

**Fifty-fifth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 3(c): Report on the work of the
Task Force on Business Liaison Groups***

Purpose

This paper reports the work of the Task Force on Business Liaison Groups (BLGTF) since the last Business Facilitation Advisory Committee meeting on 12 June 2024.

Work progress of the BLGTF

Overall progress of Business Liaison Groups

2. Since the last meeting, we have invited trade operators of the 10 BLGs to participate in a joint BLG meeting, and more than 70 trade representatives had participated in the joint meeting. Moreover, we have proactively liaised with the trade of six BLGs, and have invited relevant BLGs to participate in a seminar organised by the Food and Environmental Hygiene Department in July 2024 regarding regulatory review on food business licences.

3. We have also used various channels for the trade to share their views on licensing and regulatory regime. Summaries of the views collected and the Government responses are uploaded onto the website of the newly established Digital Policy Office on a regular basis.

4. During this period, a total of four issues were satisfactorily resolved or clarified. Salient issues and examples have been presented in the 37th BLGTF meeting held on 27 August 2024.

Electronic Filing of Profits Tax Returns

5. The Inland Revenue Department (IRD) briefed the BLGTF on the initiative of the electronic filing (e-filing) of profits tax returns at the meeting on 27 August 2024. To keep pace with the global trend of digital transformation of tax administration, align with the Government's Smart City initiatives and take forward the Organisation for Economic Co-operation and Development's recommendation to Hong Kong regarding the exchange of information on request, IRD planned to implement mandatory e-filing of profits tax returns by

phases, the first phase will be mandating in-scope multinational enterprises groups (i.e. whose annual consolidated group revenue reaches at least EUR 750 million) to e-file their profits tax returns through a designated computer system with effect from the year of assessment 2025/26 and onwards subject to the enactment and operation of the relevant legislative amendments, and then progress to small and medium-sized entities, with a view to achieving full-scale implementation of mandatory e-filing by 2030.

6. IRD also briefed Members at the same meeting on the benefits of e-filing, the enhanced e-filing services and IRD's support measures to taxpayers, including provision of free conversion tools, online materials, helpdesk, outreaching team and ongoing consultative stakeholder engagement sessions. IRD also demonstrated the use of the free conversion tools in the meeting.

7. The BLGTF welcomed the above initiative and invited IRD to brief and consult more small and medium-sized enterprises (SMEs) on the initiative. The IRD undertook to keep up the ongoing work of soliciting suggestions and opinions from SMEs through different channels.

Way forward

8. Members are invited to note the work progress of the BLGTF. BLGTF will continue to oversee and monitor the work progress of the BLGs.

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Digital Policy Office
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