

立法會
Legislative Council

Ref : CB2/BC/12/01

LC Paper No. CB(2) 786/02-03
(These minutes have been seen by
the Administration)

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

**Minutes of meeting
held on Friday, 13 December 2002 at 8:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon CHAN Kwok-keung
Hon HUI Cheung-ching, JP
Hon SIN Chung-kai
Hon Howard YOUNG, JP

Members absent : Hon Eric LI Ka-cheung, JP (Chairman)
Hon Margaret NG

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)

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

Mr Vincent CHIU
Senior Assessor
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

Mr CHAN Kwok-keung was elected by members to chair the meeting in the temporary absence of the Chairman.

I Confirmation of minutes of meeting
[LC Paper No. CB(2) 464/02-03]

2. The minutes of the meeting on 12 November 2002 were confirmed.

II Meeting with the Administration

3. The Bills Committee deliberated (Index of proceedings attached at **Annex**).
 - (a) Demonstration on electronic filing of tax return through the Electronic Service Delivery Scheme and the Telefiling System with the use of a password
4. With the aid of audio-visual presentation, the Administration demonstrated how electronic tax returns would be filed through the Electronic Service Delivery (ESD) Scheme and the Telefiling System.

- (b) Response to concerns raised at the meeting on 12 November 2002
[LC Paper No. CB(2) 610/02-03(01)]

5. Mr SIN Chung-kai said that while he did not object to the use of password as a form of authentication for the tax returns filed electronically, he could not accept that password should be regarded as a signing device and accorded the same legal status as digital signature as they were of different levels of security.

6. The Bills Committee requested the Administration to -

(a) improve the proposed system for electronic filing of tax returns through the ESD Scheme by -

- (i) acknowledging receipt of the tax returns filed electronically by an e-mail message to the tax payers concerned, if required;
- (ii) providing a "Save and Resume" function for the ESD Scheme after the system had been in operation for a year;
- (iii) allowing a tax payer to retrieve/print his last electronic tax return so that he would only need to amend a few entries, i.e. without having to input all the data again; and
- (iv) exploring the feasibility of accepting the use of other Chinese software currently supported by other operating systems, e.g. Linux, at a later stage.

(b) improve the drafting of the Bill by -

- (i) amending clause 2(b) of the Bill to distinguish a digital signature from a password that were adopted respectively for the purpose of signing and authenticating a tax return; and
- (ii) providing revised draft Committee Stage amendments to address members' concerns, if considered necessary.

(c) exploring the possibility of providing tax payers with a stamped self-addressed envelope for submitting tax returns in paper form, and recovering the postage from the tax collected.

III. Clause-by-clause examination

7. The Bills Committee decided to defer the clause-by-clause examination of the Bill to the next meeting.

IV. Date of next meeting

8. The Bills Committee agreed that the next meeting would be held in January 2003. Members would be informed of the meeting date in due course.
9. There being no other business, the meeting ended at 10 am.

Council Business Division 2
Legislative Council Secretariat
31 December 2002

**Bills Committee on Inland Revenue (Amendment) (No. 2) Bill 2001
Meeting on Friday, 13 December 2002 at 8:45 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action Required
0001-0048	Clerk	Election of Chairman for the meeting	
0049-0052	Hon CHAN Kwok-keung	Confirmation of minutes of meeting on 12 November 2002	
0053-1349	Administration	Demonstration on electronic filing of tax return through the Electronic Service Delivery (ESD) Scheme	
1350-2059	Hon SIN Chung-kai Administration Hon CHAN Kwok-keung Hon Howard YOUNG	Difference in adopting digital signature and password as a signing device for furnishing tax returns	Admin to provide response and draft CSAs
2100-4714	Hon Howard YOUNG Administration Hon CHAN Kwok-keung Hon HUI Cheung-ching Hon SIN Chung-kai	Views on filing of tax returns through the ESD Scheme and the interface of the system	Admin to consider members' views
4715-5156	Administration	Demonstration on electronic filing of tax return through the Telefiling System with the use of a password	
5157-5753	Hon Howard YOUNG Hon CHAN Kwok-keung Administration	Views on filing tax returns through the Telefiling System	Admin to consider members' views
5754- 010408	Administration	Administration's response to concerns raised at the last Bills Committee meeting and proposed CSAs to the Bill [LC Paper No. CB(2)	

		CB(2)610/02-03(01) and (02)]	
010409-011333	Hon CHAN Kwok-keung Administration Hon Howard YOUNG	Use of password in the telefiling system	
011334-011447	Hon CHAN Kwok-keung Administration	Provision of stamped self-addressed envelopes for furnishing tax returns in paper form	Admin to consider
011448 - 011853	Hon CHAN Kwok-keung	Date of next meeting	

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

Council Business Division 2
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