

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)020**

**(Question Serial No. 0841)**

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (4) Taxpayer Services

Controlling Officer: Commissioner of Inland Revenue (Benjamin CHAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the coming year, the Inland Revenue Department (IRD) will enhance operations through a computer system development and modification project. This will include replacing the eTAX system with an improved Individual Tax Portal, creating a Business Tax Portal to streamline submission of tax returns and financial data by businesses, and launching a Tax Representative Portal to enable tax representatives to conduct relevant electronic transactions of various taxes on behalf of both individual and business clients. Please advise of the following:

1. Has the IRD anticipated whether the manpower costs for handling enquiries from members of the public and taxpayers over the counter and over telephone will be adjusted through the above-mentioned enhancement projects in the medium to long term, as a result of the changes in enquiry demand (currently around 360 000 and 1.69 million for over-the-counter and telephone enquiry services respectively)? If yes, what is the anticipation? If no, will the IRD explore ways to further reduce the demand for over-the-counter and telephone enquiry services from the public and taxpayers?
2. The IRD has rolled out a real-time interactive service, a Chatbot named "Iris", on its website. What impact has the change in number of enquiries handled by the Chatbot in the previous year had on the relevant estimated expenditure? Has the IRD conducted any review on the service quality of the Chatbot since its launch? If yes, has the Chatbot affected the related financial input arrangement in the estimates and what are the results? If no, what are the reasons?
3. Will the IRD provide real-time interactive services in the above enhancement projects as well? If no, is there any funding dedicated to the provision of real-time interactive services in these enhancement projects? If there is no such funding, has the IRD considered allocating funds for updating the artificial intelligence (AI) system in the subsequent estimates, so as to provide a more comprehensive real-time interactive enquiry customer service on the enhanced web platform?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 30)

Reply:

1. The IRD will launch the new tax portals to facilitate gradual implementation of mandatory e-filing of Profits Tax returns. It is expected that more taxpayers and tax representatives will use the electronic services. In the medium to long term, the IRD anticipates that the demand for the services of enquiry counters will decrease accordingly. However, apart from the uptake of electronic services, the actual demand for counter and telephone enquiry services is also affected by other factors. For instance, the number of enquiries will increase after the implementation of new tax measures. The IRD will make appropriate adjustment to the manpower deployment to cater for the demand for counter and telephone enquiry services based on actual circumstances.
2. The estimated expenditure of the Chatbot is for the daily maintenance and is independent of the number of enquiries handled by the Chatbot. Since the launch of the Chatbot, the IRD has regularly reviewed the operation of its system and duly updated the Chatbot to ensure the accuracy of the information provided. The relevant cost of system updates has been included in the recurrent cost under the estimated expenditure.

The numbers of enquiries handled by the Chatbot and their changes are summarized in the table below.

Financial year	2023-24 (up to 29 February 2024)	2024-25 (up to 28 February 2025)	Change
No. of visits	46 200	42 800	-3 400
No. of enquiries	72 500	72 200	-300

3. Taking into account the amount of resources required and the prioritisation of other electronic services, the IRD does not have plans at this stage to upgrade the AI system to provide real time interactive services. However, the IRD will continue to keep a close eye on the user needs and technology development with a view to exploring the feasibility of such upgrades subject to resource availability.

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