



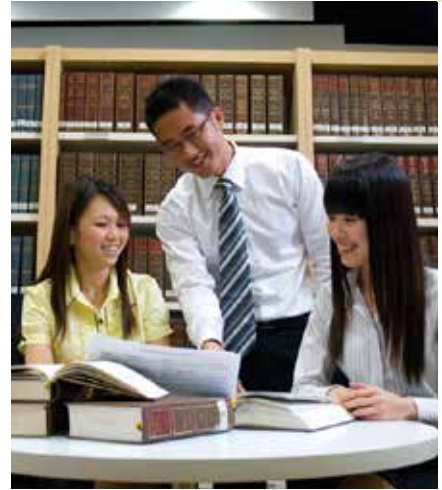
Taxes. Redefined.

20 Years of Excellence in Tax Administration

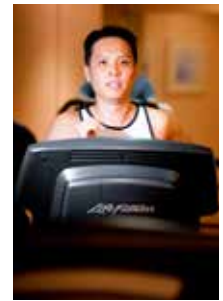


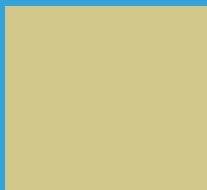
INLAND REVENUE
AUTHORITY OF
SINGAPORE

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Artnexus Design Pte Ltd





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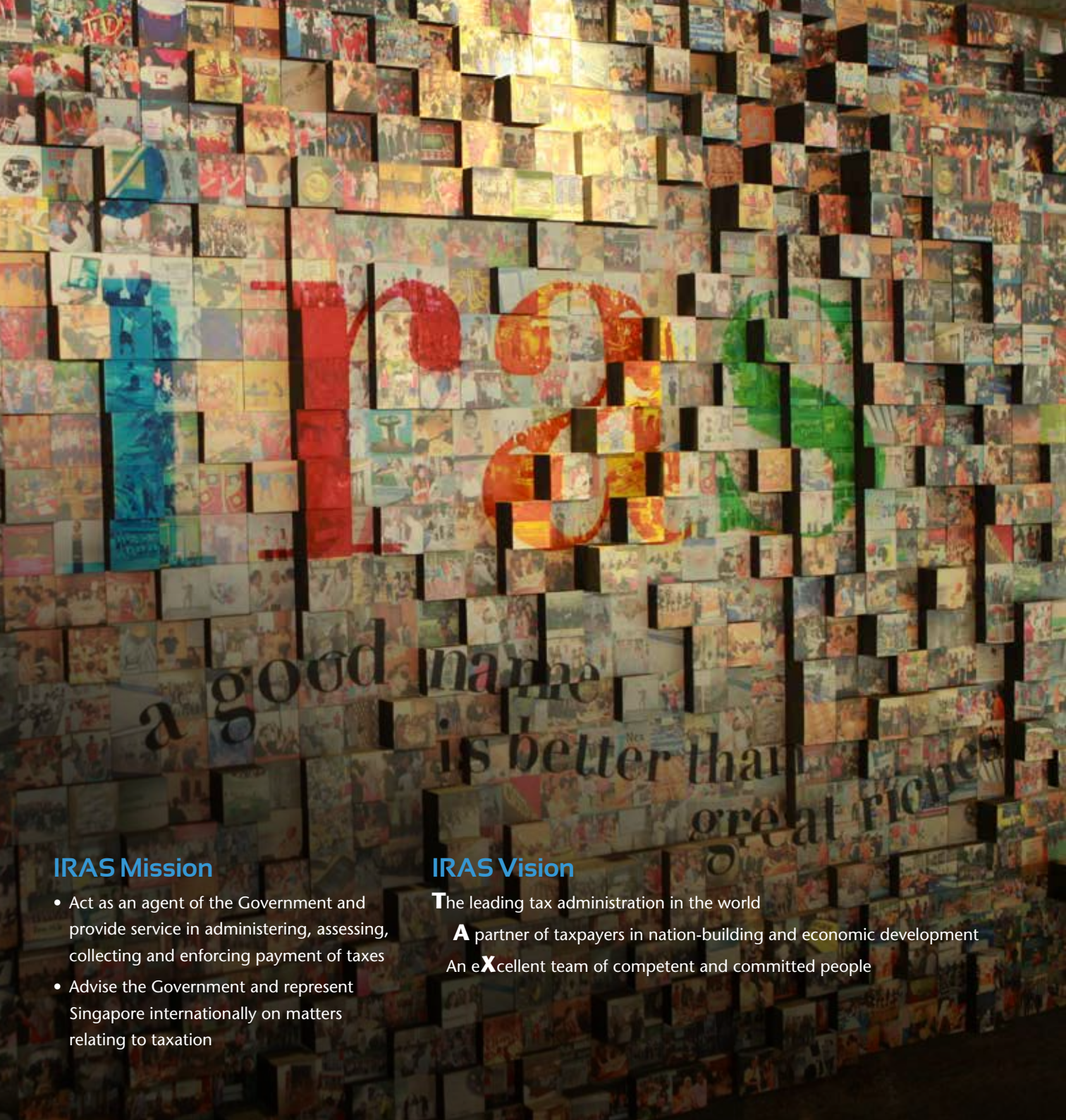
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A Special Feature Publication



IRAS 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

IRAS 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



Introduction

IRAS is an organisation that Singaporeans can rightly be proud of. In the face of the mind-boggling challenges of tax administration for a young nation, it has pioneered creative solutions that have become world benchmarks.

Among several firsts, IRAS brought us electronic filing, electronic stamping and the electronic Tourist Refund Scheme, harnessing the power of technology to deliver truly convenient taxpayer solutions. With a dedicated team of people who constantly seek to deliver greater value to taxpayers, IRAS has achieved one of the lowest costs of tax collection and the highest rates of voluntary compliance in the world. In the two decades since its formation, IRAS has collected over \$400 billion in taxes and concluded 42 Double Taxation Agreements.

As early as 2000, this organisation was already globally respected as one of the world's most progressive tax authorities and commended by the World Bank for "leading the world in its rapid and widespread adoption of new technology in tax administration". Today, at the tender age of 20, it has received the highest international distinction for business excellence, the World Class standard in the prestigious Global Performance Excellence Award 2012.

This special feature chronicles IRAS' transformation from a bureaucratic government tax department to a world-class tax administration. IRAS' transformation would not have been possible without the passion, relentless support and hard work of a dedicated team of officers. This feature is a fitting tribute to the people who delivered on their potential to help IRAS fulfil its Vision, in good and tough times.

IRAS. Taxes. Redefined. serves as part of IRAS' institutional memory to be passed down to future generations of staff. This is a timely moment for IRAS, and the nation, to take pride in this transformation, as the organisation continues to take on the future with confidence.

IRAS. Excellence in Numbers.

\$38 billion
in taxes collected per year

IRAS serves **1.8 million** individuals,
154,000 companies, **84,000** GST-registered
businesses and owners of **1.2** million properties

Costs **0.78** cents to
collect every dollar of tax

Wide DTA network spanning
69 jurisdictions

One of the world's
lowest arrears rate of
0.94%



95% of taxpayers are satisfied with IRAS' service

99% of refunds are made within **14 days**

963,000 taxpayers benefit from No-Filing Service

Record **97%** of taxpayers e-Filed

60% of staff have served with dedication for **10 years** or more

261 large GST businesses benefit from the Assisted Compliance Assurance Programme

13,700,000 payment transactions processed per year

**Figures are the latest available as at the date of publication.*



RISING UP TO THE CHALLENGES

On 1 September 1992, the Inland Revenue Authority of Singapore (IRAS) came into being as an autonomous statutory board. What was once the Inland Revenue Department, a department of the Ministry of Finance, IRAS was thrust into uncharted territory. Its 1,530 staff was tasked to transform the newly formed tax authority battling a massive administrative backlog into the world-class tax administration that it is today.

The story of the last two decades is an inspiring tale of dogged determination to review and improve any and every aspect of the old way of doing things, becoming an exceptional tax administration worthy of a modern city-state like Singapore.



Conversion to a Statutory Board – Autonomy for Greater Progress

As a statutory board, IRAS would become an agent of the Government and be paid a fee for administering, assessing, collecting and enforcing the payment of six taxes (income tax, property tax, betting duty, stamp duty, private lotteries and estate duty) for the nation.

IRAS would also represent Singapore on international tax matters, including the conclusion of tax treaties for Singapore.

This bold move provided IRAS the autonomy to manage its finances and formulate human resource policies to help it attract, train, motivate and retain its best people to provide better taxpayer service.

The decision to set up a tax administration as an autonomous body was almost unheard of at that time. But it was necessary for IRAS as it paved the way for a radical re-engineering of a tax administration system that had become outdated, inefficient and no longer able to cope with the needs of a fast-growing economy, whose taxpayer base was swelling in record numbers.



Problems of storage, retrieval and movement in the 80s.



Mrs Png Poh Cheng

*Tax Officer
Accounting and Processing Division
– Processing Centre*

"We often had to spend long hours in filing areas that had no air-conditioning or fans. It was hot, stuffy and dusty, making the job a sweaty and dirty one. Searching for documents was a very tedious process. The entire team of eight to ten people would be mobilised weekly to conduct a thorough search, which would cover every nook of the building where there were piles of documents."



Manual work! Data entry clerks typed in data from handwritten forms.



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In 1992, IRAS unveiled a new logo that all taxpayers have now become familiar with. The logo is based on the shape of an early-day coin, with a subtle "S" curve across it to signify IRAS' transformation into a service-oriented, professional and efficient statutory authority. The central square represents the qualities of integrity and reason embodied in the tax collection role of IRAS.

The logo is in the corporate colours of blue and grey, to depict IRAS as a firm and fair tax administration.

Introducing the GST – Coin Bags on Standby!

Singaporeans have now accepted the Goods and Services Tax (GST) as part and parcel of their daily expenses but it was a different story when it was first introduced in 1994. Back then, introducing the GST was a tough decision for the government and a delicate topic to broach with the public, especially because it was Singapore's first new tax in decades. As Singapore's economy was doing well and tax revenues were sufficient, a new indirect tax was, understandably, not popular since there was no pressing need to introduce it.

The GST was part of a long-term strategy to increase the resilience of the tax system to cope with an aging population and declining birth rate, which would result in a shrinking tax base. At the same time, a well-executed indirect tax, such as the GST, would pave the way for Singapore to lower income taxes to remain globally competitive.

IRAS had barely settled into its new role as a statutory body when it had to implement this new tax, educate the public and win them over. Was the new tax authority ready for this challenge?

Working with grassroots committees, IRAS teams spread out to schools, community centres and office buildings to conduct seminars and dialogues. A comprehensive public awareness campaign was launched. It pushed the message that with the initial package of GST rebates and offsets, no one would be worse off.

IRAS worked tirelessly to iron out the implementation details of GST and prepare for every contingency, right down to preparing heavy bags of loose



A Fairer Tax. A Brighter Future.



'All you need to know about GST', talk held at the Singapore Chinese Chamber of Commerce and Industry.



Your Guide to GST

The Goods and Services Tax, or GST, will be a part of Singapore life from 1 April 1994. This guide will help you to understand GST, what you should be aware of and how it will affect you.

Living With GST

- From 1 April, you will be paying 3% GST on all goods and services supplied by GST-registered businesses.
- Overall, prices are expected to rise slightly. But this does not mean you will be disadvantaged. The Government is reducing income tax and giving other rebates and incentives to help people adjust to GST.
- These reductions mean that 70% of Singaporeans will not pay any income tax. The remaining 30% will pay much less.
- The Government is not introducing GST to collect more revenue. In fact, the tax cuts and rebates will be more than the total GST collected.

Total tax cuts and rebates to offset GST - \$1.2 billion
 Estimated GST collection for the first year - \$960 million
 Net loss to Government revenue - \$240 million

Who collects GST?

- Only GST-registered businesses can collect GST. They should not pay GST to other non-registered businesses.
- The cash and credit sales are collected GST through the GST Certificate or check which must be given to the customer.

Impact on Prices

- Prices marked on goods from 1 April will include GST. So an item costing \$100 will include \$3 GST. Some shops will have free sale of price tags during the transition to GST - only with the old price, the other including GST.
- Some businesses which do not collect GST may still have to raise their prices, because they may be paying GST on their inputs.

Shop around and compare prices. Check prices in the CAGE Weekly Price Watch Column published in newspapers.

If you think a shop has increased its prices unreasonably, you can report this to the Consumer Association of Singapore (CASE) or the Price Feedback Unit. Contact numbers are listed on the back of this guide.

From 1 April 94, receipts from GST-registered shops will show the GST charged. These receipts to do so in time will be making the necessary changes before 30 June 94.

change so that staff members could rush them down to businesses that ran short of one-cent coins because of the new prices.

It was a testament to their preparedness that GST D-day turned out to be a non-event. That first year, it was estimated that the low, flat rate GST of 3% brought in \$960 million while the offsets and rebates totalled some \$1.2 billion.

Today, the GST, at its current rate of 7%, has contributed to a diversified and more resilient revenue base, making up about a quarter of IRAS' collection. It has also allowed us to maintain competitive income tax rates to encourage individual effort and enterprise – over the past two decades, corporate and individual income tax rates have fallen steadily from 31% to 17% and 33% to 20%, respectively.



Mrs Chia-Tern Huey Min
 Deputy Commissioner
 Goods and Services Tax and
 Property Group

"To be part of the team responsible for tax reform, and to make a sea change in Singapore's tax landscape – I am forever grateful for this enriching experience. For the first time in the history of our tax administration, GST officers fanned out to the business community to share, listen and obtain feedback on policy implementation. I think this was how it all began for our GST officers acquiring the distinctive DNA for being business-friendly.

The tax was new, no one on the GST team has had any prior experience with GST, and we were all learning as we went. We were barely two or three steps ahead of the businesses and tax advisors in understanding the GST legislation. And we've had to apply the correct tax treatment without the benefit of time for proper evaluation. We just hoped and prayed that we were dishing out the right answers then!"

Getting IRAS Off the Ground – Fast, Decisive Improvements



Tax examiners reviewed every return before it was assessed. It was a long, tedious process that delayed refunds and created increasing backlog.



A high-speed digital imaging scanner was later introduced.

Forms, forms and more forms! Every year, 20 million documents and returns arrived at the desks of tax officers, every one to be scrutinised and assessed. IRAS was inundated with paperwork that kept snowballing. Decisive steps had to be taken to break the vicious cycle.

A date to remember

It was an uphill task to get taxpayers to fulfil their tax filing obligations as the law required a second tax return to be sent to taxpayers, in person or by registered mail, before enforcement action could be taken. Due to the sheer numbers and the intensive manual effort needed to tabulate the returns of those taxpayers who filed, it took months before taxpayers who did not file received their second return. One of the first steps IRAS took was to set a common filing deadline for

income tax on 15 April in 1993. This simple step negated the need to send a second return and had a great effect on encouraging compliance. It saved IRAS substantial sums of money and resources that would have been spent sending taxpayers reminders.

Technology time-savers

IRAS overcame initial apprehensions and became the first Asian tax administration to use a digital imaging system to capture taxpayers' documents that staff could retrieve electronically in a matter of seconds. For property taxes, a Computer Assisted Mass Appraisal (CAMA) system was adopted to automate the assessment of similar-type properties, resulting in more responsive assessments.

Down with the queues

To cut the long queues at offices, IRAS created an automated 24-hour telephone answering system, followed by a website, for the public to electronically access tax information and available services. There was even a software programme, called InTax, to help taxpayers correctly file their returns.



In 1993, 90% of taxpayers submitted their returns by the 15 April deadline.

These initial operational improvements between 1992 and 1995 sped things up a little for taxpayers. But, faced with a fast-growing taxpayer base in the 90s, and a mounting \$1.14 billion of backlog in taxes, with no signs of slowing down, these measures were simply not enough.



Mr Raymond Tan

*Manager
Property Tax Division – Residential*

"I was impressed with the Computer Aided Mass Appraisal (CAMA) system because we could peg numerous annual values to multiple properties simultaneously. But, that system still required huge efforts in data preparation and analysis by the staff. Now, I'm really excited to witness the upgrading of the CAMA system to the improved Automated Valuation Model (AVM). At a click, this new AVM system prepares all the data required and even suggests annual values for consideration."

A Nation of Taxpayers or Dodgers? The Enlightened Approach



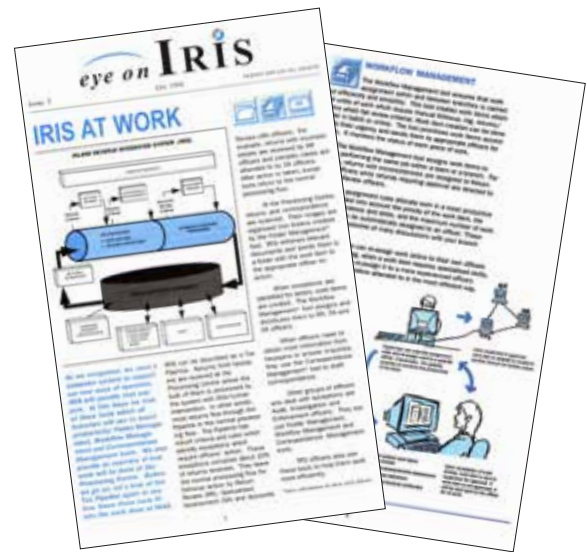
Singapore needed a modern, customer-centric, tax administration, one that had the built-in flexibility to deal with the increasingly complex demands of a growing, globalised city and educated populace. This called for a game-changing move more drastic than simply leveraging on technology to boost efficiency.

Since its days as the Inland Revenue Department, tax assessment and collection methods were based on the mindset that most taxpayers would dodge taxes, and so every return had to be scrutinised. But in fact, experience had shown that most taxpayers were voluntarily compliant. Furthermore, up to 70% of cases were not taxable.

The breakthrough came when IRAS adopted a radical change in mindset to trust that taxpayers are voluntarily compliant. This set the course for exploring the use of sophisticated information technology that could mass assess tax returns using a risk-based approach.

In early 1995, the Inland Revenue Integrated System (IRIS) was unveiled. IRIS could process 80% of the assessments, filtering out 20% of the more complex or high-risk cases for intervention by tax officers. Tax officers were freed to work in more dynamic front-end areas serving and educating

taxpayers. More taxes were collected on time and the backlog shrunk drastically. Tax arrears fell gradually and significantly over the years. In 2012, the amount of arrears is almost half of the \$966.5 million back in 1993, even as tax revenue quadrupled over the same period.



A specially published newsletter to inform and update staff on the progress and development of IRIS.



It was an enlightened concept that not every return would have to be reviewed manually; that a computer system would do it!



Volunteers assisting and educating taxpayers.

Engaging Its Most Important Asset – People

What was most exciting for IRAS in its conversion to a statutory board was gaining autonomy and flexibility in human resource matters. IRAS had inherited a chronic staff shortage caused by high staff attrition and the inability to attract talent. Many highly competent tax officers would spend a few years at IRAS before seeking greener pastures in the private sector where pay and development prospects were seen as brighter.

Being firm believers that everyone matters and plays a role to achieve its Vision, IRAS continuously pushed the boundaries to put in place innovative people strategies to develop its people to their fullest potential. Over the years, these efforts nurtured a highly competent and engaged workforce at IRAS.

Growing Its People

IRAS staff are recognised as technical experts and thought leaders in tax administration. On-going enhancements to IRAS' learning and development systems allow them to grow, develop and equip themselves with the right and relevant skills in tax administration, compliance management, service excellence and leadership. The Accredited Tax Specialist

Scheme (ATS), introduced in September 2003, put in place the structure for tax officers to upgrade, share knowledge and be accredited as tax specialists, in recognition of their contribution towards the development of tax competency in IRAS. In 2010, the Master Tax Specialist (MTS) programme was introduced for tax specialists to further upgrade and deepen their expertise in specific areas of taxation.



Miss Lum Mei Yoke
Manager
Individual Income Tax Division
– Foreigner and Clearance

"I have been given numerous opportunities to learn and develop myself. For example, I was a user representative in the IRIN Development Project and a liaison officer for the 2006 Annual Meeting for the International Monetary Fund and World Bank. My supervisors and peers have always been more than willing to guide and support me. It has been a rewarding journey working in IRAS as I enjoy a great work-life balance where I can work hard and play hard."



An Accredited Tax Specialist delivering a basic course in GST.



"The ATS and MTS programmes open up more learning and development opportunities for me. I have the option to specialise in various areas of tax and I am fortunate to have found an area that I like. The programmes require us to meet the requirements for annual maintenance, and this instils a discipline in me to ensure that I keep myself updated and informed of tax developments. I feel a sense of personal satisfaction when I look back at what I have accomplished."

Miss Yong Sing Yuan

Senior Tax Specialist

Tax Policy and International Tax Division – International Tax

Engaging Its Most Important Asset – People

Inspiring and Involving Its People

IRAS offers various incentives to encourage different desired behaviors. For example, Service Improvement Payments and IRAShines! Awards are given to promote excellent service; Innovation Awards are in place to encourage people to think out-of-the-box; and Commendation Awards serve to drive high levels of teamwork and camaraderie.

A pioneer advocate of work-life balance, IRAS provides an open and conducive work environment and fun-filled activities that promote overall well-being, healthy lifestyles, open communication and strong social bonds. Staff also enjoy a measure of flexibility to balance their work, personal and family commitments. Credit goes to an approach that integrates comprehensive staff welfare polices and quality facilities.



Public Service STAR Games dragon boat race at the Singapore River, 2009.



Community Clean Up organised by Inland Revenue Recreation Club, 2008.



Inland Revenue Family Day at the East Coast beach, 1992.



Warming up for the Nature Run.



"Work-life balance initiatives in IRAS have evolved over the years, becoming more relevant and meaningful for staff. One example is the Flexible Benefits Scheme that originally provided only holiday reimbursement. It has been enhanced to include health-related, eye-care, and personal development support, among others. The implementation of the Family Care Time-Off (FCTO) Scheme, many years ahead of other agencies, is yet another example of why IRAS is an Employer of Choice."

Ms Mabel Low Wan Yeong
*General Secretary
IRAS Staff Union Executive Committee*

Engaging Its Most Important Asset – People



IRAS staff at the peak of Mt Kinabalu, 2012.

Rewarding Its People

To drive a strong performance culture, IRAS was one of the first agencies in the Public Service to have an open, performance-based rewards system known as the Performance Appraisal and Rewards System. The performance grades and the corresponding differentiated bonus payments are made known to its people, to motivate staff to strive for better performance, grow in their jobs and contribute towards organisational excellence.

The above are but some of the steps IRAS has taken to build a motivated and competent team of people, IRAS' most important asset in its journey of excellence. Indeed, its people

have been the driving force behind IRAS' transformation from a tax collector to a first world service provider, and to a partner of taxpayers today.

Since 2000, IRAS has been awarded People Developer, which is a mark of excellence for the people practices in organisations. IRAS has also received many Singapore HR Awards, in Manpower Resourcing and Planning, HR Communications and Branding, and, Learning and Human Capital Development, to name a few. The number of awards bears testimony to IRAS' robust and impactful HR strategies and practices, and its commitment to value and develop its people.



Senior Management performing at IRAS Talentime, 2006.



IRAS Dinner & Dance, 2011.



"The improved execution and delivery of our HR management and policies, by both IRAS supervisors and staff, have enabled us to keep up with the times. We've adopted a single scheme of service that provides a level playing field for officers. We ensure that our pay is competitive and we continually invest in training and development to equip our staff for their current job and bigger jobs in the future."

Ms Julie Cheong

Manager
Corporate Services Division – Human Resource





FROM TAX COLLECTOR TO SERVICE PROVIDER

On the morning of Sunday, 14 January 1996, more than 200 IRAS officers walked six kilometres from their old office in Fullerton Building to IRAS' first real home at Novena. A wave of pride swept through the gathered staff when a Singapore flag was raised in front of a commanding 24-storey building, named Revenue House, in a ceremony that opened the next chapter for their organisation. With a new Vision and bold approaches, IRAS set about the biggest transformation the public had ever seen.

A New Home – All Under One Roof



ASEAN Most Energy Efficient Building Award.

The best part about Revenue House was the convenience it brought to taxpayers, who could now go to one place for all their tax needs. The new Taxpayer Service Centre was located on the ground floor and was the first thing that greeted the public. What an eye-opener! Instead of counters where tax officers sat behind glass panels, IRAS officers could interact more personally with taxpayers over desks in a vast open-concept hall at Revenue House.

Revenue House provided a conducive work environment that fostered teamwork across different business units and strengthened working relationships among staff. Staff from different departments, previously dispersed over several different locations, such as Albert Complex, Supreme Court, Fullerton Building, Colombo Court and International Plaza, could now work alongside one another and meet to discuss issues that straddled across departments, at very short notice.

Housing IRAS under one roof was also a major boost for efficiency. Centralisation reduced the duplication of services. For example, the function of opening mail for all departments was consolidated at a new Processing Centre at the basement, where mail delivery trucks could conveniently drop off the mailbags every day.



Revenue House was purpose-built for the taxpayers and the people it would house. With the greater use of technology, there was a dedicated room for computer servers, document conveying systems, card access security, energy-efficient sensors, as well as excellent staff facilities like a gymnasium, a childcare centre and a canteen.

The first building that IRAS could truly call its own, Revenue House was the culmination of two years of intensive planning and four years of construction. It espoused the image of IRAS as a modern, dynamic organisation, and set the tone for the changing relationship between IRAS and taxpayers.



Redefining Tax Collection: The Customer Comes First

Today, it is almost unnecessary to visit Revenue House if one's intention is simply to file or pay taxes, because IRAS has made it possible, and much faster, to do so from the comfort of one's home or office. Believe it or not, this is certainly not a priority in most parts of the world, where the conventional focus of tax administration is still on 'how to and how much to collect'.

It was IRAS' enlightened view that most taxpayers are voluntarily compliant, that led to a whole new approach to tax collection in the mid 90s. At the 1998 Corporate Planning Exercise, the senior management of IRAS emerged from a retreat with a new Vision that re-imagined IRAS as a service organisation, with taxpayers as customers. IRAS believed that if it made it easy for taxpayers to pay their taxes, most people would! This meant treating taxpayers as 'customers' and providing 'services' to help them fulfil their tax obligations.



This customer-centric approach continues today and has shaped how IRAS' services, processes and systems have evolved. Everything is designed from outside-in, taking into

account taxpayers' needs and requirements, so that they can easily obtain the services and information they need to fulfil their tax obligations.



Mr Noel Hon
IRAS Board Member from 2004 to 2010

"Today, most taxpayers can fulfil their tax obligations with a click of the mouse. Compared to yesteryears, when taxpayers had to hang on to all types of receipts from charitable organisations, IR8A forms, etcetera, the auto-inclusion of information has taken away the hassle of keeping and searching for receipts to substantiate tax claims and income.

IRAS has courageously re-engineered its processes to concentrate on the important issues. It has adopted the use of technology to benefit its customers in a very significant way. I hope other public and private sector organisations will do the same as this reduces the stress in our already stressful lives."

Finding the Best Fit

In the past, IRAS was organised according to the type of taxes it collected. Taxpayers had to deal with different departments to resolve matters that straddled across tax types.

In the interest of improving operational efficiency, IRAS reorganised itself, centralising the functions that each tax division previously handled on its own into functional units, such as collection and mail handling. This reduced the duplication of work done, enabled IRAS to reap economies of scale and helped boost productivity. Another significant breakthrough under this structure was the creation of a Taxpayer Services Division, a one-stop service outfit that handled all taxpayer interactions with IRAS.

In 2004, IRAS again demonstrated its agility to the changing needs of tax administration by adopting a customer-centric structure that is in line with its new Vision.

This time, IRAS looked at the customer segments it served and organised its structure to best meet their needs. The result is the hybrid structure of IRAS today. Different Tax Management Divisions serve the specific needs of different taxpayer segments from end-to-end, while Divisions in the Corporate and Services Group continue to provide highly efficient, and cost-effective, centralised and corporate services to the Tax Management Divisions.





Spearheading the e-Service Revolution



Taxpayers were quick to embrace the technology-driven service improvements in the early 90s, such as the 24-hour answering phone system and the IRAS website. After all, why wait in line when you can find out online?

By the late 90s, IRAS had gone beyond leveraging on technology to improve its internal processes. Technology became a key enabler in IRAS' pursuit of delivering excellent customer service; their inventive applications set a new standard in service delivery and became a model for public sector e-Services. Their successes also put IRAS on the world map.

Auto-Inclusion – Paving the Way for All-Round Service

Most people are unlikely to have their tax information at their fingertips during filing season, so inaccuracies in tax reporting were fairly common. To reduce the risk of unintentional errors in tax filing, IRAS implemented the Auto-Inclusion Scheme, where income and relief information were obtained from source, in 1993.

In the early stages, IRAS obtained information such as dividend income and certain categories of allowable tax reliefs directly from source. By 1998, the scheme was improved to capture income information from employers. The employees of all government ministries were the first to enjoy this convenience, followed by statutory boards, town councils and over 200 private sector employers the following

year. Today, most major corporations and small-medium enterprises submit employee income information directly to IRAS, benefiting a total of 1.2 million employees yearly.

Not only did the Auto-Inclusion Scheme successfully address its objectives of accuracy in tax filing, it also provided convenience to taxpayers. Having the technology in place enabled pre-filing of income and reliefs in the electronic tax forms that were introduced later, as IRAS continued to enhance its breakthrough e-Filing service. The Scheme was key to making today's No-Filing Service possible.



"Before we launched the Auto-Inclusion Scheme, employers had to submit an "E" return and a duplicate of every IR8A form. We would check each one manually and it was a tedious process. When we first heard about "auto-inclusion", we were apprehensive about it as the approach was very different. As there was no precedent to guide us, we were naturally nervous about such a radical change. But we succeeded and today we are happy to have played a part in making IRAS an excellent organisation."

Ms Noorizan Bte Osman

Tax Officer

Accounting and Processing Division – Electronic Interface

e-Filing – Keeps Getting Easier



In February 1998, 61,000 people in Singapore filed their taxes online, becoming one of the first taxpayers *in the world* to have ever done so without going through a tax intermediary.

e-Filing is one of the boldest, and most original, innovations of IRAS. When the idea was first mooted, even the IT experts raised their eyebrows over the possible security issues. But the benefits of e-Filing were too compelling to ignore. Getting taxpayers to transmit tax information directly into IRAS' computers would improve accuracy as well as reduce the costs of mail handling and data capture. Over time, the cost of tax collection would be greatly reduced.

As a precursor to e-Filing, IRAS introduced phone-filing in 1994. The model was refined until e-Filing became a reality in February 1998.

How would IRAS convince the public to e-File? Back in 1998, the Internet was still in its infancy and not many people in Singapore had personal computers or had ever used one. IRAS carried out almost 400 e-Filing talks at ministries, schools, statutory boards and associations. Staff repeatedly assured audiences that the e-Filing system was designed to handle a heavy volume of returns and had the highest levels of encryption to safeguard the sensitive personal data being transmitted. The electronic form was even designed to resemble the paper form to ease the transition for the new e-Filers.



e-Filing presentation for Police Operation Command Division.



e-Filing Services Appreciation Ceremony for volunteers.

It was an uphill task, and the pioneering team braved connection delays, system crashes and incompatibility with taxpayers' software, among many teething issues. The tenacity of the team eventually paid off. The number who e-Filed that year exceeded IRAS' target of 50,000 – 61,000, or 7% of the taxpayer population.

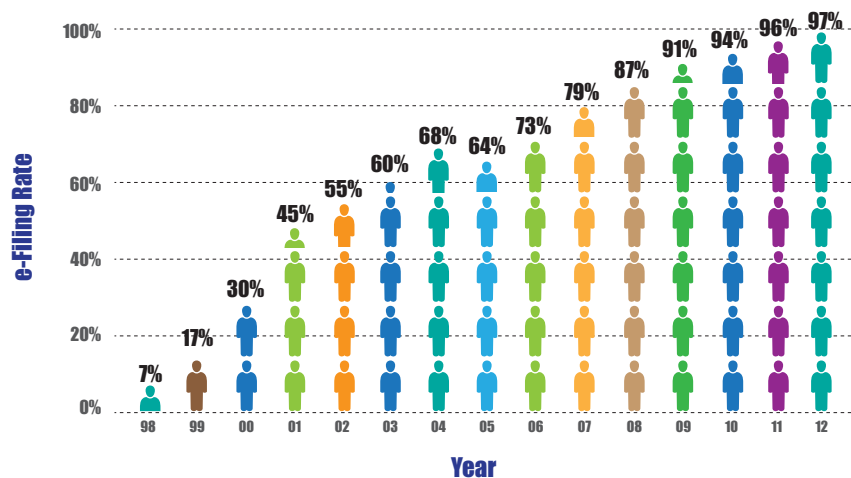


Mr Raymond Tan
Banking Executive

"Paper filing was like a school assignment that I dread; I always end up filing at the last minute. On the other hand, paperless e-Filing is simple and saves time. It never occurred to me that No-Filing Service was possible. It is indeed a big step forward for IRAS. Congratulations on this innovative service for taxpayers like me!"

As IRAS continued to aggressively promote the benefits and convenience of e-Filing, carrots such as lucky draws were dangled to entice taxpayers to e-File. Adopters of e-Filing grew steadily, reaching 64% in 2005. A new generation system was unveiled in 2005, further simplifying e-Filing for taxpayers. Electronic tax forms were pre-filled with income and deduction details, as well as tax reliefs based on the previous year's assessments. For a majority of taxpayers, e-Filing now takes no more than five minutes and two clicks of the mouse. The simplicity of this service has resulted in an overwhelming 97% of taxpayers filing their tax forms online in 2012.

e-Filing Rate for Individual Income Tax Returns



e-Stamping – Setting a Global Trend



In 1999, IRAS again broke the mould with the launch of e-Stamping, sweeping away the time-honoured custom of affixing stamps on legal documents as proof of duty paid. In its place, IRAS pioneered an electronic system where ‘subscribers’, who were mostly legal firms and property

agents, could obtain an electronic stamp on their documents via the Internet and pay the stamp duty via an online interbank transfer. The system was also able to track past transactions and allowed users to apply for stamp duty refunds.



In 1999, e-Stamping replaced the manual stamping of documents.

IRAS' innovation started a global trend for e-Stamping. Tax administrations hailing from Hong Kong, India, Ireland, Malaysia, Australia and South Korea travelled to Singapore to learn about the way it works, and implemented similar systems upon their return.

Not one to rest on its laurels, IRAS continued to explore ways to enhance the e-Stamping system. In 2010, it unveiled a new and improved version that afforded taxpayers the flexibility to e-Stamp their documents directly via the Internet for free, saving them the cost of engaging an intermediary such as a lawyer. It will not be long before other tax administrations come knocking on IRAS' door again!



Mr Frederick Chan
Principal Tax Officer
Property Tax Division
– Valuation & Stamp Duty

"When the franking machines that we used to stamp documents needed to be replaced, we found that there were only a few suppliers, and the machines had to be specially modified. The embossing machine was also wearing out and needed constant maintenance. A newspaper article on electronic filing sparked our idea to re-invent the stamping of documents. We explored ways that taxpayers could file information electronically. Since then, e-Stamping has completely changed the way we work."



Old stamping machine used in the early 1970s.

IRIN & *myTax Portal* – A New Relationship in Virtual Space

As taxpayers' needs and expectations grew, IRAS had an audacious dream – an IT system that securely integrated its in-house tax data with a virtual customer service environment, so that taxpayers could manage all their tax matters electronically, anywhere, anytime. There were few tried-and-tested models to follow and a long road of brainstorming, planning and discovery ahead. Undeterred, IRAS assembled a full-time team of 600 IRAS staff and external consultants to make it happen.

In 2004, IRAS unveiled the Inland Revenue Interactive Network, or IRIN, to replace IRIS, the decade-old IT system. IRIN offered an integrated view of each taxpayer's interactions with IRAS across tax types, so that taxpayers did not have to repeat information when served by different IRAS staff.

IRIN enhanced the nimbleness of Singapore's tax system, allowing changes to tax rates or tax policies to be implemented quickly. Singapore's Jobs Credit Scheme, for example, was implemented in just three months without affecting normal operations because of the high adaptability of the IRIN system.

In early 2005, IRAS realised its dream of serving taxpayers round-the-clock by introducing a personalised tax portal, *myTax Portal*. This is a one-stop service for taxpayers across corporate tax, GST, personal income tax and property tax. Besides e-Filing, taxpayers can now check their tax accounts,

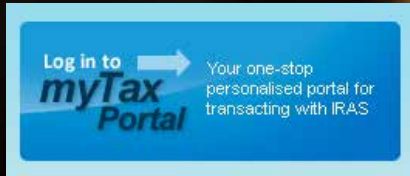
make tax payments, update contact details and retrieve documents sent by IRAS in a safe and secure online environment. With widespread use of *myTax Portal*, taxpayers' need for one-on-one service from IRAS staff is now minimal. This has heralded a paradigm shift in the concept of good service – *no need for service is the best service*.





IRIN & myTax Portal – A New Relationship in Virtual Space

In less than a decade, taxpayers have moved on from visiting the one-stop Revenue House to file returns, seek clarifications or make payment, to interacting with IRAS via the one-stop IRAS website and *myTax Portal*. With almost all services now available online, many new taxpayers have never even been to Revenue House!



"IRIN has enabled frontline officers to handle enquiries seamlessly. Previously, when attending to calls, we would have had to open up several screens. Now, with the Taxpayer Summary View, we can view all the important information about the taxpayer in one screen and assist taxpayers more efficiently over the phone."

Miss Bremavathi D/O Nayagam
Assistant Manager
Taxpayer Services Division – Contact Centre



"When we implemented IRIS, all officers had to undergo training to learn new skills as simple as controlling and clicking a computer mouse, something that is second-nature for us now. We have come a long way from the old standalone systems for each tax type to the complex and interactive web-based system we have now. All of us in Infocomm Division have learnt to continuously upgrade and keep abreast of developments in technology."

Mdm Chew Soh Lang

Director

Infocomm Division – Infocomm Systems Architecture & Assurance







FOUNDATION FOR THE FUTURE

IRAS underwent an impressive transformation in the eyes of the public in the preceding decade, but the new millennium brought fresh challenges for IRAS. Taxpayers' expectations were rising and the business environment was rapidly changing – there were emerging new technologies, more complex business models, increasing cross-border investments and business transactions, and more sophisticated organisational structures.

Against this backdrop, Singapore sought to secure its long-term sustainability by making a strategic shift to nurture high value-added, knowledge-intensive industries, such as biomedical and life sciences, pharmaceuticals, high-tech engineering, new media and IT.

The role of a tax administration in Singapore had to evolve in tandem with the changing times. In 2003, IRAS painted a new Vision for the future – partnership with taxpayers in nation-building, which was further expanded in 2006 to encompass partnering taxpayers in economic development – one that resonated strongly with each and every member of its staff.

Nation Building

Taxes collected by IRAS make up over 75% of the government's operating revenue. The revenue mix has evolved over the years in tandem with the changing economic times. The implementation of GST enabled Singapore to diversify its revenue base and reduce its reliance on direct taxes such as income tax, enabling Singapore to maintain competitive rates of income tax to encourage hard work and entrepreneurship. Estate duty, a legacy from the British colonial times, was eventually abolished in 2008. When the integrated resorts opened in 2010 to boost Singapore tourism, IRAS implemented a new casino tax on gaming revenue.

Tax revenue has helped to fund a world-class airport, transport system and telecommunications network, as well as an active arts scene and excellent public amenities, providing a high standard of living for Singaporeans. Singapore was ranked 25th out of 221 cities in the world – the highest among Asian cities – in the Mercer 2011 Quality of Living Survey.



Fostering a Competitive Tax System

In a small and open economy like Singapore, the Government walks a tight rope when formulating tax policies to help steer economic growth. One of the government's strategic objectives is to ensure that Singapore's economy continues to grow so that Singaporeans can continue to progress and enjoy a high standard of living. A competitive tax system is one key requirement for an expanding economy, where people can secure good jobs, grow their businesses, develop their potential and enjoy high standards of living. IRAS, with

its intimate knowledge of the tax system and taxpayers, is in a good position to help foster a more competitive tax system.

IRAS focused on two strategies: One, to keep the tax system relevant and competitive, so that it can help individuals and businesses grow their wealth. Second, to keep the costs of collecting taxes low by maximising voluntary compliance.



Playing a Role in Tax Policy Formulation

It is hard to believe that once upon a time, IRAS only had a limited role in tax policy formulation. During its earliest days as the Inland Revenue Department, IRAS mainly played a supporting role by providing statistics and feedback when a tax policy was being formulated. But with a bold Vision of partnering taxpayers in economic development, IRAS redefined its role in 2006. As a key member of the economic family, it now proactively helps Singapore achieve its long-term economic goals by ensuring that Singapore's tax system remains relevant and internationally competitive.

Today, IRAS partners the Ministry of Finance, Ministry of Trade and Industry, Economic Development Board and the Monetary Authority of Singapore to review existing tax policies and identify new tax initiatives to make Singapore more attractive to investors and talents.



In addition, IRAS closely monitors global taxation trends and the tax regimes of Singapore's closest competitors. If any tax changes take place in these economies, IRAS will assess the impact and be ready to ensure that Singapore's tax system remains competitive. One good example is the introduction of a framework to minimise tax consequences arising from statutory amalgamations. IRAS had anticipated possible tax implications arising from changes in the Companies Act and submitted a proposal to the Ministry of Finance to implement a framework that resulted in seamless transfers and uninterrupted business operations for companies.



"IRAS has been an indispensable partner in formulating tax policies with MOF and other government agencies. Increasingly, a whole-of-government approach is adopted in policy development and implementation. Their commitment to making Singapore a better home and economy is highly commendable!"

Ms Doreen Tan
Chief Tax Policy Officer
Ministry of Finance

Beyond Our Shores

China, United Kingdom, Turkey, South Africa and Canada, not to mention Fiji, Oman and Uzbekistan – these are just some parts of the globe that Singapore has formed trade links with as more homegrown companies spread their wings abroad.

To encourage overseas expansion, and thus grow Singapore's economic space, IRAS has sought to reduce or eliminate double taxation across borders. To date, IRAS has negotiated an extensive network of 69 Avoidance of Double Taxation Agreements (DTAs), more than double the 27 DTAs in its network in 1992. IRAS also engages in bilateral and multilateral negotiations with other countries, to help businesses validate their transfer pricing practices for cross-border related party transactions, or to eliminate the double taxation suffered by those hit by audit adjustments overseas.

On the international stage, IRAS has become increasingly engaged with foreign counterparts and international bodies, such as the Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF) and SGATAR. This has enabled IRAS to stay attuned to the



Signing of Avoidance of Double Taxation Agreement between New Zealand and Singapore, 2009.

latest developments and play a role in shaping international taxation standards, while advancing or safeguarding Singapore's economic interests.

Over the years, IRAS has won respect for its thought leadership in tax administration. Its views are often sought by other countries and its practices are showcased as best



"IRAS is now recognised as one of the leading tax administrations in the world. The National Tax Agency of Japan can learn many things from the remarkable developments of IRAS over the last 20 years."

Mr Chikara Kawakita
*Commissioner
National Tax Agency, Japan*



IRAS hosting MOF Officials from Bahrain, 2010.

practices at international conferences and forums. IRAS has hosted countless foreign delegates from all over the world who want to learn from its experiences in tax administration. Other advanced tax administrations like Australia, Korea and Netherlands invite IRAS to share its strategies and experiences in areas ranging from taxpayer service and compliance, to information technology and people development.

Singapore's standing in the global arena grew in prominence when IRAS represented Singapore as the Vice-Chair of the Global Forum Peer Review Group and, together with the Ministry of Finance, hosted the Second Meeting of the Global Forum in 2010.



Ms Lisa Zheng

Director of Tax, Asia Pacific
Procter & Gamble International
Operations Pte Ltd

"In today's global economy and the consequent ever-increasing focus on and importance of transfer pricing, it is important for companies to have the assurance that a comprehensive treaty network is available to help avoid subjecting profits to double taxation. Thus the existence of a wide treaty network is an important factor for companies to consider when making investment decisions."

Sharing Tax Knowledge – Tax Academy of Singapore

Singapore's reputation as an up-and-coming tax knowledge hub was cemented when IRAS went a step further than most tax administrations and took the initiative to raise the professional standards of the tax industry in Singapore.

In July 2006, IRAS formed the Tax Academy of Singapore, becoming among the first in the world to comprehensively partner private sector players in the delivery of professional tax education. The Academy delivers comprehensive, in-depth tax training, as well as networking opportunities for both IRAS staff and private sector tax professionals.

The Tax Academy was ahead of its time, but IRAS saw the greater opportunity to nurture a community of competent tax professionals; on the belief that this would help to increase the level of compliance by companies and businesses. To further raise the standards of tax practice and the technical

competence of tax professionals through accreditation, the Tax Academy collaborated with the Institute of Certified Public Accountants of Singapore (ICPAS) to launch the Singapore Institute of Accredited Tax Professionals in 2010.

Through the continuing efforts of the Tax Academy and strong support from the Big 4 international accounting firms, ICPAS and the Law Society, IRAS has not only grown Singapore's stature as a hub for tax training but also raised the standard of professionalism within the tax industry in the region. These efforts have not gone unnoticed. The Tax Academy has been recognised by the Committee to Develop the Accountancy Sector for its leading role in tax training and for championing the development of tax expertise, especially in international tax.



"The Tax Academy stands as a wonderful example of how collaborative effort between the government, the industry and academia can play a crucial role in professional development.

With the global business environment beset by increasingly complex tax regulation, the Academy's role in helping businesses cut through this complexity is becoming ever more important; its key role in furthering Singapore's goal of becoming a regional tax knowledge hub, ever more undeniable."

Mr Owi Kek Hean

*Deputy Managing Partner, KPMG
Board Member
Singapore Tax Academy*



International Tax Forum

23 – 24 July 2012

Supporting partners:



World's First Electronic Tourist Refund Scheme (eTRS)

The tourism sector is a key component of the Singapore economy. In 2011, Singapore welcomed around 13.2 million visitors who spent an estimated S\$22.3 billion. IRAS' commitment to support Singapore's economic development led it to even examine how the tax system could help strengthen Singapore's position as a premier tourist destination.

IRAS did away with the conventional paper-based process of applying for a refund of GST or VAT, which is common around the world, and became the first to replace this claim system with a hassle-free, electronic common platform for all retailers and GST refund agencies. This electronic system has drastically reduced the time taken to claim a refund from 20 minutes to a mere 3 minutes. The eTRS has been a big hit! Visitors can now enjoy shopping in Singapore without worrying about keeping track of multiple refund forms for subsequent GST refund on departure.



A tourist tries out the new electronic Tourist Refund Scheme (eTRS) during its launch.

"This is very good, easy to use and efficient. This is my first time claiming tax refund in Singapore and the process is fast. I love Singapore and I will definitely come back again. I think other countries should implement this system."

Kim Bridgfoot,
Australian, Company Director

"I don't have to queue to get my refund. I've claimed tax refund in Bangkok but I like Singapore's electronic system better. I can use the kiosk independently without any assistance."

Suwandi Luna
Indonesian, Architect



Step 1

For CHECK-IN items, BEFORE checking in:

- For purchases with eTRS Tickets, proceed to eTRS self-help kiosk.
- For purchases with Paper Refund Forms, proceed to Customs Inspection Counter.

For HAND-CARRY items, proceed to the GST Refund Area located in the Departure Transit Lounge (after Departure Immigration).

GST REFUND

Step 2 – Apply for GST Refund

a) Purchases with eTRS Tickets
Proceed to self-help kiosk with the following:

- Passport
- Arrival Date & Departure Date
- Credit Card used as eTRS Token (easier way to retrieve your purchase information at one go) or eTRS Ticket (to retrieve your purchase information individually).

You may be required to show your purchases at the Customs Inspection Counter.

Please present the following:

- Air Ticket or Boarding Pass
- Original Receipts / Tax Invoices
- Goods purchased under Tourist Refund



b) Purchases with Paper Refund Forms
Proceed to the Customs Inspection Counter with the following:

- Passport
- Air Ticket or Boarding Pass
- GST Refund Form
- Original Receipts / Tax Invoices
- Goods purchased under Tourist Refund

Step 3 – Collect Your Refund

a) Purchases with eTRS Tickets

Credit Card Refunds

The approved refund will be credited to your specified Credit Card.

Cash Refunds

Proceed to the Central Refund Counter in the Departure Transit Lounge (after Departure Immigration).

b) Purchases with Paper Refund Forms

For forms issued by Global Blue or Premier Tax Free, proceed to the respective counters in Departure Transit Lounge (after Departure Immigration) to submit the stamped forms and collect your refund. For credit card refund, the approved amount will be credited to your specified Credit Card.

For non-Global Blue or non-Premier Tax Free Form, deposit the stamped forms into the postbox at the airport.



Keeping Voluntary Compliance High

Attaining the highest level of *voluntary* tax compliance – that’s the hallmark of a world-class, cost-effective tax administration.

IRAS strives to achieve this by providing taxpayers with excellent service, access to educational seminars and timely information so that taxpayers are aware of their responsibilities, as well as simple tax rules and processes that make tax compliance easy.

At the same time, IRAS leaves no stone unturned when it comes to ensuring that Singapore has a fair and sustainable tax system where all taxpayers contribute their fair share of taxes. It has been known to crack down firmly on tax evaders from all walks of life! Ultimately, IRAS is committed to building an engaged community where taxpaying is valued as a civic duty, and where the desire to pay the right amount of tax is deeply ingrained in everyone.





To drive and coordinate these efforts at a strategic level, IRAS set up a Chief Compliance Office in 2007. This was later integrated into the organisational structure as the Compliance Strategy and Risk Division. This dedicated team is responsible for the development of IRAS-wide compliance strategies, policies and programmes that target a high level of sustainable, long-term voluntary compliance.

IRAS' strong audit capabilities and investments in data analytics have boosted its ability to detect non-compliance. A holistic Compliance IT Blueprint has been drawn up to further augment its compliance functions and capabilities.

A workshop, "Tax Filing for Self-Employed and Productivity and Innovation Credit (PIC) Scheme", 2012.



"The four strategic pillars (i.e. simple tax system, informed taxpayers, credible IRAS and engaged community) gave shape to the fundamental philosophy on IRAS' compliance work. Now, we dare say that the importance of a simple tax system and the need to always keep taxpayers informed through various means have been ingrained in the DNA of all IRAS staff. We have made progress in our efforts to boost IRAS' credibility, as witnessed by our taxpayers' improving perception of compliance and the enriched scope of compliance work that we have done. The focus going forward is to continue building an engaged community, one that believes in the importance of voluntarily paying taxes."

Miss Loh Lee Kim

*Assistant Commissioner
Compliance Strategy & Risk Division*

Simple and Easy Does It



Tax filing – A non-event for you and me

IRAS made tax filing much easier for thousands of taxpayers in 2007 with the introduction of its No-Filing Service. Employees on the Auto-Inclusion Scheme with no additional income or changes in their claims for personal reliefs simply did not have to file taxes. This scheme has grown in popularity to benefit 963,000 taxpayers in 2012. In combination with the widespread use of the GIRO scheme, tax filing and payment have become a non-event for taxpayers.

Other taxpayers enjoy the ease and convenience of e-Filing their tax returns, and having their salary income or donation information directly transmitted to IRAS, under the expanded Auto-Inclusion Scheme.



SMSes and new 'Apps'



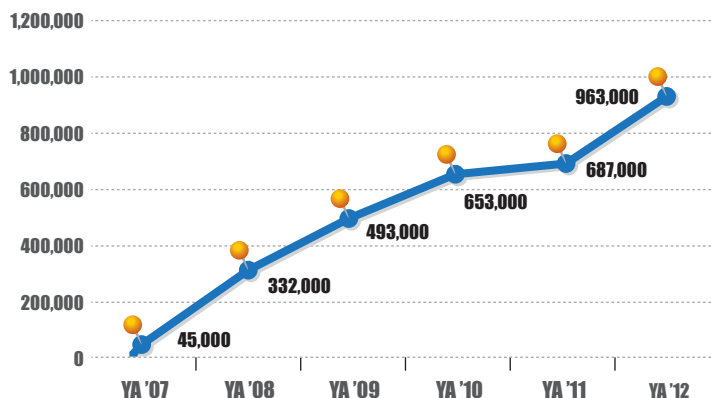
Leveraging on technology and increasing mobile penetration in Singapore, IRAS sent SMS reminders to over 415,000 taxpayers in 2012 to encourage early filing and prompt payments.

Taxpayers can also download an IRAS iPhone application to check the status of their tax filing or calculate their tax liability.

Less paperwork

Companies used to file a seven-page tax return, together with their accounts and tax computations, as part of their annual filing process. To alleviate the tax reporting burden for small companies, IRAS introduced a simplified three-page Form C-S in 2012 that can be submitted electronically or in hardcopy, thus freeing up more time for business owners to focus on their businesses.

No-Filing Service



It's About Service, After All

The 12,182 'Thank you!'s received in 2011 say it all. IRAS has received thousands of compliments from appreciative taxpayers for its exceptional level of service. But with excellent service as a strategic driver of voluntary compliance, IRAS has continued to invest in its service capabilities.

A Service Excellence Steering Committee was formed in 2008 to imbue a pervasive service mindset among all staff – both frontline and backroom. Service standards exist for every point of interaction with taxpayers, namely – telephone calls, letters, emails, walk-in interviews and tax refunds, and IRAS' staff have gallantly met and exceeded expectations. This is a big achievement considering the 1.58 million contacts it handles every year!



When IRAS launched its Desired IRAS Experience to articulate a set of desired service outcomes for different taxpayer segments, it went beyond addressing taxpayers' need for information or services, to actively considering their emotional needs, such as having empathy for taxpayers who contact IRAS with their issues. One example was the inclusion of graphics on envelopes and tax filing reminders to explain where tax contributions go – a simple gesture to stir taxpayers' pride for contributing to nation building.





Let's Talk – Taxpayer Feedback Panels and Industry Dialogues



Taxpayer Feedback Panel, 2010.

The number of taxpayers in Singapore, which includes individuals, property owners and businesses, has grown to more than 3.7 million. Despite the challenges of meeting their different needs and expectations, IRAS has become even more engaged and consultative. Taxpayers and advisors with queries are often able to reach the right person to address their needs quickly. IRAS also reaches out to hear and see what taxpayers are facing before policies are implemented. This has engendered deep trust among taxpayers.

As early as 1999, IRAS established a 20-member Taxpayer Feedback Panel to provide a structured and regular

communication channel for taxpayers to provide feedback on tax policies, IRAS' processes, service and initiatives. A Mandarin Dialogue offshoot, with a focus on Small and Medium Enterprises, was added in 2008. Through these engagement channels, IRAS has been able to reach out to more than 7,000 business, trade and industry representatives and crowd-source ideas for improvement, including simplifying record-keeping requirements and refining the design of Form C-S and its e-Filing platform.

IRAS also holds regular dialogues with professional bodies, like the Singapore Institute of Accredited Tax Professionals, as well



Taxpayer Feedback Panel Appreciation Lunch, 2010 and 2011.

as trade and industry associations, such as The Association of Banks in Singapore, The Association of Small and Medium Enterprises and Real Estate Developers' Association of Singapore.

By reaching out and actively listening, IRAS has been able to glean firsthand taxpayer insights in a dynamically changing social and economic landscape, discovering new ideas to foster a more competitive tax environment and improve the taxpaying experience.



"I am most impressed with IRAS' openness and its willingness to listen and act promptly on feedback to its policies and operations. There is strong support and involvement from the senior management. In my extensive dealings with government agencies, I feel that none can match IRAS in its openness and receptiveness to change."

Mr Kwek Theng Swee

Chairman

Taxpayer Feedback Panel from 2007 – 2010

Working Hand-in-Hand with Businesses

Since the largest corporations in Singapore contribute a sizeable chunk of tax revenue, securing their voluntary compliance is a priority. Yet, rather than scrutinise their every transaction, IRAS strives to establish open and collaborative relationships via the Enhanced Taxpayer Relationship programme, where tax issues are highlighted and discussed with C-suite executives.

Large businesses and tax advisors have also found the Advance Ruling System (ARS), introduced in 2006, a boon when planning large transactions and investments. With the ARS, they are able to receive legally-binding advice from IRAS on how the tax rules would apply to their complex business arrangements even before they enter into the transaction!





"ExxonMobil has been participating in the programme since 2009. The Enhanced Taxpayer Relationship programme provides us with an effective avenue for communication with IRAS through the frank and open dialogue at the various meetings held during the year. The initiative has contributed to an improvement in voluntary compliance with Singapore's tax laws, speedier resolution of issues and agreement on tax assessments."

Ms Alicia Foo
*Business Services Manager / AP Tax Manager
ExxonMobil Asia Pacific Pte Ltd*

A Little Risk Management Goes A Long Way



With more innovative business structures and complex cross-border trade arrangements, tax risks, if not well-managed, can hurt the bottomline of companies in the most unexpected way. Seeing the potential in embedding tax risk management as part of good corporate governance, IRAS stepped in to develop solutions for businesses to proactively manage these risks.

In particular, the Assisted Compliance Assurance Programme (ACAP) that was introduced in 2011 has helped many large businesses build a sustainable infrastructure for robust GST

internal controls, thus encouraging voluntary GST compliance in a holistic way. The programme helps businesses reduce the risk of violating GST rules and promises productivity gains in the long run, through exemptions from GST audits for three to five years and automatic renewal of GST schemes. These benefits are coupled with the co-funding of fees incurred by businesses to engage an ACAP reviewer. This comprehensive GST compliance programme has earned IRAS yet another world's-first accolade.



“In the preparation for ACAP, we managed to streamline existing processes, and achieved synergy without compromising controls. In addition, staff from various business units in the GST reporting process acquired more in-depth knowledge of GST applications.”

True to the Singapore Quality Award, IRAS is a model for other government bodies in Singapore to emulate.”

Mr Tsuyoshi Yamaguchi (left)
Joint General Manager
Sumitomo Mitsui Banking Corporation

Mr Lum Chong Keen (right)
Deputy General Manager
Sumitomo Mitsui Banking Corporation

A Tax Authority to Count On

Singapore was not spared the effects of one of the world's worst and most widespread recession, triggered by the financial crisis in late 2008. The economy contracted and unemployment rose to 5%. To stem the loss of jobs, the Singapore government announced a Resilience Package in its 2009 Budget, including a Jobs Credit Scheme that would save jobs by channelling financial assistance to employers. The task of administering this new national scheme fell upon IRAS. Time was of the essence.

IRAS swiftly mobilised its resources to translate the Scheme into implementable policy parameters (e.g. eligibility, quantum to be paid out, etc.), developed new operating procedures, and built a new IT subsystem from scratch to

process the large volume of claims. In just three months from the word "go", IRAS was ready to disburse the funds. During this very difficult period, IRAS paid more than S\$4.3 billion to over 100,000 employers in six tranches, saving an estimated 120,000 jobs in the process!

Meanwhile, IRAS continued to carry out its core tax collection functions with minimal disruption. In fact, IRAS took the initiative to speed up tax refund claims and loss-carry back relief for businesses faced with a credit crunch, as well as offer concessions such as extended or deferred payment schemes to individuals facing financial hardship, demonstrating that it was indeed a partner of taxpayers, especially in their time of need.





Ready for the Future

IRAS has applied bold ambition and lofty Vision to forge a world-class tax system for Singapore during its first 20 years. It started off its journey as a flagbearer of organisational and operational efficiency, but forged ahead and redefined its role from an administrator to a service-provider, and now a partner of taxpayers in nation building and economic development.



This agility springs from a foundation of organisational excellence. As early as 2003, IRAS became the first in the Ministry of Finance family to clinch the Singapore Quality Award (SQA). The SQA gave IRAS the opportunity to benchmark itself against external world-class organisations and learn from them. It provided structure to its pursuit of organisational excellence, guiding IRAS as it went beyond improving operational efficiency to improving customer service delivery.

IRAS clinched the SQA Award in 2003 and 2011.



By 2011, IRAS had made quantum leaps in process innovation, service delivery and efficiency, proving itself the master of re-invention to remain relevant to Singapore and its people who now face a very different economy reality than in the late 90s. Through the changes, IRAS demonstrated the resilience of its organisational excellence foundation, and its achievement was recognised by a second SQA.

In 2012, IRAS clinched another accolade, the Global Performance Excellence Award (GPEA), the only formal international recognition of business excellence. Modelled after the U.S. Malcolm Baldrige Performance Excellence Award, the GPEA is awarded to organisations that have attained world-class standards in their performance.

Ready for the Future

At the heart of its accomplishments is a passionate team that believes in IRAS' purpose and is determined to do what is best for IRAS and Singapore. These committed and capable officers have the can-do spirit and ability to adapt to change to ensure that IRAS continues to build on the successes of earlier generations of tax officers, and take the organisation to new heights.

The road ahead is far from smooth. The uncertain global climate has led to increasing tax competition and protective measures taken by many governments to safeguard their revenue. Singapore's open economy is vulnerable to the vagaries of the global economic environment. Back home, a broad and sustainable revenue base is needed to support rising public expenditure and social spending due to an ageing population. IRAS has to remain nimble and responsive to these challenges looming on the horizon.

Backed by its strong foundation and a committed team, IRAS is forging ahead undaunted. It will continue to be proactive in facilitating economic growth, by keeping tax collection fair

and efficient, and rigorously reviewing its policies to ensure that they are relevant, business-friendly and internationally competitive. With taxpayers, it will build on the already strong bonds of trust and mutual co-operation to achieve greater levels of satisfaction, deliver the Desired IRAS Experience and root voluntary compliance for the long haul. IRAS will continue to strengthen its engagement with taxpayers to co-create policies that engender a greater sense of community ownership.

Internally, IRAS will focus its energies on augmenting its internal capabilities, raising overall productivity, and harnessing the energies and ideas of its people, so that they can continue to be its pillars for progress.

Over the preceding two decades, the people of IRAS have continuously challenged the status quo, as well as redefined tax administration and the taxpaying experience in Singapore. The foundation that has been painstakingly built over the years is now in place for IRAS to climb to greater heights in the next two decades.



"I have always been impressed by the commitment of IRAS staff to their organisation and its directions. What continues to be notable is IRAS' ability to be responsive to the challenges of a dynamic world. For example, IRAS continues to pioneer ways of 'making it easier' through both the Auto-Inclusion Scheme, and in its use of technology."

Mr Michael D'Ascenzo
Commissioner
Australian Tax Office



"IRAS has transformed itself over the last 20 years to be a taxpayer-centric and innovative organisation. We have invested heavily in our people and technology to provide excellent service to taxpayers, and achieve a high level of voluntary tax compliance. We ensure that our tax system remains simple, relevant and keeps pace with economic development, by proactively engaging and listening to our diverse stakeholders.

I am most proud of the can-do spirit, as well as the innovative and service mindset of our people. They are always looking for new ways to improve our tax administration and make it easier for taxpayers to meet their tax obligations. Today, IRAS is a service-oriented organisation because our people are committed to do their best for taxpayers."

Mr Moses Lee

Commissioner

Inland Revenue Authority of Singapore

A new chapter of
IRAS' exciting journey
is about to **begin.**





Inland Revenue Authority of Singapore

