

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)033

(Question Serial No. 0985)

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operating Expenses

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision of the Inland Revenue Department (IRD) for Programme (1): Assessing Functions is \$1,319.6 million. In 2019-20, the IRD enhanced the quality and efficiency of its services through a wider use of information technology, upgrading internal computer systems and streamlining procedures. Services were also provided via eTAX at GovHK. As mentioned in "Matters Requiring Special Attention in 2020-21":

1. the IRD will "continue to promote the use of electronic services and encourage taxpayers to make greater use of eTAX services." Are there any specific ideas for promoting such services? Please provide the target details.
2. The IRD will also "continue to conduct the automatic exchange of financial account information with the relevant tax authorities." How many relevant tax authorities are currently working in collaboration with Hong Kong in keeping the "tax treaty network" in operation? What are the objectives and plans for further enhancing the work of "the automatic exchange of financial account information" in the coming year?
3. Are additional manpower and expenditure required for the relevant work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 32)

Reply:

- 1&3. With a view to increasing usage rates of eTAX services, the Inland Revenue Department (IRD) will continue to launch a series of promotional activities in the financial year 2020-21, including seminars, posters, publicity leaflets, newspaper and electronic media advertisements, "GovHK Notifications" messages issued through smartphones, Internet publicity, promotional messages, as well as e-mails to civil servants and other organisations promoting eTAX services. Besides, the IRD will step up publicity effort to promote e-filing of Tax Return – Individuals by advertising through the electronic screens of about 580 commercial buildings in Hong Kong.

The estimated expenditure to be incurred on the promotion of electronic services is about \$880,000. The IRD will handle the promotion work through its existing establishment.

2&3. The IRD successfully conducted two rounds of automatic exchange of financial account information in tax matters (AEOI) with 45 and 51 tax jurisdictions in 2018 and 2019 respectively, covering the respective financial account information for 2017 and 2018. The next round of AEOI will take place in September 2020, covering financial account information for 2019. So far, 112 tax jurisdictions around the world have implemented AEOI or have a definitive plan for implementing AEOI. The IRD will continue to activate AEOI relationships with more tax jurisdictions and expects the number of Hong Kong's AEOI partners to increase gradually in the next few years.

The Tax Treaty Section of the IRD is responsible for the above work, which forms part of the regular duties of the IRD. Therefore, the manpower and expenditure involved have been included in the overall establishment and expenditure. The IRD will review the manpower arrangements from time to time and, where operational needs so require, apply for additional manpower and funding in accordance with the established procedures.

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