

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)038

(Question Serial No. 1927)

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Investigation and Field Audit

Controlling Officer: Commissioner of Inland Revenue (Benjamin CHAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work on combating tax evasion and tax avoidance to be undertaken in this financial year, will the Government inform this Committee of:

- 1) the estimated expenditure on the computer-assisted risk-based case selection programme (including expenditure on maintenance, updating of model and data, and training) in 2026-27; and
- 2) the specific information technology initiatives to enhance efficiency in processing cases and reduce reliance on manual processing, and the performance indicators for such initiatives?

Asked by: Hon CHAN Cho-kwong (LegCo internal reference no.: 19)

Reply:

- (1) The risk-based case selection programme used by the Inland Revenue Department (IRD) in combating tax evasion and avoidance is a computer-aided tool. The expenditures in relation to the programme have been included in the general departmental expenses. The IRD has not made a separate estimate in respect of such expenditures.
- (2) The IRD is currently evaluating the feasibility of certain initiatives which leverage artificial intelligence and related information technology for the purposes of enhancing the ability to identify high-risk cases and the efficiency in conducting tax audits. Performance indicators for such initiatives have yet to be prescribed at this stage.

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