

TAPP 07

Efficient Tax Payment and Tax Refund

【Overview】

I. Concept and Characteristics of Efficient Tax Payment and Refund

Tax payment and refund are fundamental links in tax collection and administration. Tax payment refers to the payment of taxes by taxpayers to tax authorities in accordance with national laws and regulations, which is a legal obligation of taxpayers. Tax refund refers to the return of taxes previously paid by taxpayers to them by tax authorities in accordance with the law and under statutory conditions and procedures, which is a legitimate right of taxpayers.

Efficient tax payment and refund rely on highly adaptable and user-friendly tax collection and administration information systems, continuously expand service channels, optimize processes, and shift information and fund flows from "manual handling" to "data-driven processing," providing taxpayers with diversified and convenient services. It is characterized by accuracy, security, and convenience.

Accuracy is the fundamental prerequisite. Relying on standardized processing criteria and technical support, tax authorities comprehensively verify taxpayer information, tax payment and refund amounts, eligibility for refunds, and other processing elements, ensuring that tax payments are made in full and accurately, and that refunds are made precisely and compliantly, thereby preventing collection risks caused by information discrepancies or operational errors, and maintaining the order of tax collection and administration.

Security is an important safeguard. It focuses on protecting taxpayer information, fund security, and tax-related data security. Through position-based access control,

data encryption, and risk prevention mechanisms, it prevents data leakage, fraudulent processing, fund interception and misappropriation, and builds a security defense line for tax payment and refund operations.

Convenience is demand-oriented. Based on the different tax service needs and collection conditions of taxpayers, it expands diversified service channels, simplifies operational processes, reduces document submission, and takes into account the ease of use for various groups, allowing taxpayers to complete tax payment and refund with simple operations, truly achieving "time-saving, labor-saving, and worry-free" experiences, and promoting the dual improvement of product adaptability and user experience.

II. Significance of Efficient Tax Payment and Refund

Efficient tax payment and refund are related to national fiscal operations, the effectiveness of tax collection and administration, and the rights and interests of market entities. They are both important components of modernizing tax governance and key measures for optimizing the business environment.

On the one hand, for tax authorities, efficient tax payment and refund help improve collection effectiveness and reduce collection costs. Through process optimization and technology empowerment, the level of information technology in processing is improved, and the standardization and normalization of collection processes are achieved. This not only effectively improves the efficiency of tax payment and refund but also reduces errors caused by manual operations, promoting the enhancement of tax authorities' refined management.

On the other hand, for taxpayers, efficient tax payment and refund can effectively reduce tax compliance costs and improve tax service experience. Simplified processes, convenient channels, and reduced processing times effectively save taxpayers' time,

enhance their trust and recognition of tax collection and administration, and increase tax compliance.

In addition, efficient tax payment and refund also play an important supporting role in ensuring fiscal revenue, improving the efficiency of fiscal fund utilization and turnover, and building a safe defense line for fiscal fund operations. In the tax payment process, timely and full payment of taxes provides solid support for accelerating the collection of fiscal funds and the timely implementation of fiscal expenditures. In the refund process, while taxes are refunded quickly and compliantly to taxpayers' bank accounts, monitoring and identification of fraudulent refunds are strengthened, effectively preventing the risk of fiscal fund losses.

【Development History of Tax Payment and Refund】

The development of tax payment and refund is closely related to the level of information technology in tax administration and the stage of economic development. Based on the different stages of collection and administration development — traditional, electronic, and information-based — the overall trend is "offline manual processing → integrated online and offline processing → fully online intelligent processing." At the same time, in line with payment method innovations and taxpayer preferences, online payment and refund methods are continuously enriched and expanded, and big data is applied to strengthen transaction review and risk prevention.

I. Traditional Stage

This stage is the primary stage of tax payment and refund, characterized by offline manual processing as the core feature. Tax authorities with low levels of digitalization

in tax collection and administration and limited application of information technology are at this stage.

Specific features: Tax authorities have not yet built a unified online tax platform. Taxpayers need to visit tax service halls in person to handle payment and refund transactions. Internal processes within tax authorities — such as transaction acceptance, refund review, fund reconciliation, and transaction re-examination — rely on manual operations. Document submission and transaction flow are primarily paper-based. At this stage, payment and refund processes involve many steps and take a long time.

Administration approach: Expand offline service halls for tax payment and refund to facilitate taxpayers in handling transactions near their locations; unify the documents and standards for payment and refund, simplify processes, and reduce processing time; conduct manual fund reconciliation and transaction re-examination after the transactions, and promptly remind and verify transactions that fail or have risk indicators identified during re-examination.

II. Electronic Stage

This stage is the transitional stage of tax payment and refund, characterized by integrated online and offline processing as the core feature. Tax authorities with preliminary digital development in tax collection and administration and basic information systems are at this stage.

Specific features: Tax authorities have built online channels to support payment and refund, enabling taxpayers to complete payment and refund transactions online. The internal processes of tax authorities for handling payment and refund have also been digitized. Document flow and fund reconciliation are supported by systems, manual errors are continuously reduced, processing times are shortened, and efficiency is greatly improved.

Administration approach: Based on taxpayer usage habits, enable online processing for frequently used payment and refund scenarios, simplifying document submission; focus on the security of online payment and refund processes, protecting taxpayer information, tax-related data, and fund security through data encryption and role-based access control; optimize internal digital processing workflows, open data transmission channels, and improve the overall efficiency of payment and refund transaction acceptance, review, and completion.

III. Information-Based Stage

This stage is the upgraded stage of tax payment and refund, characterized by fully online intelligent processing as the core feature. Tax authorities with mature digital tax collection and administration and the ability to apply big data and artificial intelligence technologies are at this stage.

Specific features: Relying on a unified and efficient intelligent tax platform, tax authorities handle payment and refund transactions entirely online. By building big data analysis models and integrating multi-agency data resources, they accurately conduct transaction reviews and issue risk reminders, achieving comprehensive improvement in the efficiency and quality of payment and refund processing.

Administration approach: Expand online scenarios for payment and refund, optimize processes, fully consider taxpayer needs, and use automatic reminders, data pre-filling, and other methods to enhance the convenience and intelligence of payment and refund transactions; open data channels among tax authorities, banks, treasury departments, finance departments, and other agencies to achieve centralized aggregation, real-time sharing, and intelligent verification of tax-related data; rely on big data analysis models to perform intelligent comparison and verification of payment and refund transactions, ensuring accuracy; optimize cross-border payment and refund methods to meet the needs of cross-border taxpayers.

【How to Enhance the Efficiency of Tax Payment and Refund】

This product provides differentiated guidance for tax payment and refund adapted to different levels of collection and administration capacity, serving as a reference for jurisdictions to apply flexibly based on their own circumstances.

I. Efficient Tax Payment for Tax Authorities With Basic Collection Capacity

Tax authorities primarily provide traditional tax payment methods such as cash and bank transfers. Taxpayers pay taxes within the prescribed time limit by visiting tax service halls or banks. Commercial bank service windows are introduced in tax service halls to facilitate taxpayers in paying taxes near their locations. Manual fund reconciliation is conducted daily to confirm whether taxpayers have successfully paid. For cases of non-payment, payment failure, abnormal amounts, etc., taxpayers are promptly notified to take action.

For Tax Authorities with Intermediate Collection Capacity

Taxpayers can complete tax payment through online tax portals or mobile tax applications without visiting tax service halls. More commercial banks are encouraged to support online tax payment, and online payment channels are expanded to support various online payment methods such as debit agreements, online banking payments, and mobile banking payments. Scheduled withholding services are introduced, allowing taxpayers to set the withholding time and amount in advance, with automatic withholding on the due date, reducing the risk of overdue payment. Data synchronization and automatic reconciliation between tax authorities and banks are achieved, with immediate feedback on payment results. Online tax platforms and data transmission channels are encrypted to strictly prevent the risk of leakage of tax-related data and taxpayer information.

For Tax Authorities with Advanced Collection Capacity

Close integration between tax payment methods and payment/settlement innovations is promoted. Based on taxpayer payment habits, the application of QR code payments, digital currencies, and other methods in tax payment is promoted, continuously enriching online payment methods. A unified and standardized electronic tax payment system connecting tax authorities, banks, treasury departments, and finance departments is built to achieve automated tax fund remittance and treasury deposit, electronic data transmission, and standardized operating procedures. To meet the needs of cross-border taxpayers, multi-language and multi-currency online cross-border tax payment services are supported. An intelligent risk prevention and control system is established to quickly identify abnormal payment risk indicators through big data analysis, send risk reminders to taxpayers, and provide collection risk leads to tax authorities.

II. Efficient Tax Refund Tax Authorities with Basic Collection Capacity

Documents, processes, and time limits for refund applications are clearly defined, and facilitation measures are implemented so that taxpayers can prepare all paper documents at once and complete the refund application. A standardized refund review mechanism is established, under which tax officers verify document completeness, amount accuracy, and policy compliance based on refund policies and review criteria. Refund ledgers are standardized, with each transaction recording application information, review results, refund amounts, and completion status, ensuring that each transaction is verifiable and traceable, and that refund transactions are compliant and accurate.

For Tax Authorities with Intermediate Collection Capacity

High-frequency refund transactions — including application submission, document submission, and status inquiry — are enabled online. For taxpayers with good credit, the refund review process is simplified or processing steps are reduced, shortening the refund cycle. Collection and administration information systems are used to retrieve taxpayer registration, filing, and payment records, which are automatically compared with refund application information, replacing repetitive manual verification and improving the quality and efficiency of refund reviews.

For Tax Authorities with Advanced Collection Capacity

An "intelligent refund" model is implemented. Relying on tax big data, taxpayers eligible for refunds are automatically identified, refund information is pre-filled, and refund reminders are pushed. Taxpayers can submit refund applications after confirmation, without the need to manually fill out application forms or upload documents. Data channels among multiple agencies are opened, and taxpayer filing, payment, invoicing, business operations, credit, risk indicators, audit case data, etc., are integrated for intelligent verification. A combination of manual and system-based review is adopted: compliant refunds are automatically completed immediately, while transactions with risk indicators require further review. An intelligent risk prevention and control system for refunds is established to identify indicators of fraudulent refunds, duplicate refunds, etc., through big data analysis, preventing the risk of refund fraud.

【Typical Cases】

Various jurisdictions, taking into account their local level of collection and administration information technology and taxpayer needs, have launched tax payment and refund products with local characteristics, forming diverse collection practices and providing valuable experience for other countries.

【 China 】 Driven by taxpayer needs, State Taxation Administration (STA) of China has built a unified and standardized electronic payment and refund information platform connecting tax authorities, banks, treasury departments, finance departments, and other agencies, continuously expanding payment and refund channels, optimizing processing methods, strengthening risk prevention, and improving the convenience and standardization of payment and refund processing.

In terms of service channels: Relying on physical tax service halls and the online e-tax platform, full 7×24 uninterrupted services are provided, and electronic cross-border payment and refund transactions are supported. Payment and refund are no longer restricted by time or location. After completing tax filing on the e-tax platform, overseas taxpayers can electronically pay taxes or receive refunds through their offshore RMB or foreign currency accounts. The time from fund entry to treasury deposit has been reduced to one working day.

In terms of processing methods: Processes such as withholding, treasury deposit, and reconciliation involved in payment and refund have been automated and intelligent, ensuring timely and full payment or refund of taxes. In particular, to meet diversified taxpayer payment needs, payment methods include not only traditional cash payments and bank over-the-counter transfers but also debit agreements, online banking, mobile banking, POS card payments, QR code scanning, and digital RMB payments, allowing taxpayers to choose their preferred payment method. In recent years, electronic payments have accounted for more than 99% of total payments.

In terms of security: Encryption technology is used to protect taxpayer account information and payment/refund data, strictly preventing information leakage, while strengthening the review and supervision of the entire payment and refund process to ensure the security of tax funds. In particular, a "data empowerment" function for VAT excess credit refunds has been innovatively introduced. In the pre-audit stage, precise policy push, refund pop-up reminders, and automatic system pre-filling are achieved, effectively blocking refund applications that do not meet policy conditions. In the

in-process review stage, tax-related information is integrated on a per-taxpayer basis, and a tiered and categorized intelligent review is carried out using a general taxpayer risk rating mechanism. In the post-process random audit stage, risk indicators are used for continuous tracking and scanning, and random sampling and re-examination are conducted to improve refund quality and efficiency.

【Cambodia】 The General Department of Taxation (GDT) of Cambodia has shifted payment and refund transactions from complex manual operations to information system operations, ensuring efficient payment and refund processing.

The GDT has developed multiple online tax payment platforms to simplify and accelerate the payment process, including: **e-Tax Services Portal:** Taxpayers can file monthly and annual tax returns online through e-Filing systems. This reduces paperwork and in-person visits to tax offices. **e-Payment System:** The GDT supports online tax payments, allowing taxpayers to pay electronically instead of physically going to a tax office or banks. **Mobile Taxpayer Apps:** Such as GDT Taxpayer App and GDT Payment Web, which help users check vehicle and real estate tax details and make payments directly from mobile devices. **Integration with various Banking Partners:** Taxpayers can have multiple choices to pay the tax without extra fees.

To ensure a smooth and efficient refund process, the GDT has taken effective measures to facilitate taxpayer refunds. -Integrate e-VAT system into e-Filing system allowing the taxpayer to easily key-in monthly sale and purchase records and then, request refund

-Update cross-checking procedures from cross-checking with the hardcopy lodged return to cross-checking in e-filing system, helping to expedite the cross-checking verification.

-Taxpayers with “Gold” and “Silver” Compliance Status are exempted from pre-refund audits if the request refund amount is under the threshold of Khmer Riel

(KHR) 500M for Gold compliance status and KHR 200M for Silver compliance status.

-VAT refund settlement: Refund amount will be paid into the taxpayer's registered KHR bank account. This measure aims to accelerate the settlement process by using the national currency and direct bank transfers.

【Singapore】 The Inland Revenue Authority of Singapore (IRAS) delivers efficient tax payment and refund processes by leveraging Singapore's national payment schemes which are well connected with domestic systemically important banks (DSIBs). This enables secure, reliable, and cost-effective processing across the banking network.

Building on this approach, IRAS actively promotes GIRO, Singapore's national direct debit scheme, which allows individuals and businesses to authorise automatic recurring payments from their bank accounts. This ensures timely payments, reduces compliance effort, and minimises late or missed payments. The same account used for GIRO payments also handles tax refunds, creating a seamless end-to-end experience that streamlines processing, reduces administrative costs, and enhances service delivery.

To make it easier for taxpayers to sign up for GIRO, IRAS made the electronic GIRO application process available through myTax Portal, which is IRAS' secure and authenticated online portal for taxpayers to manage their tax matters. This enables instant approval, eliminating traditional paper-based challenges such as longer processing times, manual data entry errors, higher administrative costs, and approval delays.

【Hungary】 The National Tax and Customs Administration (NTCA) of Hungary provides taxpayers with a service in the area of paying tax. Following developments in the banking system, in addition to traditional bank transfers, certain types of cases now allow bank card payments and QR-code payments. Furthermore, the Hungarian National Bank's domestically developed "qvik" payment solution will soon be

introduced. This system has already achieved significant success in the private sector, as it enables payments through mobile banking applications via the Hungarian instant payment system (AFR). The payment is executed by simply approving a pre-assembled payment package - without the need to enter bank card details.

Payments below 20 million forints appear on the target account within 5 seconds as items awaiting posting. These can already be taken into account in administrative procedures, which means that taxpayers may receive certain certificates - such as certificates of no outstanding tax debt - immediately, without waiting.

The Hungarian tax authority has also automated the processing of transfer and refund requests. With the exception of the VAT tax type, transfers are executed immediately, provided that the specified conditions are met.

【 Mongolia 】 To reduce taxpayer compliance time and costs, Mongolia's tax authorities introduced an invoice-based tax payment system in 2019, eliminating "unidentified" revenue caused by incorrect account transfers or overpayments and improving payment accuracy and transparency.

Currently, tax payments are accepted through all 13 commercial banks, four fintech service providers, and all government electronic payment systems. As tax payments are now received 100% electronically, the payment process has become significantly more convenient and accessible for taxpayers. Since 2024, a government electronic QR payment system has also been introduced.

All types of tax refunds are processed through the Treasury Single Account “bundle” service of the Central Treasury, enabling simultaneous refund transactions to up to 2 million individuals regardless of the number of taxpayers. At present, refunds are provided for seven types of taxes. In addition, a TAX FREE refund scheme for foreign tourists was newly introduced in 2024.

For compliant taxpayers who pay on time and in full (HTMT-I Category), tax authorities provide advisory services to prevent arrears risks and send "thank you"

messages upon successful payment. Before the statutory deadline, taxpayers are notified and provided with guidance to avoid risks. Taxpayers also have the right to request payment deadline extensions in accordance with the law.

【Future Outlook】

In the future, tax payment and refund will gradually become more intelligent, more adaptable, and more internationalized.

The level of intelligence will be further enhanced. Big data, artificial intelligence, blockchain, and other technologies will be more widely applied in tax payment and refund, further integrating multi-agency data resources, achieving real-time aggregation, analysis, and sharing of tax-related data, and gradually realizing full-process coverage of "intelligent payment, intelligent refund, and intelligent risk control."

Adaptability will be further optimized. Based on their own collection conditions and taxpayer needs, tax authorities will launch more administration and service measures, balancing the need for convenient processing for small-scale taxpayers, self-employed individuals, and individuals through simplified and easy-to-use products, while also meeting the personalized needs of large and medium-sized enterprises and group companies through customized and personalized measures.

International payment and refund needs will be closely aligned. With increasingly frequent economic and trade exchanges between jurisdictions, cross-border tax transactions are continuously increasing, and the demand for cross-border payment and refund will continue to rise. In the future, jurisdictions will strengthen mutual learning and coordination of collection experiences, launch more facilitation measures for cross-border tax payment and refund, and reduce compliance costs for cross-border taxpayers.

