

財經事務及庫務局



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**FINANCIAL SERVICES AND THE
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28 November 2016

Ms Connie Szeto
Clerk to Panel on Financial Affairs
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Szeto,

Legislative Council Panel on Financial Affairs

**Construction of Inland Revenue Tower
in Kai Tak Development Area**

The Government plans to build a new Inland Revenue Tower (“IR Tower”) in the Kai Tak Development Area for relocating the Inland Revenue Department (IRD) from the existing Revenue Tower in Wan Chai to the new tower. We attach an information paper to brief Members on the proposal.

As stated in paragraph 10 of the paper, we plan to invite tenders for the Design and Build contract for the new IR Tower in the first quarter of 2017. We will update Members with more details of the project, by way of a discussion paper to the Panel tentatively in the fourth quarter of 2017, before submitting the funding proposal to the Public Works Sub-committee and seeking funding approval from the Finance Committee in early 2018.

Members are invited to note the content of the paper. We would be happy to provide the relevant information if Members have any enquiry about the project at this stage.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'GARY POON'.

(Gary Poon)

for Secretary for Financial Services and the Treasury

Encl.

c.c. Commissioner of Inland Revenue

For information

Legislative Council Panel on Financial Affairs

Construction of Inland Revenue Tower in Kai Tak Development Area

PURPOSE

This paper briefs Members on the proposal to relocate the Inland Revenue Department (IRD) from the existing Revenue Tower in Wan Chai to a new Inland Revenue Tower (IR Tower) in the Kai Tak Development Area (KTDA).

PROJECT SCOPE

2. To help increase the supply of Grade A office space in the central business districts, the Government will relocate departments out of the three government office buildings at the Wan Chai waterfront (i.e. Revenue Tower, Immigration Tower and Wanchai Tower). In this regard, a site in KTDA has been earmarked for building a new IR Tower for the relocation of IRD. The project site occupies an area of approximately 9 700 square metres (m²), and is located in the northern fringe of KTDA, adjacent to the Trade and Industry Tower (TI Tower). The location and site plan is at **Enclosure 1**.

3. The new IR Tower will provide a net operational floor area (NOFA)¹ of about 45 000 m² to accommodate all IRD offices under one roof, thereby enhancing its operational efficiency and providing convenient and high quality services to the community. The new IR

¹ NOFA is the floor area actually allocated to the users of a building for carrying out the intended activities. Unlike the construction floor area which takes into account all areas within the building structure envelope, NOFA does not include areas for such facilities (if any) as toilets, bathrooms and shower rooms, lift lobbies, stair halls, public or shared corridors, stairwells, escalators and lift shafts, pipe or services ducts, barrier-free access facilities, gender mainstreaming facilities, refuse chutes and refuse rooms, balconies, verandas, open decks and flat roofs, parking spaces, loading and unloading areas, mechanical plant rooms, etc.

Tower will comprise the following facilities –

- (a) offices for staff and other support facilities including conference rooms, interview rooms, classrooms and a lecture hall, a departmental library and storage areas;
- (b) public services counters (e.g. enquiry counters and Shroff counters) and waiting areas for the public;
- (c) a telephone enquiry centre;
- (d) operational equipment, including system printing rooms, and room for mail-inserting system and folding machines;
- (e) a document processing centre for processing incoming mails, business returns and individuals returns, and for scanning documents;
- (f) a computer data centre (comprising data control rooms, server farm, media library, printer and console areas), data preparation rooms, and network distribution rooms; and
- (g) other miscellaneous facilities including staff lactation rooms, baby care room, pantries, toilet facilities, facilities for the disabled, a security control room, plant rooms, maintenance offices and workshops, as well as car parking spaces for departmental and staff vehicles.

4. Apart from the design and construction of the new IR Tower, the project also provides connection between IR Tower and TI Tower. The new IR Tower will be easily accessible via various means of public transport along Prince Edward Road East and is close to the future Kai Tak Station of the Shatin-to-Central Link of MTR.

PROVISION OF PUBLIC SERVICES

5. The new IR Tower will be the departmental building for IRD to perform its key functions and responsibilities, including –

- (a) collecting tax, duties and fees under the relevant ordinances;
- (b) processing objections and appeals in relation to tax assessments;
- (c) taking recovery action in relation to tax in default;
- (d) combating tax evasion and countering tax avoidance through field audit and investigation; and
- (e) maintaining a register of entities carrying on business in Hong Kong.

6. The following frontline services relating to tax matters will be provided to the public at the new IR Tower –

- (a) **Central Enquiry Counter** – answering enquiries from visitors, receiving letters and distributing forms, hence sparing the referral to the relevant units in IRD;
- (b) **Stamp Office** – immediate adjudication of whether stamp duty is required for the documents concerned and assessment of the amount of stamp duty payable, preliminary audits of complicated cases involving applications for adjudication and applications for exemption of stamp duty, handling stamp duty payments, stamping documents, and answering enquiries; and
- (c) **Business Registration Office** – processing of applications for business registration, renewal of business registration, change of business registration particulars, handling requests for business registration documents, answering enquiries and collection of business registration fees, levies and other document fees.

SUSTAINABLE BUILDING APPROACH

7. The new IR Tower will be connected to the District Cooling System at the KTDA that supplies centralised chilled water to its air-conditioning system. The project will include various energy efficient features and renewable energy technologies, such as lift

regeneration power system, fresh air demand control and photovoltaic system. We will provide landscaping and greening on ground level, rooftop as well as vertical surfaces. We will also adopt rainwater harvesting system for irrigation purpose.

ENVIRONMENTAL ASPECT

8. This project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). We will carry out a Preliminary Environmental Review for the project at the design stage and the findings will be agreed with the Director of Environmental Protection.

PROJECT DELIVERY AND IMPLEMENTATION

9. To facilitate the early release of Grade A office space in the Wanchai area, the IRD relocation project will be delivered by the Design and Build (D&B) approach whereby the contractor selected through competitive bidding will be required to design and build the new IR Tower in accordance with government requirements.

10. We plan to invite tenders for the D&B contract for the new IR Tower in the first quarter of 2017. Upon completion of the tender invitation and assessment, we will consult the Public Works Subcommittee (PWSC) before seeking funding approval from the Finance Committee (FC) in early 2018. We will update Members with more details of the project before submitting the funding proposal to PWSC. Subject to FC's approval, we plan to commence the construction works in the first half of 2018 for completion in early 2022.

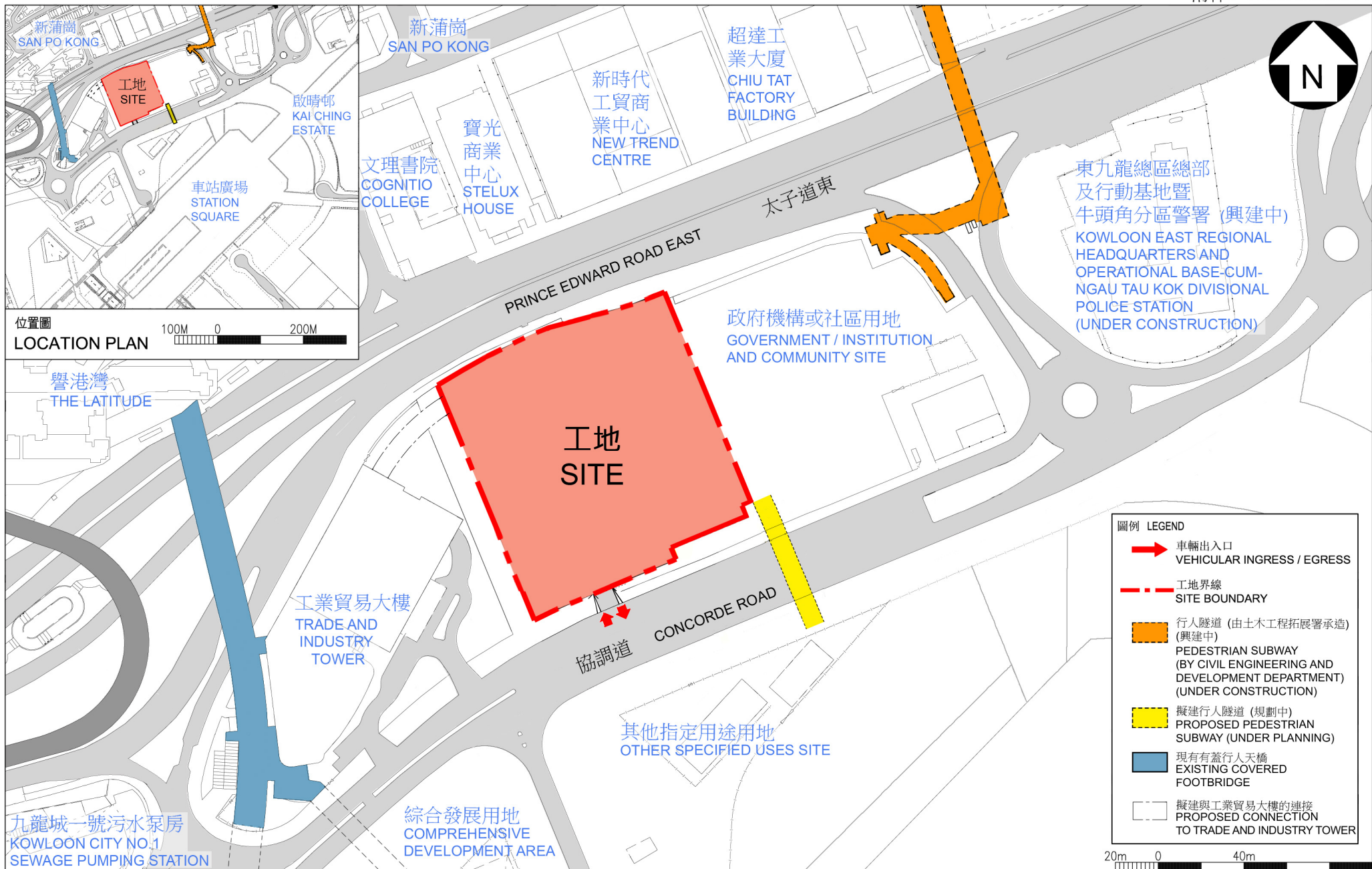
PUBLIC CONSULTATION

11. We consulted the Housing and Infrastructure Committee of the Kowloon City District Council on 3 March 2016 and the Wong Tai Sin District Council on 22 March 2016. Members of both district councils expressed support for the project and considered that the new IR Tower would enable IRD to continue to provide public services at a convenient location whilst facilitating the release of commercial land in Wan Chai.

BACKGROUND

12. The relocation of the three government office buildings at the Wan Chai waterfront is a large-scale project involving 29 departments, 175 000 m² of office space and over 10 000 staff. The Government is taking forward the relocation exercise in phases. After relocation of IRD to the new IR Tower, over 40 000 m² office space will be vacated and made available to help increase the supply of Grade A office space in Wan Chai.

**Financial Services and the Treasury Bureau
Inland Revenue Department
November 2016**



工地平面圖
SITE PLAN

122KA
在啟德發展區興建稅務大樓
CONSTRUCTION OF INLAND REVENUE TOWER IN KAI TAK DEVELOPMENT AREA