style="list-style-type: none"> <li>From the date of issue of tax returns, assessments made within:                             <ul style="list-style-type: none"> <li>6 months</li> <li>9 months</li> <li>12 months</li> </ul> </li> <li>Number of tax returns issued during April 2016 to September 2017</li> </ul>	85% 96% 99.5%	<b>90.1%</b> <b>97.9%</b> <b>99.9%</b> <b>316,208</b>	90% 97.5% 99.9% 315,547
<b>3</b>	<b>Composite tax returns</b>			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	<ul style="list-style-type: none"> <li>From the date of issue of tax returns, assessments made within:                             <ul style="list-style-type: none"> <li>6 months</li> <li>9 months</li> <li>12 months</li> </ul> </li> <li>Number of tax returns issued during April 2016 to September 2017</li> </ul>	85% 96% 99.5%	<b>91.4%</b> <b>96.9%</b> <b>99.7%</b> <b>5,784,832</b>	91.6% 97.1% 99.5% 5,686,806



# 8 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 (IR56E).

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 the 12 months ending 31 March 2018

		Performance	
		2017-18	2016-17
1	Profits Tax		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	• After receiving notifications of chargeability from taxpayers, replies made within 3 months	98% 100%	100%
	• Number of replies	42	174
2	Salaries Tax		
	<b>Non-taxable Cases</b>		
	<b>Performance evaluation</b>	<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	40	51
	<b>Taxable Cases</b>		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	<u>April to November</u>		
	• In response to notifications, tax returns issued within 3 months	98% 99.9%	99.9%
	<u>December to March</u>		
	• In response to notifications, tax returns issued within 5 months	98% 100%	100%
	Number of tax returns issued	19,884	17,963

## 9 Company Deregistration

### Description of Service

Section 88B of the 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. From 3 March 2014 onwards, a company limited by guarantee may also apply for deregistration.

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 the 12 months ending 31 March 2018

	Target	Performance	
		2017-18	2016-17
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		101,224	83,466

# 10 Tax Reserve Certificates

## Description of Service

Taxpayers may purchase tax reserve certificates to save up for meeting their future tax liabilities. Interest is payable on the tax reserve certificates when they are redeemed to pay tax.

Taxpayers lodging an objection against their assessments may be required to purchase tax reserve certificates to cover, in whole or in part, the tax in dispute. They will earn interest on the tax reserve certificates so purchased if they succeed in their objection.

## Performance for the 12 months ending 31 March 2018

	Targets	Performance	
		2017-18	2016-17
Purchase & redemptions			
Performance evaluation		Achieved	Achieved
July to December			
• Processed within 9 working days	99%	100%	100%
• Number of transactions		47,467	47,396
January to June			
• Processed within 12 working days	99%	100%	100%
• Number of transactions		134,404	130,851

# 11 Objections

## 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 after the date of the notice of assessment.

An acknowledgement letter will be issued upon receipt of the objection.

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

A "notice of settlement of objection" refers to a notice of revised assessment, a notification of refund, or a letter notifying the settlement of objection.

If the objection cannot be settled right away, a "notice of decision by Assessing Officer" will be issued to the taxpayer to seek further information, propose a basis of settlement of the objection, invite the taxpayer to withdraw the objection, or notify the taxpayer that the case has been referred to the Commissioner for determination.

## Performance for the 12 months ending 31 March 2018

		Performance	
		2017-18	2016-17
Targets			
<b>1</b>	<b>Replies to notices of objection</b>		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	<u>May to August</u>		
	• Issued within 12 working days	98%	99.9%
	• Issued within 18 working days	99%	99.9%
	• Number of replies	14,985	17,875
	<u>September to April</u>		
	• Issued within 18 working days	98%	99.9%
	• Issued within 24 working days	99%	99.9%
	• Number of replies	67,146	74,541
<b>2</b>	<b>Processing of objections</b>		
	<b>Performance evaluation</b>	<i>Achieved</i>	<i>Achieved</i>
	• Processed within 4 months	98%	99.9%
	• Number of cases processed	80,868	90,623

# 12 Holdover of Provisional Tax

## 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, the Department will provide a reply to the taxpayer:

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

## Performance for the 12 months ending 31 March 2018

	Targets	Performance	
		2017-18	2016-17
Holdover of provisional tax			
Performance evaluation		Achieved	Achieved
• Replied within 12 working days	98%	99.9%	100%
• Replied within 18 working days	99%	99.9%	100%
• Number of replies		40,841	42,005



# 13 Paper 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 four electronic payment channels to the public: the telephone, bank automated teller machines, e-Cheque and the Internet. Electronic payments are safe and convenient to taxpayers and cost-efficient to the Department. Paper receipts are issued for tax payments made through electronic means by corporations, partnerships and jointly-owned property owners, whereas electronic receipts are issued through eTAX Accounts to taxpayers for Salaries Tax, Profits Tax for sole proprietorship businesses, Property Tax for solely owned properties and Tax under Personal Assessment paid through electronic means.

## Performance for the 12 months ending 31 March 2018

	Target	Performance	
		2017-18	2016-17
Paper Receipts for tax payments made by electronic means			
Performance evaluation		Achieved	Achieved
• Issued within 4 working days	99%	100%	100%
• Number of cases processed		81,354	78,418

# 14 Refunds of Tax

## Description of Service

Any tax overpaid will be refunded to the taxpayer within 18 working days after the date of receipt of the overpayment.

Refund arising from a revision of assessment (as a result of allowing an objection, or a claim) will be made to the taxpayer within 10 working days after the date of notification to revise the assessment.

## Performance for the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
1	Overpayment of tax			
	Performance evaluation		Achieved	Achieved
	• Refunds issued within 18 working days	98%	99.9%	99.9%
	• Number of refunds issued		36,876	40,513
2	Revision of assessment			
	Performance evaluation		Achieved	Achieved
	• Refunds issued within 10 working days	98%	100%	100%
	• Number of refunds issued		83,372	94,836

# 15 Tax Audit and Investigation

## Description of Service

The Field Audit and Investigation Unit combats tax evasion and avoidance and promotes voluntary compliance through conducting tax audits and investigations on businesses and individuals.

To ascertain the correctness of tax returns filed by businesses, tax audits are conducted through visits to the business premises and the examination of their accounting records. Tax investigation involves in-depth inquiries into the affairs of taxpayers where tax evasion is suspected.

With a view to improving taxpayers' service and increasing transparency in the conduct of field audits and tax investigation, the Department has published its penalty policy. It is available on the Department's website at <[www.ird.gov.hk](http://www.ird.gov.hk)> as well as through our Fax-A-Form service. Where a penalty in the form of additional tax is imposed on a taxpayer, the notice of additional tax assessment shall show the basis for computing the penalty.

## Performance for the 12 months ending 31 March 2018

	Targets	Performance	
		2017-18	2016-17
Field Audit and Tax Investigation			
Performance evaluation		Achieved	Achieved
Processed within:			
• 6 months	60%	82.4%	81.1%
• 1 year	70%	87.2%	86.3%
• 2 years	80%	92.5%	90.5%
• 3 years	90%	95.1%	94.5%
• Number of cases processed		1,804	1,801

# 16 Document Stamping

## 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 values of the properties transferred under the instruments have to be ascertained.

Under the Stamp Duty Ordinance, 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 applicants will be notified of the result of the applications in writing.

A stamp certificate has the same legal status as a stamp imprinted on an instrument. Duty payers can apply for stamp certificates in respect of assignments, sale and purchase agreements of landed properties and lease agreements by using the e-Stamping service under GovHK <[www.gov.hk/estamping](http://www.gov.hk/estamping)>. After payment of stamp duty, duty payers can print the stamp certificates from their own printers.

The advertisement for GovHK e-Stamping features a blue background with a white document showing a stamp certificate. At the top, the text 'GovHK e-Stamping' is displayed. Below it, an orange speech bubble contains the text 'Tenancy Agreement Documents for Sale and Purchase of Property'. A pink speech bubble with a computer icon says 'Easy & Convenient'. A yellow starburst icon says 'Stamp Certificate'. At the bottom, a purple banner reads 'Register for E-Stamp Account or eTAX Account now to enjoy this service!'. The Inland Revenue Department logo and 'Property eStamping' are also present.

## Performance for the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
1	Stamping of assignments, sale and purchase agreements and lease agreements through GovHK			
	Performance evaluation		Achieved	Achieved
	Payment by on-line mode			
	• Stamp certificate issued instantly	99%	100%	100%
	• Number of documents		127,376	122,053
	Payment by off-line mode			
	• Stamp certificate issued within 2 working days	99%	100%	100%
	• Number of documents		182,510	170,171
2	Requests for stamping of assignments and sale and purchase agreements			
	Performance evaluation		Achieved	Achieved
	• Stamped within 5 working days	98%	99.4%	99.8%
	• Number of documents		58,186	47,934
3	Requests for stamping of contract notes and lease agreements			
	Performance evaluation		Achieved	Achieved
	• Stamped within the same day	98%	99.6%	99.7%
	• Number of documents		1,182,318	1,079,620
4	Claims for stamp duty exemption (for transfers between group companies)			
	Performance evaluation		Achieved	Achieved
	• Processed within 3 months	85%	99.8%	96.3%
	• Processed within 12 months	95%	100%	100%
	• Number of claims processed		530	516



# 17 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 and levy. On completion of the registration procedures, a valid business registration certificate for the business will be issued.

Under the one-stop company and business registration service, companies are only required to lodge one single application for company and business registration with Companies Registry. An applicant for company incorporation is deemed to have applied for business registration simultaneously, and is no longer required to apply separately to the Business Registration Office for registration. This arrangement is not applicable to application by other types of businesses such as sole proprietorship businesses, partnership businesses, and branch registration.

Any person may, on payment of the prescribed fee, apply for the 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. Under the one-stop notification service, companies are no longer required to notify the Business Registration Office separately of changes of the following particulars:

### For local companies

- company name
- registered office address

### For non-Hong Kong companies

- corporate name
- address of principal place of business in Hong Kong
- name and address of authorized representative

After the notice or return of changes of these company particulars is registered or recorded under the Companies Ordinance, the Companies Registry will transmit such particulars to the Department.

By using the electronic one-stop service at the e-Registry of the Companies Registry, a company which reports a change of registered office address can opt to request the Companies

Registry to notify the Department on its behalf that its business address as registered under the Business Registration Ordinance has changed to its new registered office address with effect from the effective date of change as stated in the e-Form NR1. Therefore, the company can amend its registered office address and its business address in one go.

## Performance for the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
<b>1</b>	<b>New certificates*</b>			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	<u>Applications over the counter</u>			
	• Issued within 30 minutes	99%	<b>99.9%</b>	99.8%
	• Number of new certificates issued		<b>39,256</b>	51,371
	<u>Applications by post or through GovHK</u>			
	• Issued within 2 working days	99%	<b>100%</b>	100%
	• Number of new certificates issued		<b>3,445</b>	3,978
	Total number of new certificates issued		<b>42,701</b>	55,349
<b>2</b>	<b>Certified extracts of information</b>			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	• Issued within the next working day	99%	<b>100%</b>	100%
	• Number of certified extracts of information issued		<b>212,997</b>	264,658
<b>3</b>	<b>Change of business registration particulars</b>			
	<b>Performance evaluation</b>		<i>Achieved</i>	<i>Achieved</i>
	<u>Notifications over the counter</u>			
	• To be updated within 30 minutes <sup>#</sup>	97%	<b>99.9%</b>	99.9%
	• Number of business registration records updated		<b>391,299</b>	353,356
	<u>Notifications by post or through GovHK</u>			
	• To be updated within 5 working days	99%	<b>99.6%</b>	99.8%
	• Number of business registration records updated		<b>120,122</b>	119,536
	Total number of business registration records updated		<b>511,421</b>	472,892

\* Excluding the new certificates issued by the Companies Registry.

# Excluding notifications submitted in bulk over the counter.

# 18 eTAX Account

## Description of Service

A taxpayer can open an eTAX Account at anytime to enjoy a range of electronic tax services. By a single login to the eTAX Account, the taxpayer can file tax returns through the Internet, receive e-Alerts concerning return-filing and tax-paying due dates, receive electronic receipts after tax payments, view the tax position in relation to returns, assessments and tax payable, etc.



A taxpayer has to input an Access Code for opening an eTAX Account. He can apply for an Access Code through eTAX. An Access Code Notice will be sent to him within the next 2 working days. Upon receipt of the Access Code Notice, he can login eTAX and go through a simple registration process to create his own eTAX Password. If a taxpayer forgets his eTAX Password and has not registered a password hint in his eTAX Account, he has to apply for a new Access Code. Application can be made through eTAX. eTAX Account holder can access eTAX services directly through his MyGovHK account by registering for a MyGovHK account and linking up with his eTAX Account.

## Performance for the 12 months ending 31 March 2018

		Targets	Performance	
			2017-18	2016-17
1	Issue of Access Code Notice			
	Performance evaluation		Achieved	Achieved
	• Applications through GovHK			
	- Issued within 2 working days	98%	100%	100%
	• Number of Access Code Notices issued		169,992	157,618
2	Issue electronic receipts for tax payments made by electronic means			
	Performance evaluation		Achieved	Achieved
	• Issued within 2 working days	99%	100%	100%
	• Number of electronic receipts issued		770,335	767,972

# 19 Complaints and Compliments

## Description of Service

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

Telephone : 2594 5000

Address : 37th Floor, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong

Post : GPO Box 11234, Hong Kong

Fax : 2802 7625, or

E-mail : [taxinfo@ird.gov.hk](mailto:taxinfo@ird.gov.hk)

If taxpayers feel that complaints have not been dealt with adequately or needs further review, they may write to the Department's Complaints Liaison Officer by the following channels –

Post : GPO Box 11234, Hong Kong

Fax : 2802 7625, or

E-mail : [taxinfo@ird.gov.hk](mailto:taxinfo@ird.gov.hk)

Complaints are dealt with immediately if the required information is available on the 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 the 12 months ending 31 March 2018

	Targets	Performance	
		2017-18	2016-17
Handling of complaints			
Performance evaluation		Achieved	Achieved
• Interim replies made within 7 working days	99%	100%	100%
• Substantive replies made within 15 working days	99%	100%	100%
• Number of complaints		255	254

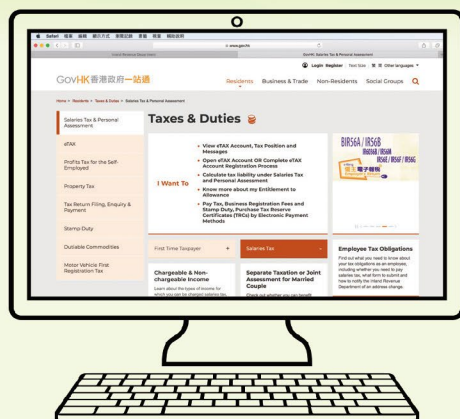
Analysis of complaints	Number	%
• Profits Tax (Corporations and Partnership Businesses)	14	6%
• Profits Tax (Sole Proprietorship Businesses), Salaries Tax, Property Tax and Personal Assessment	145	57%
• Tax Collection, Business Registration and Stamp Duty	74	29%
• Field Audit and Tax Investigation	13	5%
• General Enquiries and Appeals	9	3%
Total	255	100%

Findings	Number	%
• Substantiated	16	6%
• Partially substantiated	84	33%
• Not Substantiated	155	61%
Total	255	100%

	Performance	
	2017-18	2016-17
<b>1</b> Number of Ombudsman complaint cases	21	22
<b>2</b> Number of Letters of Compliments received from taxpayers	185	154



# 20 Tax Education and Information



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 are uploaded to the Department's website at <[www.ird.gov.hk](http://www.ird.gov.hk)>. The information uploaded includes a series of Departmental Interpretation and Practice Notes [DIPNs], Tax Representatives' Corner and e-Seminars. The 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 public's understanding of both the Department's views and operations. Similarly, Tax Representatives' Corner and 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 uploads the frequently asked questions (FAQs) for their ready reference.

The Department has also uploaded to the "Taxes & Duties" cluster under the GovHK tax information and articles specially written for taxpayers such as their rights and obligations under the tax law, what income is chargeable/non-chargeable to tax and what allowances/deductions they may claim.

# 21 Electronic Filing of Tax Returns

In line with its customer-oriented service strategy, the Inland Revenue Department continues to enhance its electronic services. Individuals tax returns, profits tax returns, property tax returns and employer's returns can be submitted on-line through the eTAX platform.

## Individuals, profits tax and property tax returns

Currently, the main features of the Internet filing function for individuals tax returns include 'Pre-filling of data', 'Estimation of salaries tax payable', 'Saving of data' and 'Viewing and Printing'. For the 'Pre-filling of data' feature, income details supplied by employers for the year of assessment 2017/18, if applicable, will be pre-filled under "Salaries Tax" of the relevant taxpayers' electronic returns. This will save taxpayers' time in completing the tax returns.

The Department also updated its tax computation function to take into account the tax relief measures proposed in the 2018-19 Budget. Before submitting the individuals tax return through the Internet filing, a taxpayer can calculate the amount of tax payable by him.

The profits tax returns of corporations and partnerships satisfying certain specified conditions can also be filed electronically under eTAX. The e-filing process involves two steps, namely completion and submission of the return. Tax representatives can first complete the profits tax returns for their clients on-line, and then send the electronic records to their clients for checking. The filers, who can be the precedent partners of partnerships or the directors, secretaries or managers of corporations, can then sign and submit the completed returns through their own eTAX Account. The system will issue an instant acknowledgement for each successful submission.



The poster for eTAX Electronic Filing features a green silhouette of a person sitting at a desk with a computer, set against a background of green grass and a blue sky. The text is in both Chinese and English.

**稅務局**  
Inland Revenue Department

**電子報稅**  
*Electronic Filing*

經 **1 稅務易 eTAX** 提交

報稅表 - 個人人士 安全又快捷  
Secure and easy to file  
Tax Return - Individuals via eTAX

登入 Login : [www.gov.hk/etax](http://www.gov.hk/etax)

方便 安全 環保 簡單 快捷  
Convenient Safe Green Easy Fast

預填資料  
Pre-filling of data  
延期提交報稅表  
Extension of time for filing  
估計應繳薪俸稅稅款  
Estimation of Salaries Tax payable  
選擇收取電子通知書  
Opt for electronic notices  
收取電子提示信息  
Receive e-alert messages

**隨時隨地處理你的稅務事宜**  
**Manage your tax affairs anytime anywhere**

[www.gov.hk/etax](http://www.gov.hk/etax)

To encourage taxpayers opening eTAX Accounts and filing tax returns on-line, the Department will grant an extension of time to all e-filers for filing their tax returns. E-filers of individuals tax returns will have one-month automatic extension and e-filers of property tax returns, 2-week automatic extension. For profits tax returns, in addition to the normal extension granted according to their accounting date, e-filers or their tax representatives can apply for another 2-week's extra extension.

## Employer's Return

Filers of Employer's Returns can sign the returns through their own eTAX Accounts and submit the annual Employer's Returns (BIR56A) and Control Lists, and at the same time upload data file containing IR56B records in XML format generated from the IRD IR56B software or approved self-developed IR56B software. With effect from April 2018, the number of IR56B records that can be uploaded has increased from 200 to 800 records. Employers with not more than 30 IR56B records may also choose to complete IR56B directly on-line.

Other IR56 series notifications can also be submitted via eTAX. Fast and easy, intact and secure, e-filing of Employer's Returns via eTAX is also environment friendly.



# 22 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.

