

IRAS e-Tax Guide

GST : Assisted Compliance Assurance Programme (ACAP)



INLAND REVENUE
AUTHORITY
OF SINGAPORE

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Appendices

The following appendices are downloadable from <http://www.iras.gov.sg> (Under Quick Links, e-Tax Guides > GST> [GST ACAP Review Guidance](#)) or by clicking the following hyperlinks:

Appendix 1	GST ACAP Review Guidance
Appendix 1- Annex 1	Self-Review of GST Controls and GST Control Framework Calculator
Appendix 1- Annex 2	GST Profile of ACAP Applicant
Appendix 1- Annex 3	Sample organisation chart
Appendix 1- Annex 4	Sample documentation on GST Processes
Appendix 1- Annex 5	Report on Factual Findings
Appendix 1- Annex 5A	Consolidated Statement of GST Gaps and Errors
Appendix 1- Annex 5B	Notes to Report on Factual Findings
Appendix 1- Annex 5C	Notes to Report on Factual Findings (For Extended Period Review)
Appendix 1- Annex 6	Template – Review Working Papers (Transaction Level)
Appendix 1- Annex 7	Follow-Up Action on Gaps and Errors
Appendix 1- Annex 8	ACAP Report

Downloadable GST Forms

The following application forms are downloadable from <http://www.iras.gov.sg> (Under Quick Links, Forms > GST> Others) or by clicking the following hyperlinks:

GST F23	Notification of Participation of GST ACAP
GST F24	Claim for Co-funding of GST ACAP

1. Introduction

- 1.1 IRAS has introduced a new GST initiative – ‘Assisted Compliance Assurance Programme’ (i.e. ACAP in short) to facilitate GST-registered businesses to better manage their GST risks. ACAP provides a set of guidance for GST-registered businesses to undertake a holistic review of the robustness and effectiveness of their internal control system that impacts GST compliance. This e-Tax Guide explains this initiative in greater detail.
- 1.2 ACAP is most suitable for businesses that have already established an effective control framework and incorporated GST risk management to enhance their GST compliance capability. This is especially important for businesses with complex corporate structures and business models with voluminous transactions. GST-registered businesses (regardless of their turnover) may adopt ACAP on a voluntary basis.
- 1.3 A business must notify IRAS of its intention before undertaking an ACAP Review. With this notification, IRAS will review its eligibility. The business that fulfilled all eligibility conditions and approved by IRAS to participate in ACAP (hereafter termed as ACAP Applicant) will not be selected for GST audit unless significant anomalies are noted from its return declarations or fraud is suspected.
- 1.4 The ACAP Applicant may involve a qualified Internal or External Reviewer (hereafter termed as ACAP Reviewer) to perform an independent verification of how its GST Control Framework operates, covering a 12- month period (hereafter termed as ACAP Review). Under the programme, the ACAP Applicant and ACAP Reviewer must follow the methodology set out in the ‘GST ACAP Review Guidance’ at Appendix 1 of this e-Tax Guide. The ACAP Applicant has a period of 12 months to submit to IRAS, the ACAP Report on the results of the ACAP Review for IRAS to accord an ACAP status.
- 1.5 IRAS will accord ACAP status (i.e. which is an indicator of the level of effectiveness of the overall GST controls to ensure continual GST compliance) to the ACAP Applicant if it attains certain benchmarks in the level of controls. IRAS will support GST-registered businesses which embark on ACAP and which succeed in attaining the benchmarks, with a range of benefits and incentives.

- 1.6 To encourage businesses to proactively adopt good tax risk management and establish a sustainable control framework in a holistic way, IRAS will offer the following set of incentives for an initial period of 5 years effective from 5 Apr 2011 to 4 Apr 2016:
- (a) Co-fund 50% of the explicit fees incurred by businesses for the purpose of ACAP Review, subject to a cap of \$50,000 per ACAP Applicant; and
 - (b) Grant an exceptional one-time waiver of penalties for past GST errors (regardless of the period to which the errors may relate) disclosed voluntarily in the course of the first ACAP undertaken by the business. This waiver applies only to past errors that occurred within the statutory time-bar period, and where fraudulent intent was absent.
- 1.7 For more details on the incentives, please refer to our web page on ACAP Incentives under GST>For GST-registered businesses>GST initiatives to facilitate voluntary compliance>ACAP> [ACAP incentives](#).
- 1.8 As ACAP is introduced to encourage proactive tax risk management so as to enhance high voluntary compliance, IRAS will not continue with Compliance Assurance Programme (CAP). CAP is a GST audit programme that IRAS commenced in 2007, where IRAS's auditors review internal controls and processes that impact GST reporting of large businesses with turnover exceeding \$1 billion. With the discontinuation of CAP, audits of large businesses will be no different from all other GST-registered businesses where IRAS adopts a risk-based approach.

2. Objectives of ACAP

- 2.1 The primary objective of ACAP is to provide guidance for businesses to voluntarily initiate a holistic risk-based review on the effectiveness of their internal controls to enhance their GST compliance capability, including accurate GST reporting. It will cover three critical levels¹ namely Entity, Transaction and GST Reporting levels to ensure continual GST compliance.
- 2.2 Even if businesses have no immediate intention to undertake ACAP Review, they are encouraged to adopt the GST Control Practices compiled in the checklists of 'Self-Review of GST Controls' as part of the 'GST ACAP Review Guidance' (Annex 1 of Appendix 1) to build or enhance an effective GST Control Framework. This would help them improve their GST compliance capability by identifying and strengthening their weakest link(s) in their GST reporting processes.

¹ Please refer to Section 1 of "GST ACAP Review Guidance" for more details.

3. Who should read this Guide

3.1 This Guide is useful for :

- (a) GST-registered businesses and their senior executives such as Chief Financial Controllers, Tax Managers, Accountants and other persons or team tasked to manage GST compliance of the businesses; and
- (b) Reviewers nominated by the GST-registered businesses to conduct an ACAP Review.

4. Benefits of ACAP status

4.1 IRAS will accord an ACAP status i.e. **'ACAP Premium' for 5 years** or **'ACAP Merit' for 3 years** with benefits to ACAP Applicants that demonstrate having sufficient preventive and detective GST controls with monitoring mechanisms at the Entity, Transaction and GST Reporting levels.

4.2 ACAP Applicants accorded with ACAP status will enjoy the following benefits for either 5 years or 3 years:

- (a) Step-down of IRAS-GST compliance activities unless significant anomalies are noted in GST declarations;
- (b) Expeditious GST refunds, if no anomalies are noted;
- (c) Dedicated team to handle GST Rulings and resolve GST issues expeditiously; and
- (d) Auto-renewal of the GST schemes (e.g. Major Exporter Scheme status), if applicable.

5. Eligibility Conditions to Participate in ACAP

5.1 To be eligible for participation in ACAP, the business should meet all the following conditions.

- (a) It establishes proactive GST risk management by having a GST Control Framework encompassing preventive and detective GST controls at the Entity, Transaction and GST Reporting levels to secure GST compliance. The framework should include the following elements:
 - (i) Board of Directors and/or Senior Management² sets the direction and maintains an oversight of a framework for GST risk management;
 - (ii) Ability to identify and manage GST risks; and
 - (iii) Documentation of GST control processes.
- (b) It has established all key controls listed in the “Self-Review of GST Controls” for the three levels (i.e. Entity, Transaction and GST Reporting). A key control is considered as implemented if 60% or more of the control features (listed in the checklists) or their equivalents are present. (Please refer to paragraph 7.2 for more details.)
- (c) Its latest financial statements³ have been audited and the auditor’s opinion is unqualified.
- (d) It is registered for GST for at least 3 years.
- (e) It is not currently under any GST audit⁴ conducted by IRAS.
- (f) It has good compliance records for GST, Income Tax, Property Tax (including no tax outstanding⁵ with IRAS) and with the Singapore Customs.
- (g) It commits to appoint a qualified ACAP Reviewer to conduct ACAP Review as elaborated in paragraph 6.

² Senior management refers to persons charged with executive responsibilities for the conduct of the entity’s operations such as Chief Executive Officer, Chief Financial Officer and Chief Corporate Officer.

³ The business should have the latest financial statements audited if they have not been subject to any statutory audits in the past.

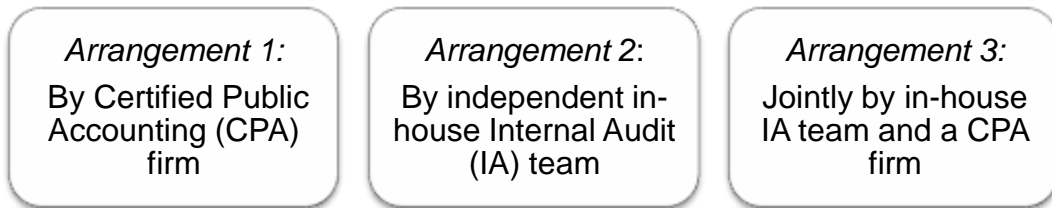
⁴ This will be indicated by an Audit Contact Letter issued by IRAS to initiate a GST audit review. The following situations will not be considered as a GST audit review by IRAS:

- i) Survey or questionnaire sent to seek feedback on GST matters;
- ii) Clarifications sought on ruling request on technical treatment.

⁵ It excludes tax due under instalment plan or amount due for the next GIRO deduction.

6. Conduct of ACAP Review by ACAP Reviewers

6.1 ACAP Review may be conducted based on any of the following 3 arrangements:



6.2 Arrangement 1: ACAP Review is conducted by a Certified Public Accounting (CPA) firm or its tax affiliate

A CPA firm or its tax affiliate⁶ is engaged to perform the entire ACAP Review. The designated ACAP team fulfills the following conditions:

- (a) The designated ACAP team is led by an Accredited Tax Advisor (GST) of Singapore Institute of Accredited Tax Professionals (SIATP).
- (b) The team reports to an Audit Partner or Tax Partner / Tax Director.
- (c) The team's tests of controls follow the audit methodology based on generally accepted auditing standards⁷.
- (d) If the CPA firm or its tax affiliate had been involved in other GST specific engagements listed below, it should put in place additional safeguards (other than the usual safeguards required by the profession):

GST Specific Engagement	Additional Safeguards in the conduct of ACAP Review
CPA firm or its tax affiliate prepares or reviews GST return for the ACAP Applicant prior to e-filing of the return.	The 12-month ACAP period ⁸ should not coincide with the same period for which the GST return was prepared or reviewed. If the periods coincide, the firm should assign an entirely different team ⁹ to undertake the ACAP review with a separation established.

⁶ Tax affiliate refers to the tax arm of a Singapore CPA firm, constituted separately and is related to the CPA firm by ownership or management.

⁷ For example, the audit procedures relating to tests of controls as prescribed in the Singapore Standard on Auditing (SSA 330)

⁸ ACAP Period is a 12-month period of either:
(i) the latest 12-month period of GST returns filed; or
(ii) the 12-month period of GST returns filed for the past financial year.

⁹ The team from the staff to the audit partner/tax partner/tax director who is accountable for the ACAP Review must not be involved in the engagement to prepare or review GST return for the ACAP Applicant.

GST Specific Engagement	Additional Safeguards in the conduct of ACAP Review
CPA firm or its tax affiliate designs and /or documents the GST process flows of the ACAP Applicant.	The staff involved in the design and documentation of the GST process flows must not be a member of the ACAP Review team.

6.3 Arrangement 2: ACAP Review is conducted by an Independent In-House Internal Audit (IA) team

ACAP Review is conducted independently by the ACAP Applicant’s in-house Internal Audit (IA) team. The IA team in charge of ACAP Review must fulfil the following conditions:

- (a) The team lead is a member of a professional accounting or auditing body¹⁰.
- (b) At least one member¹¹ in the team is an Accredited Tax Practitioner (GST) or Accredited Tax Advisor (GST) of SIATP.
- (c) The team reports directly to the Audit Committee (AC) comprising all independent non-executive directors¹²; or reports to a committee specifically tasked by the senior management to oversee the review independently and the committee reports its findings to AC.
- (d) If the ACAP Review is performed by a global IA team, the global IA team has similar set-up in reporting to an overseas AC comprising all non-executive directors.

6.4 Arrangement 3: ACAP Review is conducted jointly by in-house IA team and a CPA firm

A CPA firm is engaged to conduct ACAP Review jointly with the in-house IA team. The composition of the team members may vary depending on the ACAP Applicant’s needs. If the lead ACAP Reviewer is from the CPA firm, he must fulfil the conditions under Arrangement 1. If the lead ACAP Reviewer is from the IA team, he must fulfil the conditions under Arrangement 2.

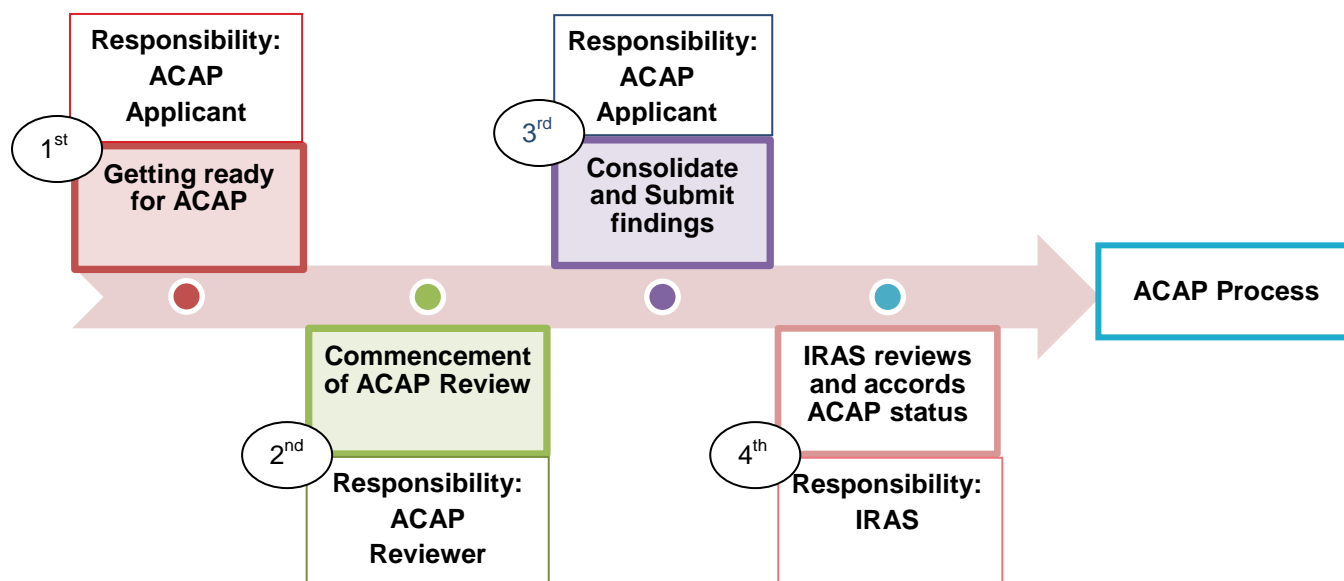
¹⁰ Examples of professional accounting or auditing bodies include Institute of Certified Public Accountants of Singapore (ICPAS), Association of Chartered Certified Accountants (ACCA), Institute of Internal Auditors (IIA).

¹¹ If the internal auditors are not Accredited Tax Practitioner (GST) or Accredited Tax Advisor (GST) of SIATP, for the purpose of conducting ACAP Review, the IA team members may include the Applicant’s in-house tax advisory personnel or an external tax advisory consultant who are Accredited Tax Practitioner (GST) or Accredited Tax Advisor (GST) of SIATP.

¹² IRAS follows the requirements of “The Singapore Exchange Listing Rules” on the composition of Audit Committee members.

7. ACAP Milestones

7.1 There are four milestones in the ACAP Process.



1st Milestone: Getting Ready for ACAP

- 7.2 A GST-registered business that wishes to undertake ACAP must first satisfy the eligibility conditions set out in paragraph 5. In particular, the business must ensure that its GST Control Framework is ready for ACAP.
- 7.3 To make an assessment if its GST Control Framework meets the requirement at entry level specified in paragraph 5.1(b), the business should refer to the checklists of “Self-Review of GST Controls” and the accompanying important notes. It could manually compute or complete the [“GST ACAP Control Framework Calculator”](#) to establish whether it has the key controls listed in the checklists.
- 7.4 Once the self-assessment is performed and the result meets the minimum requirement, the eligible business can proceed to notify IRAS of its intention and the choice of ACAP Review arrangement by submitting the form [GST F23 “Notification of Participation of GST ACAP”](#). The checklists of “Self-Review of GST Controls” need not be submitted at the point of notification.
- 7.5 IRAS will communicate to the business on the status of its application within 10 working days from the date of receipt of the form. For successful Applicant, IRAS will not commence any GST audit activities on it unless significant anomalies are observed from its return declarations or fraud is suspected.

- 7.6 Please refer to the web-page for more information on the dual incentives at the following link GST>For GST-registered businesses>GST initiatives to facilitate voluntary compliance>ACAP> [ACAP incentives](#).
- 7.7 The ACAP Applicant should proceed to prepare and collate the information crucial for the conduct of ACAP Review as set out in Section 1 of '[GST ACAP Review Guidance](#)' (see Appendix 1).
- 7.8 'GST ACAP Review Guidance' sets out the scope and review process involved in conducting the review of the GST Control Framework. Examples and templates are included to assist the ACAP Applicant and ACAP Reviewer to prepare and gather evidence for the ACAP Review.

<i>Information to be furnished to IRAS</i>	<p>The business should complete and submit the form GST F23 "Notification of Participation of GST ACAP".</p> <p>The form can be downloaded from http://www.iras.gov.sg (Under Quick Links, Forms>GST> Others).</p>
<i>What would IRAS do with the information?</i>	<p>IRAS notifies successful ACAP Applicant to commence ACAP review and suspends its GST audit activities for up to 12 months (see paragraph 7.4 above) pending the results of the ACAP review.</p>

2nd Milestone: Commencement of ACAP Review by the ACAP Reviewer

- 7.9 During this milestone, the ACAP Applicant and ACAP Reviewer are expected to work closely with each other to formalise the ACAP plan, resource requirements, time schedule to complete the ACAP Review and submission of an ACAP Report.
- 7.10 The ACAP Reviewer would proceed to perform the review and tests and document its findings in accordance with Section 3 to Section 7 of the GST ACAP Review Guidance.

3rd Milestone: Consolidate Findings and submit ACAP Report to IRAS

- 7.11 Upon the completion of the ACAP Review by the ACAP Reviewer, the ACAP Applicant should evaluate the ACAP findings and determine the appropriate follow-up actions. These include i) making improvements to address the control gaps identified; ii) reviewing the extent of GST errors made during the ACAP period; iii) quantifying the GST errors for past years affected.
- 7.12 To secure a higher assurance of attaining ACAP status, the ACAP Applicant may opt for the ACAP Reviewer to extend its review beyond the ACAP Period to cover a 3-month period in which additional or improved GST controls have been implemented.
- 7.13 The ACAP Applicant needs to submit the ACAP Report with the information specified in Section 9 of 'GST ACAP Review Guidance' within 12 months¹³ from the date of IRAS's acceptance of its notification of ACAP participation.

<i>Information to be furnished to IRAS</i>	The ACAP Report with the information specified in Section 9 of Appendix 1 "ACAP Review Guidance".
<i>What would IRAS do with the information?</i>	IRAS places reliance on the information provided by the ACAP Applicant and "Report of Factual Findings" by the ACAP Reviewer to assess the level of adequacy and effectiveness of GST controls in securing GST compliance.

4th Milestone: Assessment of ACAP Status

- 7.14 IRAS will evaluate the case to decide on the ACAP status to be accorded within 3 months from the receipt of the ACAP Report together with the Report on Factual Finding issued by the ACAP Reviewer.
- 7.15 If the need arises, IRAS may request for a meeting with the ACAP Applicant and the ACAP Reviewer to clarify information furnished in the ACAP Report and Report on Factual Findings. In exceptional situations, IRAS may request to sight working papers from the ACAP Reviewer on a need-to-know basis.
- 7.16 The ACAP Applicant awarded with 'ACAP Premium' or 'ACAP Merit' status will enjoy the accompanying benefits tied to the status. The general criteria qualifying for 'ACAP Premium' and 'ACAP Merit' status are elaborated in paragraph 9. IRAS's decision in according ACAP status is final.

¹³ IRAS would consider extending the dateline for the submission of the ACAP Report only if there are valid reasons provided by the Applicant on a case-by-case basis.

8. Errors Discovered in the Course of ACAP Review

- 8.1 If errors are discovered in the course of ACAP Review, the ACAP Applicant should describe the nature of errors and determine the dollar amounts associated with each category of errors for the ACAP period of 12 months. For recurring errors involving GST amounts in prior years, the ACAP Applicant should quantify the errors for the past years affected. If the ACAP Applicant has difficulties in determining the actual amount of errors, it may propose a reasonable basis to estimate past errors.
- 8.2 IRAS will waive penalties for genuine non-wilful GST errors voluntarily disclosed either in the course of ACAP Review or at the latest, in the submission of ACAP Report, subject to the following conditions:
- (a) the business notifies IRAS by 4 April 2016, of its intention to embark on its first ACAP;
 - (b) the business settles the additional taxes; and
 - (c) the business attains 'ACAP Premium' or 'ACAP Merit' status.
- 8.3 This is a one-time extension of the normal 1-year grace period under the IRAS Voluntary Disclosure Programme (VDP), as recognition of the ACAP Applicant's efforts to strengthen the effectiveness of the overall GST controls to ensure continual GST compliance. If any of the conditions in paragraph 8.2 are not met, IRAS may impose a reduced penalty under the normal VDP rules, for non-wilful GST errors made.

9. General Guidance for According ACAP Status

- 9.1 Generally, IRAS will accord the ACAP Applicant an ACAP status either 'ACAP Premium' or 'ACAP Merit', if it demonstrates that the GST controls established at 3 levels (Entity, Transaction and GST Reporting) are overall working effectively, based on the findings of the ACAP Reviewer.

ACAP Premium

- 9.2 The ACAP Applicant could be accorded 'ACAP Premium' status if IRAS is satisfied that all the following criteria are met:
- (a) GST risk management framework is incorporated as part of its corporate governance with all key GST risks identified and managed;
 - (b) All key GST controls are well integrated into its operating and financial framework;
 - (c) GST controls established at all the three levels i.e. Entity, Transaction and GST Reporting levels are working effectively; and
 - (d) Monitoring and review process on GST declarations and adherence to GST requirements are performed regularly by designated persons.

ACAP Merit

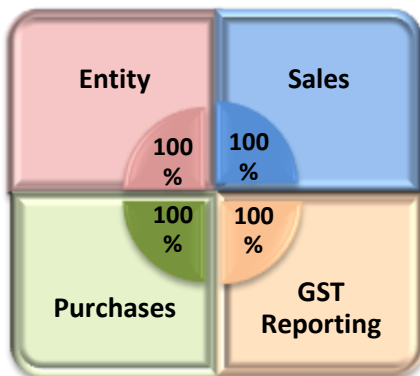
- 9.3 The ACAP Applicant may be accorded 'ACAP Merit' status if IRAS is satisfied that all the following criteria are met:
- (a) GST risk management is incorporated as part of its corporate governance with most of the key GST risks identified and managed;
 - (b) Most of the key GST controls are integrated into its operating and financial framework;
 - (c) GST controls established at Entity, Transaction and GST Reporting levels are working effectively to a large extent with measures taken to improve control gaps; and
 - (d) Monitoring and review process on GST declarations and adherence to GST requirements are performed on a less regular or on ad-hoc basis.

Rating System for According ACAP Status

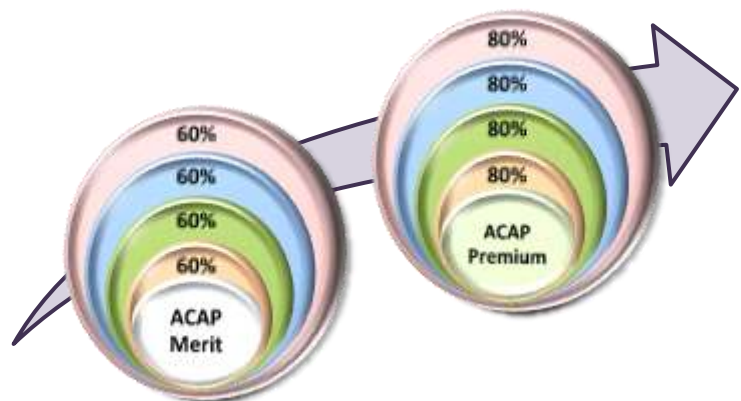
- 9.4 IRAS would assess the adequacy and effectiveness of the controls established by the ACAP Applicant at each level based on the ACAP Applicant’s ‘Self Review of GST Controls Checklist’, the ACAP Reviewer’s ‘Report on Factual Findings’ and the ACAP Applicant’s follow-up actions on gaps and errors.
- 9.5 IRAS recognises that within the GST Control Framework, control gaps and GST errors may still occur. In making an assessment of the ACAP status, IRAS will consider the extent and impact of such gaps and GST errors; and whether the ACAP Applicant has proactively taken steps taken to address such risks.
- 9.6 IRAS has weighed the relative importance of the controls at Entity, Transaction and GST Reporting levels. According of ACAP status will generally be guided by the scores set out in the table below:

Control features maintained at:	Maximum score points	Minimum score to attain	
		ACAP Premium	ACAP Merit
Entity Level	100%	80%	60%
Transaction Level			
• Sales	100%	80%	60%
• Purchases	100%	80%	60%
GST Reporting Level	100%	80%	60%
Overall score for all levels		80%	60%

IRAS Allocation of score points for controls maintained at:



ACAP Status Accorded: Minimum Expected Score Points



- 9.7 Where IRAS assesses that the ACAP Applicant has not met the minimum score to attain an ACAP status due to control gaps and errors, IRAS may offer an option to the ACAP Applicant based on the merits of the case. This option is for the ACAP Applicant to have the ACAP Reviewer to review that the control gaps and errors were rectified with additional or improved controls implemented for at least 3 months or a longer period.
- 9.8 IRAS will take into account the additional findings of the ACAP Reviewer to evaluate the final ACAP status. However, the costs incurred for the additional ACAP review will not qualify for ACAP co-funding.

10. After According ACAP Status

Monitoring and review during the validity period of ACAP status

- 10.1 An approved ACAP business (i.e. accorded with ACAP status) has to perform an annual review of the GST declarations filed in the subsequent financial year as a quality assurance of the accuracy of GST returns submitted. The review methodology under “Assisted Self Help Kit – Annual Review” may be adopted. A copy of the annual review findings should be kept as evidence of compliance. IRAS may request to sight the annual review findings on a random basis during the validity period of ACAP status.
- 10.2 Also, an internal review of the GST controls should be done at least once during the validity period to ensure that the preventive and detective controls are working as designed.
- 10.3 Any subsequent disclosure of GST errors made after the submission of the ACAP Report will be subject to penalties or lower penalties (if the guidelines of IRAS Voluntary Disclosure Program¹⁴ are met). For serious control-related errors (e.g. system has mapped the wrong tax code to categories of transactions) that impact the effectiveness of its GST Control Framework, IRAS will impose additional requirements to continue to retain ACAP status.

¹⁴ Please refer to e-Tax Guide ‘IRAS Voluntary Disclosure Program’.

Circumstances where ACAP Status may be terminated before expiry

- 10.4 IRAS may revoke an ACAP status awarded to the approved ACAP business under the following circumstances that arise subsequently:
- (a) Statutory auditor has given a qualified report on the ability of the business to continue as a going concern or an adverse report on the financial statements.
 - (b) Public accountant has expressed a qualified conclusion on the effectiveness of the internal control systems of the business from the performance of other assurance engagement.
 - (c) The business is under receivership or liquidation or is under Scheme of Arrangement with the creditor or if it ceases or is inactive.
 - (d) The business fails to comply with any of the condition or requirement imposed by IRAS.
 - (e) The business has provided false, misleading or inaccurate information on its compliance to the GST Control Framework or submitted incorrect GST returns with negligence or wilful intent.
- 10.5 During the validity period of ACAP status, the business should notify IRAS if any of the events highlighted in paragraph 10.4 occur.

Change in GST registration structure during validity period of ACAP status

- 10.6 ACAP status is accorded to the GST registered entity. It is not transferable to another entity if there is a change in the GST registration structure of the approved ACAP business. The following table lists the common scenarios and impact on the ACAP status of the Approved ACAP business:

Scenario	Impact on ACAP status
An approved ACAP single GST registrant becomes a member of a GST Group without ACAP status.	The ACAP status of the single GST registrant will be terminated upon conversion to the GST Group. The GST Group has to apply for ACAP if it wishes to.
A member of the Approved ACAP GST Group registrant withdraws from the Group to become a single GST registrant.	The ACAP status granted to the GST Group will not be extended to the outgoing member.

Merger and acquisition of business during the validity period of ACAP status

10.7 In the case of merger and acquisition involving an approved ACAP business, the ACAP status is generally not transferable to another entity. The following tables list the various scenarios and the impact on the ACAP status of the parties involved.

Approved ACAP business acquires a non-ACAP entity	
Scenario	Impact on ACAP status
(i) The acquired business (non-ACAP entity) remains as a separate GST registered entity.	The Approved ACAP business retains its ACAP status. Its ACAP status is not extended to the newly acquired business.
(ii) The acquired business is merged with the Approved ACAP business.	The Approved ACAP business retains its ACAP status if it is able to manage the GST risks arising from acquiring the new business.

ACAP Approved business is acquired by a non-ACAP entity	
Scenario	Impact on ACAP status
(i) The Approved ACAP business remains as a separate GST registered entity.	The Approved ACAP business retains its ACAP status. However, its ACAP status will not be extended to the acquirer.
(ii) The Approved ACAP business is de-registered from GST and is merged into the existing business of the acquirer.	The ACAP status of the Approved ACAP business will be revoked. The acquirer needs to apply for ACAP if it wishes to.
(iii) The Approved ACAP business is entirely transferred as a going concern to a GST registered acquirer with no existing business operations.	IRAS will only allow the transfer of the ACAP status to the acquirer if the management of the acquirer commits to maintain the established GST Control Framework.

Renewal of ACAP

10.8 Upon the expiry of ACAP status, businesses that wish to continue to enjoy the ACAP status will have to re-apply for the ACAP status. The renewal process may be simplified. IRAS will announce the details of such process and requirements when they are ready.

11. Contact Information

11.1 For enquiries on this e-Tax Guide and Appendices, please contact:

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