

(e) On-line forms/filing

The Institute would like to ask:

- (i) Whether the IRD could simplify the filing procedures for various forms, e.g. allowing the use of standard on-line forms, which the taxpayer can print off and sign, or where the taxpayer is permitted to sign on a scanned copy. On tax assessments, the Institute would like to ask if they could be made available on-line for the taxpayers or their representatives.

Mrs Chu advised that over 100 public forms and pamphlets under 12 categories were now downloadable from the IRD website. If registration for eTax service had been made, salaries tax assessments on individuals taxpayers would also be made available on-line to the taxpayers but not to their representatives. For taxpayers other than individuals, there was no plan yet to issue assessments on-line.

- (ii) When the next phase of the e-corporate tax filing will be rolled out and what feedback there has been from the first phase.

Mrs Chu advised that the e-corporate tax filing system had been in place for less than a year. The IRD had received about 700 electronic profits tax returns since 1 April 2010. There was no particular feedback from the users. Taking this opportunity, the IRD would like to appeal to the Institute to encourage its members to make more use of the electronic filing system. Any feedbacks were also welcomed.

Mrs Chu pointed out that the IRD would undertake a massive system infrastructure enhancement project in the coming few years. The IRD had no definite plan for the next phase of e-filing for profits tax return for the time being.

Ms Macpherson said the major obstacle that prevented tax representatives from using the electronic filing system was that a tax representative was not allowed to use its own log-in ID to submit the tax returns on behalf of its clients. Mrs Chu replied that it would not be possible to cater for submission of tax returns in this manner without changing the law.

(f) Time required for reviewing taxpayer's tax returns

Following the judicial review case *Yue Yuen Marketing Company Ltd & Ors v CIR*, the Institute would like to seek the IRD's view on what would be considered a "reasonable" time for determining an objection. On a related matter, the Institute would like to suggest that the IRD consider including in its performance pledges the standard/ target time for responding to taxpayers' replies to the IRD's enquiries and for settling disputes.

CIR advised that what was a reasonable time for determining an objection by the Commissioner must be considered in the light of all the circumstances: see *Nina T.H. Wang v. CIR* (1994) 4 HKTC 15 at p. 24 and the *Yue Yuen* judgment itself at para. 48 [HCAL 49/2009]. It was thus impracticable to set down rigid rules for ascertaining what constituted a reasonable time in all possible cases. While the IRD always aimed at processing objections in an efficient and effective manner, this could only be achieved with the cooperation of the taxpayer and his/her representative in providing any further information requested by the Assessor. At present, the IRD's performance pledge already covered replies to notices of objection and processing of objections.

(g) Block extension for filing salaries tax returns

The Institute would like to ask if the IRD would consider one of the following options in order to ease the administrative burden of processing monthly extension request for filing salaries tax returns:

- (i) Extended block extension – The current block extension scheme extends the time to July 2 for filing forms BIR60. A longer period of time to file the returns would mitigate the need to process additional extension requests.

Mr Wong advised that at the time of completion of his Individuals Tax Return, the taxpayer should have received one copy of the employer's return of remuneration and pensions. Therefore, completion of the Individuals Tax Return, which only involved salaries tax matters, should be relatively simple and straightforward. As a result, it had always been the policy of the IRD not to grant a long period of extension. For represented cases not involving sole proprietorship business accounts, a block extension would be granted to end of June or early July. For those involving sole proprietorship business accounts (irrespective of accounting date), extension would be granted to end of September or early October. The IRD wished to state that it did not have much room to manoeuvre as any further extension would have adverse impact on its assessment and collection programme.

- (ii) Subsequent block extension – Currently a single block extension request can be filed by tax practitioners. Further extensions have to be filed individually. A second block extension would mitigate the number of individual extension requests to be processed.

Mr Wong advised that unless there were exceptional circumstances e.g. the taxpayer was in serious illness, no further extension would be allowed. Requests for further extension for filing an Individuals Tax Return would be considered on a case by case basis. A subsequent block extension would not be acceded to.