

STEPPING UP: OVERCOMING COVID-19 CHALLENGES



 IRAS Annual Report

 FY2020/21

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Corporate
Information

OUR MISSION

Act as an agent of the Government and provide service in the administration of taxes and enterprise disbursements.

Advise the Government, and represent Singapore internationally, on matters relating to taxation.

OUR VISION

- The leading revenue authority in the world.
- A partner of the community in nation-building and inclusive growth.
- A dynamic team of competent and committed people.

CORPORATE GOALS

- Foster an economic environment that supports inclusive growth
- Provide excellent service
- Maximise voluntary compliance
- Enhance organisational and staff productivity and agility
- Achieve a high level of staff competence, ownership and satisfaction

CORE VALUES

Fairness: Treat everyone in the same circumstances equally

Integrity: Do what is right without fear or favour in all circumstances

Professionalism: Serve our nation responsively, with competence, pride, commitment and empathy

Teamwork: Work with one another with mutual trust and respect to achieve Whole-of-IRAS and Whole-of-Government outcomes

Innovation: Continuously seek new ways to do our work better

About Us



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Message



Mrs Tan Ching Yee,
Chairman

IRAS' tax collection accounted for about 73.6% of the Government's Operating Revenue. The tax revenue is used to fund various social, economic and security programmes for Singapore. IRAS also supports the government in administering the disbursement of grants to businesses.

Chairman's Statement

Supporting Inclusive Growth

During the COVID-19 outbreak last year, IRAS supported our taxpayers and served with empathy. Examples included the provision of corporate and property tax rebates, deferment of income tax payments, and extension of tax filing deadlines and instalment payments.

In FY2020, IRAS also disbursed various grants to help businesses:

- \$25.7 billion in Jobs Support Scheme (JSS) payouts to over 150,000 employers. Another JSS payout of \$2.1 billion was disbursed in June this year.
- \$1.4 billion in Wage Credit Scheme (WCS) payouts to over 90,000 employers on the qualifying wage increases given from 2017 to 2020.
- \$969 million in Government cash grant to over 116,000 qualifying property owners to provide rental relief for tenants.
- \$134 million in Jobs Growth Incentive (JGI) payments to over 25,000 employers. Another JGI payout of \$304 million was disbursed in June 2021.





Chairman's Statement



Fostering International Cooperation in Tax Matters

Singapore is fully committed to international standards on tax transparency and cooperation. IRAS transmitted the FY2018 Country-by-Country (CbC) reports of 24 Singapore Multinational Enterprise Groups to 46 partner jurisdictions, and the FY2019 CbC reports of 50 Singapore Multinational Enterprise Groups to 47 partner jurisdictions. It was also timely in providing Common Reporting Standard (CRS) reports to 66 reciprocal partner jurisdictions.

IRAS continued to strengthen Singapore's network of Avoidance of Double Taxation Agreements (DTAs) to enhance cross-border investment and trade. As at 31 March 2021, 88 of Singapore's 93 comprehensive DTAs were in force.

IRAS participated actively in international forums such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). This enabled IRAS to contribute to the international

discourse and consensus building efforts on tax policy and administration. IRAS was also a core member of the Steering and Drafting Group for the Forum on Tax Administration (FTA) publication "Tax Administration 3.0".





Chairman's Statement



Amidst the pandemic, IRAS continued to build organisational and staff capabilities to serve taxpayers better. It also strengthened its systems and processes so that it can disburse grants accurately and efficiently. It is working with other agencies and software providers to encourage businesses to adopt digital tools. This will help businesses to file and pay their taxes easily, as well as improve productivity. Building on its strong foundation in analytics, IRAS has started to exploit the use of AI. It is also adopting agile practices and multi-skilling its people so that IRAS can respond more swiftly to new needs and demands.



IRAS has worked tirelessly in the past year to support taxpayers and businesses to tide over the challenging economic situation. I express my sincere appreciation to the Board and its committees for their guidance and support, and to the management and staff of IRAS for their steadfast commitment and contributions. I wish them all the best as they continue to support the national effort for Singapore to emerge stronger from the pandemic.



Mr Ng Wai Choong,
Commissioner

FY2020 was a difficult year for IRAS due to COVID-19. But we stepped up to the challenge. Not only had we continued to carry out our functions effectively, we also supported the national pandemic effort. We collected \$49.6 billion in tax revenue, 7.3% lower than the previous year. Our cost of tax collection remained low at 0.82 cents for every dollar collected. Tax arrears also stayed low at 0.72% of net tax assessed. Beyond tax collection, we disbursed \$28.2 billion of grants in FY2020 to support jobs and businesses through COVID-19.

Commissioner's Message

Redefining Taxpayers' Experience

The pandemic did not affect our drive to serve taxpayers better. Our notices have been digitalised. Taxpayers can tell us how they would like to be notified, using a new digital service launched in January 2021. They will get an alert through their preferred mode whenever there is a new notice from IRAS. Taxpayers can then view the notice via myTax Portal in a convenient and secure way.



Property owners used to get a separate property tax notice for each of their property. For the 2021 property tax bills, we piloted a single, consolidated SMS/email notice for all the properties owned by a taxpayer. This benefitted more than 50,000 corporates and individuals owning multiple properties. They could also download from the property dashboard a consolidated statement with detailed breakdowns. We plan to make further enhancements in FY2023 to enable a single payment of taxes for all the properties.

In line with the national drive towards electronic payments, we introduced PayNow QR at myTax Portal for the payment of taxes. Apart from the convenience of having to just scan and pay, taxpayers also get real-time status updates on their outstanding tax balance. The service has been well received, with 79,000 payment transactions made from its launch in July 2020 to end March 2021. We also introduced PayNow as an electronic refund mode for GST and Corporate Tax in September 2020 and July 2021 respectively.



Commissioner's Message

Maximising Voluntary Compliance with Empathy



As part of our COVID-19 support measures, IRAS provided tax filing deadline extensions and tax payment deferrals. We also extended our assistance to those who needed more help, for instance, by allowing taxpayers facing financial difficulties a longer instalment plan.

To simplify corporate tax filing, we launched Form C-S (Lite) for companies with annual revenue of \$200,000 or below from Year of Assessment (YA) 2020. These companies only need to fill in six essential fields, compared to 18 fields for Form C-S. Close to 49,000 companies benefitted from the simplified form and the lower compliance efforts.

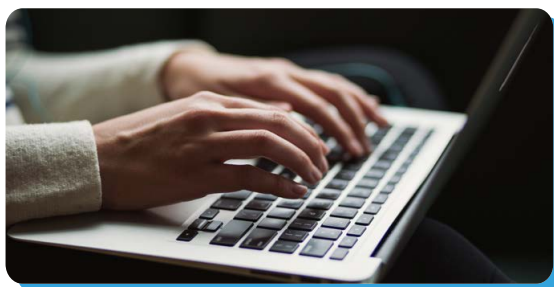
The No-Filing Service (NFS) was extended from employees to the self-employed taxpayers for the first time in YA 2021. As a start, this has benefitted about 15,000 eligible commission agents and private hire car drivers who have joined the Pre-filling of Income Scheme. The NFS will be extended to other groups of self-employed taxpayers progressively.

In our continuous efforts to tackle tax fraud and under-payment, we audited and investigated 9,473 taxpayers, and recovered more than \$374 million in taxes and penalties in FY2020.



Commissioner's Message

Fostering an Economic Environment that Supports Inclusive Growth



We proactively review our tax policies to support businesses and provide greater tax certainty. In FY2020, we reviewed 42 tax policies. This included the review of tax treatment of donations with benefits, and providing greater clarity on the tax treatment of Variable Capital Companies.

We continued to contribute to the international deliberations and consensus building efforts on



tax policy and administration. We are a member of the OECD Forum on Tax Administration (FTA) Bureau, member of the Steering Group of the Base Erosion and Profit Shifting (BEPS) Inclusive Framework, and Chair of the Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Review Group.



Commissioner's Message

Enhancing Organisational Productivity and Capabilities



IRAS sustained its productivity even as we pivoted to work from home last year. We also nimbly redeployed resources and swiftly built up new capabilities. This included setting up a dedicated Enterprise Grants Management Branch to disburse various COVID-related enterprise grants.

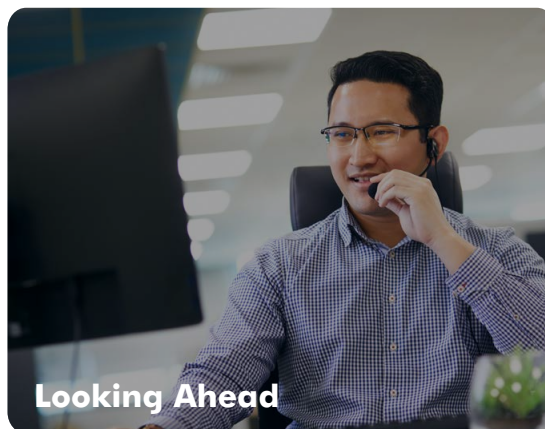
As we continue to modernise our core IT system in phases, we are on track to redevelop our Stamp Duty System using cloud and microservices technology. It will be integrated into myTax Portal in early 2022.

We are also stepping up efforts to better exploit big data. We have started projects on Artificial Intelligence (AI), including collaborating with Artificial Intelligence Singapore (AISG). We plan to also upgrade our analytics data platform, which will offer us greater flexibility and capabilities.



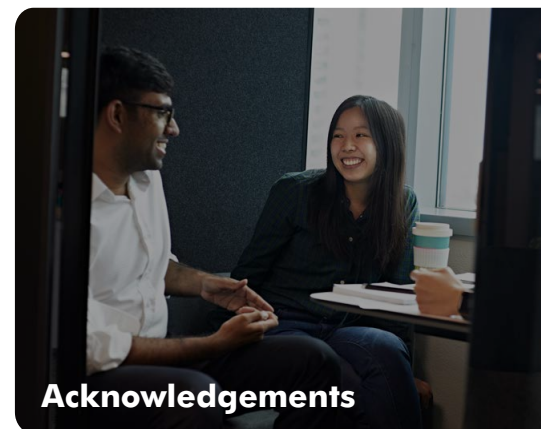


Commissioner's Message



Looking Ahead

IRAS will continue to leverage data-driven insights, customer-centric service design, and partnership with the community to deliver seamless services to taxpayers. We will also work with the Ministry of Finance to ensure that our tax regime stays competitive, provides certainty, and is easy to comply with. As an organisation, we will seek to be more agile, adopt a flexible work arrangement, and build a smart digital workplace for our staff.



Acknowledgements

I would like to thank all taxpayers who have extended their cooperation to us, especially those who have responded to our call to use digital services or contact modes. Lastly, I would like to express my heartfelt appreciation to the Board for its support, and to all IRAS staff for their dedication and resilience throughout the pandemic.



Members of the Board

Our board members provide us strategic directions and guidance. The 3 meetings conducted virtually last year focused on the review of major corporate policies, risk management, as well as approvals for financial statements, annual budget and major expenditure projects. The Board has two committees, the Audit and Risk Committee and the Staff Committee A, to assist in carrying out its duties.

Mouse over photos for more details



Mrs Tan Ching Yee

Permanent Secretary (Finance),
Ministry of Finance

Organisation Structure





Our Revenue Collection

IRAS is the main tax administrator to the Singapore Government. Taxes collected are used to support Singapore's economic and social programmes to achieve quality growth and an inclusive society.

In FY2020, IRAS collected a total revenue of \$49.6 billion from Income Tax (Corporate Income Tax, Individual Income Tax and Withholding Tax), Goods and Services Tax (GST), Property Tax, Stamp Duty and Betting Taxes. This represents 73.6% of the Singapore Government's Operating Revenue and 10.6% of Singapore's Gross Domestic Product.

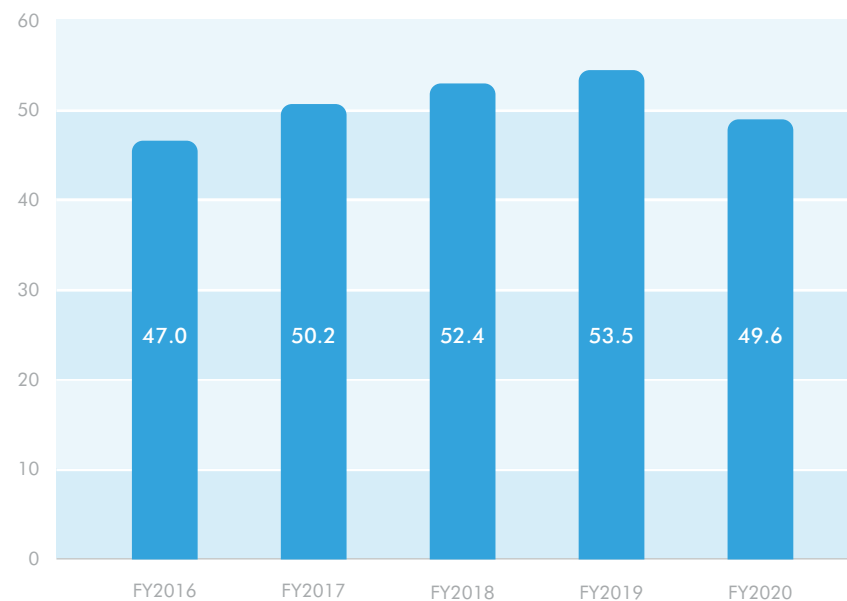
As at 31 March 2021, the current year arrears for Income Tax, Goods and Services Tax and Property Tax amounted to about \$323.8 million. This gives rise to a tax arrears rate of 0.72%.

IRAS' Tax Collection



Billions

● IRAS' Collection



Our Revenue Collection

In FY2020, total Income Taxes (Corporate Income Tax, Individual Income Tax and Withholding Tax) made up 62% of IRAS' collection. They amounted to \$30.5 billion, which is 0.9% lower than the amount collected in FY2019.

GST collection fell by 7.3% to \$10.3 billion.

Property Tax collection fell by 34.3% to \$3.1 billion.

Stamp Duty collection fell by 7.2% to \$3.9 billion.

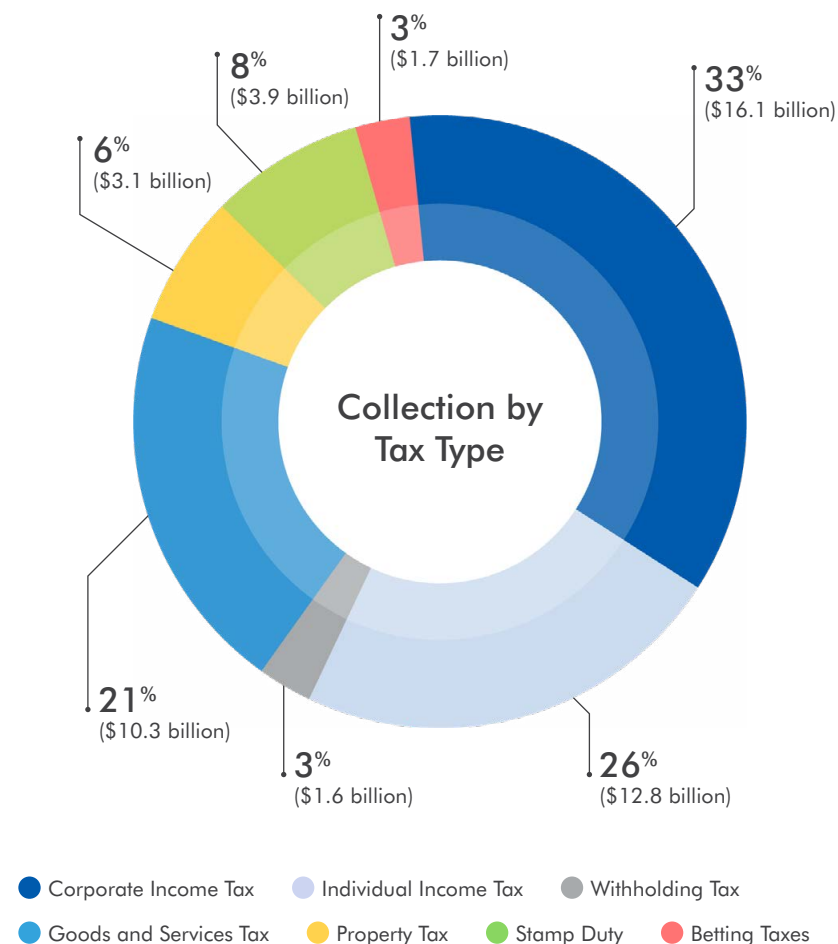
Betting Taxes – comprising Betting Duty, Casino Tax and Private Lotteries Duty – fell by 34.3% to \$1.7 billion.

The total tax collection for FY2020 was 7.3% below the level in FY2019. The lower tax collection was a result of dampened business activities amidst the COVID-19 pandemic in Singapore. Specifically, the fall in collections for income and property taxes were mainly due to the implementation of support measures such as tax rebates. In addition, GST, Stamp Duty and Betting Taxes collections were lower due to weaker economic conditions and circuit breaker measures put in place for business activities during the year.



Revenue
Collection

Revenue Collection by Tax Type



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

Supporting Businesses and Individuals During COVID-19

In light of the global COVID-19 outbreak, the Government introduced a series of support measures to help businesses and individuals. IRAS also played its part to provide additional support and assistance to taxpayers. In addition, IRAS stepped up to its new role as the Centre of Excellence for disbursing national grants to enterprises.

 Mouse over for more details



While there is a need for the disbursement process to be highly efficient to provide timely cashflow support for businesses, IRAS also instituted a robust anti-gaming framework, leveraging data from multiple sources, to prevent and detect abuses of these schemes.

IRAS Staff Volunteered in Nation-Wide COVID-19 Efforts

Going above and beyond, IRAS officers also stepped up to volunteer in Whole-of-Government efforts to combat COVID-19.

National Call Centre for Mask Collection

Assisted in manning the hotline at the National Call Centre for Mask Collection and helped to address queries on COVID-19 and mask distribution.

Investigation Works for COVID-19-Related Offences

Such as breaching of quarantine orders or stay home notices, and non-compliance with social distancing measures.

FAST Deployment and Dormitory Management

Assisted in procuring supplies and food, managing logistics and housekeeping as well as facilitating swab operations etc. to ensure that foreign workers' basic and welfare needs were met.

Safe Distancing Ambassadors

To remind members of public to observe social distancing measures.



Disbursement of Grocery Vouchers

Helped to answer questions on the Grocery Voucher scheme and collection process at various post offices.

Supporting Displaced Foreign Workers During Circuit Breaker

Assisted as central point of contact for displaced foreign workers who faced salary and other well-being issues during the Circuit Breaker period.

Vaccination Call Centre

Assisted the Ministry of Health's Vaccination Call Centre in managing and booking vaccination appointments, educating and addressing queries on vaccinations.

Encashment of Solidarity Payment Cheques

Helped Singaporeans encash their Solidarity Payment cheques at community clubs, while ensuring that social distancing measures were observed.

IRAS at a Glance



100% of YA2020 Individual Income Tax returns received in 2020 were assessed by March 2021

98.8% of Corporate Income Tax returns received in 2019 were assessed by December 2020

The annual value of

95.6%

of existing properties were reviewed by December 2020



The annual value of

99.9%

of new properties were assessed within 12 months from the date of completion

Our Performance in FY2020

9,473

cases were audited and investigated



14

Mutual Agreement Procedure (MAP) cases were resolved



5

unilateral and bilateral Advance Pricing Arrangements (APAs) were concluded

1

comprehensive Avoidance of Double Taxation Agreement (DTA) and



1

Amending Protocol were ratified



93

comprehensive DTAs have been signed so far, of which

88

were in force as at 31 March 2021

42

tax policies were reviewed to ensure our tax system stays competitive and progressive



and

\$374mil

in taxes and penalties were recovered

Our Services

In line with our digital transformation efforts, IRAS continues to assist taxpayers through many digital channels. To ensure the safety of taxpayers during the COVID-19 pandemic, physical appointments at our Taxpayer and Business Service Centre are served via Video-Conferencing with effect from 2 June 2020.



A Digital
IRAS



50%
calls



1%
visits



4%
mails



31%
emails



14%
live chats

Our Services

In FY2020:

Connecting Digitally with Taxpayers



More than **19 million**
payment transactions

99% were paid electronically



36 million
self-help transactions via
IRAS' e-Services



512,277 sessions
on the AskJamie virtual
assistant, 31% more than in
FY2019



Almost
18 million website
visits, 27% higher than
in FY2019



2.07 million
individual taxpayers
opted for e-notices



More than **1 million**
residential properties
were issued digital bills



1.68 million
taxpayers benefitted
from the No-Filing
Service for the 2021 tax
filing season



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Taxpayer-Centred Experiences

 Mouse over for more details



A Digital
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A Socially Responsible Taxpaying Community

IRAS is committed to building a community of socially responsible taxpayers by making it easier to file and pay taxes. In 2020, when measures to manage the COVID-19 situation were tightened, IRAS automatically extended tax filing deadlines to support individuals and businesses. IRAS also enabled deferment of tax payments to ease cash flow for taxpayers affected by COVID-19.

On-Time Filing Results for FY2020

97.2%



Individual Income Tax

2,658,322 individuals assessed
1,993,426 taxpaying individuals



95.8%



Goods & Services Tax

100,961 GST-registered
businesses



83.3%

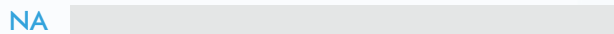


Corporate Income Tax

230,911 companies assessed
95,159 taxpaying companies



NA



Property Tax

1,555,994 property
assessments



On-Time Payment Results for FY2020

92.8%



91.9%



87.7%



94.4%



A Digital
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Collaborating with the Community

 Mouse over for more details



A Digital
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International Engagements & Partnerships

We advance Singapore's tax interests and priorities through strengthening Singapore's Avoidance of Double Taxation Agreement (DTA) network, and participating actively in regional and international tax initiatives. Amidst the COVID-19 pandemic, we continued to engage with our international counterparts around the world to profile IRAS and our people, and to exchange knowledge and experiences.

Exchange of Information

Co-developed the International Guide on Promoting and Assessing Compliance by Financial Institutions — Automatic Exchange of Information with overseas partners

IRAS, in partnership with the tax administrations from Canada, the United Kingdom and the United States, developed and published this international Guide. It explains the key strategies and main building blocks that tax administrations could consider when they implement programmes to promote and assess compliance by their financial institutions on Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).

A collaborative approach for compliance reviews on Common Reporting Standard (CRS)

CRS is an international standard for the automatic exchange of financial account information between jurisdictions for tax purposes, to better combat tax evasion and improve tax compliance. In the compliance reviews for CRS, IRAS adopted a collaborative approach with the financial institutions based on open communication that promotes mutual trust and confidence. Pre-audit engagement meetings are an integral part of such reviews. They helped improve financial institutions' appreciation of the objectives of compliance review and facilitated two-way communication between IRAS and the financial institutions.

Tax Treaties

A wide treaty network to promote cross-border trade and investments

88 out of 93 comprehensive DTAs were in force as at 31 March 2021

Ratified 1 comprehensive DTA and 1 Amending Protocol

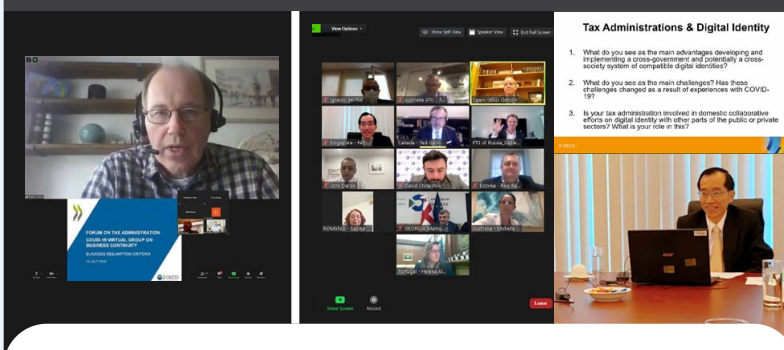
Implemented Multilateral Convention to Implement Tax Treat Related Measures to Prevent Base Erosion and Profit Shifting (MLI) changes to 43 DTAs as at 31 March 2021



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International Engagements & Partnerships

2020 Amsterdam Virtual Forum on Tax Administration (FTA) Plenary Meeting and FTA meetings



IRAS participated in a global exchange with 52 other tax administrations in the FTA on a range of tax-related trends and issues, including responses to the COVID-19 pandemic, emerging risks, digital transformation and tax certainty.

We also took on various steering and advisory roles to provide direction and thought leadership to the FTA's work streams. Singapore was part of the OECD FTA Steering and Drafting Group on the Tax Administration 3.0 workstream that envisioned the future of tax administration. We contributed to topics such as digital transformation journey, taxpayer narratives and core "building blocks" (enablers) in the Tax Administration 3.0 report.

OECD Global Forum Task Force on Risk

As an expert of the newly established Global Forum Task Force on Risk, IRAS contributes to discussions on possible risks to tax transparency and exchange of information.

Active Steering in Various International Forums

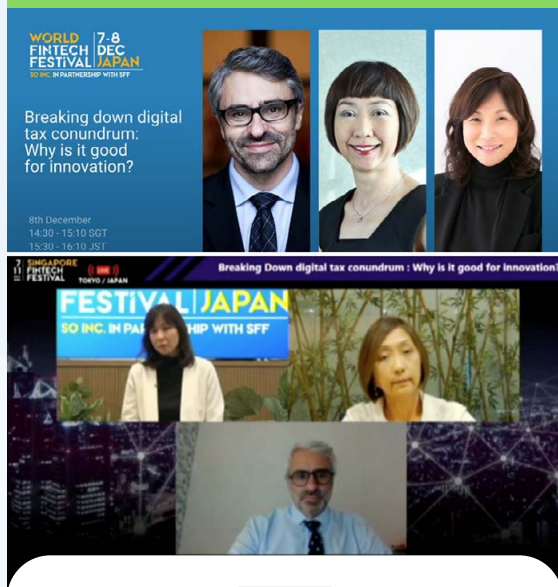
IRAS is an active member of the Bureau of the FTA, the Steering Group of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the Bureau of the Forum on Harmful Tax Practices, and the Bureau of the Task Force on Digital Economy. We are also the Chair of the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes. Singapore participates actively in other regional forums such as the Study Group on Asian Tax Administration and Research and the ASEAN Forum of Taxation as well.



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International Engagements & Partnerships

World Fintech Festival in Partnership with the Singapore Fintech Festival



IRAS participated in a panel discussion to share more about digital tax and innovation.

Active participation in capacity-building events in the Asia-Pacific region and beyond

IRAS presented at several virtual trainings and workshops to foster knowledge sharing and support capacity building efforts:



Asian Development Bank/World Bank Global Workshop on Tax and Digital Transformation

We shared about the vision of the future of tax administration, the component building blocks and insights on Singapore's National Digital Identity as well as IRAS' transformation directions.

OECD/Belt and Road Initiative Tax Administration Cooperation Mechanism Train-the-Trainer Course: Designing and Administering Singapore's Safe Harbour Regimes

We presented on Singapore's transfer pricing framework, measures for related party services and loans, and transfer pricing documentation requirements.

Talks on Dispute Resolution and Prevention

We shared our expertise and experiences in dispute resolution and prevention at several events, such as the Joint Japan's National Tax Agency-ADB-OECD Virtual Capacity Building, the Commonwealth Association of Tax Administrators' webinar on better dispute resolution and the BEPS Action 14 public consultation meeting.



A Digital
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Future-Ready Workforce

IRAS believes in empowering our people to be the best that they can be. We provide our officers ample opportunities to learn and develop new skills, which will prepare them well for the future.



Nur Ithnaini Binte Abdul Abas

Assistant Manager
Individuals & Properties
Enforcement Division

As part of our division's Workforce Transformation efforts, my team and I picked up new skills in handling frontline calls from taxpayers and managing other tax types. It was a refreshing experience, and we were able to overcome challenges along the way because of our strong team-spirit and supportive management.



Chia Kun Yang

Senior Analyst
Valuation & Stamp Duty
Property Tax Division

During the pandemic last year, I was part of a team that built a system to implement the Rental Relief Framework policy. The system enabled IRAS to disburse the Government Cash Grant automatically for up to 91% of eligible property accounts, thus ensuring rental waiver for majority of the eligible Property-Tenant Occupiers.



Victoria Gayathri

Senior Tax Officer
Employee
Individual Income Tax Division

The new normal brought about many adjustments at work but the rapport with my colleagues, albeit sustained virtually, kept our spirits up. I was glad to contribute to the Tamil translation efforts of the Budget Booklet last year, which enabled the Tamil community in Singapore to better understand the key measures of the four Budgets.



Future-Ready
Workforce

Future-Ready Workforce

An average of

12.5 days

in learning and development
per IRAS staff



200 IRAS officers



are Accredited Tax Specialists who
have attained a high level of
technical competency



\$3.69 million

was invested in staff training



2437 Ideas

were registered to
enhance IRAS' systems
and processes, of which



**1676 were
implemented**

by 31 March 2021

400 IRAS officers

were engaged in Communities of
Practices in the areas of Analytics,
Behavioural Insights and Design
or Robotic Process Automation



210 IRAS officers

have completed their advanced
skill certifications through the
Digital Skills Incentive



**96.6% of staff
completed at
least 1 curated
course related to
data, digitalisation
or design**



Future-Ready
Workforce



Inland Revenue Authority of Singapore

go.gov.sg/irasannualreport2020

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