



INLAND REVENUE AUTHORITY OF SINGAPORE

ANNUAL REPORT || 2010/2011



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OUR VISION

The leading tax administration in the world

A partner of taxpayers in nation-building and economic development

An excellent team of competent and committed people

OUR MISSION

- Act as an agent of the Government and provide service in administering, assessing, collecting and enforcing payment of taxes
- Advise the Government and represent Singapore internationally on matters relating to taxation

OUR CORE VALUES

FAIRNESS

Treat everyone in the same circumstances equally

INTEGRITY

Do what is right without fear or favour in all circumstances

PROFESSIONALISM

Have the competence and take pride in doing our work in the most efficient and effective way

TEAMWORK

Help one another and work together with mutual trust and respect

RESPONSIVENESS

Anticipate and promptly meet changing needs

INNOVATION

Continuously seek new ways to do our work better

OUR CORPORATE GOALS

- To foster a competitive tax environment that encourages enterprise and supports economic growth
- To provide excellent service
- To minimise compliance costs of taxpayers
- To ensure compliance by all taxpayers
- To be cost-effective and efficient
- To achieve a high level of staff competence and satisfaction



The Singapore economy has performed exceptionally well in 2010, registering a record growth of 14.5%. Average wages grew by 5.6% and unemployment rate was at a low of 2.2%. The Jobs Credit Scheme and other tax measures implemented by the Government following the downturn in 2009 have contributed significantly to the swift recovery of the economy.

CONTRIBUTING TO ECONOMIC DEVELOPMENT AND RAISING PRODUCTIVITY

IRAS has continued to play an important role in Singapore's economic success by ensuring a competitive tax environment. To develop a deep understanding of the tax and business issues affecting taxpayers and the economic environment, IRAS maintains close contacts with taxpayers and undertakes extensive engagement with stakeholders. We proactively review tax policies and work collaboratively with economic promotion agencies to ensure that our tax system stays competitive and pro-enterprise.

Our competitive tax system, together with high standards of compliance and taxpayer services, has contributed to Singapore's position as an efficient and effective business hub and created a business friendly environment to attract investments and talent. IRAS regularly reviews tax rules and procedures to make it easier for taxpayers to comply and provide greater clarity to taxpayers on their tax obligations.

RAISING PRODUCTIVITY AND STANDARDS

During the year, IRAS has implemented many initiatives to raise productivity and the standards of tax administration. It has actively promoted and implemented the enhanced Productivity and Innovation Credit Scheme to help SMEs upgrade their operations and processes and seize growth opportunities. It has launched the Assisted Compliance Assurance Programme (ACAP) to help businesses comply with Goods and Services Tax obligations, a new e-Stamping website to enable taxpayers to stamp their documents from the comfort of their home or office, and a 3-year campaign to promote GIRO for tax payments. IRAS is also introducing an electronic Tourist Refund Scheme (eTRS) system to replace the existing paper-based system to provide tourists with a hassle-free GST refund claim process to enhance their shopping experience in Singapore.

IRAS continues to expand Singapore's network of Avoidance of Double Taxation Agreement (DTA) to widen Singapore's economic space and facilitate businesses investing overseas. In FY2010/11, we signed 4 DTAs with Saudi Arabia, Panama, Ireland and Albania. We also updated the terms of our DTAs to incorporate the internationally agreed Standard for the Exchange of Information (EOI). Since Singapore endorsed the EOI Standard in 2009, IRAS has incorporated the EOI Standard into Singapore's DTAs with 26 countries.



CHAIRMAN'S STATEMENT

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Rapid advancement in technology and increased globalisation have resulted in greater complexities in doing business and a more complex tax environment. IRAS recognises the need to raise the standards and capabilities of tax professionals to meet these challenges. In 2010, the Tax Academy of Singapore conducted several regional tax updates seminars, helmed by international or regional tax experts, to help tax professionals keep abreast of the fast-changing global developments and emerging tax issues. It also partnered international institutions to deliver international tax programmes for local and international tax professionals. These included the International Tax Programme, a collaboration with the International Tax Center of Leiden University aimed at deepening the expertise of tax professionals in cross-border tax work, the Transfer Pricing (TP) Programme, conducted in collaboration with the Australian School of Taxation at the University of New South Wales, and the Tax Executives Institute (TEI) US Tax Conference, a seminar on the US tax system jointly organised with the TEI.

IRAS engages the international tax community to stay well-plugged into developments in the international tax environment and to raise our profile in the global arena. Besides participation in international conferences, IRAS continues to represent Singapore as Vice-Chair of the Peer Review Group and member of the Steering Group at the Global Forum on Transparency and Exchange of Information

for Tax Purposes. In September 2010, IRAS hosted the Forum's second meeting together with the Ministry of Finance. The meeting, the Forum's first since its inauguration as a self-standing body in Mexico in 2009, was attended by over 190 delegates from 80 member jurisdictions and 9 international organisations and regional groupings.

ACKNOWLEDGEMENTS

On behalf of the Board and staff, I would like to thank Mr Law Song Keng, Mr Lim Hua Min and Mr Noel Hon, who retired in September 2010, for their many contributions to IRAS. I also welcome Mr Lee Kwok Cheong, Mr Pek Hak Bin and Mr Pok Soy Yoong, who joined the Board in the same month.

The success of an organisation hinges on the quality and commitment of its people. On behalf of the Board, I would like to thank the management and staff of IRAS for their dedication and commitment during the past year. I am confident that IRAS will continue to partner taxpayers in nation-building and economic development.



MR PETER ONG
Chairman

MEMBERS OF THE BOARD

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IRAS' Board members are respected individuals from both the public and private sectors, with wide-ranging expertise and in-depth experience in the fields of accounting, banking, finance, law, infocomm technology, business management and public administration.



MEMBERS OF THE BOARD

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1. MR PETER ONG

Chairman

Mr Ong was appointed the Chairman of IRAS Board on 1 October 2009. He is Head of Civil Service, and also holds the appointments of Permanent Secretary (Finance), Permanent Secretary (Special Duties) in the Prime Minister's Office, and Permanent Secretary (National Security and Intelligence Co-ordination). Mr Ong also sits on the Boards of the Monetary Authority of Singapore, Directorship & Consultancy Appointments Council, National Research Foundation and Singapore Telecommunications Limited.

2. MR MOSES LEE

Commissioner

Mr Lee is the Commissioner of Inland Revenue from 1 July 2005. He joined the IRAS Board in September 2004. Prior to that, Mr Lee was the Permanent Secretary in the Ministry of Health, Ministry of Community Development and Ministry of Labour.

3. MR LIM JOO BOON

Mr Lim joined the IRAS Board in September 2007. He is both a board member and an advisor with Philip Private Equity Pte Ltd. He is also an advisor with OWW Capital Partners and serves on the boards of organisations such as Pteris Global Limited, Singapore Pools Pte Ltd and Singapore Airlines Engineering Company. Mr Lim is an Adjunct Associate Professor with the National University of Singapore. He is also the Chairman of IRAS Audit Committee, which reviews the adequacy and adherence of IRAS' financial policies and internal controls.

4. MR VISWANATHAN SHANKAR

Mr Shankar joined the IRAS Board in September 2007. He is the Chief Executive Officer for Europe, Middle East, Africa and Americas of Standard Chartered Bank. He serves on the SINDA Board of Trustees and National Integration Council. Mr Shankar is also the Chairman of IRAS Investment Committee, which manages IRAS' surplus funds.

5. MR GIAM CHIN TOON

Mr Giam joined the IRAS Board in September 2007. He is a Senior Partner of Wee Swee Teow & Co. and a Senior Counsel. He is Singapore's Ambassador (Non-Resident) to Peru and Singapore's High Commissioner (Non-resident) to Ghana. Mr Giam also serves on the boards of the Singapore Mediation Centre, the Securities Industry Council and is a member of the Senate of the Singapore Academy of Law. He is the Chairman of IRAS Staff Committee A, which has oversight of personnel matters of senior executives.

6. MR LEE KWOK CHEONG

Mr Lee joined the IRAS Board in September 2010. He is both the Chief Executive Officer of the SIM Global Education and a member of SIM University's Board of Trustees. Mr Lee is an Adjunct Professor with SIM University and a member of the Working Group for Schools under the National Integration Council. He serves on the Boards of the Defence Science and Technology Agency, ITE Holdings Pte Ltd as well as the ITE Investment Committee and chairs the Casino Regulatory Authority's Technology Advisory Committee.

7. MR POK SOY YOONG

Mr Pok joined the IRAS Board in September 2010. He was the former Head of Tax of Ernst & Young and a former board member of the Tax Academy of Singapore. He serves on the boards of other organisations such as Mapletree Logistic Management Limited, UE E&C Limited, Perennial China Retail Trust Management Pte Ltd and Pavillion Foundation Limited.

8. MR PEK HAK BIN

Mr Pek joined the IRAS Board in September 2010. He is the Country President for BP companies in Singapore and also BP Group's Head of Tax for the Asia Pacific region. Mr Pek serves on the boards of organisations such as the British Chamber of Commerce and Singapore Institute of Technology's Board of Trustees.

9. DR TAN KIM SIEW

Dr Tan is the Permanent Secretary of Defence Development, Ministry of Defence. He joined the IRAS Board in September 2007. He is the Chairman of the Defence Science and Technology Agency and DSO National Laboratories. He also serves on the boards of Singapore Technologies Holdings Pte Ltd and Singapore Technologies Engineering Ltd.



Singapore's economy rebounded very quickly from the global financial crisis in 2010 and grew 14.5%, much faster than most other economies. This boosted IRAS' tax revenue collection in FY2010/11 to S\$34.7 billion, 16.3% higher than the FY2009/10 collection. The increase was contributed mainly by property related taxes, goods and services tax, and corporate income tax.

SUPPORTING ECONOMIC GROWTH

IRAS supports economic growth through an efficient and effective tax administration and competitive tax system. We actively monitor the global economic and tax environment and review tax policies and rules to ensure they remain relevant to evolving and new business models and do not inhibit business growth and commercial activities. In FY2010/11, we reviewed 33 tax policies, including enhancements to the Approved Contract Manufacturer and Trader Scheme, the Employee Equity-Based Remuneration Scheme, Foreign Tax Credits Pooling System and GST measures for the marine and biomedical industries. These policies help to promote business growth and lower compliance costs.

PROMOTING VOLUNTARY COMPLIANCE

IRAS adopts a comprehensive approach towards promoting voluntary compliance by taxpayers. Specific programmes were introduced to help taxpayers better understand and comply with their tax obligations. These included the Multiphase Record-Keeping Programme to help the smaller

businesses systematically improve their overall record keeping standards for income tax and GST purposes. The Assisted Compliance Assurance Programme (ACAP) was launched to provide a holistic solution for businesses to self-manage their GST risks, avoid errors and reduce compliance costs.

We stepped up our compliance efforts to ensure that all taxpayers pay their fair share of taxes. In FY2010/11, we focused on the beauty and wellness industry, maid agencies, wholesale traders in electronics, small and medium manufacturers, motor traders and marine fuel trading firms. Through coordinated investigation and audit programs, we uncovered close to 9,600 non-compliant cases and recovered more than S\$295 million in taxes and penalties. Tax evasion cases were also prosecuted and publicised to serve as a deterrence.

DELIVERING EXCELLENT SERVICE

We maintained the momentum to provide excellent service to taxpayers. Leveraging on technology, several new initiatives were introduced to bring about greater convenience to taxpayers. These included myTax Mail, which provides a secure online environment for taxpayers to discuss their confidential tax matters with IRAS, the new e-Stamping website to enable stamping of documents to be done at the workplace or home, and auto-granting of owner-occupied concessions for private residential properties. Our frontline



COMMISSIONER'S MESSAGE

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services were improved by enhancing our Interactive Voice Response system to make it easier for taxpayers to use the self-help functions and implementing a Quality Monitoring Framework to develop staff competence and ensure consistent service quality.

For the Year of Assessment 2011, we expanded the Auto-Inclusion Scheme to include employers with 30 or more employees, which now covers 2.27 million employees or 73% of the total workforce. The No-Filing Service was extended to some 790,000 individual taxpayers with auto-included income and unchanged tax relief. 660,000 of these individual taxpayers did not have to file tax returns, making tax filing a non-event for them. The e-filing rate achieved another record of 96%, up from 94% last year.

Our commitment to providing excellent service and making it easy and convenient for taxpayers to comply with their tax obligations has not gone unnoticed. Singapore was ranked fourth amongst the 183 economies surveyed on the ease of paying taxes in the "Doing Business Report 2011" by the World Bank, International Finance Corporation and Pricewaterhouse Coopers. IRAS also received more than 7,757 compliments from taxpayers in FY2010/11, up from 6,471 in FY2009/10.

ENGAGING THE INTERNATIONAL TAX COMMUNITY

IRAS continued to engage the international tax community to learn and share insights as well as keep abreast of

developments in tax administration. In FY2010/11, we participated in the 6th Meeting of the OECD Forum on Tax Administration, the 40th Meeting of the Study Group on Asian Tax Administration and Research (SGATAR), the IMF High Level Tax Seminar for Asian Countries, the 13th Commonwealth Heads of Valuation Agencies Conference and the Asian Tax Authorities Symposium. Together with the Ministry of Finance, we hosted the 2nd Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

DEEPENING SKILLS AND DEVELOPING EXPERTISE

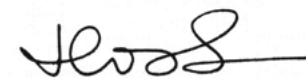
We recognised that a higher level of professionalism will improve taxpayers' confidence and trust in our tax administration. Besides continual on-the-job training and development, staff were rotated to different jobs within IRAS to widen their work experience. For greater diversity, selected staff were sent on external postings to the Ministry of Finance to expose them to tax policy work. The Master Tax Specialist (MTS) programme was launched in October 2010 to enhance the technical and professional competency of staff. The MTS programme is an extension of our existing Accredited Tax Specialist Scheme and aims to equip our tax specialists with a keen sense of business reality and deep specialised knowledge in specific areas of taxation.

The Tax Academy of Singapore continued to play a pivotal role in enhancing our staff competency and that of the tax community. In FY2010/11, it organised a number of

programmes in collaboration with various foreign universities which provided IRAS staff as well as local and international tax professionals with the opportunity to learn and exchange views and ideas on various international tax issues.

As a testament of our efforts to be an efficient and effective tax administration, IRAS was awarded the Public Service Distinguished Award for achieving a high level of organisational excellence. We also received the 2010 Enterprise Green IT Award by the Singapore Business Federation for our sustainable Green IT practices.

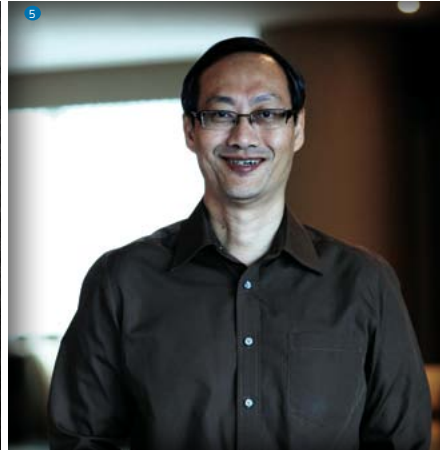
IRAS would not be able to achieve our many accomplishments without the unstinting effort of our team of competent and committed staff. I would like to take this opportunity to thank our staff for their contributions. With strong support from the Board, commitment from staff and cooperation from taxpayers, I am confident that IRAS will continue to adapt nimbly to the challenges ahead and make a difference to nation-building and economic development.



MR MOSES LEE
Commissioner of Inland Revenue

SENIOR MANAGEMENT TEAM

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1. MR MOSES LEE
Commissioner

2. MR ONG KHIAW HONG
Deputy Commissioner
(Corporate and Services Group)

3. MRS CHIA-TERN HUEY MIN
Deputy Commissioner
(Goods and Services Tax and Property Group)
Assistant Commissioner
(Goods and Services Tax Division) (Covering)

4. MRS ENG-TAY GEOK LEE
Deputy Commissioner
(Business Group)
Chief Compliance Officer

5. MR JAMES KHOR NGAI LONG
Deputy Commissioner
(Individual Group)

SENIOR MANAGEMENT TEAM

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6. **MISS CHAI SUI FAN**
Assistant Commissioner
(Tax Policy and International Tax Division)
7. **MS CHIN LI FEN**
Assistant Commissioner
(Corporate Development Division)
8. **MR WANG TECK LENG**
Assistant Commissioner
(Taxpayer Services Division)
9. **MR ANDY SEAH YONG LUCK**
Assistant Commissioner
(Corporate Services Division)
10. **MRS PATRICIA MAK**
Assistant Commissioner
(Accounting and Processing Division)
11. **MR WILSON ONG JOON LIM**
Assistant Commissioner
(Investigation and Forensics Division)
(Compliance Strategy & Risk Division) (Covering)
12. **MRS SABINA CHEONG HWEE BIN**
Assistant Commissioner
(Individual Income Tax Division)
13. **MDM CHEW TIEW SAN**
Assistant Commissioner
(Enforcement Division)
14. **MR LIU HERN KUAN**
Chief Legal Officer
(Law Division)
15. **MISS CHIAM YAH FANG**
Assistant Commissioner
(Corporate Tax Division)
16. **MS ANG SOCK TIANG**
Assistant Commissioner
(Property Tax Division)
17. **MS TANG WAI YEE**
Assistant Commissioner
(Infocomm Division)



IRAS BOARD

The IRAS Board oversees IRAS and ensures that it carries out its functions competently. The Chairman of the Board is Mr Peter Ong, Permanent Secretary of the Ministry of Finance. The eight other members are Mr Moses Lee, the Commissioner of Inland Revenue, Dr Tan Kim Siew, Mr Giam Chin Toon, Mr Lee Kwok Cheong, Mr Lim Joo Boon, Mr Pek Hak Bin, Mr Pok Soy Yoong and Mr Viswanathan Shankar.

The Board met three times last year to review major corporate policies and approve financial statements, annual budget, corporate plan and major projects. The Board has three committees, the Audit Committee, the Staff Committee A and the Investment Committee, to assist in carrying out its duties.

Audit Committee

Mr Lim Joo Boon chairs the Audit Committee. Its other members are Dr Tan Kim Siew and Mr Lee Kwok Cheong. The Committee reviews whether IRAS' accounting and financial policies and internal controls are in place, adequate and adhered to. The Committee works closely with the external auditor, the Auditor-General, in reviewing the financial statements of IRAS, the scope of audit plans and the audit results. The Committee also reviews the annual audit plan of the Internal Audit Branch and the results of its work.

Staff Committee A

Mr Giam Chin Toon chairs the Staff Committee A. Its other members are Mr Moses Lee and Mr Pok Soy Yoong. Staff Committee A is the approving authority for key remuneration policies in IRAS as well as key appointments, promotion and remuneration of senior executives in IRAS.

Investment Committee

Mr Viswanathan Shankar chairs the Investment Committee. Its other members are Mr Moses Lee and Mr Pek Hak Bin. The Committee sets investment policies and guidelines and manages surplus funds available for investments.

Internal Audit Function

The Internal Audit Branch operates independently from other divisions of IRAS to provide objective audit assurance to management to assist them in the effective discharge of their responsibilities and in the attainment of corporate objectives. It evaluates the adequacy and effectiveness of internal controls in IRAS; checks for compliance with policies, guidelines, laws and regulations; audits tax assessments to verify that tax principles have been correctly applied; and makes recommendations to improve the effectiveness of controls and processes. It also ensures that results of the

audits and recommendations for improvements are promptly communicated to the management of the functional area, and that plans or actions taken to correct reported audit findings are satisfactory.

The Internal Audit Branch reports functionally and administratively to the Commissioner of Inland Revenue and has full and direct access to the Audit Committee.

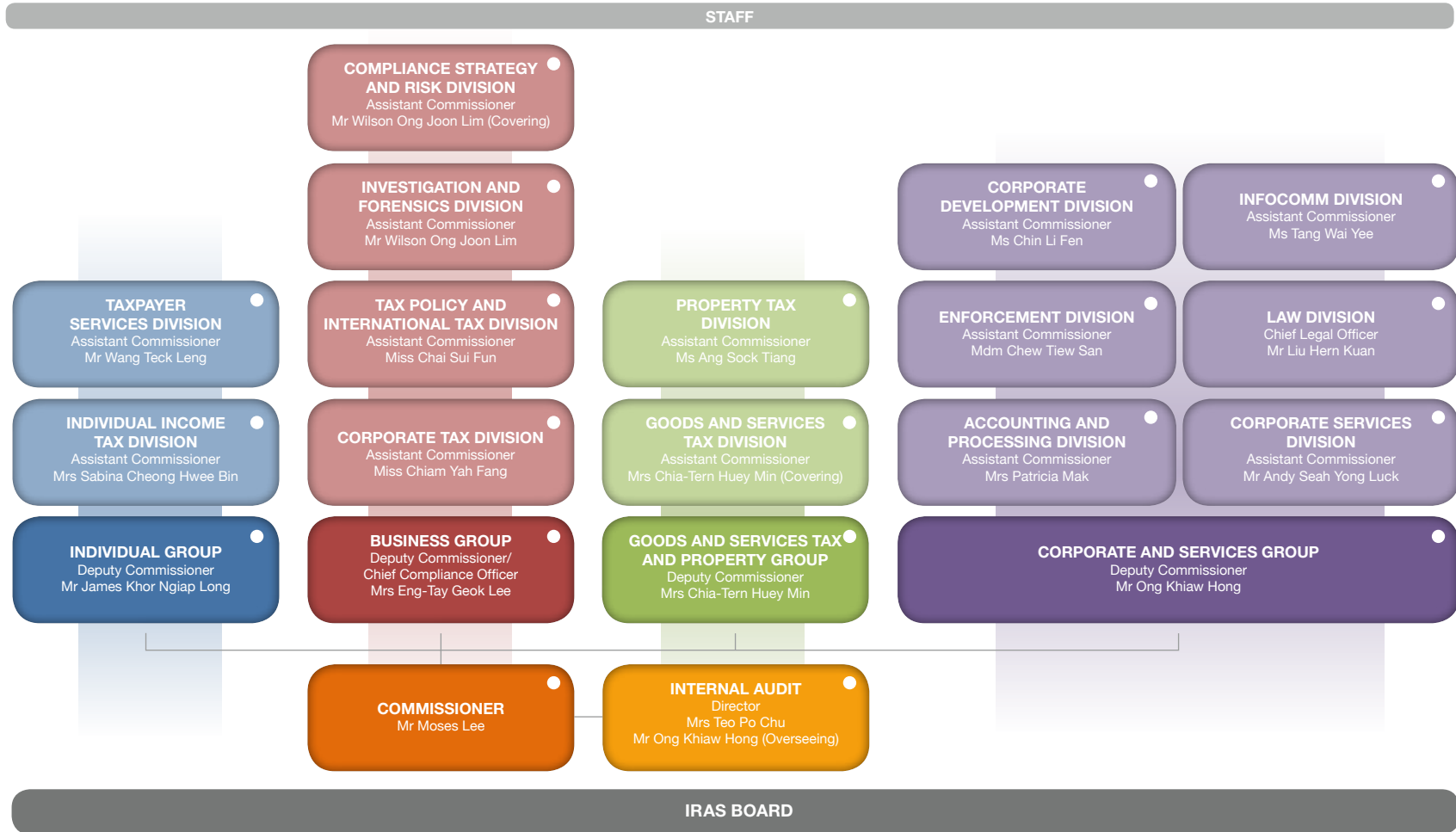
Professional and Ethical Conduct

Every IRAS staff has to maintain high standards of professional integrity and personal conduct. They are required to abide by the Inland Revenue Authority of Singapore Act, as well as the IRAS Code of Conduct which provides guidance on matters such as the acceptance of gifts in the official course of duties, avoidance of situations with conflicts of interests, and disciplinary proceedings for staff who failed to comply with the code.

In addition, to safeguard official information, all IRAS staff are subject to secrecy provisions in relevant legislations such as the Official Secrets Act, the Statutory Bodies and Government Companies (Protection of Secrecy) Act, the Inland Revenue Authority of Singapore Act, the Income Tax Act and the Goods and Services Tax Act.

ORGANISATION STRUCTURE

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*As of 24 May 2011



ORGANISATION STRUCTURE

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INDIVIDUAL INCOME TAX

Responsible for the end-to-end administration of Individual Income Tax. This includes serving taxpayers, assessing and collecting tax, and ensuring compliance for all employees, self-employed, unincorporated businesses and non-resident individuals. This division also handles withholding tax administration for taxpayers who are individuals.

MANAGEMENT TEAM:

- [Mrs Sabina Cheong Hwee Bin](#)
ASSISTANT COMMISSIONER
- [Ms Magdelene Silva](#)
DIRECTOR (EMPLOYEE)
- [Miss Loh Cheng Cheng](#)
DIRECTOR (EMPLOYEE SPECIALISED)
- [Ms Christine Deniz Loo](#)
DIRECTOR (FOREIGNER & CLEARANCE)
- [Miss Marjorie Tan Yong Hin](#)
DIRECTOR (SELF-EMPLOYED)
- [Miss Loh Lee Kim](#)
DIRECTOR (RULING & COMPLIANCE)

TAXPAYER SERVICES DIVISION

Handles frontline tax enquiries and manages overall taxpayer relationship, taxpayer services infrastructure and e-services.

MANAGEMENT TEAM:

- [Mr Wang Teck Leng](#)
ASSISTANT COMMISSIONER
- [Ms Khoo Hung Ling](#)
DIRECTOR (CONTACT CENTRE)
- [Ms Shirley Ng Li Mei](#)
MANAGER (TAXPAYER SERVICES MANAGEMENT UNIT)

CORPORATE TAX DIVISION

Responsible for the end-to-end administration of the Income Tax for companies, charities, bodies of persons; Betting Duty, Private Lotteries Duty, Casino Tax and Trust. This includes serving taxpayers, assessing and collecting tax, and ensuring compliance. This division also handles withholding tax administration for payors who are companies.

MANAGEMENT TEAM:

- [Miss Chiam Yah Fang](#)
ASSISTANT COMMISSIONER
- [Miss Quek Puay Kiang](#)
TAX DIRECTOR (SMALL CORPORATIONS)
- [Mrs Lim-Leow Lay Hwa](#)
TAX DIRECTOR (MEDIUM CORPORATIONS)
- [Mrs Choy-Koh Kum Lin](#)
TAX DIRECTOR (LARGE CORPORATIONS)
- [Mrs Loke-Ng Lay Beng](#)
TAX DIRECTOR (CLUBS & ASSOCIATIONS, TRUST & GAMING)
- [Mr Low Han Hsien](#)
DIRECTOR (DESIGNATE) (CLUBS & ASSOCIATIONS, TRUST & GAMING)

TAX POLICY AND INTERNATIONAL TAX DIVISION

Provides technical advice in the formulation of tax policies and fair application of tax laws, reviews tax policies, initiates tax rules changes and safeguards Singapore's economic interest through tax treaty negotiations and resolution of international tax issues.

MANAGEMENT TEAM:

- [Miss Chai Sui Fun](#)
ASSISTANT COMMISSIONER
- [Ms Chow Wai Yee](#)
TAX DIRECTOR (TAX POLICY & RULING)
- [Miss Evelyn Lio Ee Min](#)
TAX DIRECTOR (INTERNATIONAL TAX)

GOODS AND SERVICES TAX DIVISION

Responsible for the end-to-end administration of Goods and Services Tax. This includes serving taxpayers, assessing and collecting tax, and ensuring compliance.

MANAGEMENT TEAM:

- [Mrs Chia-Tern Huey Min](#)
ASSISTANT COMMISSIONER (COVERING)
- [Ms Hoe Ee Hui](#)
DIRECTOR (GENERAL)
- [Ms Tan Jek Swan](#)
DIRECTOR (WHOLESALE TRADE)
- [Mrs Eng Li Ming](#)
TAX DIRECTOR (LARGE BUSINESSES)



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PROPERTY TAX DIVISION

Responsible for the end-to-end administration of Property Tax and Stamp Duty. This includes valuation of properties, serving taxpayers, assessing and collecting tax, and ensuring compliance.

MANAGEMENT TEAM:

- **Ms Ang Sock Tiang**
ASSISTANT COMMISSIONER
- **Ms Jennifer Lin Ee Leng**
DIRECTOR (RESIDENTIAL)
- **Ms Sally Mok Chong Chin**
TAX DIRECTOR (COMMERCIAL)
- **Mrs Fong Lee Kheng**
TAX DIRECTOR (INDUSTRIAL)
- **Ms Lee Yan Chin**
DIRECTOR (VALUATION AND STAMP DUTY)

LAW DIVISION

Provides legal opinions on the application of tax laws, drafts legislations and other legal documents, and represents IRAS in legal proceedings.

MANAGEMENT TEAM:

- **Mr Liu Hern Kuan**
CHIEF LEGAL OFFICER
- **Mr Liu Hern Kuan**
DIRECTOR (LAW BRANCH 1) (COVERING)
- **Ms Foo Hui Min**
DIRECTOR (LAW BRANCH 2)

ACCOUNTING AND PROCESSING DIVISION

Manages the collection, refund and accounting of taxes, and the bulk processing of taxpayer information and tax documents.

MANAGEMENT TEAM:

- **Mrs Patricia Mak**
ASSISTANT COMMISSIONER
- **Ms Tan-Yeo Wei Kuen**
ACTING DIRECTOR (PROCESSING CENTRE)
- **Mrs Ang Siew Tee**
DIRECTOR (ELECTRONIC INTERFACE)
- **Ms Harriet Marion Van Buerle**
DIRECTOR (REVENUE ACCOUNTING)

COMPLIANCE STRATEGY AND RISK DIVISION

Develops IRAS-wide compliance strategies, policies and programs, including compliance risk assessment, as well as strategic compliance intelligence and research.

MANAGEMENT TEAM:

- **Mr Wilson Ong Joon Lim**
ASSISTANT COMMISSIONER (COVERING)
- **Miss Loh Lee Kim**
DIRECTOR (COVERING)

ENFORCEMENT DIVISION

Promotes voluntary compliance in the filing and payment of taxes and takes prompt and effective actions on defaulters.

MANAGEMENT TEAM:

- **Mdm Chew Tiew San**
ASSISTANT COMMISSIONER
- **Mr Dennis Lui Siew Wah**
DIRECTOR (COMPLIANCE SERVICE)
- **Mrs Chia-Mao Kawn Hwa**
DIRECTOR (INDIVIDUALS & PROPERTIES)
- **Mrs Chia-Tan Hai Geok**
DIRECTOR (BUSINESSES)

INVESTIGATION AND FORENSICS DIVISION

Deters tax evasion through investigation and forensics, focusing on serious non-compliant tax cases, and is responsible for the exchange of information with tax treaty partners.

- **Mr Wilson Ong Joon Lim**
ASSISTANT COMMISSIONER
- **Mr Colin Chew Koo Chung**
DIRECTOR (INVESTIGATION BRANCH 1)
- **Mr Chua Aik Loy**
ACTING DIRECTOR (INVESTIGATION BRANCH 2)



ORGANISATION STRUCTURE

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CORPORATE SERVICES DIVISION

Manages and optimises IRAS' financial and physical resources and drives long-term organisational effectiveness.

MANAGEMENT TEAM:

- [Mr Andy Seah Yong Luck](#)
ASSISTANT COMMISSIONER
- [Miss Ang Sor Tjing](#)
DIRECTOR (FINANCE & ADMINISTRATION)
- [Ms Foo Wei Lin](#)
ACTING DIRECTOR (HUMAN RESOURCE)

CORPORATE DEVELOPMENT DIVISION

Builds and enhances the organisation's growth, capabilities and branding through the development of strategies, systems, culture and relationships.

MANAGEMENT TEAM:

- [Ms Chin Li Fen](#)
ASSISTANT COMMISSIONER
- [Mr Ernest Lee Kian Ming](#)
DIRECTOR (ORGANISATION EXCELLENCE)
- [Ms Jackalin Er Hwee Pheng](#)
DIRECTOR (CORPORATE PLANNING)
- [Ms Deanna Choo Lay Yen](#)
DIRECTOR (CORPORATE COMMUNICATIONS)

INFOCOMM DIVISION

Responsible for Infocomm Technology (ICT) system planning, acquisitions, deployment, maintenance and operations. The division also provides ICT services and support and ensures the security and quality of IT systems and resources.

MANAGEMENT TEAM:

- [Ms Tang Wai Yee](#)
ASSISTANT COMMISSIONER
- [Mrs Wee-Poh Lai Khim](#)
DIRECTOR (INFOCOMM APPLICATION)
- [Mr Jimmy Ho Ee Lam](#)
DIRECTOR (INFOCOMM INFRASTRUCTURE & OPERATION)
- [Mdm Chew Soh Lang](#)
DIRECTOR (INFOCOMM SYSTEMS ARCHITECTURE & ASSURANCE)
- [Mr Robin Ng Sy Horng](#)
ACTING DIRECTOR (INFOCOMM TECHNOLOGY & PLANNING)
- [Mr Leo Ann Thong](#)
MANAGER (TESTING CENTRE OF EXCELLENCE)
- [Mr Foo Kin Yan](#)
MANAGER (TECHNOLOGY REFRESH PROGRAMME OFFICE)

INTERNAL AUDIT BRANCH

Evaluates the adequacy and effectiveness of internal controls in IRAS and ascertains whether policies and guidelines are complied with. Provides objective audit assurance to assist IRAS management in the effective discharge of their responsibilities and in the attainment of corporate objectives.

MANAGEMENT TEAM:

- [Mrs Teo Po Chu](#)
DIRECTOR (INTERNAL AUDIT)

OUR PERFORMANCE

- We collected a total of S\$34.7 billion of tax revenue, 16.3% higher than last year's collection.
- We spent 0.87 cents to collect every dollar of tax.
- We met our target of assessing 100% of YA2010 individual income tax returns by March 2011.
- We exceeded our target completion rate of 95% for corporate income tax by assessing 99.5% of tax returns received in 2009 by December 2010.
- We assessed 98.5% of new properties listed in 2010 and reviewed 99.5% of existing properties by 31 December 2010, exceeding our targets of 90% and 92.5%, respectively.
- We accurately processed a total of 10.9 million taxpayer records and converted more than 9.5 million pages of documents into electronic images.
- We handled a total of 10.8 million mail correspondences.
- Nine out of 10 individuals, or GST-registered businesses, and more than seven out of 10 companies filed their tax returns on time.
- We audited and investigated 9,592 cases and recovered S\$295 million in taxes and penalties.

- Total cumulative tax arrears decreased by 10% to S\$603.6 million.
- We completed reviews of 33 tax policies and 109 tax rules and regulations to ensure our tax system remains competitive and our rules relevant.
- We enhanced tax cooperation between Singapore and 26 other countries by incorporating the new internationally agreed Standard for the Exchange of Information for tax purposes in Avoidance of Double Taxation Agreements.

OUR SERVICE

- We served more than 3.8 million taxpayers, comprising individuals, property owners and businesses.
- We replied to 95% of emails within 5 working days, attended to 91% of taxpayers within 20 minutes and answered 87% of telephone calls within one minute, well within our service standards.
- We handled a total of 15.7 million payment transactions; 97% of tax refunds were made within 14 days from the date when the credit arises, exceeding our target of 95%.
- 1.14 million taxpayers benefited from the Auto-Inclusion Scheme for Employment Income as they did not need to provide their salary information to IRAS.

- A record 96% of taxpayers filed their individual income tax returns electronically in YA2011.
- Tax filing is a non-event for about 84% of the 790,000 individuals that came under the No-Filing Service.
- We received 7,757 compliments, a 20% increase from the previous year.

OUR PEOPLE

- Seven out of 10 IRAS staff are satisfied or very satisfied working in IRAS, according to the latest Organisational Climate Survey.
- Our staff completed 397 innovation projects and contributed 5,673 suggestions to improve IRAS' systems and processes, an increase over the 273 completed projects and 4,542 suggestions contributed in FY2009/10.
- Our staff spent an average of 16.78 mandays in learning and development.
- 120 IRAS staff are Accredited Tax Specialists who have attained a high level of technical competency and will contribute towards our efforts of developing deeper expertise in the area of taxation.



OUR TAXES. OUR NATION.



IRAS' TAX COLLECTION

IRAS is responsible for the collection of income tax, goods and services tax, property tax, stamp duty, and betting taxes. Tax revenue is a major component of government operating revenue.

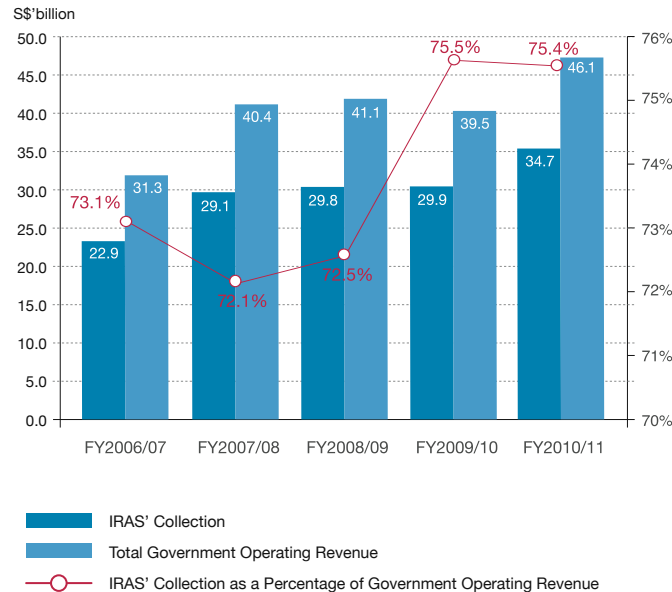
Tax is collected for the purpose of building and creating a better Singapore. It is used to finance public goods and services in areas such as education, healthcare, housing, national security, community development and economic development. Prompt and correct assessment and collection of taxes are therefore necessary to ensure a steady source of revenue for the government.

IRAS' tax collection accounts for the largest share of the total government operating revenue (GOR). For FY2010/11, IRAS collected S\$34.7 billion of tax revenue. It accounted for 75.4% of GOR and 11.4% of Singapore's Gross Domestic Product (GDP).

The tax collection is 16.3% higher than that in the previous financial year. The higher collection was due to the strong Singapore economy in 2010 that continued to grow at a

vigorous pace in the first quarter of 2011 and a buoyant property market. GDP in 2010 grew by 14% which boosted both income and consumption growth.

IRAS' Collection Versus Total Government Operating Revenue

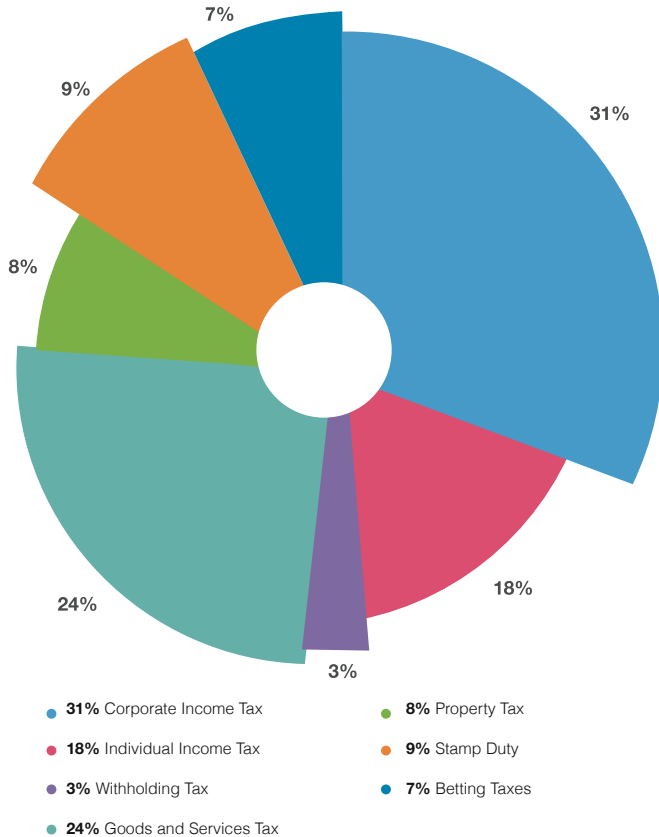


Income tax constitutes 52% of IRAS' total tax collection which includes corporate income tax, individual income tax and withholding tax. S\$18.2 billion of income tax was collected in FY2010/11, 7.8% higher than that for the last financial year.

FY2010/11 corporate income tax collection of S\$10.7 billion was 11.8% higher compared to that for FY2009/10. Companies reported higher corporate profits, on account of better economic performance in 2010. Individual income tax collection in FY2010/11 was S\$6.5 billion, 5.9% higher than that for the last financial year. The increase in collection was mainly due to the cessation of one-off personal tax rebate of 20%, capped at S\$2,000 given in Year of Assessment (YA) 2009. FY2010/11 withholding tax collection, which is a tax on specified income payments to non-tax residents, was S\$957 million, 15.8% lower than that for FY2009/10.

GST collection of S\$8.2 billion in FY2010/11 was an increase of 18.6% or S\$1.3 billion over the previous financial year, reflecting the effect of higher consumption levels and tourism receipts.

FY2010/11 IRAS' Collection by Tax Type



Note: Betting Taxes include Betting Duty, Casino Tax and Private Lotteries Duty.

Cessation of Budget 2009 property related measures, such as the 40% property tax rebates and land tax deferral scheme resulted in higher property tax collection in FY2010/11. S\$2.8 billion of property tax was collected, a rise of 41.4% from FY2009/10.

Increased activity in the property market drove higher volume of property transactions and higher property prices. This grew FY2010/11 stamp duty collection to S\$3.3 billion, a 37.3% increase from FY2009/10.

Betting taxes increased by 31.9% to S\$2.3 billion from S\$1.7 billion with the opening of the two Integrated Resorts in 2010.

Estate duty has been abolished for deaths occurring on and after 15 February 2008 as announced in Budget 2008. The estate duty collection in FY2010/11 arising from deaths occurring before 15 February 2008 was S\$5.2 million.



TAX PROFILE OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)

Companies with annual sales turnover of not more than S\$100 million are considered as small and medium-sized enterprises (SMEs).

SMEs made up close to 99% of the corporate income tax base of more than 135,000 companies and contributed an average of 38% to the total Net Tax Assessed (NTA) of corporate income tax (CIT) for the last three Years of Assessment (YAs). The trend as shown in Figure 1 shows that their contribution to CIT NTA has been increasing at a slow but steady rate. The proportion of taxable SMEs over the same period has also increased from 31% to 33% (see Figure 2).

Figure 1: SMEs' Contribution to Total Net Tax Assessed

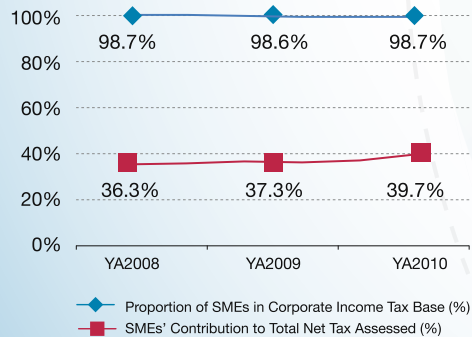
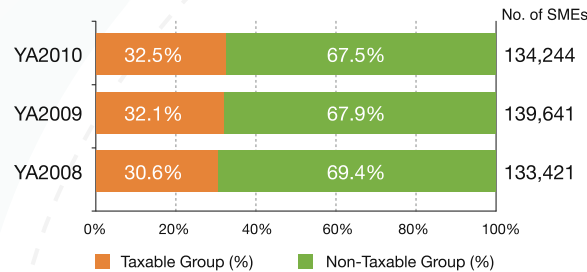


Figure 2: Proportion of Taxable and Non-Taxable SMEs



As shown in Figure 3, SMEs mainly operate in the wholesale & retail trade sector and financial sector. However, for the past three YAs, they contributed an average of 38% and 25% of the total NTA of these sectors respectively (see Figure 4). This suggests both these two industry sectors are dominated prominently by a small number of big players in the market. In contrast, industry sectors such as education, health & social services as well as arts, entertainment & recreation are dominated by SMEs as evidenced by the more than 80% share of total NTA contributed by them to these sectors.

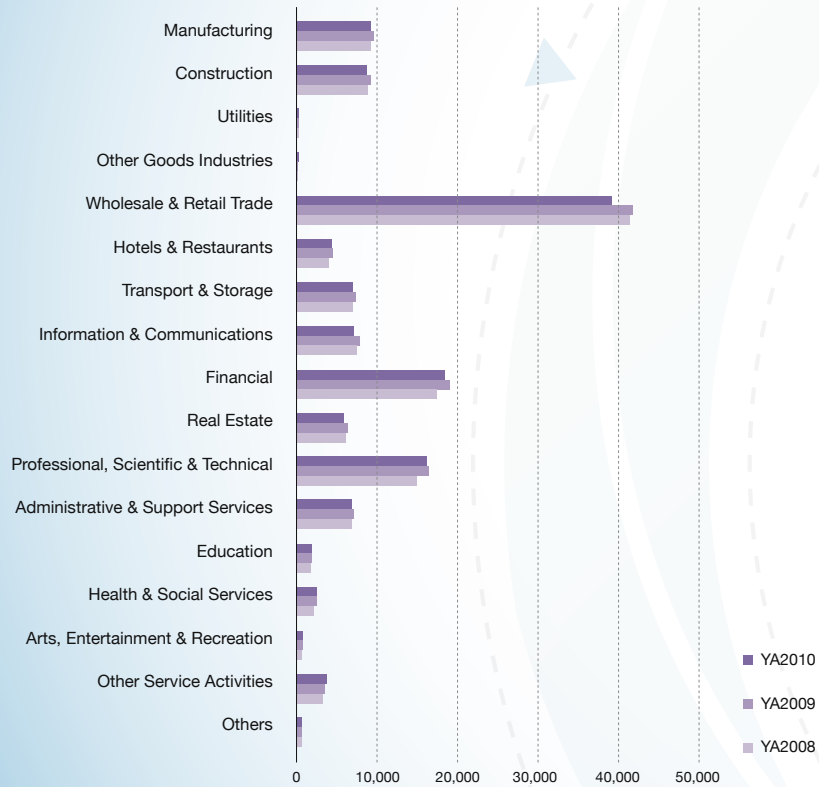
TAX EXEMPTION SCHEME FOR NEW START-UP COMPANIES

The tax exemption scheme for new start-up companies was introduced in YA2005 to encourage and reward entrepreneurs to pursue their business ideas. A qualifying new company enjoys full tax exemption for the first S\$100,000 of its normal chargeable income¹ (excluding Singapore franked dividends) for each of its first three consecutive YAs. The scheme was enhanced with a further 50% exemption for the next S\$200,000 from YA2008.

Since the introduction of the full tax exemption scheme in YA2005, there has been an increasing number of SMEs that benefited from the scheme over the years as shown in Figure 5. Over the past six YAs, close to S\$4 billion tax exemption amount has been granted, which translates to a total tax savings of S\$730 million for new start-up SMEs.

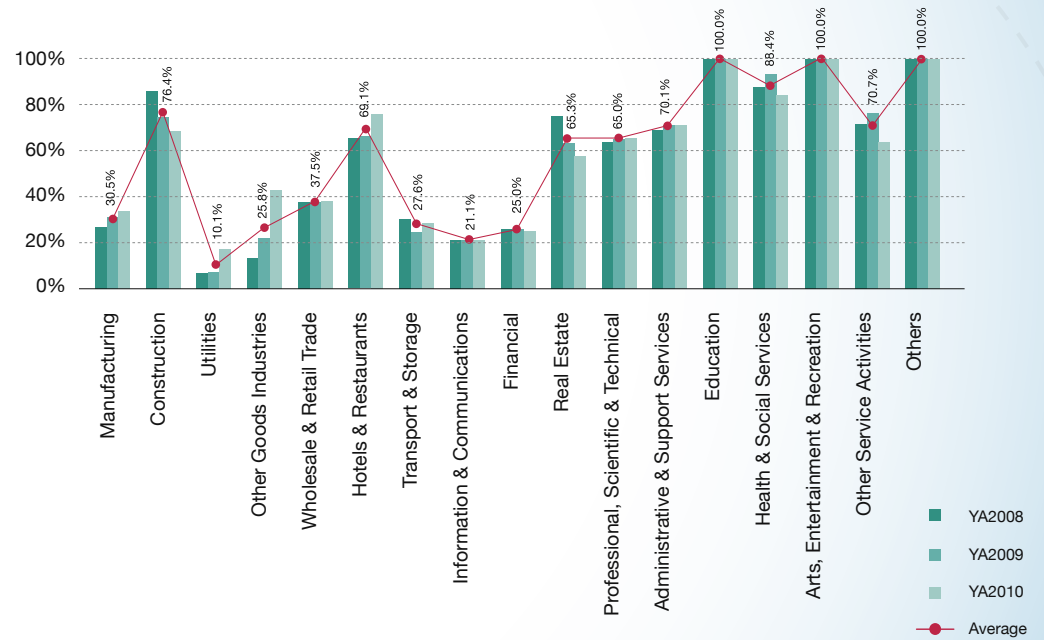
¹ Normal chargeable income refers to income to be taxed at the prevailing corporate tax rate.

Figure 3: Number of SMEs by Industry Sector for YA2008 to YA2010



Note: The industries are classified according to Singapore Standard Industrial Classification (SSIC) 2010. Other Goods Industries include Agriculture & Fishing and Mining & Quarrying.

Figure 4: SMEs' Percentage Contribution to Total Net Tax Assessed of Each Industry Sector for YA2008 to YA2010



Note: The industries are classified according to Singapore Standard Industrial Classification (SSIC) 2010. Other Goods Industries include Agriculture & Fishing and Mining & Quarrying.

Figure 5: SMEs that Benefited from the Tax Exemption Scheme for New Start-up Companies

YA	Number of SMEs that Benefited	Total Exempt Amount (S\$ million)	Tax Savings (S\$ million)
2005	6,167	223.7	44.7
2006	8,593	381.4	76.3
2007	10,889	546.1	109.2
2008	12,583	827.5	148.9
2009	14,202	1,007.0	181.3
2010	14,036*	996.2	169.4
Total	66,470	3,981.9	729.8

* The 2009 recession has affected the profitability of companies and hence fewer SMEs were able to enjoy the Tax Exemption Scheme.

FORGING INTERNATIONAL RELATIONS, FOSTERING A COMPETITIVE TAX ENVIRONMENT



FORGING INTERNATIONAL RELATIONS, FOSTERING A COMPETITIVE TAX ENVIRONMENT

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It is important for Singapore to maintain her competitive edge so as to sustain her economic growth.

IRAS plays a part in facilitating economic growth through proactive policy formulation and tax rules review. We strive to foster a competitive tax environment that will support businesses and individuals.

INTERNATIONAL TAXATION

In line with the government's call to grow more globally competitive companies, IRAS continued to improve the terms of existing Avoidance of Double Taxation Agreements (DTAs) whilst negotiating new ones with countries in regions where there are new economic opportunities. These DTAs facilitate Singapore's cross-border investments and trade by reducing or eliminating the double taxation of cross-border transactions. In FY2010/11, IRAS signed 4 comprehensive DTAs with Albania, Ireland, Panama and Saudi Arabia and ratified 3 DTAs with Georgia, Libya and Slovenia. Singapore now has 69 comprehensive DTAs, out of which 64 have been ratified.

Since Singapore adopted the internationally agreed Standard for the Exchange of Information (EOI) in 2009, we have been re-negotiating DTAs to incorporate the EOI standard. Our efforts have resulted in Singapore joining the Organisation for

Economic Co-operation and Development (OECD) white list of jurisdictions that have substantially implemented the EOI standard. As at 31 March 2011, IRAS has signed a total of 26 agreements incorporating the new EOI standard, enhancing Singapore's tax cooperation with these countries.

In FY2010/11, we completed and documented 10 unilateral, bilateral and multilateral Advance Pricing Arrangement (APA) and 1 Mutual Agreement Procedure (MAP). MAPs help businesses resolve instances of double taxation arising from transfer pricing adjustments while APAs set the transfer pricing rules for interested party transactions between entities operating in both countries, offering greater certainty and minimising tax risks to the taxpayers. We currently have 19 ongoing unilateral, bilateral and multilateral APAs and 11 MAPs at different stages of review.

INTERNATIONAL RELATIONS

IRAS engages the international tax community through participation in international conferences and study groups. In FY2010/11, we participated in various international conferences and forums organised by the OECD Forum on Tax Administration, United Nations Committee of Tax Experts and the Study Group on Asian Tax Administration and Research (SGATAR). Through these platforms, we exchanged views and gained valuable insights to developments in the areas of e-services in tax administration, risk management and the cash economy.



IRAS represented Singapore as the Vice-Chair of the OECD Global Forum Peer Review Group, attending the group's Third Meeting where the first review reports on eight jurisdictions were considered. Created by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, the Peer Review Group provides a platform for achieving high standards of transparency and exchange of information in an equitable manner and provides a level playing field for all jurisdictions.

Singapore's standing in the global arena has been brought to greater prominence when IRAS, together with the Ministry of Finance, hosted the Second Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in September 2010. The Global Forum is responsible for

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Annual Budget Seminar by the Tax Academy of Singapore to explain various budget changes

assessing and monitoring through peer reviews, the effective implementation of the internationally agreed Standard for the Exchange of Information upon request for tax purposes across jurisdictions. More than 190 delegates from 80 member jurisdictions and 9 international organisations and regional groupings attended the meeting, the Forum's first since its inauguration as a self-standing body in Mexico in September 2009.

We also host many foreign visits to IRAS. In FY2010/11, we hosted more than 274 delegates from over 20 countries, including Australia, Bahrain, China, Fiji, Malaysia, New Zealand, Philippines, South Korea and Vietnam. Through these foreign visits, IRAS exchanged valuable information and shared our experiences in tax administration, technological advances and work processes with the delegates.

ENVIRONMENTAL SCANNING

Tax policy is an important economic tool to boost the nation's competitiveness. IRAS carries out regular environment scanning to identify evolving tax practices and potential areas for tax policy changes to ensure that our tax system will support economic development. In FY2010/11, we covered topics such as GST issues on carbon trading and interactive digital media and tax treatment of R&D activities. We also reviewed the country budgets of other foreign tax administrations.

TAX POLICY REVIEW

IRAS actively reviews our tax policies to ensure that they help to foster a competitive tax environment that promotes business growth and commercial activities. In FY2010/11, we reviewed 33 tax policies. Some of these major policy reviews include enhancements to the Productivity and Innovation Credit (PIC) Scheme, enhancement of the concession for enterprise development to allow businesses to claim pre-commencement expenses, introduction of the Foreign Tax Credit Pooling system to provide businesses with greater flexibility in the use of their foreign tax credits and reduce their tax payable, and GST changes affecting the biomedical and marine industries.



We organise seminars to help GST-registered businesses better understand their GST obligations

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ASSISTED COMPLIANCE ASSURANCE PROGRAMME FOR ENHANCED GST RISK MANAGEMENT

As a partner of taxpayers in nation-building and economic development, IRAS continuously explores innovative ways to ensure that Singapore has a competitive tax system that encourages and rewards enterprise. The Assisted Compliance Assurance Programme (ACAP) was introduced in April 2011 to engage and motivate businesses to achieve a high level of voluntary tax compliance and to build a sustainable infrastructure for robust GST internal controls.

Ms Fang Fang, Group Tax Director, Singapore Telecommunications Limited, supports the initiative. She said, "By promoting independent-assessment of internal GST processes and controls, coupled with initial financial incentives, ACAP will enhance standards of financial and tax management amongst Singapore companies, and is in line with SingTel's own corporate governance and transparency objectives."

Mr Koh Soo How, Partner, Pricewaterhouse Coopers Services LLP, added, "ACAP is therefore an important initiative as it sets out the IRAS' expectations of good corporate tax governance and how companies can work with their tax advisors and the IRAS to manage their GST risks. This is done both at a strategic and at an operational level as the ACAP looks at areas such as management commitment and oversight, as well as systems

and controls to ensure that the business has the processes and capabilities to identify, assess and mitigate the company's GST risks."

ACAP brings about a new approach focusing on internal controls to manage GST risks and "is a great example of how the relationship between businesses, tax authorities and advisers is changing globally, for the better", cited Niall Campbell, KPMG Global Head of Indirect Tax Services.

Businesses with ACAP status will not only enjoy benefits such as exemption from GST audit and automatic renewal of GST schemes, they can also receive IRAS' subsidy of up to 50% of the fees incurred for ACAP, subject to a cap of \$50,000 per ACAP applicant. IRAS may also grant a one-time waiver of penalties for past GST errors disclosed by the ACAP-applicant.

Mr Yeo Kai Eng, Tax Partner GST Services, Ernst & Young Solutions LLP, described, "ACAP is an exciting programme. It demonstrates a paradigm shift in the way IRAS engages GST-registered businesses. Instead of the traditional way of auditing GST-registered businesses, ACAP encourages GST-registered businesses to proactively come forward and be certified by IRAS on their GST compliance processes." "This type of GST audit programme is the wave of the future", affirmed Mr Robert Tsang, Director of Tax, Indirect Tax VAT / GST Leader, Deloitte Singapore & Southeast Asia.

"ACAP is novel, and should be a cost-effective way for both IRAS and companies like us to deal with GST compliance", concluded Mr Joachim von der Heydt, Chairman of Bengal Tiger Line Pte Ltd.

"The 21st Century world is moving away from the traditional paper trail and document focus of tax audits. ACAP takes many cues from Sarbanes Oxley and other internal control frameworks elsewhere in the world, and should work very well in the Singapore context."

Mr Joachim von der Heydt,
Chairman of Bengal Tiger Line Pte Ltd

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ENHANCED PRODUCTIVITY AND INNOVATION CREDIT SCHEME – HELPING SINGAPORE'S SMES TURN INNOVATION AND INVESTMENTS INTO SAVINGS

The Productivity and Innovation Credit (PIC) scheme first introduced in Budget 2010 has set SMEs thinking about how they can upgrade their operations, create new value and improve business profitability through productivity and innovation enhancing activities.

The PIC scheme supports businesses in their efforts by providing enhanced deductions for a range of activities promoting productivity and innovation. The tax benefits under PIC will be available from Year of Assessment (YA) 2011 to YA 2015.

The six activities covered under the PIC scheme are:

- Purchase or leasing of prescribed automation equipment;
- Training of employees;
- Acquisition of intellectual property;
- Registration of intellectual property;
- Research and development; and
- Approved design project.

To further encourage innovation, raise productivity and reach out to more businesses across all industries, four main areas of the PIC scheme have been simplified and enhanced, as announced in Budget 2011:

- a) Increasing the quantum of tax deduction or allowance to 400% of expenditure, for the first \$400,000 spent on each qualifying activity.
- b) Introducing a simpler and enhanced cash conversion option where taxpayers can opt to receive, in lieu of tax deduction or allowance, a non-taxable cash payout of 30% of the first \$100,000 of qualifying expenditure, up to \$30,000.
- c) Allowing businesses to combine the \$400,000 expenditure cap per year for YA 2013 to YA 2015 into a new ceiling of \$1,200,000 over the three years. Expenditure for YA 2011 and YA 2012 can still be combined but will be subject to a new ceiling of \$800,000 for both years.
- d) Making available the PIC benefits to research and development done abroad.

With these enhancements, businesses can enjoy even more significant tax savings. Mr John Seah from Everest Innovation Pte Ltd, said “As a training provider, I applaud the benefits of the Productivity and Innovation Credit Scheme which not only benefits me but my clients as well. The tax deduction under the PIC scheme enables my clients to send more staff for training to improve their productivity despite their limited budgets and on top of that, the cost of new innovation projects arising from such training are also eligible for tax deductions.”

The Minister for Finance also announced on 2 March 2011, a Tax Deferral option for businesses. For every dollar invested

under the PIC scheme in the current financial year, businesses can defer their taxes for the current YA till the next year, up to a cap of \$100,000. This tax deferral allows businesses to enjoy their PIC benefits one year in advance.

“PIC is a generous measure that will deliver long term economic benefits for Singapore and make Singapore a compelling location for R&D.”

Mr Chiu Wu Hong,
Tax Partner, KPMG Advisory LLP





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HIGHLIGHTS OF TAX CHANGES

INCOME TAX CHANGES FOR BUSINESSES

Corporate Tax Rebate and Cash Grant for Eligible Companies

A one-off Corporate Tax Rebate (CTR) will be granted to companies for the year of assessment (YA) 2011. The CTR is computed at 20% of corporate tax payable for YA 2011, subject to a cap of \$10,000. If the CTR computed is less than 5% of revenue of a company, a one-off, non-taxable cash grant amounting to 5% of the company's revenue for YA 2011 will be given to eligible companies. This cash grant is subject to a cap of \$5,000 and will be automatically given to eligible companies.

Enhancements to the Productivity and Innovation Credit Scheme

Taking into account feedback from trade and business associations on the Productivity and Innovation Credit (PIC) scheme which was introduced in Budget 2010, further enhancements are made to the scheme in Budget 2011.

Enhanced Deduction on Qualifying Expenditure

The qualifying expenditure for the PIC scheme is increased from \$300,000 to \$400,000 for each qualifying activity. The deduction rate is also increased from 250% to 400% of the qualifying expenditure for each activity.

Pooling of Qualifying Expenditure Cap

Prior to enhancement, the annual expenditure cap for each category for YA 2011 and YA 2012 are allowed to be pooled to give a combined cap of \$600,000 for the first 2 YAs only. Thereafter, the expenditure cap of \$300,000 is applied on an annual basis. This pooling is now extended to YA 2013 to YA 2015. The combined expenditure cap for YA 2011 and YA 2012 is now \$800,000 and for YA 2013 to YA 2015 is \$1,200,000.

Cash Payout Option

Businesses can previously convert up to \$300,000 of their qualifying deductions/allowance into cash at the rate of 7% or \$21,000. But they can now convert up to \$100,000 of their qualifying expenditure into cash at the rate of 30% or \$30,000.

Investments in R&D and Design Activities

Prior to enhancement, the benefits under the PIC scheme are only granted on qualifying expenditure incurred on R&D and approved design projects conducted in Singapore. Now qualifying expenditure incurred in respect of R&D projects conducted outside Singapore and design projects conducted primarily in Singapore are eligible for the PIC scheme.

Enhancement to Concession for Enterprise Development

From YA 2012, businesses can claim revenue expenses incurred 1 year prior to the first day of the accounting year in which it derives its first dollar of business receipts.

Deduction for Parent Company's Shares Acquired through a Special Purpose Vehicle for Taxpayer's Employee Equity-Based Remuneration Scheme.

From YA 2012, a company can claim tax deduction on the costs incurred to acquire its parent company's shares from the market to fulfill its obligations under an Employee Equity-Based Remuneration (EEBR) Scheme when such shares are delivered to its employees through a Special Purpose Vehicle (SPV) which is set up solely for the purpose of administering the EEBR scheme(s) for its corporate group.

Maritime Sector Incentive Scheme

With effect from 1 June 2011, all existing maritime incentives will be merged under an umbrella scheme known as the Maritime Sector Incentive (MSI) scheme with 3 broad categories:

- a) International Shipping Operations;
- b) Maritime (Ship or Container) Leasing and;
- c) Supporting Shipping Services

3 new tax benefits will also be introduced under the MSI scheme.

New Incentive for Entry Players Operating Foreign-flagged Ships

Approved ship operators which are entry players would enjoy tax exemption on the qualifying income from the operation of foreign-flagged ships and Singapore-flagged ships for a period of 5 years.



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Withholding Tax Exemption for Ship Operators and Ship Lessors

Certain MSI entities will be granted withholding tax exemption on interest and other qualifying related payments made in respect of qualifying foreign loans taken by them to finance the acquisition of Singapore-flagged ships and foreign-flagged ships.

New Incentives for Corporate Services

Shipping conglomerates centralising their corporate services function in Singapore can be granted, for a period of 5 years, a concessionary tax rate of 10% on incremental qualifying income derived from rendering qualifying corporate services in Singapore to related companies.

Changes to the Global Trader Program Incentive

Enhancement to Qualifying Trades in New Qualifying Derivative Instruments under the Global Trader Program Incentive

From YA 2012, the GTP incentive is enhanced by expanding the existing list of qualifying derivative instruments to include all derivative instruments.

Introduction of a Sunset Clause to the GTP Incentive

A sunset clause of 31 March 2021 has been introduced for the GTP incentive scheme in place of the existing sunset clauses for different features of the scheme. Any application for GTP incentive or renewal of the incentive must be submitted and approved on or before 31 March 2021.

Enhancements of the Finance & Treasury Centre Incentive

Under the Finance & Treasury Centre Incentive (FTCI), the total annual revenue of all approved local network companies (LNCs) must not exceed 10% of the group's annual global revenue ("10% revenue cap" condition). With effect from 18 February 2011, only unrelated party transactions of LNCs will be counted for the purpose of determining whether the FTCI company has met the "10% revenue cap" condition. This applies to approval of new LNCs and the review of the 10% revenue cap at mid-term of the FTCI on or after 18 February 2011.

A sunset clause of 31 March 2016 is also introduced to the scheme.

Liberalisation of Withholding Tax Exemption for Financial Sector

Withholding tax exemption is granted on all section 12(6) payments made by a bank, finance company and certain approved financial institutions to non-resident persons (but excluding permanent establishment in Singapore). The exemption is applicable during the period from 1 April 2011 to 31 March 2021.

Extension of Tax Exemption on Income Derived from Structured Products

The qualifying period for the tax exemption granted on income earned from structured products offered by financial institutions in Singapore by a qualifying non-resident person (other than an individual) under section 13(1)(zj) is now extended to 31 March 2017.

Withdrawal of Withholding Tax Exemption on Payments Made under Financial Guaranty Insurance Policies

With effect from 19 February 2011, the withholding tax exemption granted to financial guaranty insurer for claim payment made to a qualifying non-resident under a financial guaranty insurance policy is discontinued.

Extension of Tax Incentives for Project and Infrastructure Finance

The package of tax incentives (except for the tax concession for project finance under the Financial Sector Incentive scheme) will be extended till 31 March 2017.

Extension and Enhancement to Tax Exemption Scheme for Underwriting Offshore Qualifying Specialised Insurance Risks

The tax exemption scheme for underwriting offshore qualifying specialised insurance risks will be extended for another 5 years until 31 August 2016. Approved offshore specialised insurers can enjoy tax exemption for a period of 5 years.

With effect of 19 February 2011, the underwriting of agriculture risks is added as the fifth qualifying specialised insurance business line under this scheme and a renewal framework is introduced to encourage existing incentive recipients to continue their investments in Singapore.

Extension of Tax Exemption Scheme for Captive Insurance Companies Carrying on Offshore Insurance

The tax exemption scheme for captive insurance companies carrying on offshore insurance business is extended until

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31 March 2018 and an award renewal framework is also introduced.

Extension of Tax Exemption Scheme for Marine Hull and Liability Insurance Business

The 10-year cap on the incentive period for the tax exemption scheme for marine hull and liability insurance business has been removed and an award renewal framework is also introduced. The window approval period will end on 31 March 2016.

Enhancement of the Tax Incentive Scheme for Approved Trustee Companies

A 5-year sunset clause from 1 April 2011 to 31 March 2016 is introduced for the tax incentive scheme for Approved Trustee Companies (ATC). New applicant approved during this period will be given a 10-year award tenure. Existing incentive recipient will automatically transit to the 10-year award tenure from 1 April 2011 and will enjoy the incentive until 31 March 2021.

The scope of the scheme is also expanded to include the provision of trustee and custodian services in respect of issue of units in a foreign collective investment schemes and in a foreign business trust, subject to conditions.

Streamlining of Sections 14B and 14K Tax Deduction Schemes

With effect from 1 April 2011, sections 14B and 14K tax deduction schemes are merged into a single tax deduction scheme. Some existing features of the previous schemes are streamlined under the merged scheme and a 5-year sunset clause of 31 March 2016 will apply to the merged scheme.

INCOME TAX CHANGES FOR INDIVIDUALS

Personal Income Tax Rebate for Resident Individuals

For YA 2011, a one-off personal tax rebate of 20% will be allowed to resident individual taxpayers and Hindu joint families, subject to a cap of \$2,000 per taxpayer. The 20% tax rebate is calculated based on the tax payable after DTR and other credits but before offset of parenthood tax rebate.

Revision of Personal Income Tax Rate Structure

With effect from YA 2012, the Personal Income Tax (PIT) rate structure will be revised as follows:

YEAR OF ASSESSMENT 2012 ONWARDS

Chargeable Income	Rate (%)	Gross Tax Payable
On the first \$20,000	0	0
On the next \$10,000	2	200
On the first \$30,000	-	200
On the next \$10,000	3.5	350
On the first \$40,000	-	550
On the next \$40,000	7	2,800
On the first \$80,000	-	3,350
On the next \$40,000	11.5	4,600
On the first \$120,000	-	7,950
On the next \$40,000	15	6,000
On the first \$160,000	-	13,950
On the next \$40,000	17	6,800
On the first \$200,000	-	20,750
On the next \$120,000	18	21,600
On the first \$320,000	-	42,350
Above \$320,000	20	

Changes to Tax Treatment for Alimony and Maintenance Payments

With effect from YA 2012, alimony and maintenance payments received by a female individual under a Court Order of Deed of Separation will be exempt from tax and a male resident individual will not be allowed to claim any relief in respect of alimony he has made to his ex-wife under a Court Order.

Changes to Employer's Compulsory CPF Contribution Rate, CPF Monthly Salary Ceiling and Self-Employed Tax Relief Cap

With effect from 1 September 2011, the employer's compulsory CPF contribution rate will be raised from 15.5% to 16%, and employee's CPF monthly salary ceiling will also be increased from \$4,500 to \$5,000.

Changes to the Annual Contribution cap under the Supplementary Retirement Scheme

With effect from 1 January 2011, the annual contribution cap for the Supplementary Retirement Scheme (SRS) has been raised to:

- \$12,750 for an SRS member who is either a Singapore citizen or Singapore permanent resident; and
- \$29,750 for an SRS member who is a foreigner.

Arising from these changes, an SRS member will be allowed to claim a higher SRS tax relief, up to the new annual SRS contribution cap applicable to him.



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INCOME TAX CHANGES FOR BUSINESSES, INDIVIDUALS AND BODIES OF PERSONS

Foreign Tax Credits Pooling

With effect from YA 2012, a new Foreign Tax Credits (FTC) pooling system is introduced for the purpose of computing the amount of FTC available to a resident taxpayer.

Enhancement of Tax Deduction on Donations

The tax deduction of 250% of the amount of donations made to Institutions of Public Character, Government and other approved recipients is extended for another 5 years from 1 January 2011 to 31 December 2015.

Tax Deduction for Qualifying Voluntary Contributions by a company to the Medisave Account of a Self-Employed Persons, and Tax Exemption of such Contributions in the hands of the Self-Employed Person

Tax deduction is granted on voluntary contributions made on or after 1 January 2011 by a company to the Medisave account (MA) of a Self-Employed Person (SEP), subject to qualifying conditions and tax is exempted for such qualifying contributions in the hands of the SEP, subjected to qualifying conditions.

The amount of qualifying voluntary contributions made to the MA of a SEP by one or more companies in a calendar year, that is eligible for tax deduction and tax exemption mentioned above cannot exceed \$1,500 per year, among other restrictions.

GOODS AND SERVICES TAX CHANGES

Goods and Services Tax Changes for the Biomedical Industry

The following Goods and Services Tax (GST) changes will take effect from 1 October 2011 to cater to the Biomedical industry:

- a) No import GST will be payable up-front for all clinical trial materials (CTMs) imported into Singapore by overseas pharmaceutical companies or their intermediaries regardless of whether the CTMs are for local or overseas clinical trials and/or scrapping.
- b) The Approved Contract Manufacturer and Trader (ACMT) scheme is extended to qualifying biomedical contract manufacturers to allow them to:
 - i. Disregard their supply of value-added services to overseas clients for goods warehoused or delivered locally; and
 - ii. Enjoy import GST suspension on the importation of overseas goods consigned to them by overseas clients for use in the manufacturing process.
- c) Enhance the ACMT scheme to further allow local contract manufacturers, subject to conditions, to:
 - i. Disregard their supply of value-added services to overseas clients for failed or excess productions; and
 - ii. Recover GST on local purchases of goods made by overseas clients and consigned to him for use in the contract manufacturing process, as if it is his own input tax.

Changes to Goods and Services Tax Treatment for Marine Industry

The following changes to the GST Treatment for the Marine industry will take effect from 1 October 2011:

- a) A new GST scheme is introduced to allow 'approved marine customers' to buy or rent goods without having to pay GST, as long as the goods are for use or installation on a commercial ship that is wholly for international travel. This means that the supplier may zero rate the supply of such goods to an 'approved marine customer' without the need to maintain the requisite documentary proof; and
- b) The scope of zero-rating of repair and maintenance services under section 21(3)(p) is expanded to cover repaired ship parts or components delivered to a shipyard in Singapore or to 'approved marine customers' under the new scheme in paragraph (a) above.

In addition, where the supplier provides a reconditioned ship part of component in exchange for the faulty part to his customer, such arrangements will be treated as a single supply or repair services.

The law will also clarify that ancillary activities which are not generally provided by the repairer but are incurred by him and on-charged to customers (e.g., delivery charge, overtime allowance for labour) can be treated as part of the integral supply of repair or maintenance services provided that guidelines commonly used to test single supply of services are satisfied.



FORGING INTERNATIONAL RELATIONS, FOSTERING A COMPETITIVE TAX ENVIRONMENT

MENU

Zero-rating of Specialised Storage & Other Value-Added Services

With effect from 1 October 2011, a new zero-rating provision will be introduced for prescribed services supplied to an overseas person and directly in connection with prescribed goods which are, at the time the services are performed, -

- i. Stored in an Approved Specialised Warehouses; or
- ii. Temporarily removed from an Approved Specialised Warehouses for auction/exhibition under the Temporary Removal Scheme, provided the goods are subsequently returned to any Approved Specialised Warehouse after the auction/exhibition.

Approval for specialised warehouses will be administered under a new scheme.

STAMP DUTY CHANGES

Stamp Duty Relief for Transfer of Assets upon Conversion of an Existing Company to a Limited Liability Partnership

The current stamp duty relief given for the transfer of assets upon conversion of an existing Firm (ordinary partnership) to a Limited Liability Partnership (LLP) will be extended to the conversion of an existing Company to an LLP, with an additional condition imposed.

The additional condition is that at least 75% of the composition of the partnership interest in the LLP held by the original shareholders of the company must remain the same for at least 2 years after the date of conversion.

Additional Condition to Stamp Duty Relief for the Transfer of Assets upon Conversion of Existing Firm into Limited Liability Partnership

The additional condition as stated in “Stamp Duty Relief for Transfer of Assets upon Conversion of an Existing Company to a Limited Liability Partnership” will also be similarly imposed for the relief for conversion of an existing Firm (ordinary partnership) to an Limited Liability Partnership (LLP) to be in line with the new relief for conversion of an existing Company to an LLP.

Extension of Stamp Duty Remission in Excess of \$50 to Aborted Leases

The current stamp duty remission in excess of \$50 for aborted Sale and Purchase (S&P) agreements will be extended to aborted leases.

Remission of stamp duty paid in excess of \$50 would be allowed subject to certain conditions.

Removal of Most Fixed and Nominal Duties

Most fixed and nominal duties on prescribed documents executed on or after 19 February 2011 are removed, but the fixed duty of \$10 on Declaration of Trust, where beneficial ownership does not pass, will be retained. In addition, the \$10 duty pursuant to remission given under Stamp Duties (Transfer of HDB Flat Within Family) (Remission) Rules 2007 will be removed.

Extension of Stamp Duties Remission for Project and Infrastructure Finance

The expiry date of the current stamp duty remission granted on instrument relating to the conveyance, assignment or transfer on sale of qualifying projects/assets to entities listed or to be listed on the Singapore Exchange will be extended from 31 December 2011 to 31 March 2017.



MINIMISING COMPLIANCE COSTS, PROMOTING COMPLIANCE



MINIMISING COMPLIANCE COSTS, PROMOTING COMPLIANCE

MENU

IRAS strives to achieve the highest possible level of voluntary compliance, where taxpayers contribute their fair share of taxes in a timely manner. This is the most sustainable outcome to ensure a cost-effective and efficient tax administration.

MAKING IT SIMPLE

IRAS reduces compliance costs of taxpayers as this will enhance voluntary compliance. We regularly review our tax rules to ensure they continue to be relevant to the current business environment and easy for taxpayers to comply with. Last year, we reviewed GST rules to lower the costs faced by businesses in the biomedical industry by allowing overseas pharmaceutical companies or their local intermediaries to claim GST relief for all clinical trial materials imported into Singapore. We also refined the tax deduction rules for companies that purchase shares for the purpose of their equity-based schemes and removed most fixed and nominal stamp duties on prescribed documents to reduce compliance costs. In collaboration with the Monetary Authority of Singapore and the Ministry of Finance, we reviewed and streamlined the conditions attached to various types of withholding tax exemption and remission granted to payments made by banks in Singapore.



Our staff performing the "GIRO rap" to encourage taxpayers to pay their taxes via GIRO

The introduction of the Multiphase Record-Keeping Programme is aimed at helping the smaller businesses systematically improve their overall record keeping standards for income tax and GST purposes. We launched the GST Assisted Self-Help Kit (ASK) to help businesses review the accuracy of their GST returns before they file, and to report their past GST errors early to qualify for IRAS' Voluntary Disclosure Programme. We also reached out to newly-formed companies to help them better understand their tax obligations by enhancing the contents of our dedicated webpage for Newly Incorporated Companies and inviting them to attend our educational seminars.

In our continuing efforts to simplify the tax filing process for individual taxpayers, we extended the coverage of the Auto-Inclusion of Employment Income Scheme (AIS) to 18,670 employers in YA2011, up from 13,500 employers in YA2010. Under the AIS, employers will transmit their employees' salary information to IRAS electronically. The increased number of employers onboard the AIS translated into greater convenience for about 1.14 million employees during the YA2011 tax filing exercise.

Come 2012, smaller companies with annual turnover of not more than \$500,000 can look forward to filing a simplified tax form, which will make their tax filing process simpler and easier.

WORKING WITH LOCAL PARTNERS

Tax agents are our partners in tax administration, specifically in facilitating tax compliance.

The Institute of Certified Public Accountants of Singapore and the Tax Academy of Singapore have jointly set up the Singapore Institute of Accredited Tax Professionals (SIATP). The SIATP aims to raise the standards of tax practice and the technical competence and capabilities of tax professionals in practice, business and government through accreditation.

MINIMISING COMPLIANCE COSTS, PROMOTING COMPLIANCE

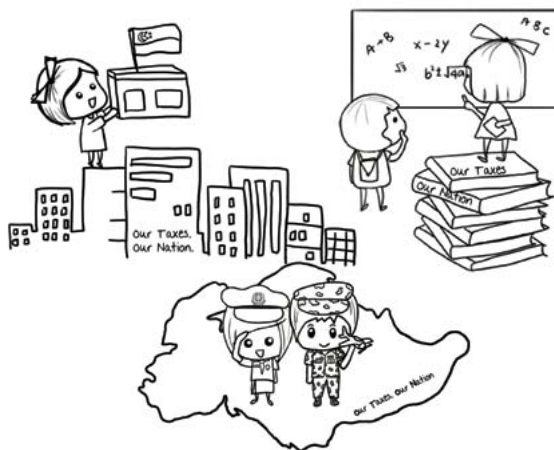
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HELPING TAXPAYERS COMPLY

IRAS provides comprehensive education and timely information to taxpayers through various channels. Well-informed taxpayers who understand their tax matters are better able to comply with their tax obligations.

In FY2010/11, we launched the GST e-learning course to help newly registered GST businesses acquire basic GST knowledge at their own convenience. We conducted educational seminars for maid agencies, childcare operators and beauty and wellness operators to help them better understand the importance of record keeping and to highlight common tax mistakes made by taxpayers in these industries. We also organised engagement sessions for property developers to educate them on the assessment of common property.

To highlight the significance of taxes to nation-building and economic development, IRAS partnered Republic Polytechnic to come up with illustrations depicting the various aspects of nation-building which taxes help to fund. These illustrations were featured in more than five million IRAS envelopes to be used for our correspondences with taxpayers.



"Our Taxes. Our Nation." depicted in envelope illustration to thank taxpayers for their invaluable contributions.

DETERRING NON-COMPLIANCE THROUGH AUDIT AND INVESTIGATION

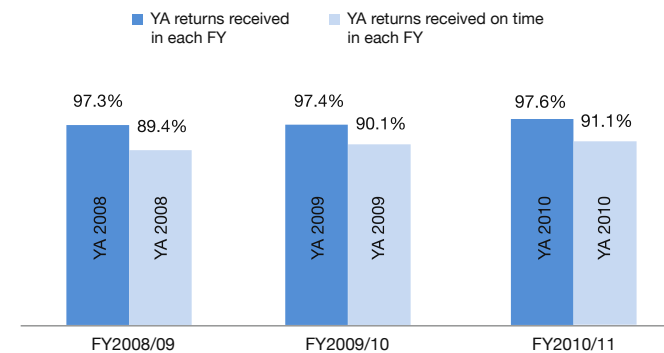
Although most taxpayers are compliant, there remains a small number who choose not to fulfill their tax obligations. Continuing with our compliance strategy of having a strong presence among taxpayers, IRAS mounted coordinated investigation and audit programmes. Our GST and income tax audit and investigation teams uncovered a total of 9,592 non-compliant cases which resulted in the collection of more than S\$295 million in taxes and penalties in FY2010/11. We also prosecuted 14 cases and publicised them to raise public awareness of IRAS' compliance capabilities and deter taxpayers from committing tax offences.

TAX COMPLIANCE RESULTS

Our efforts to enhance compliance levels have enabled us to achieve higher filing and payment compliance rates.

For Individual Income Tax, we issued a total of 1,692,844 returns for YA2010 and 91% of the YA2010 returns were filed by the due date. This high compliance rate could be attributed to the expansion of the Auto-Inclusion Scheme to include more employers, the extension of the No-Filing Service to more taxpayers and the use of SMS reminders. Of the 108,000 taxpayers who received the SMS reminder to "File Early", 32% e-filed earlier in YA2010 compared to YA2009.

Compliance Results for Individual Income Tax

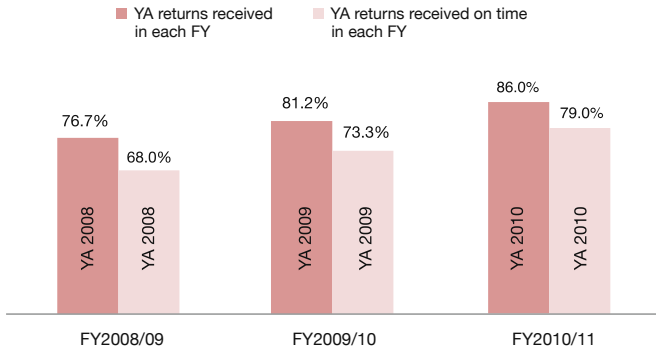


MINIMISING COMPLIANCE COSTS, PROMOTING COMPLIANCE

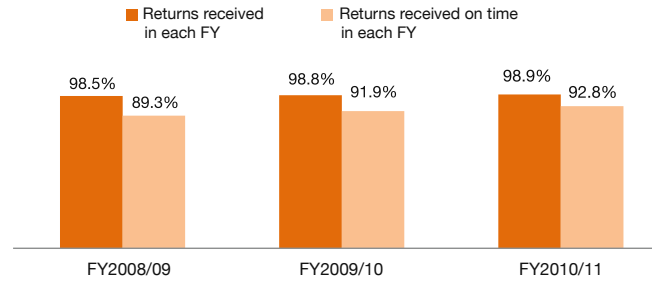
MENU

For Corporate Income Tax, out of the 137,041 corporate income tax returns issued in YA2010, 108,262 were submitted on time. This is a remarkable 5.7% point increase from that of YA2009. For Goods and Services Tax, 92.8% of the 311,352 GST returns issued were submitted on time, a 0.9% point increase from the previous filing year.

Compliance Results for Corporate Tax

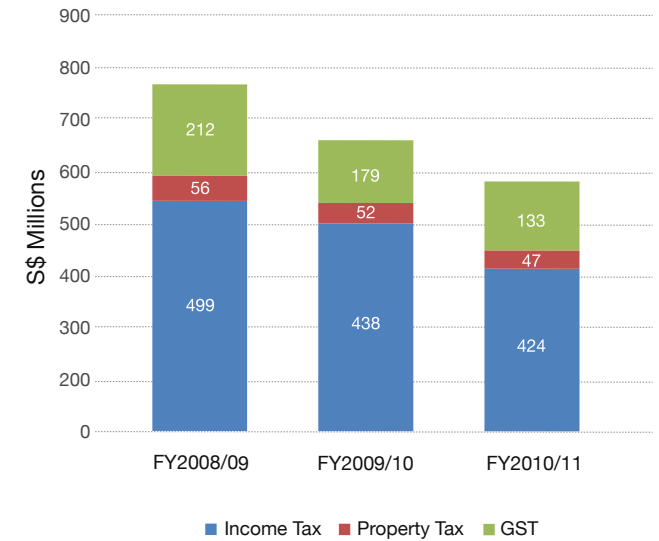


Compliance Results for Goods & Services Tax



Our total cumulative tax arrears have been declining since 2007. As at 31 March 2011, the total cumulative tax arrears amounted to S\$603.6 million. This represents a significant reduction of S\$65.4 million from the same period in FY2009/10.

Total Tax Arrears (as at 31 March of each FY)





OUR COMMITMENT TO TAXPAYERS,
EXCELLENT SERVICE ALWAYS





OUR COMMITMENT TO TAXPAYERS, EXCELLENT SERVICE ALWAYS

MENU

Everyone in IRAS has a role to play in providing excellent service to taxpayers. We adopt a service-oriented mindset in everything we do so as to make taxpaying a pleasant experience for taxpayers.

INCULCATING A STRONG SERVICE CULTURE

Our Service Excellence Steering Committee (SESC) drives service quality and organisation-wide service initiatives in IRAS. In FY2010/11, all staff underwent the customised IRAS Service Experience workshop where they were equipped with the skills to deliver the Desired IRAS Experience, which defines the service experience that we want to provide to each taxpayer segment to better cater to their differing needs and expectations.

ACHIEVING HIGH STANDARDS IN TAXPAYER SERVICE

As reflected in our Service Pledge, we will be competent in our work and will serve taxpayers proactively and politely with clarity, consistency and promptness. We have set service standards in five key areas of interaction, namely, telephone calls, letters, emails, walk-in interviews and tax refunds.

In FY2010/11, we answered a total of 1,021,543 phone calls from taxpayers. We exceeded our service target of 85% by answering 87% of telephone calls within one minute. We also exceeded our target of 80% by responding to 88%

of the 279,866 mail correspondences received within 15 working days.

Out of the 220,478 emails we received in FY2010/11, 95% were responded to within five working days. This exceeded our service target of 80% and bettered the rate of 93% in FY2009/10. We also attended to 91% of the 142,645 taxpayers who walked into our Taxpayer Service Centre in FY2010/11 within 20 minutes, surpassing our target of 80%.

As at 31 March 2011, we processed 620,857 refunds promptly. 97% and 100% of cases were paid within 14 and 30 days, respectively.

SERVING TAXPAYERS BETTER

Besides meeting established service standards, it is equally important for us to give taxpayers a quality service experience. We continued with efforts to improve our processes and systems with taxpayers' needs in mind, reducing their need for service where possible.

In FY2010/11, we launched the new e-Stamping website to enable individuals and businesses to e-stamp their documents and pay stamp duty without the hassle of physically moving their documents to the stamp duty counters. Registered users are also able to access information on their past stamping transactions and apply for stamp duty refunds online. We streamlined the process of tax deductions for donations made by taxpayers to charities and other institutions of public

character (IPC). With all individuals and businesses that donate to an IPC providing their identification numbers (e.g. NRIC number for an individual and Unique Entity Number for business), the IPC will be able to transmit their details to IRAS electronically and tax deductions for the donations will be automatically reflected in their tax assessments. Taxpayers will no longer be required to make a separate claim to IRAS to obtain their tax deductions.

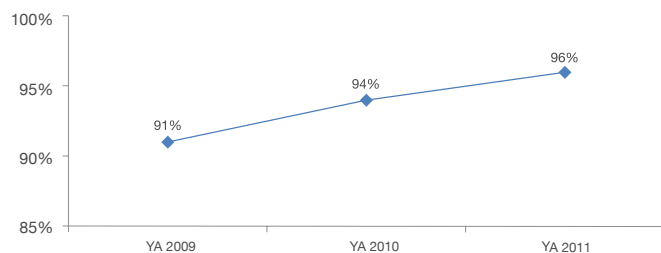
Living up to our service mantra – “No need for service is the best service” – we introduced a number of e-services last year to further reduce taxpayers' need for assisted service. These include the online service to facilitate taxpayers' preparation and submission of tax forms for withholding tax and auto-granting of owner-occupied concessions for private residential properties. We also launched the IRAS official Twitter page through which we engage and improve our service delivery and interactions with taxpayers by delivering short, up-to-date information on IRAS and tax-related happenings.

We expanded the No-Filing Service (NFS) to about 790,000 individual taxpayers in YA2011, up from 650,000 in YA 2010. Introduced in YA2007, the NFS allows taxpayers whose employment income are transmitted by their employers to IRAS under the auto-inclusion scheme and whose claims for relief have remained unchanged to receive their Notices of Assessment without having to file their returns. The YA2011 tax filing was a non-event for some 660,000 individuals on

OUR COMMITMENT TO TAXPAYERS, EXCELLENT SERVICE ALWAYS

MENU

Individual e-Filing Rate



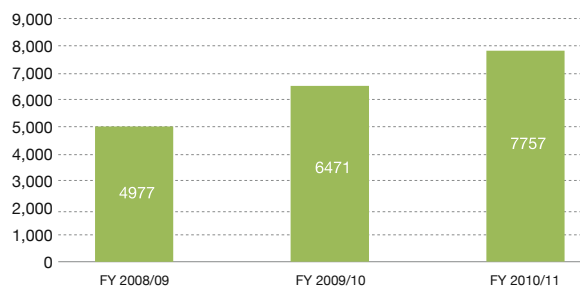
the NFS as they did not need to file their returns. For those individuals who needed to file tax returns, 96% e-filed by the e-filing deadline of 18 April 2011, up from 94% in YA2010 and 91% in YA2009.

LISTENING AND LEARNING THROUGH TAXPAYERS' FEEDBACK

We value taxpayers' feedback as it facilitates our invariable effort to improve the quality of our services and processes.

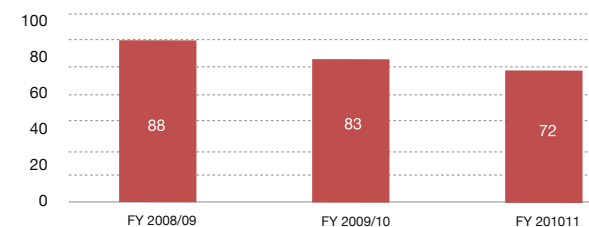
In FY2010/11, we received 7,757 compliments and 72 learning opportunities. To enhance our service quality, we formalised a Quality Monitoring Framework where we review the calls handled and share the good practices and areas of improvement with our staff.

No. of Compliments from Taxpayers



IRAS conducted 4 English and 4 Mandarin Taxpayer Feedback Panel (TFP) sessions in the last financial year. These meetings helped us to keep abreast of the changing needs of our taxpayers. They also serve as a platform for us to clarify their concerns about our policies and rules. Some issues discussed at the TFP meetings included the Productivity and Innovation Credit Scheme, Corporate Tax Filing Obligations for Newly-Formed Companies, Individual Income Tax Filing Notification via SMS and the Import GST Deferment Scheme.

Number of Learning Opportunities



We listen and learn from our Taxpayer Feedback Panel to understand and meet our taxpayers' needs and expectations

OUR COMMITMENT TO TAXPAYERS, EXCELLENT SERVICE ALWAYS

MENU

CATHERINE FOO

WINNER OF THE PS21 STAR SERVICE AWARD

Handling errant taxpayers is part and parcel of Catherine's daily work routine. Despite this, Catherine went the extra mile to help a taxpayer who, due to work commitments, was unable to visit IRAS on a weekday. Instead of insisting on a weekday-only appointment, Catherine, with her passion to serve, proactively arranged to assist the taxpayer on a Saturday, her rest day.

Her strong sense of responsibility, helpfulness and a simple gesture of coming back on a weekend to help a taxpayer meet his tax obligations inspire us all to serve with excellent service, always.



IRAS' Distinguished Winners – Epitome of Excellent Service Always!

The PS21 Distinguished Star Service Awards are given out annually to recognise public officers for their dedication to service excellence. PS21 Distinguished Star Service Award, the highest accolade for service excellence in the public sector, is awarded to a select few of the best PS21 Star Service Award winners each year.

This year, two IRAS officers received these prestigious awards – Ms Lee Suk Wen Joanne from Taxpayer Services Division received the PS21 Distinguished Star Service Award and Ms Foo Siang Hui Catherine from Enforcement Division received the PS21 Star Service Award.

JOANNE LEE

WINNER OF THE PS21 DISTINGUISHED STAR SERVICE AWARD

As an officer in the Taxpayer Services Division, Joanne assists taxpayers not just in fulfilling their tax obligations; she does not hesitate to go the extra mile to help them. A taxpayer who was due to leave Singapore urgently after completing his employment term here had his salary withheld for tax clearance purposes even when tax clearance was not required of him. With no one to turn to, the taxpayer sought IRAS' urgent assistance.

Joanne was empathetic towards the taxpayer's situation, despite this matter being between the company and the employee. She took the initiative to call and explain to his employer the tax clearance procedures, guided the employer so the company could be familiar with resources and information available, and followed up with a written confirmation to allay the employer's concerns.

With a better understanding of tax clearance requirements for foreign employees, the employer released the withheld salary. The taxpayer was extremely grateful to Joanne for going beyond her line of duty and helping him out of his predicament. Joanne's extraordinary service was cited by Deputy Prime Minister Teo Chee Hean, Guest of Honour at the Excellence in Public Service Awards 2010.

OUR COMMITMENT TO TAXPAYERS, EXCELLENT SERVICE ALWAYS

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NEW SERVICE INITIATIVE: “INSPIRE WITH SERVICE!”

As part of our Service Excellence journey, we launched an internal appreciation programme, “Inspire with Service”, on 15 Apr 2010. Our people are encouraged to show their appreciation towards colleagues who have provided excellent service and the service quality attributes of being “Proactive”, “Prompt”, “Polite”, “Consistent”, “Clear” and “Competent”, by presenting “You are Inspiring!” thank you cards to deserving colleagues.

Between April to August 2010, over 1,300 “Inspire with Service!” cards were exchanged among staff. Some of our staff received multiple cards, a testimony that they have been consistently providing excellent service to their colleagues.

16 of these recipients who received the highest number of appreciation cards were commended by Mr James Khor, Deputy Commissioner, Individual Group and Chairman of the Service Excellence Steering Committee, for their commitment towards Service Excellence.



OUR COMMITMENT TO TAXPAYERS, EXCELLENT SERVICE ALWAYS

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I feel happy and honoured to be appreciated by my colleagues and will continue to help my peers when they need help.

Tan Chien Nee, Valuation Officer, Property Tax Division

I am glad that all my contributions have been well received and appreciated by my colleagues. I believe in Excellence Service Always!

Aminah Bakar, Senior Assistant Admin Officer, Individual Income Tax Division

I feel appreciated that my service is being recognised by my fellow colleagues and I will continue my effort in making a difference in this service line. Thank you.

Rahimah Beevi, Infocomm Officer, Infocomm Division

I feel happy to know that others appreciate what I do and it motivates me to work harder!

Ong Yu Ling, Infocomm Officer, Infocomm Division

I feel so warm and touched knowing that I am being nominated to be one of the top card recipients. I enjoy the good working relationship with all my colleagues!

Neo Siew Tin, Senior Assistant Admin Officer, Individual Income Tax Division

When I received the email that I was one of the card recipients, I was surprised and happy. Providing good service to everyone is important. I am just doing my very best to help all of my colleagues in whatever way I can. I am very happy and contented that my colleagues are inspired by me.

Wendy Teng Pei Leng, Assistant Manager, Accounting & Processing Division

I am honoured, happy and surprised that I am one of the top card recipients. I am glad that I am greatly appreciated by my colleagues in IRAS and will continue to provide excellent service always.

Kong Jin Yee, Senior Tax Officer, Accounting & Processing Division

I find that this activity is a good form of encouragement. It encourages staff to do better and is a form of recognition of their efforts among the peers. It also provides a positive influence for my colleagues to do the same.

Catherine Foo Siang Hui, Senior Tax Officer, Enforcement Division

Although I am new to the branch, my colleagues are very friendly and helpful, often willing to go the extra mile to help one another in times of need. In my course of work, I come into contact with more colleagues as compared to the rest, and having received more cards, I would also like to take this opportunity to thank my fellow colleagues who have given me the cards as a form of encouragement. Puay Hoon, Jacq, Mrs Yeong, to name a few have been providing exemplary service in helping me out day-in-day-out. Thanks!

Yam Tee Meng, Senior Tax Officer, Corporate Tax Division



COMPETENT PEOPLE,
SATISFIED STAFF



COMPETENT PEOPLE, SATISFIED STAFF

MENU

People are IRAS' key assets.
They play an integral part in
achieving our vision as the leading
tax administration in the world.

Our strength and capabilities depend on the motivation, commitment and competence of our people. One of our priorities is therefore to build a workforce of competent and committed people who will contribute to IRAS with pride and passion.

STAFF STRENGTH

Our staff strength stands at 1851 as at 31 March 2011 and we have a staff turnover rate of 5.19% in FY2010/11.

GROWING OUR STAFF

We invest in our people to raise their technical competency, professional standards and knowledge base so that IRAS can better deliver excellent service to our taxpayers and partner them in nation-building and economic development in the fast changing and complex economic environment.

In FY2010/11, our staff training expenditure was \$4,070,939 or 2.41% of the total payroll. Each employee achieved an average of 16.78 days of training mandays, up from 15.6 days of training mandays in FY2009/10.

We introduced the Master Tax Specialist (MTS) programme in October 2010 to further enhance the technical and professional competency of staff. An extension to our existing Accredited Tax Specialist Scheme, the MTS programme aims to equip our tax specialists with a keen sense of business reality and deeper specialised knowledge in specific areas of taxation.

We conducted in-house sharing sessions to keep staff updated on industry trends and tax developments. The topics shared included the Property Market Cycles and its influence on Property Developers' Tax Optimisation Strategies, GST and the Banking Industry and International Perspectives on Getting Taxpayers to be Compliant. To ensure that a service mindset continues to pervade across IRAS, we reviewed our service-related competencies and enhanced our service training roadmap.

We continued to expose staff to different areas of work through job rotations, dual appointments and attachments to other foreign tax administration. We second them to the Ministry of Finance to develop them in tax policy work. We also send our staff to attend international conferences such as the Tax & Crime Conference in Oslo, which aimed to raise awareness of the benefits of an integrated approach to fighting financial crime, and the OECD's Special Session on Transfer Pricing Aspect of Intangibles.



Board members enjoying themselves at Dinner and Dance

RECOGNITION FOR STAFF

Nine IRAS staff were honoured with medals at the Singapore National Day Awards in 2010. The Singapore National Day Awards are a means of recognising various forms of merit and service to Singapore. Mr Ong Khiaw Hong (Deputy Commissioner, Corporate & Services Group) was bestowed The Public Administration Award (Gold) for his outstanding efficiency, competence and industry. Mrs Patricia Mak (Assistant Commissioner, Accounting & Processing Division) and Mrs Chia-Tan Hai Geok (Director, Enforcement Division) were awarded the Public Administration Award (Silver) and Public Administration Award (Bronze), respectively. Ms Christina Ng (Group Tax Specialist, Corporate Tax

COMPETENT PEOPLE, SATISFIED STAFF

MENU

Division) and Mr Hor Ying Soon (Manager, Goods & Services Tax Division) were awarded the Commendation Medal for their commendable performance and conduct. Four officers, Miss Malarvili d/o Agoram (Tax Officer, Corporate Tax Division), Mr Tan Kok Siong (Senior Tax Investigator, Investigation & Forensics Division), Mr Foo Maw Yaw (Acting Manager, Individual Income Tax Division) and Ms Tan Wang Ching (Assistant Manager, Accounting & Processing Division) were awarded the Efficiency Medal for having shown exceptional efficiency or exceptional devotion to duty.



Senior Management's dazzling opening performance at Dinner and Dance

PROMOTING INNOVATION

In IRAS, we encourage everyone to be engaged in bringing about continuous improvement to make their work more satisfying.

In FY2010/11, we completed 397 innovation projects, up from 273 the year before. A total of 5,673 suggestions were generated by staff, with an implementation rate of 63%. To recognise and appreciate the innovative efforts of staff, we give out awards such as the Commissioner's Award, Friend of Innovation Award, Top Suggestors Award and Ideas for IRAS Award.

During our Learning & Innovation Festival in August 2010, two new activities were launched. The "Idea? I Implement" challenge was introduced with the aim of driving home the message that staff are empowered to make improvements in IRAS. We also had the "Innova8@Home" challenge to inspire staff to innovate beyond work and staff showcased 69 home innovation items at the festival.

Our efforts in promoting continuous learning and innovation were recognised through the various awards we garnered. We were awarded the PS21 ExCEL Best Pro-enterprise Suggestion Award (Bronze), which was conferred for outstanding suggestions and practices within the civil service that support enterprises. We also received 2 MOF Innovator Awards - one for implementing GIRO application in AXS kiosks and the other for having a one-stop software support service contract which yielded significant cost-savings to IRAS, in addition to a range of value-added services.

ORGANISATIONAL CLIMATE SURVEY

We conduct the Organisational Climate Survey (OCS) biennially to gather staff feedback on IRAS' development and initiatives. The feedback also helps us to identify areas of improvement to make IRAS a better workplace for staff. We engaged Towers Watson to conduct the OCS 2011 in January 2011 and 95% of staff participated in the survey. 73% of staff are satisfied or very satisfied working in IRAS. This is a 3% improvement over the rate achieved for OCS 2009 and 6% higher than the 2010 Towers Watson Singapore National Norm, which comprises survey results from local and international companies in Singapore.

WORK-LIFE BALANCE

At IRAS, we strive to provide a conducive work environment that helps staff to manage their work, personal and family needs. Our Inland Revenue Recreation Club organised a range of recreational, social and sporting activities to promote staff well-being, healthy lifestyle and social integration. Dance classes, night cycling and overseas trips to Malaysia and Taipei were among the activities organised. Our biennial IRAS Family Day was held at the Universal Studios in Singapore in April 2010, where staff and their families and friends enjoyed themselves at the theme park. In the sporting arena, IRAS hosted the Revenue Games 2010 from 7 to 9 May 2010. The event, which involved participants from IRAS and the Inland Revenue Board of Malaysia, comprised a mix of competitive and management games. We also took part in the Public Service Star Games organised by the Civil Service Club.

COMPETENT PEOPLE, SATISFIED STAFF

MENU

In recognition of our efforts in achieving work-life balance, we were conferred the Singapore Human Resource Institute's Leading HR Practices in Quality Work-Life, Physical & Mental Well-Being Award. We were also awarded the Work-Life Excellence Award 2010 by the Tripartite Committee on Work-Life Strategy. The biennial Work-Life Excellence Award recognises organisations with leading work-life strategies and practices, and pays tribute to employers that are committed to helping employees harmonise their work and personal needs.

CONTRIBUTING TO THE COMMUNITY

IRAS seeks to contribute to nation-building by partnering taxpayers and by being actively involved in the community. We continually organise events to promote the spirit of volunteerism and inculcate a strong sense of public responsibility amongst staff. IRAS was awarded the Leading HR Practices Award in Corporate Social Responsibility at the Singapore HR Awards 2010. Organised by the Singapore Human Resource Institute, the Singapore HR Awards recognises leading organisations and HR practitioners in their drive for impactful HR strategies. IRAS was also conferred the SHARE Gold Award by the Community Chest for our contribution to the SHARE Programme.

VOLUNTEER E-FILING SERVICE (VES)

We continued with our Volunteer e-Filing Service (VES), an annual community programme where we engaged and trained members of the public on providing e-Filing assistance to non-IT savvy taxpayers. A total of 397 students and adults signed up as e-Filing volunteers this year and 15 training sessions were conducted for them. The VES took place at 23 CitizenConnect Centres over four weekends from 26 March 2011 to 17 April 2011.

ACTIVITIES FOR CHARITY AND CARE FOR THE ENVIRONMENT

We organised various activities such as food and second-hand goods bazaars to raise a total of S\$23,395 for the President's Challenge in FY2010/11. We continued with efforts to care for the environment through our green movement. We actively participated in the Waterways Watch to raise staff awareness on the need to keep our waterways and environment clean and litter-free. We conducted regular pulping exercises as part of our continual recycling efforts. Our efforts in caring for the environment did not go unnoticed. We were awarded the 2010 Enterprise Green IT Award by the Singapore Business Federation for outstanding sustainable Green IT solutions/practices. We also achieved the Water Efficient Building Label from the Public Utilities Board for our effective strategies in reducing water consumption.



Community Involvement @ Waterways Watch:
Our staff volunteers who keep the Singapore River clean



Mr Low Han Hsien, Director (Designate) of Corporate Tax Division - Clubs & Associations, Trust and Gaming Branch

ACHIEVING A HIGH LEVEL OF STAFF COMPETENCE AND SATISFACTION

To achieve success, IRAS believes in the importance of partnering taxpayers in nation-building and economic development. This is also realised in the everyday work of the branches. Mr Low Han Hsien, Director (Designate) of Corporate Tax Division - Clubs & Associations, Trust and Gaming Branch shares, "In my current role, it is important to ensure that tax administration is carried out efficiently and effectively from the perspective of taxpayers and the government. This entails a strong focus on excellent service, strong staff competency and streamlined processes."

To ensure that IRAS' corporate goals are achieved, IRAS leaders demonstrate and reinforce commitment to excellence in our day-to-day activities. Han Hsien added "Excellence is about knowing the right areas to focus on and being the best in those areas. In IRAS, our leaders inspire excellence in day-to-day interactions by focusing on clear and consistent goals and by seeking to improve our strategies, policies and processes to achieve these goals."

Having been in IRAS for 14 years, Han Hsien has witnessed various changes that IRAS had undergone and shares that over the last few years, IRAS has placed great emphasis on growing the technical competency of staff. In the area of tax, the Accredited Tax Specialist and Master Tax Specialist

schemes were put into place to encourage technical advancement and continuing professional development.

IRAS also believes in providing various avenues for staff to develop themselves. Han Hsien found his overseas attachment at the United Kingdom HM Revenue & Customs and postgraduate studies at the London Business School enriching because of the many interactions with course participants from diverse countries and backgrounds and access to world class facilities.

Han Hsien shares that

"The attachment provided numerous opportunities for me to study HMRC's development of various compliance capabilities such as transfer pricing, anti-avoidance and data profiling and analytics. Insights gained from HMRC's experience will be useful in strengthening IRAS' ability to manage tax compliance risks."

He also shared that attending the Sloan Masters Programme at the London Business School under IRAS postgraduate scholarship has been a very beneficial experience for him.

COMPETENT PEOPLE, SATISFIED STAFF

MENU



Ms Mabel Lee Lau Ching, Principal Valuer, Property Tax Division

Truly, we believe that each and every officer can grow and contribute towards making IRAS a world-class tax administration.

Another avenue of deepening officers' knowledge in tax policies involves the secondment of officers to other government agencies. Ms Mabel Lee Lau Ching, Principal Valuer in the Property Tax Division, who is currently seconded to the Ministry of Finance, shares that the secondment provides her with a complete understanding of the life cycle of a policy proposal; from its inception in IRAS, to the considerations and recommendations at MOF level and how the approved policy is gazetted or passed in Parliament.

At IRAS, we also emphasise the need to share knowledge to widen our technical expertise. When asked how she would describe IRAS' culture, Mabel has this to say, "A culture that is deeply embedded in sharing of knowledge and experience.

We're even accustomed to sharing our mistakes which are more commonly referred to as learning points. I think this truly reflects the strength of the sharing culture here. This sharing culture also contributes largely to the close ties forged within the branch, division and organisation. There is typically open sharing and robust discussions at events such as the Annual Tax Conference or workshops which involve colleagues from various divisions whom you may not be familiar with prior to the sharing."

IRAS plays a primary role in ensuring that Singapore has the revenue to continue to grow and advance as a nation.

We will continue to plan ahead and review our strategies regularly to enhance our capacity and competency in facilitating economic growth.

PROMOTING ECONOMIC GROWTH

To maintain our tax competitiveness, we will continue to review tax policies to ensure they are pro-business. In line with the government's call to raise productivity, we will work on simplifying the tax regime for small and medium enterprises to reduce their tax compliance burdens and enhance their productivity. We will also further develop our treaty network and improve the terms of current treaties by incorporating the Exchange of Information standard.

MAKING IT EASY TO COMPLY

We will actively review and simplify tax rules and tax filing obligations to enhance the ease of compliance by taxpayers. We will enhance our human and technological capabilities in detecting non-compliance and raise public awareness of our compliance capabilities. We will conduct research studies on emerging risks to facilitate the formulation of plans to influence taxpayers' compliance behaviour and mitigate the risk of non-compliance by taxpayers.



PROVIDING EXCELLENT SERVICE

We believe that Service Excellence would lead to greater trust in our professionalism and help us achieve the highest level of voluntary compliance. We will reach out to both taxpayers and tax agents in our ongoing efforts to better understand taxpayers' needs and tailor our services to their needs. We will also enhance our suite of e-services and develop a common platform for the delivery of e-learning services to taxpayers across all tax types.

BUILDING A TEAM OF COMPETENT AND COMMITTED PEOPLE

IRAS' strength and capabilities depends on the motivation, commitment and competence of our people. We will develop the expertise of our people through training and development as well as professional certification. We will continue with efforts to share and retain technical and operational knowledge and mitigate the risk of loss of such knowledge. We will introduce flexible work arrangements to fit varying staff needs and review the effectiveness and relevance of our remuneration package.

RAISING PRODUCTIVITY

We will ensure that our systems and processes stay up to date so that we would achieve greater cost-effectiveness and efficiency. We also aim to increase our productivity through innovation, leveraging on new and emerging technology to transform the way we currently operate and to enable us to employ a wider range of capabilities.