



Her Majesty's
Customs and Excise
e-Business Unit

Taking up the challenge of e-business

The experience of the United Kingdom Revenue Departments

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Some background



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- 2 UK revenue departments

- **Inland Revenue** – direct taxation

- Pay bill related taxation, Corporate taxes, Personal taxation.

- **HM Customs and Excise** – indirect taxation

- Value added tax (sales tax), Excise duties (oils, tobacco, alcohol), customs duties and... frontier controls on prohibited and restricted goods, including drugs

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The drivers for change in the UK



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- Modernising Government
- E- Government
- Joined-up government
- Customer focus
- Efficiencies, resource savings
- Working smarter

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Setting the scene, a few facts and figures



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- **70%** of customers and **90%** of accountants or agents have internet access
- **50%** of customers want to submit returns electronically
- **70%** of customers would contact us by e-mail
- **60%** would like amend their details online
- **50%** use electronic software packages
- **80%** of customers are interested in online guidance/information.
- **5,000** large employers, contractors and payroll bureaux use EDI for direct tax
- **99%** of all import declarations have been process electronically (since 1983).

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What the UK Revenue Departments are doing



Two different approaches

Incremental change

- e-enabling current services, with internal processes and operational practices unchanged

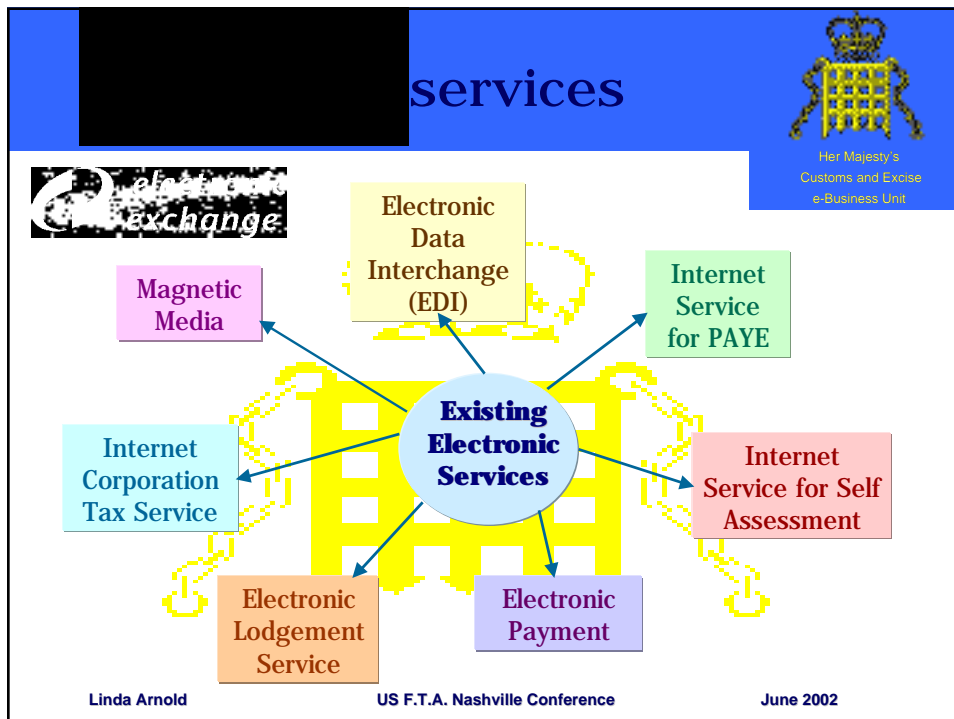
Transitional change

- Using the development of the e-business as part of a wider transformation including culture, working practices and of organisational structures.

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services



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Why Customs & Excise is going for transformation!



- Our experience of the incremental approach



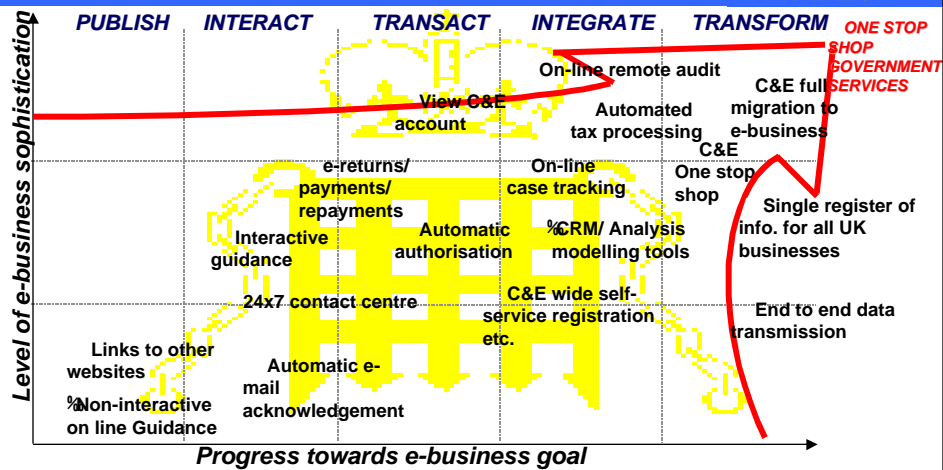
- Learning from the experience of private companies, e.g. Amazon.com, and eBay

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A transformational approach



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What transformation means for Customs and Excise



- The development of our e-business is NOT an IT programme
- We are not only looking at what we do, but how we do it, challenging our focus and our targets and the way we meet them
- Its comprehensive – covering the whole business
- It's joined up within the Department
- It will require organisational change, new skills knowledge and attitudes
- It will not be easy...

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Constraints and issues



Managing tensions...

- Meeting “business as usual” targets and meeting the target for this major change?
- Keeping “on track”
Are new developments in line with our strategic direction?
- Managing cost
How do we manage the demand for continual improvements in legacy systems during the time the programme will take to deliver.

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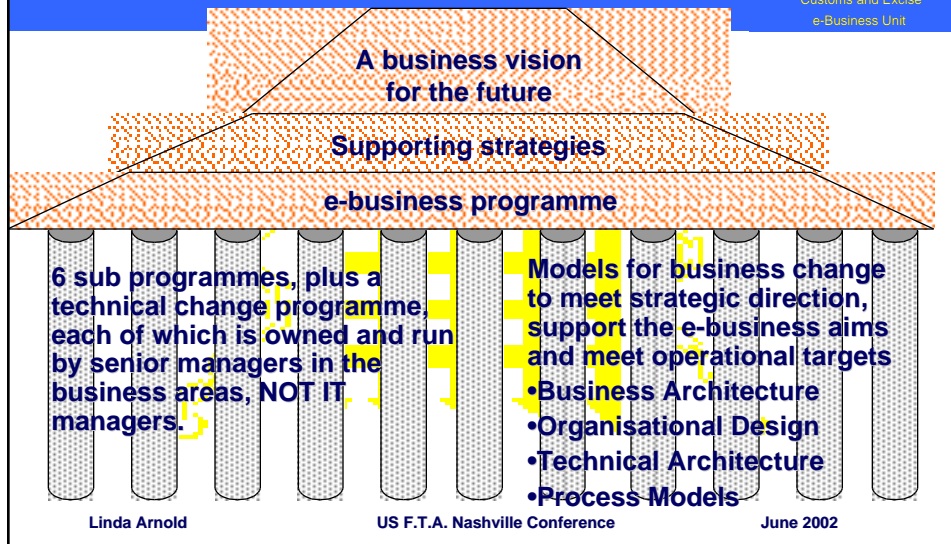
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Managing the change, constraints and issues



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Our programme for change



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- Year 1

Development of basic infrastructure, a web front end, obtaining the necessary software, hardware and expertise to build our external e-services

Unifying our registration services – a "one-stop shop" for registration - so traders can register for a number of regimes – but supply data once only.

Robust electronic payment and submission of VAT returns

Contact centre facility (building on our existing external National Advice Service and internal National Co-ordination Unit. Implementing an electronic Human Resources system (eHR)

- Year 2 developments...

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Early successes for Customs and Excise



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- Revised website - it's now customer focussed
- Customer research to determine what our customers want
- Working to build a model of our web presence – how things might be in 2004
- Pilot exercises with third parties providing our information
- Work on an integrated accounting and payment service for VAT
- Work on security issues highlighted by our customers
- Development of a compliance strategy which aims to use enhanced customer information to target, advise and our audit and enforcement activities.

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What now ?



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- Current feedback from independent reviews is that the Customs and Excise programme is probably the best in the Government – being robust, showing commonality of purpose and shared vision...
- Delivering the programme!
- And...learning from the experience of others and adapting accordingly

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Thank you



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Inland Revenue: www.inlandrevenue.gov.uk

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Doing e- Business

The Inland Revenue (IR) currently provide a range of services for:-

- **Individuals**
People who complete Tax return forms
- **Employers**
People who pay for another persons services
- **Contractors**
People who sub-contract work within the construction industry
- **Agents**
People who act for others in business
- **Software Developers**
People who create commercial products



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What are the benefits?



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- Convenience
- Forms and returns sent, are encrypted for confidentiality and security
- Speedier information flows
- Less paper and clerical handling
- Improved accuracy
- Better use of staff

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Internet Service for Self Assessment (SA)



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The Internet service for SA was introduced in April 2000

- This service enables individual taxpayers to use either commercially available software products or the Inland Revenue's own SA Online Web Form to complete their tax return, and then send it to us over the Internet
- The software or online forms automatically do all the calculations and tell taxpayers how much tax they are due to pay or get back. In addition taxpayers receive an online acknowledgement that their tax returns have been received safely and securely

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Electronic Lodgement Service (ELS)



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This service was implemented in April 1997 as part of the introduction of Self Assessment.

- This service provides an opportunity for agents to send tax return information in batches
- The main aims of ELS are to provide an efficient and secure mechanism to submit self assessment tax returns and provide the basis for the exchange of data electronically

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Electronic Data Interchange

The PAYE EDI service was first introduced in April 1999. It is now being successfully used by over 5,000 employers (including the clients of both payroll and pension bureaux)

Who can use it:

- Large employers, contractors and payroll bureaux
Pay As You Earn employers (PAYE)
Construction Industry Scheme (CIS)
- Agents
EDI for Electronic Lodgement Service (ELS)
Self Assessment (SA) returns completed by agents can be submitted electronically

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e-Payment Services



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We offer a range of ways organisations and taxpayers can pay electronically

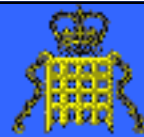
- **By Debit card over the internet** The Internet payment service that we offer is a GiroBank product known as BillPay. The BillPay service should be available 24 hours a day 7 days a week for more information visit our website:-
- **Self Assessment payments**
www.inlandrevenue.gov.uk/ebu/billpay.htm
- **PAYE payments**
www.inlandrevenue.gov.uk/efiling/pay_e_billpay.htm

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Organisations can also pay by Direct Credit (BACS or CHAPS) using the electronic banking facilities offered by their bank. These computerised systems can be used to transfer funds electronically direct from your bank account to ours you can find more information at :-

www.inlandrevenue.gov.uk/howtopay/bacs_chaps.htm

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Internet Corporation Tax Service



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This service enables companies to view details of their liabilities and payments online, it is being released in three phases:-

Step one - Live trial with twenty companies

Step two - Controlled take up by invitation

Step three - Rollout following full marketing launch

At present invited companies can look at their payment position with the Inland Revenue. They will be able to see details of their liabilities and payments for each accounting period as well as any interest or penalties that have been charged.

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Revenue **Electronic Business Webpages**

Home A-Z Index Search Help

Electronic Business

These pages contain information on the services you provide and other things which may be of interest to you.

Please use the links below to find the information you need.

Services for:

- [Agency](#)
- [Company](#)
- [Education](#)
- [Individual](#)
- [Software Developer](#)

Information

- [e-Business News](#)
- [Inland Revenue e-Business Strategy](#)
- [e-Business Events](#)
- [Publications](#)
- [Inland Revenue e-Business Links](#)
- [Electronic Business e-List of IR's Contact Points](#)

On the IR e-business pages you can

- catch up on e-business news
- get user guides and technical specifications
- find out about the services
- get contact details
- even check at which e-business events the Revenue will be present!

Home

Help Menu