

**立法會**  
**Legislative Council**

LC Paper No. CB(2) 464/02-03  
(These minutes have been seen by  
the Administration)

Ref : CB2/BC/12/01

**Bills Committee on  
Inland Revenue (Amendment) (No.2) Bill 2001**

**Minutes of meeting  
held on Tuesday, 12 November 2002 at 8:30 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon Eric LI Ka-cheung, JP (Chairman)  
Hon Margaret NG  
Hon HUI Cheung-ching, JP  
Hon SIN Chung-kai  
Hon Howard YOUNG, JP

**Member absent** : Hon CHAN Kwok-keung

**Public Officers attending** : Mr Martin GLASS  
Deputy Secretary for Financial Services and  
the Treasury (Treasury)

Mr Ivanhoe CHANG  
Assistant Secretary for Financial Services and  
the Treasury (Treasury)

Miss Adeline WONG  
Principal Assistant Secretary for Commerce, Industry and  
Technology (Information Technology and Broadcasting)

Mr CHU Yam-yuen  
Assistant Commissioner of Inland Revenue

Mrs Brenda LEE  
Chief Assessor  
Inland Revenue Department

Mr CHAU Ho-man  
Chief Assessor  
Inland Revenue Department

Mr Richard LEUNG  
Chief System Manager  
Inland Revenue Department

Ms Lonnie NG  
Senior Government Counsel  
Department of Justice

**Clerk in attendance** : Mrs Constance LI  
Chief Assistant Secretary (2)5

**Staff in attendance** : Mr Arthur CHEUNG  
Senior Assistant Legal Adviser 2

Miss Betty MA  
Senior Assistant Secretary (2)1

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**I Confirmation of minutes of meeting**  
[LC Paper No. CB(2) 312/02-03]

The minutes of the meeting on 23 October 2002 were confirmed.

**II Meeting with the Administration**  
[LC Paper No. CB(2) 310/02-03(01)]  
[Annex C to LC Paper No. CB(1) 185/02-03(04)]

2. The Bills Committee deliberated (Index of proceedings attached at **Annex**).
3. Members expressed concern whether there would be safeguards in the computer program to enable taxpayers to rectify any inadvertent mistakes made in the process of filing a tax return, as the taxpayer would be criminally liable for the filing of inaccurate tax return.
4. Some members also pointed out that professional bodies had expressed concern about the drafting of certain clauses in the Bill, e.g. the definition of "password" and the reference to "password is to be affixed to a return". The Chairman requested the Administration to address these concerns and the other drafting points raised by the deputations and in the written submissions received.

5. The Bills Committee requested the Administration to -
- (a) consider to provide in the Bill or in a code of practice, how "reasonable excuse" may be used as a defence to the filing of an incorrect tax return using a password;
  - (b) provide the draft Committee Stage amendments to the Bill taking into account the views of members and in the submissions;
  - (c) highlight in its publicity programme the difference between using Personal Identification Number (PIN) and digital signature in filing tax returns and their corresponding security levels; and
  - (d) arrange a demonstration on electronic filing of tax return through the Electronic Service Delivery Scheme and the Telefiling System with the use of a password.

### **III. Date of next meeting**

6. The Bills Committee agreed to hold the next meeting in 13 December 2002 at 8:30 am to continue discussion with the Administration and to start clause-by-clause examination of the Bill.
7. There being no other business, the meeting ended at 9:50 am.

Council Business Division 2  
Legislative Council Secretariat  
25 November 2002

**Bills Committee on Inland Revenue (Amendment) (No. 2) Bill 2001  
Meeting on Tuesday, 12 November 2002 at 8:30 am  
in Conference Room A of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
000001-000225	Chairman	Confirmation of minutes of meeting on 23 October 2002	
000226-001922	Administration Chairman Hon HUI Cheung-ching	Administration's response to concerns raised at the last Bills Committee meeting [LC Paper No. CB(2)310/02-03(01)]	
001923-002051	Hon HUI Cheung-ching Administration Chairman	Experience of overseas jurisdictions on using Personal Identification Number (PIN) for authentication in government services	
002052-002319	Chairman Administration	Cost and benefits for providing the telefiling system	
002320-003558	Hon Howard YOUNG Administration Chairman	Safeguards against filing incorrect tax return with the use of a password	
003559-003722	Hon SIN Chung-kai Chairman Administration	Request for a demonstration on electronic filing of tax return with the use of a password	<b>Admin to arrange</b>
003723-004721	Chairman Administration Hon SIN Chung kai	Administration's proposal of making specific amendments to relevant legislation regarding the use of PIN as a form of electronic signature	
004722-004845	Chairman Administration	Publicity programme	
004846-005854	Chairman Administration	Defence of "reasonable excuse" to filing an incorrect tax return	<b>Admin to provide</b>

	SALA2	with the use of a password	response
005855-010554	Hon SIN Chung-kai Administration Chairman	Drafting issues and Committee Stage amendments (CSAs) to the Bill	<b>Admin to provide draft CSAs</b>
010555-010914	Hon SIN Chung-kai Administration	Need for a trial run for the teletyping system	
010915-011550	Administration Chairman	Date of next meeting	

**Note : The audio records of the above proceedings are kept at the LegCo Library**

Council Business Division 2  
Legislative Council Secretariat  
25 November 2002