



eTRS

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INLAND REVENUE
AUTHORITY
OF SINGAPORE



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About Us



OUR VISION

The leading tax administration in the world

A partner of taxpayers in nation-building and economic development

An excellent team of competent and committed people

OUR MISSION

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



About Us

OUR CORE VALUES

Fairness

Treat everyone in the same circumstances equally

Integrity

Do what is right without fear or favour in all circumstances

Professionalism

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

Teamwork

Help one another and work together with mutual trust and respect

Responsiveness

Anticipate and promptly meet changing needs

Innovation

Continuously seek new ways to do our work better



OUR CORPORATE GOALS

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



Chairman's Statement



The Singapore economy grew at a more moderate rate of 4.9% in 2011, following exceptionally strong growth in 2010. Unemployment rate of 2.0% was the lowest recorded in 14 years and wages grew by 6.0% on the back of a tighter labour market. Hence, revenue collections remained strong and funded significant Government expenditures in education, housing, healthcare and transport infrastructure.

IRAS supported economic growth through swift and smooth implementation of tax measures announced in Budget 2011, which aimed to raise productivity and benefit all Singaporeans. Some of the budget measures that IRAS implemented successfully included the enhanced Productivity and Innovation Credit Scheme, corporate income tax rebate and SME cash grants that helped businesses enhance their competitiveness and manage rising business costs.

FOSTERING A COMPETITIVE TAX ENVIRONMENT

In the Global Competitiveness Report 2011-2012 by the World Economic Forum (WEF), Singapore was ranked the second most competitive economy in the world. While we are proud of this achievement, we acknowledge that the global landscape has become increasingly complex and competition for trade and investments continues to intensify, especially from the emerging economies. Singapore needs to constantly restructure our economy to stay competitive.

The tax system is an important lever in attracting foreign investments and talents and achieving economic success. IRAS, as a member of the economic family, plays a vital role in helping Singapore achieve its economic goals by fostering an internationally competitive tax environment. Through its proactive review of tax policies, IRAS ensures that our tax rules are relevant, pro-enterprise and attuned to the changing needs of the taxpayers.



Chairman's Statement

To facilitate cross-border investment and trade, IRAS has continued to enlarge and enhance our extensive network of Avoidance of Double Taxation Agreements (DTAs). In FY2011/12, it secured a DTA with Spain and updated the terms of our existing DTAs with Canada, India, Italy, Turkey, the United Kingdom and Uzbekistan. With this, Singapore now has 70 comprehensive DTAs, 69 of which are in force.

BUILDING A SIMPLE & FAIR TAX SYSTEM

IRAS is committed to partnering taxpayers in nation building and in helping taxpayers fulfil their responsibilities to pay their fair share of taxes. A high level of voluntary compliance is a hallmark of a leading tax administration and the only sustainable long-term strategy for a cost-efficient and effective tax administration. By administering taxes efficiently and effectively, IRAS ensures that the Government has sufficient resources to fund public expenditures and social programmes to meet the needs and aspirations of our people.

IRAS drives a high level of voluntary compliance by continually seeking new and innovative ways to simplify tax rules, systems

and processes to make it easy for taxpayers to comply. Significant changes have been introduced over the years to simplify tax compliance. Tax filing is now a hassle-free experience for 740,000 individuals who do not need to file tax returns under the No-Filing Service. Recognising that small companies face greater challenges in managing their tax obligations, IRAS will be implementing a new simplified Income Tax Return, Form C-S, this year. Expected to benefit around 110,000 small companies or 70% of the overall corporate taxpayer base, Form C-S will enable small companies to save time and effort on tax filing, thereby improving their overall filing experience and productivity.

In April 2011, IRAS launched the Assisted Compliance Assurance Programme (ACAP) to facilitate businesses in fulfilling their GST obligations by strengthening their internal controls so that their GST reporting would be accurate and complete. The overwhelming response from businesses has led IRAS to invest another S\$5 million in ACAP, bringing IRAS' total co-funding support for businesses to S\$10 million.

IRAS plays an important role in ensuring that everyone pays his fair share of taxes. IRAS conducts targeted compliance programmes

in high-risk areas each year and has augmented its capabilities in detecting non-compliance through investments in advanced data analytics to gain insights into causes of non-compliance. These have enhanced its effectiveness and efficiency in auditing corporate tax returns, identifying GST evaders and customising enforcement actions for different taxpayer segments.

ACKNOWLEDGEMENTS

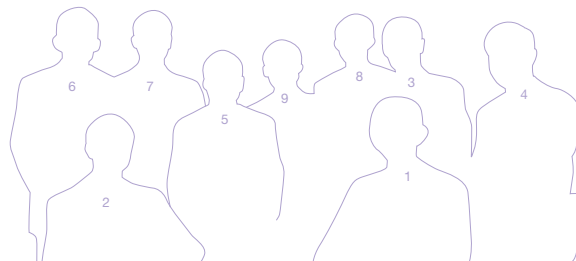
IRAS' achievements are only possible with a team of dedicated and competent people. On behalf of the Board, I would like to extend my heartfelt thanks and appreciation to the management and staff of IRAS for your passion and drive. With your motivation and readiness to make a difference, I am confident that IRAS will continue to contribute to the success of Singapore's economy and to deliver greater value to her people.

MR PETER ONG
Chairman



Members of the Board

1. MR PETER ONG
Chairman
2. MR MOSES LEE
Commissioner
3. DR TAN KIM SIEW
4. MR GIAM CHIN TOON
5. MR LIM JOO BOON
6. MR VISWANATHAN SHANKAR
7. ADJUNCT PROFESSOR
LEE KWOK CHEONG
8. MR PEK HAK BIN
9. MR POK SOY YOONG



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



Members of the Board

1. MR PETER ONG

Chairman

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

2. MR MOSES LEE

Commissioner

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

3. DR TAN KIM SIEW

Board Member

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

4. MR GIAM CHIN TOON

Board Member

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

5. MR LIM JOO BOON

Board Member

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

6. MR VISWANATHAN SHANKAR

Board Member

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

7. ADJUNCT PROFESSOR

LEE KWOK CHEONG

Board Member

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

8. MR PEK HAK BIN

Board Member

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

9. MR POK SOY YOONG

Board Member

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



Commissioner's Message



IRAS collected a total of S\$38.4 billion of tax revenue in FY2011/12, which was 10.7% higher than the previous financial year. While economic growth moderated to 4.9%, tax revenue collection remained strong, due mainly to healthy corporate profits and a buoyant property market.

Our continued emphases on making our tax system competitive and promoting a high level of voluntary compliance through excellent service have resulted in more individuals and businesses filing their tax returns and paying taxes accurately and on time. We have continued to pursue organisational and people excellence, so that we have robust systems and processes, and a team of committed and competent people to deliver greater value to taxpayers and reduce compliance costs. Our cost of collection is now 0.78 cents for every dollar of tax collected, down from 0.87 cents per dollar. On-time filing rates have improved across all tax types and tax arrears is at a record low of 0.94%.

FACILITATING ECONOMIC GROWTH

IRAS supports economic growth by working together with economic agencies in attracting investments and talents. We proactively review our tax policies to ensure they keep pace with evolving business models and practices. In FY2011/12, we reviewed 28 tax policies, including extending the recovery of import GST to local agents who paid GST on behalf of their overseas principals, widening the GST zero-rating provisions for the marine industry and specialised storage services, exempting voyage and time charter fees made to non-residents from withholding tax, and the tax treatment of software payments and payments for the use or the right to use information and digitised goods.

We continue to monitor the external tax environment closely and have stepped up our international engagement efforts. This enables us to respond quickly to global tax developments that may potentially affect Singapore's competitiveness or to discover best practices to improve our tax administration.



Commissioner's Message

STRENGTHENING INTERNATIONAL RELATIONS

We continued to expand our network of tax treaties to facilitate cross border investments and businesses, signing 7 Protocols and Avoidance of Double Taxation Agreements (DTAs) last year. Since Singapore adopted the internationally agreed Standard for the Exchange of Information (EOI) in 2009, we have signed 32 Protocols and DTAs incorporating the EOI standard, of which 24 are ratified. In FY 2011/2012, we concluded agreement on 11 unilateral and bilateral Advanced Pricing Arrangements which afforded tax certainty to the taxpayers concerned. We also resolved 3 cases through Mutual Agreement Procedure discussions with other jurisdictions that helped eliminate double taxation faced by the taxpayers concerned.

RAISING VOLUNTARY COMPLIANCE

We pressed on with efforts to drive voluntary compliance. We launched the new income tax return, Form C-S, to make tax filing easier for small companies with an annual turnover not exceeding S\$1 million by eliminating the need for them to submit their financial statements or tax computations to IRAS. We sent out

educational letters to taxpayers and published a starter guide for the tuition industry to provide information on the tax obligations of tuition centres and agency operators.

In FY2011/12, we researched into emerging compliance risks and conducted reviews in areas assessed to be of high risk. We audited and investigated some 12,490 taxpayers and GST traders and recovered a total of S\$273 million in taxes and penalties.

DELIVERING EXCELLENT SERVICE. ALWAYS!

We believe that majority of our taxpayers are compliant and would comply voluntarily if we made it easy and convenient for them to file and pay their taxes. By delivering on our service motto, "Excellent Service. Always!", understanding taxpayers' needs, simplifying our tax processes and providing clarity, we can achieve the highest level of voluntary compliance.

Our customers are at the centre of all that we do. We engage them through regular dialogues, the Taxpayer Feedback Panels and the Biennial Taxpayer Survey. Last year, we launched the Electronic Tourist Refund

Scheme (eTRS) to offer tourists a hassle-free shopping experience by simplifying the GST refund claim process. Tax filing has become a non-event for as many as 740,000 individuals who eventually did not have to file their tax returns under the No-Filing Service (NFS). For those who need to file, e-Filing has made the filing process a breeze for 925,000 taxpayers, or 97% of the taxpayers.

An increasingly educated, well-travelled and interconnected population. The diverse and evolving needs of our taxpayers. Higher expectations for the public service to be more empathetic and flexible. These are but some of the challenges that many public sector agencies are facing. IRAS will review our taxpayer engagement approach and service strategies to address these challenges and build stronger rapport with taxpayers. To alleviate cash flow issues of taxpayers who experience sharp reductions in their income, we have changed our processes to prioritise their income tax assessments and compute their GIRO instalment plans based on actual tax payable. We will improve on our management of appeal cases to pay greater attention to taxpayers with unique or exceptional circumstances.



Commissioner's Message

Even as the demands of the public service are now higher, I am heartened that nearly 95% of survey respondents in our Taxpayer Survey 2011 were satisfied with IRAS' service. Last year, we received 12,182 compliments from our taxpayers, an increase of 57% from the previous year.

PURSUING ORGANISATIONAL EXCELLENCE

IRAS embarked on a Business Excellence journey to realise our aspiration to be the leading tax administration in the world – because we believe that our taxpayers deserve the best from us. I am proud to share that IRAS was a winner of the prestigious Singapore Quality Award in 2011, which is based on an internationally benchmarked framework for business excellence. The application process was a rewarding and reinvigorating learning process and helped every one of us appreciate our individual contribution and role in this journey.

DEVELOPING OUR PEOPLE

People are our pillars for progress. We focus on building capabilities to continue to excel in what we do. We continue to expose staff to different areas of work through job rotations, attachments to other foreign tax administrations as well as secondments to the Ministry of Finance to develop their skills in tax policy work. Last year, staff attended international conferences, such as the OECD Roundtable in Paris, and went for study visits, including one to the National Tax Service of South Korea, to draw learning points from international best practices.

In recognition of our best practices in people development, we won the Leading HR Practices Award in "Learning & Human Capital Development" and Leading HR Practices (Special Mention) Award in "Talent Management, Retention & Succession Planning" at the 2011 Singapore HR Awards.

I would like to take the opportunity to thank the Board for its strong support and staff for their unstinting effort and steadfast dedication to IRAS. Because our people work with pride and passion, I am confident that IRAS has made a difference to Singapore.

LOOKING AHEAD

The economic and financial turmoil in Europe and slower growth in the US and China pose risks to our economy and tax revenue collection. Growth for 2012 is projected at 1 – 3%, which will put pressures on job creation and wage growth. Tax revenues in future years may not increase as quickly to fund rising public expenditure to address the needs of a rapidly ageing population. To meet the challenges ahead, IRAS will build on our strong fundamentals – to ensure that our tax system remains a competitive advantage for Singapore and that IRAS stays ahead to be the leading tax administration in the world.

MR MOSES LEE
Commissioner of Inland Revenue



Senior Management Team

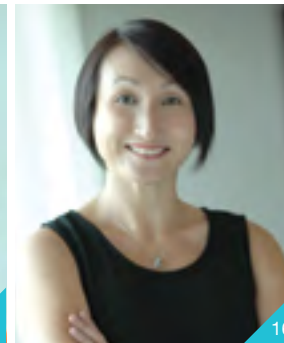
1. **MR MOSES LEE**
Commissioner
2. **MR ONG KHIAW HONG**
Deputy Commissioner
(Corporate and Services Group)
3. **MRS CHIA-TERN HUEY MIN**
Deputy Commissioner
(Goods and Services Tax and Property Group)
Assistant Commissioner
(Goods and Services Tax Division) (Covering)
4. **MR JAMES KHOR NGIAP LONG**
Deputy Commissioner
(Individual Group)





Senior Management Team

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





Corporate Governance

IRAS BOARD

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

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

Audit Committee

Mr Lim Joo Boon chairs the Audit Committee. Its other members are Dr Tan Kim Siew and Adjunct Professor Lee Kwok Cheong. The Committee reviews whether IRAS' accounting and financial policies and internal controls are in place, adequate and adhered to. The

Committee works closely with the external auditor, the Auditor-General, in reviewing the financial statements of IRAS, the scope of audit plans and the audit results. The Committee also reviews the annual audit plan of the Internal Audit Branch and the results of its work.

Staff Committee A

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

Investment Committee

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

INTERNAL AUDIT FUNCTION

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

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

PROFESSIONAL AND ETHICAL CONDUCT

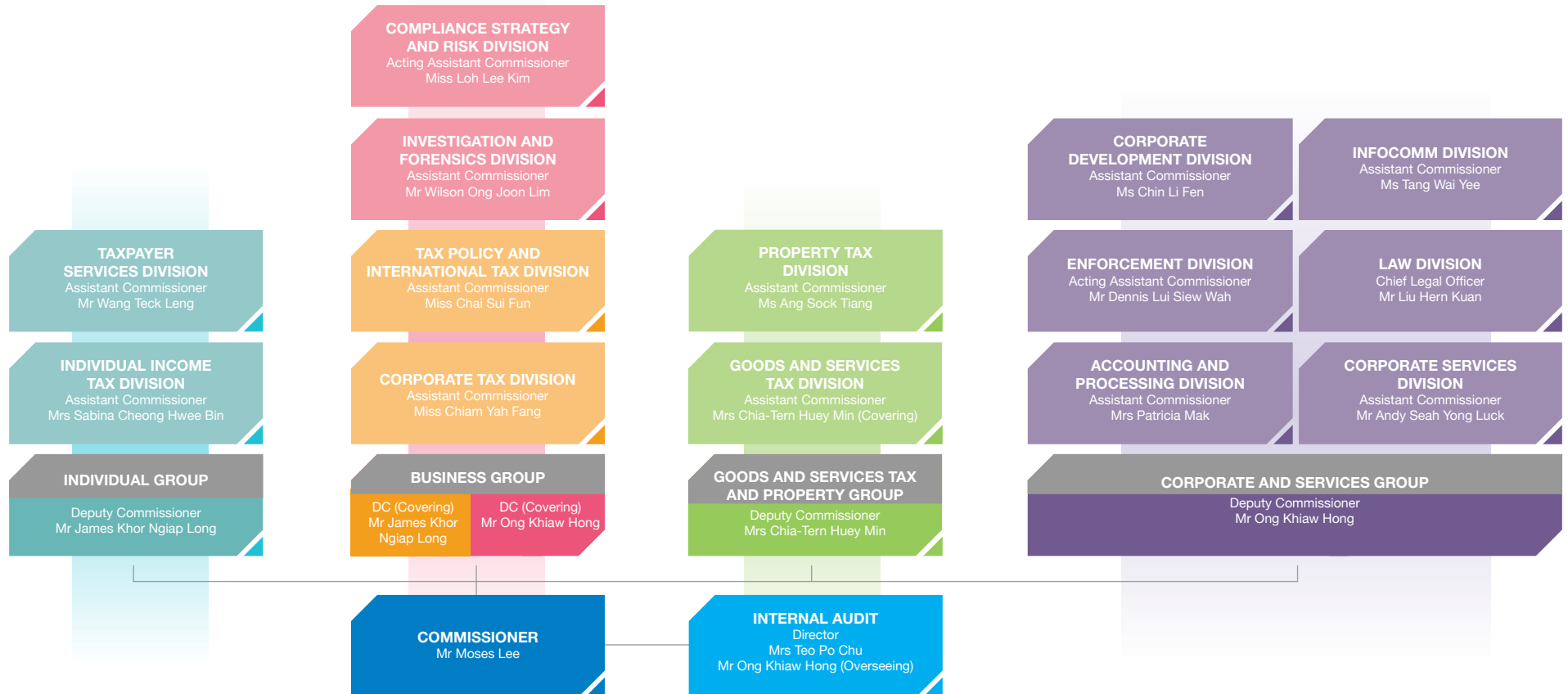
Every IRAS staff has to maintain high standards of professional integrity and personal conduct. They are required to abide by the Inland Revenue Authority of Singapore Act, as well as the IRAS Code of Conduct which provides guidance on matters such as the acceptance of gifts in the official course of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

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



Organisation Structure

STAFF



IRAS BOARD



Organisation Structure

INDIVIDUAL INCOME TAX (IIT) DIVISION

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

MANAGEMENT TEAM:

- **Mrs Sabina Cheong Hwee Bin**
ASSISTANT COMMISSIONER
- **Miss Magdelene Silva**
DIRECTOR (IIT-EMPLOYEE)
- **Mrs Low-Chua Pik Sim**
ACTING DIRECTOR (IIT-EMPLOYEE SPECIALISED)
- **Miss Marjorie Tan Yong Hin**
DIRECTOR (IIT-FOREIGNER & CLEARANCE)
- **Miss Loh Cheng Cheng**
DIRECTOR (IIT-SELF-EMPLOYED)
- **Ms Jackalin Er Hwee Pheng**
DIRECTOR (IIT-RULING & COMPLIANCE)

TAXPAYER SERVICES DIVISION

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

MANAGEMENT TEAM:

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

CORPORATE TAX (CT) DIVISION

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

MANAGEMENT TEAM:

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

TAX POLICY AND INTERNATIONAL TAX DIVISION

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

MANAGEMENT TEAM:

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

GOODS AND SERVICES TAX (GST) DIVISION

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

MANAGEMENT TEAM:

- **Mrs Chia-Tern Huey Min**
ASSISTANT COMMISSIONER (COVERING)
- **Mr Tan Tie Wee**
DIRECTOR (GST-GENERAL)
- **Ms Tan Jek Swan**
DIRECTOR (GST-WHOLESALE TRADE)
- **Ms Hoe Ee Hui**
TAX DIRECTOR (GST-LARGE BUSINESSES)

PROPERTY TAX (PT) DIVISION

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

MANAGEMENT TEAM:

- **Ms Ang Sock Tiang**
ASSISTANT COMMISSIONER
- **Ms Jennifer Lin Ee Leng**
DIRECTOR (PT-RESIDENTIAL)
- **Ms Sally Mok Chong Chin**
TAX DIRECTOR (PT-COMMERCIAL)
- **Ms Alice Wong Chi Ling**
ACTING TAX DIRECTOR (PT-INDUSTRIAL)
- **Ms Lee Yan Chin**
DIRECTOR (PT-VALUATION AND STAMP DUTY)

LAW DIVISION

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

MANAGEMENT TEAM:

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



Organisation Structure

ACCOUNTING AND PROCESSING DIVISION

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

MANAGEMENT TEAM:

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

COMPLIANCE STRATEGY AND RISK DIVISION

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

MANAGEMENT TEAM:

- **Miss Loh Lee Kim**
ACTING ASSISTANT COMMISSIONER
- **Mr Low Han Hsien**
DIRECTOR (COVERING)

ENFORCEMENT (ENF) DIVISION

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

MANAGEMENT TEAM:

- **Mr Dennis Lui Siew Wah**
ACTING ASSISTANT COMMISSIONER
- **Mr Dennis Lui Siew Wah**
DIRECTOR (ENF-COMPLIANCE SERVICE) (COVERING)
- **Ms Deanna Choo Lay Yen**
DIRECTOR (ENF-INDIVIDUALS & PROPERTIES)
- **Mrs Chia-Tan Hai Geok**
DIRECTOR (ENF-BUSINESSES)

INVESTIGATION AND FORENSICS DIVISION

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

MANAGEMENT TEAM:

- **Mr Wilson Ong Joon Lim**
ASSISTANT COMMISSIONER
- **Mr Colin Chew Koo Chung**
DIRECTOR (INVESTIGATION BRANCH 1)
- **Mr Ang Seng Leong**
ACTING DIRECTOR (INVESTIGATION BRANCH 2)

CORPORATE SERVICES DIVISION

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

MANAGEMENT TEAM:

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

CORPORATE DEVELOPMENT DIVISION

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

MANAGEMENT TEAM:

- **Ms Chin Li Fen**
ASSISTANT COMMISSIONER
- **Mr Ernest Lee Kian Meng**
DIRECTOR (ORGANISATION EXCELLENCE)
- **Mrs Claire Chua Wen Ying**
DIRECTOR (CORPORATE PLANNING)
- **Mrs Claire Chua Wen Ying**
DIRECTOR (CORPORATE COMMUNICATIONS) (COVERING)

INFOCOMM DIVISION

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

MANAGEMENT TEAM:

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

INTERNAL AUDIT BRANCH

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

MANAGEMENT TEAM:

- **Mrs Teo Po Chu**
DIRECTOR (INTERNAL AUDIT)



At a Glance: IRAS in FY2011/12

OUR PERFORMANCE

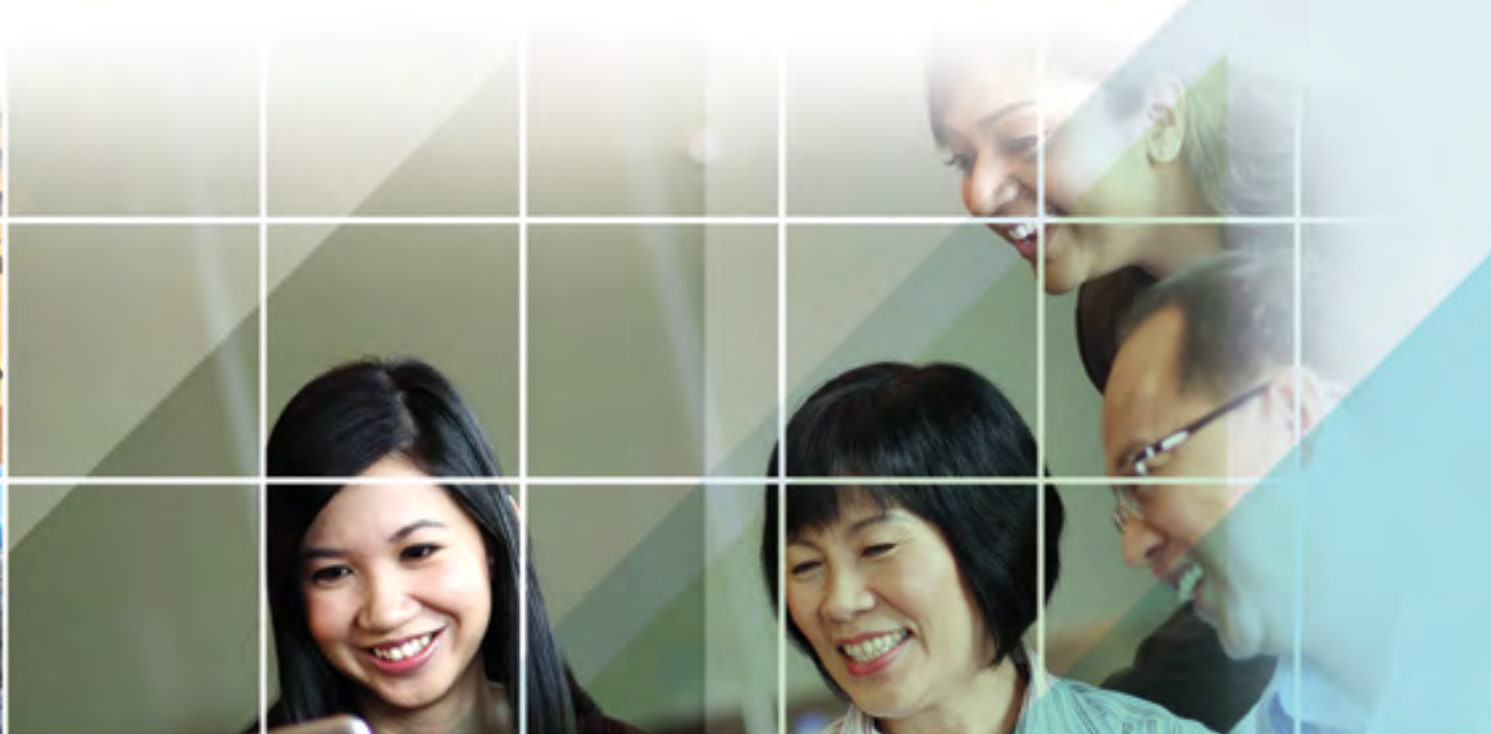
- We collected S\$38.4 billion in tax revenue, 10.7% higher than the amount collected last year.
- We spent 0.78 cents to collect every dollar of tax.
- We met our target of assessing 100% of YA2011 individual income tax returns by March 2012.
- We assessed 99.1% of corporate income tax returns received in 2010 by December 2011, exceeding our target completion rate of 95%.
- We assessed 96.7% of new properties listed in 2011 and reviewed 96.8% of existing properties by 31 December 2011, exceeding our targets of 90% and 92.5%, respectively.
- We processed a total of 11.7 million taxpayer records and converted more than nine million pages of documents into electronic images.
- We handled more than 11.8 million mail correspondences.
- Nine out of 10 individuals, or GST-registered businesses, and eight out of 10 companies filed their tax returns on time.
- We audited and investigated 12,490 cases and recovered S\$273 million in taxes and penalties.
- Total cumulative tax arrears was S\$482.6 million, a 20% drop compared to last year.
- We reviewed 28 tax policies and 308 tax rules and regulations to ensure our tax system stays competitive and our rules relevant.
- We incorporated the new internationally agreed Standard for the Exchange of Information for tax purposes in Protocols /Avoidance of Double Taxation Agreements with 6 other countries, bringing the number of countries which Singapore has enhanced tax cooperation to 32.
- We were awarded the Singapore Quality Award in recognition of our role as an efficient and effective tax administration in supporting Singapore's economic growth.

OUR SERVICE

- IRAS served more than 3.6 million taxpayers, comprising individuals, property owners and businesses.
- We replied to 96% of emails within 5 working days, attended to 87% of taxpayers within 20 minutes and answered 85% of telephone calls within one minute, well within our service standards.
- We handled a total of 13.8 million payment transactions; 99% of tax refunds were made within 14 days from the date when the credit arises, which exceeded our target of 95%.
- 1.2 million employees enjoyed a simplified filing experience as their salary information for YA2012 were provided to IRAS by their employers under the Auto-Inclusion Scheme for Employment Income.
- 925,000 taxpayers filed their individual income tax returns electronically in YA2012, setting a new record e-filing rate of 97%.
- The YA2012 tax filing was a non-event for 740,000 individuals, or 77% of the 963,000 individuals eligible for the No-Filing Service.
- The number of compliments we received increased to 12,182, up 57% from 7,757 in the previous year.
- 95% of survey respondents were satisfied with IRAS' service, based on the biennial Taxpayer Survey conducted in 2011.

OUR PEOPLE

- Our staff completed 392 innovation projects and contributed 5,822 suggestions to enhance IRAS' systems and processes.
- Our staff spent an average of 15 mandays in learning and development.
- 133 IRAS staff are Accredited Tax Specialists who have attained a high level of technical competency and will contribute towards our efforts of developing deeper expertise in the area of taxation.



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

IRAS' REVENUE COLLECTION

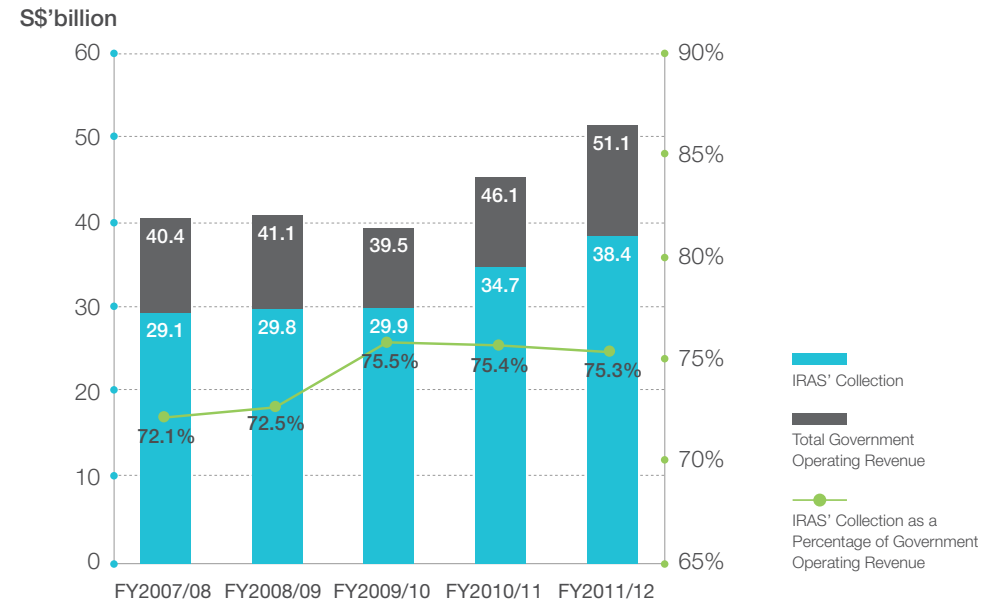
Taxes provide Singapore with the resources to provide essential public goods and services to her people. Taxes collected are channelled towards sustaining economic development, maintaining strong security and external relations, and promoting social development to ensure an educated, skilled and healthy population.

IRAS is the main tax collection agency of the Singapore government. It is responsible for administering, assessing, collecting and enforcing payment of income tax, goods and services tax, property tax, stamp duty, and betting taxes. In the past three financial years, IRAS' tax collection made up more than three quarters of the Government Operating Revenue (GOR).

A total of S\$38.4 billion was collected by IRAS in FY2011/12, representing 75.3% of GOR or 11.7% of Singapore's Gross Domestic Product (GDP). The increase of 10.7% over the collection for FY2010/11 was due to strong economic growth in 2010 that continued in the first quarter of 2011 and a buoyant property market.

Taxes on income, which comprised corporate income tax, individual income tax and withholding tax, made up about half of IRAS' total tax collection for FY2011/12. At S\$20.3 billion, the amount was 11.7% higher than that for the previous financial year.

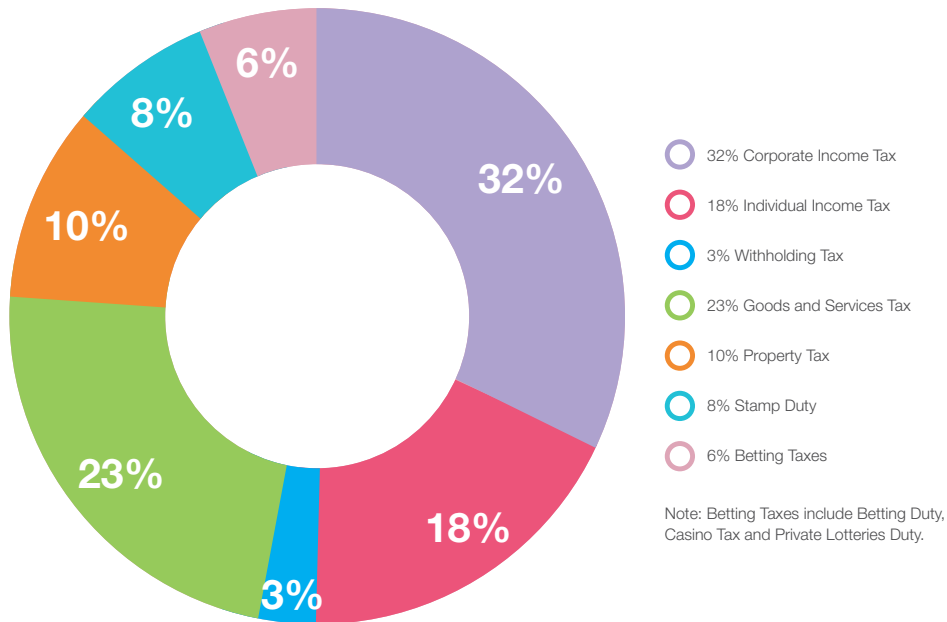
IRAS' Collection Versus Total Government Operating Revenue





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FY2011/12 IRAS' Collection by Tax Type



Healthy corporate profits lifted FY2011/12 corporate income tax collection by 13.3% to S\$12.1 billion. Individual income tax collection grew by 6.2% to S\$6.9 billion. Withholding tax, which is a tax on specified income payments to non-tax residents also registered an additional collection of S\$301 million over the amount collected in FY2010/11.

FY2011/12 GST collection rose 6% to S\$8.7 billion, on the back of moderate growth in private consumption and tourism receipts.

Property tax collection occupied a larger share of IRAS' total collection at 10% in FY2011/12 as compared to 8% in the previous financial year. At S\$3.9 billion, it registered an increase of 39.3% from S\$2.8 billion in FY2010/11 due to higher Annual Values and an increase in the number of properties.

FY2011/12 stamp duty collection was S\$3.2 billion, a 3.1% decline from the amount collected in FY2010/11. The reduction was due to a lower number of property transactions from sale and purchase of property, in the wake of the property market cooling measures introduced in January 2011 and December 2011. However, this was partially offset by higher property prices and rentals, and a higher volume of property leasing transactions.

Betting taxes increased by 4.2% to S\$2.4 billion in FY2011/12. Revenue from gaming activities in the two Integrated Resorts continued to grow, while private lotteries duty collection registered a decline.

Estate duty has been abolished for deaths occurring on and after 15 February 2008, as announced in Budget 2008. For FY2011/12, estate duty collection arising from deaths occurring before 15 February 2008 was S\$2.9 million.



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SUPPORTING FAMILIES THROUGH TAX RELIEFS AND REBATES

The Government is committed to making Singapore a place that rewards hard work and enterprise. At the same time, a range of personal income tax reliefs and rebates are granted to recognise taxpayers' efforts and contributions towards specific social and economic goals.

Broad-based support is extended, in the form of tax reliefs and rebates, to help individuals start and raise a family, as well as care for their parents, siblings and spouses. These reliefs and rebates have been significantly enhanced over the years to provide greater financial support to those caring for their family members.

Under the enhanced Marriage and Parenthood Package, tax benefits for families with children were increased through enhancements to the Qualifying/Handicapped Child Relief (QCR/HCR), Working Mother's Child Relief (WMCR) and Parenthood Tax Rebate (PTR).

Besides raising the quantum of tax reliefs and rebate, the Parenthood Tax Rebate was also extended to all children including the first-born, with effect from YA2009.

To give greater recognition to individuals supporting their dependents, the Minister for Finance announced in Budget 2010 that he would increase the parent relief quantum, introduce spouse relief, do away with the income threshold condition for handicapped dependant-related reliefs and raise the income threshold condition for all other dependant-related reliefs.

Figure 1 shows that more individuals claim reliefs for maintaining their children. The number of claimants in YA2011 had increased for QCR/HCR, WMCR and PTR since the enhancements took effect in YA2009. The amount of QCR/HCR and WMCR claimed in YA2011 also doubled that in YA2008, while PTR saw a 22% rise (Figure 2). The extension

of PTR to the first child and the fifth child and beyond has benefited more couples having children. With tax rebates of between S\$5,000 and S\$20,000 for each child, these amounted to considerable tax savings for both father and mother.

With more elderly residents staying on in the workforce, the number of individuals claiming relief for supporting their aged parents has seen an 8% drop for YA2011 as compared to that for YA2008 (Figure 1). However, with the higher quantum of relief granted with effect from YA2010, the amount of parent relief claimed in YA2011 had increased 22% to nearly S\$2 billion (Figure 2).

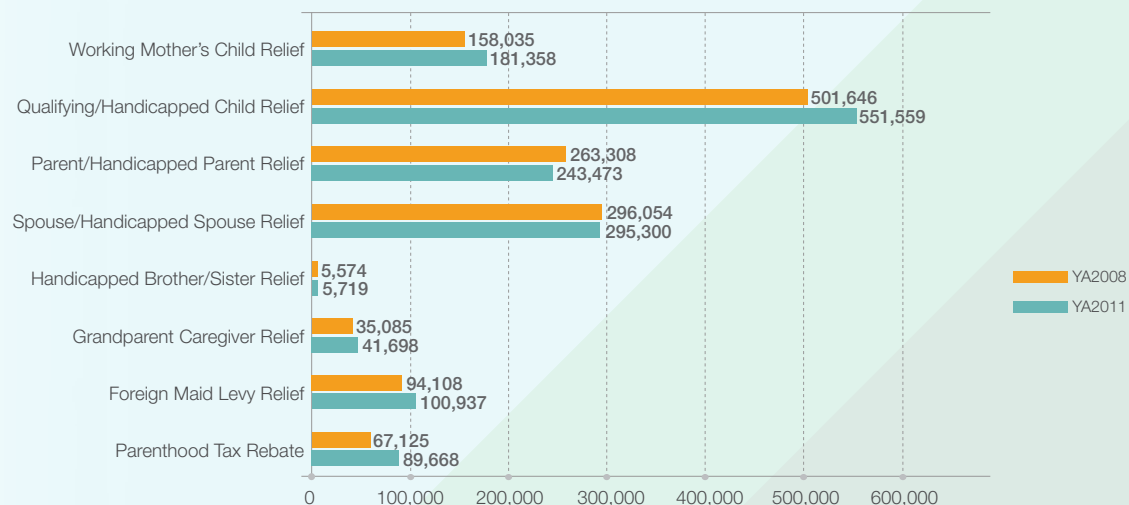
Women are encouraged to rejoin or remain in the workforce after marriage or childbirth. Given these objectives, the WMCR, Grandparent Caregiver Relief (GCR) and Foreign Maid Levy Relief (FMLR) are available only to female taxpayers. As these tax reliefs

are not mutually exclusive, eligible female taxpayers are able to claim all three types of reliefs. Figure 3 provides a breakdown analysis of the claimants of WMCR for YA2011. Based on the analysis, 22% of working mothers had enlisted the help of their parents or grandparents to take care of their young children (aged 12 or below), demonstrating the important role that grandparents or great grandparents play in giving care to young children in multi-generational households. 40% of working mothers have also engaged foreign domestic helpers to help out with the household responsibilities while they are at work.



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Figure 1: Number of Claimants for Each Relief/Rebate

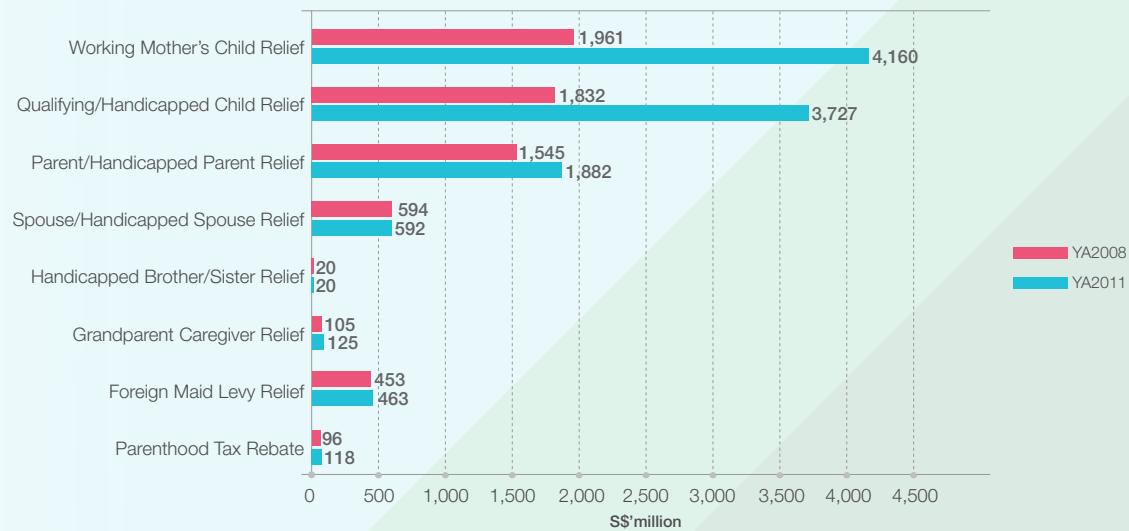


	Working Mother's Child Relief	Qualifying/Handicapped Child Relief	Parent/Handicapped Parent Relief	Spouse/Handicapped Spouse Relief	Handicapped Brother/Sister Relief	Grandparent Caregiver Relief	Foreign Maid Levy Relief	Parenthood Tax Rebate
YA2008	158,035	501,646	263,308	296,054	5,574	35,085	94,108	67,125
YA2011	181,358	551,559	243,473	295,300	5,719	41,698	100,937	89,668
% Increase in Number of Claimants	15%	10%	-8%	0%	3%	19%	7%	34%



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Figure 2: Amount of Relief/Rebate Claimed



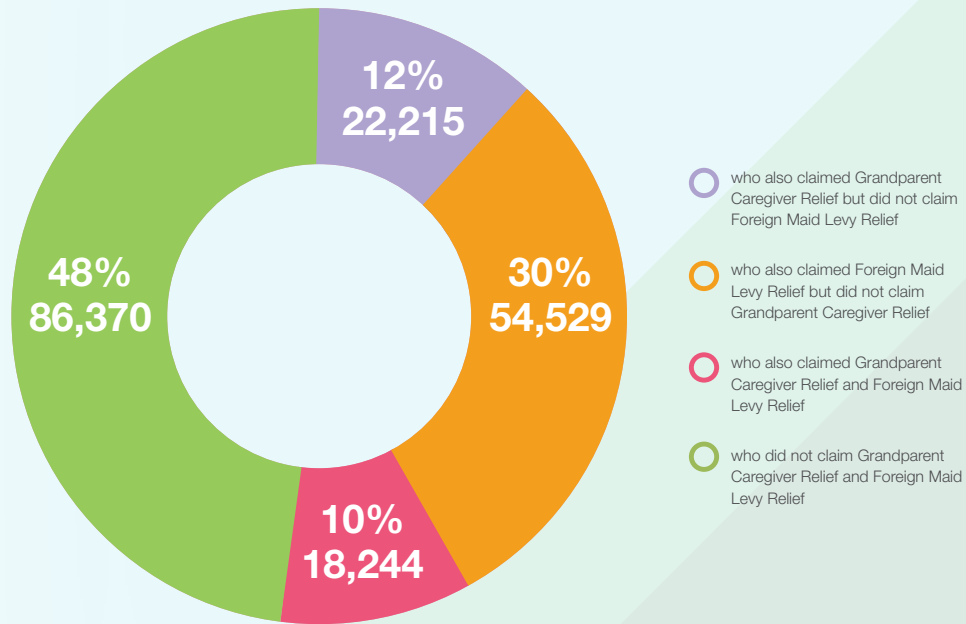
	Working Mother's Child Relief	Qualifying/Handicapped Child Relief	Parent/Handicapped Parent Relief	Spouse/Handicapped Spouse Relief	Handicapped Brother/ Sister Relief	Grandparent Caregiver Relief	Foreign Maid Levy Relief	Parenthood Tax Rebate
YA2008 (S\$'000)	1,961,139	1,832,206	1,545,248	594,213	19,600	105,158	453,455	96,271
YA2011 (S\$'000)	4,160,388	3,727,073	1,881,612	592,369	20,138	124,915	462,870	117,862
% Increase in Amount of Relief/ Rebate	112%	103%	22%	0%	3%	19%	2%	22%

Note: While personal income tax reliefs, such as Qualifying Child Relief or the Grandparent Caregiver Relief, are allowed as deductions against a taxpayer's income, the Parenthood Tax Rebate can be used to directly offset the taxpayer's tax payable.



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Figure 3: Number of Working Mother's Child Relief Claimants in YA2011





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“IRAS is committed to fostering a competitive tax environment that encourages enterprise and supports economic growth. We regularly review our tax policies and rules to ease compliance costs for businesses and facilitate enterprise.”

PROMOTING CROSS-BORDER TRADE & TAX COOPERATION

We continued to expand Singapore’s network of tax treaties to facilitate cross border trade and investments. In FY2011/12, we signed a comprehensive Avoidance of Double Taxation Agreement (DTA) with Spain and updated the terms of our existing DTAs with Canada, India, Italy, Turkey, the United Kingdom and Uzbekistan. Singapore now has 70 comprehensive DTAs, out of which 69 have been ratified.

We concluded agreement on 11 unilateral and bilateral Advance Pricing Arrangements (APAs) and resolved three cases through Mutual Agreement Procedure (MAP) discussions with other jurisdictions in FY2011/12. APAs and MAPs offer greater

certainty and minimise tax risks to taxpayers. APAs set the transfer pricing rules for related party transactions between entities operating in two countries. MAPs help businesses resolve instances of double taxation arising from transfer pricing adjustments. As at 31 March 2012, we have 18 ongoing unilateral, bilateral and multilateral APAs and six MAPs at different stages of review.

Singapore adopted the internationally agreed Standard for the Exchange of Information (EOI) for tax purposes in 2009. Since then, we have been re-negotiating DTAs to incorporate the EOI standard. As at 31 March 2012, IRAS has enhanced tax cooperation between Singapore and 32 other countries by signing protocols and DTAs to incorporate the EOI standard.

STRENGTHENING INTERNATIONAL RELATIONS

IRAS continued to expand our ties with the international tax community by actively participating in international conferences

and study groups. Doing so has enabled us to stay plugged-in to the latest global developments that could impact Singapore’s tax competitiveness. It has also provided opportunities to share our insights on tax issues with the international tax community.



Board members of the Inland Revenue Board of Malaysia visited IRAS in April 2012.



Excellence Fostering a Competitive Tax Environment

In FY2011/12, we participated in international conferences and forums such as the 7th Organisation for Economic Cooperation and Development (OECD) Forum on Tax Administration (FTA) Meeting, the 41st Study Group on Asian Tax Administration and Research (SGATAR) Meeting and the Australian State and Territory Revenue Offices Commissioners' Conference. Through these platforms, we exchanged views and gained insights into developments in the areas of tax planning, demand management, compliance and service. We also partnered the Tax Academy of Singapore and the OECD in organising the IRAS-OECD Training Programme, which was attended by delegates from Hong Kong, Korea, Malaysia, Pakistan, Taiwan, Thailand and Vietnam.

IRAS also hosted many foreign visits where we shared our experiences in tax administration. In FY2011/12, we hosted more than 100 delegates from 11 countries, including Australia, Brunei, India, Indonesia, Japan, Malaysia, Papua New Guinea, Sri Lanka and South Korea.

ENVIRONMENTAL SCANNING

We regularly scan the external environment to identify potential areas for tax policy review or rule changes. In FY2011/12, the areas we covered included GST issues relating to Intellectual Property and provision of exhibition space to overseas persons, as well as developments in the gaming industry. We also continued with reviews of the tax changes made by foreign tax jurisdictions to assess if our tax framework remains internationally competitive.

REVIEWING TAX POLICIES

We actively reviewed our tax policies to ensure they remain relevant and business-friendly. In FY2011/12, we reviewed 28 tax policies. Some of the major policy reviews included extending the recovery of import GST to local agents who paid GST on behalf of their overseas principals, tax treatment of software payments and payments for the use or the right to use information and digitised goods, as well as withholding tax treatment of bareboat, voyage and time charter fees for ships.



Budget Seminar 2012



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SIMPLIFYING GST REFUNDS FOR TOURISTS, ENHANCING THE SINGAPORE SHOPPING EXPERIENCE

IRAS, together with Global Blue, has spearheaded the development of a new GST electronic tourist refund system (eTRS) that offers tourists a hassle-free shopping and GST refund experience in Singapore.

Piloted in May 2011 and officially launched in November 2011, the eTRS is a result of a cross-agency collaboration involving IRAS, Singapore Customs, the Singapore Tourism Board and the Changi Airport Group. It is the first government system in the world that allows retailers and multiple central refund agencies to operate on a common platform. This means that tourists can enjoy a consistent experience when they make purchases from different retailers in Singapore, and expect faster clearance process at the airport checkpoints.

Instead of filling in multiple GST refund application forms provided by the different

retailers, receipts are now simply scanned so that the purchase details at the point-of-sales are captured electronically, and tagged to a credit card, which will serve as a token for record.

At the airport, tourists will no longer need to visit different counters to process their GST refund. All that is needed is a quick swipe of the passport and credit card at an eTRS kiosk and they can then choose to have their refund paid to a credit card account, or get their refund in cash at the Central Refund Counter. With the simplicity of the eTRS, the estimated time needed to process the refund is about five minutes, instead of 20 minutes under the paper refund system.

The eTRS is a milestone in IRAS' continual drive to foster a competitive tax environment that encourages enterprise and supports economic growth. We believe that it will further enhance Singapore's position as a premier shopping destination, boost retail sales and build a more robust economy, benefiting both businesses and Singaporeans.



Ms Josephine Teo, Merchandising Director of Flower Diamond, welcomed the initiative. She said, "Implementing the new Electronic Tourist Refund Scheme was a win-win situation for us as retailers as well as for our overseas customers. Handling tax refund has become more efficient and allows our staff to focus on serving our customers, resulting in a happier shopping experience for them."

Mr Kim Bridgfoot, an Australian tourist, said, "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."

About 1,800 retailers are now on the scheme. As at 31 March 2012, IRAS has processed nearly 637,000 claims and made S\$46 million in refunds under eTRS.

In the near future, international cruise passengers could look forward to enjoying the benefits of eTRS, when the eTRS is extended to checkpoints at the Singapore Cruise Centre and the Marina Bay Cruise Centre Singapore.





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SIMPLIFYING TAX FILING FOR SMALL COMPANIES - FACILITATING A PRO-BUSINESS ENVIRONMENT & RAISING PRODUCTIVITY

Singapore is recognised today as the world's most business-friendly country, according to the annual World Bank's Doing Business rankings. Our framework of clear and transparent rules, and simple and efficient regulatory processes has created a pro-enterprise environment where individuals find it easy to start and grow their businesses in Singapore.

IRAS is committed to fostering a competitive tax environment that encourages enterprise and supports economic growth. We regularly review our rules and procedures to reduce compliance costs for taxpayers, taking into account feedback and suggestions from taxpayers, business associations and trade industries.

IRAS has recently announced two new initiatives to help companies reduce their compliance costs and improve their overall productivity and efficiency.

The first initiative is the Waiver of ECI Filing for Small Companies with nil Estimated Chargeable Income (ECI). Currently, all companies have to file an estimate of their Chargeable Income, nil or otherwise, within three months after the end of their accounting period. With this initiative, small companies with turnover not exceeding S\$1 million will not be required to file their ECI if it is estimated to be nil. In other words, small companies will save one step in their overall filing process and can channel their efforts towards preparing for the annual income tax reporting. This initiative will benefit about 67,000 or about 42% of all companies.

IRAS has also launched a simplified income tax return, Form C-S, for small companies. Traditionally, all companies have to report their incomes using Form C, a 7-page Income Tax Return. Companies also have to send in their financial accounts and tax computations. Small companies, especially those that do not engage tax agents, may find it time-consuming to do so.

Recognising that small companies tend to have less complex transactions, fewer tax claims and fewer tax adjustments, IRAS has designed the new Form C-S to simplify tax filing for small companies with an annual turnover not exceeding S\$1 million. From the Year of Assessment 2012, these small companies need only complete a 3-page form that includes only the essential tax and financial information most relevant to small companies. They also do not need to send in their financial statements or tax computations with Form C-S.

A new electronic filing system to be unveiled in July 2012 will also provide small companies with the added convenience of submitting Form C-S electronically, via myTax Portal.

110,000 or 70% of companies in Singapore are expected to enjoy the benefits of the streamlined tax reporting requirements. By cutting the average time taken by companies to complete their tax forms to 10 minutes, Form C-S will also give small companies a boost to their productivity!





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HIGHLIGHTS OF TAX CHANGES

INCOME TAX CHANGES FOR BUSINESSES

SME CASH GRANT FOR COMPANIES

Companies will be granted a one-off, non-taxable SME Cash Grant pegged at 5% of their revenue for Year of Assessment (YA) 2012, capped at S\$5,000. This grant is to help companies offset high costs which may persist in the business slowdown. To enjoy the cash grant, a company must have made CPF contributions for at least one employee who is not a shareholder of the company during the relevant accounting period for YA2012.

ENHANCEMENTS TO THE PRODUCTIVITY AND INNOVATION CREDIT (PIC) SCHEME

To provide more support for businesses to invest in innovation and productivity, the PIC scheme will be enhanced in the following areas:

Increased Cash Payout Rate

The cash payout rate will be increased from 30% to 60% for up to S\$100,000 of qualifying expenditure from YA2013 to YA2015. Businesses may also claim the cash payout any time after the end of each financial quarter, but no later than the due date for the filing of its income tax return for the relevant year.

Claims for Training Expenditure

Qualifying training expenditure incurred on non-certified in-house training courses is eligible for PIC from YA2012 to YA2015, subject to a cap of S\$10,000 per YA. The total training expenditure cap eligible for tax deduction remains unchanged at S\$400,000. As for the expenditure incurred by a principal on the training of its agents, this also qualifies for PIC from YA2012 to YA2015, subject to certain conditions. Examples of such agents are insurance agents, financial advisors, real estate agents and remisers.

More Expenditure Qualify as Research & Development (R&D)

Expenditure incurred on R&D cost-sharing agreements may qualify as expenditure on R&D and enjoy enhanced deduction from YA2012. For the purpose of the enhanced deduction, the qualifying expenditure will be deemed to be 60% of the shared costs. The previous requirement for multiple sales in relation to software development will be removed to facilitate R&D in this area.

Investments in Automation Equipment

From YA2012, qualifying automation equipment acquired on hire purchase with repayment schedules straddling two or more financial years will be eligible for the cash payout option.

ENHANCEMENTS TO THE RENOVATION OR REFURBISHMENT (R&R) DEDUCTION SCHEME

To help businesses that need to renew and refresh their premises regularly to remain competitive, the R&R deduction scheme will become a permanent feature of the income tax regime. With effect from YA2013, the expenditure cap will be doubled to S\$300,000 for each relevant three-year period.

ENHANCEMENTS TO THE MERGERS & ACQUISITIONS (M&A) SCHEME

To further support companies carrying out M&A, a double tax deduction will be granted on the transaction costs incurred on qualifying M&A, subject to an expenditure cap of S\$100,000 per YA. The double deduction on the transaction costs will be granted in the basis period of the YA in which M&A allowance on the qualifying M&A is claimed.



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Certain existing conditions under the M&A scheme will also be relaxed as follows:

- The condition that the wholly-owned subsidiary, that is used to acquire a target company, must be directly owned by the acquiring company is removed such that the acquiring company can now acquire shares of the target company through multiple tiers of wholly-owned subsidiaries;
- Where a target company or its wholly and directly-owned operating subsidiary is not able to meet the qualifying conditions imposed, the qualifying conditions may now be satisfied by a wholly-owned subsidiary indirectly held by the target company;
- The M&A scheme will be available as an added feature of the Headquarters Tax Incentive Programme (“HQ programme”) administered by the Economic Development Board and the Monetary Authority of Singapore. For companies under the HQ programme, the condition that the ultimate holding company of the acquiring company must be incorporated in and tax resident of Singapore may be waived by the relevant economic agency, on a case-by-case basis, subject to conditions imposed by the agency.

These changes will take effect for qualifying M&A completed from 17 February 2012 to 31 March 2015.

SIMPLIFICATION OF CAPITAL ALLOWANCE CLAIMS FOR LOW-VALUE ASSETS

With effect from YA2013, the per asset item threshold for the 100% write-off of low value assets will be increased from S\$1,000 to S\$5,000 to further ease the compliance burden of taxpayers in claiming capital allowances. The aggregate cap of S\$30,000 per YA for the 100% write-off of all such assets remains the same.

CERTAINTY OF NON-TAXATION OF COMPANIES’ GAINS ON DISPOSAL OF EQUITY INVESTMENTS

Gains derived by a divesting company from its disposal of ordinary shares in an investee company will not be taxed, if immediately prior to the date of share disposal, the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. This change is applicable to disposals of ordinary

shares in an investee company made during the period 1 June 2012 to 31 May 2017 (both dates inclusive).

For share disposals in all other situations, the tax treatment of the gains or losses from share disposals will continue to be determined based on the facts and circumstances of each case.

ENHANCEMENTS TO DOUBLE TAX DEDUCTION (DTD) FOR INTERNATIONALISATION SCHEME

To further encourage our SMEs to venture abroad, and to reduce the administrative burden on businesses, a tax deduction of up to 200% may be allowed on qualifying expenditure, up to S\$100,000 per YA without the need for approval from International Enterprise (IE) Singapore or the Singapore Tourism Board (STB). The expenditure must have been incurred on four qualifying market expansion and investment development activities on or after 1 April 2012. IE Singapore or STB will continue to approve claims, on a case-by-case basis, made by businesses that require larger funding support in excess of S\$100,000, or on qualifying expenditure incurred on other qualifying activities.

LIBERALISATION OF CASH DISTRIBUTION REQUIREMENT FOR TAX TRANSPARENCY FOR REAL ESTATE INVESTMENT TRUSTS (REITS)

REITs that make distributions to unit holders in the form of units in the REIT can enjoy tax transparency, subject to certain conditions. Unit holders who elect to receive distributions in units will be taxed in the same manner as if they had received the distribution in cash. This change will take effect for distributions made on or after 1 April 2012.

INTRODUCTION OF THE INTEGRATED INVESTMENT ALLOWANCE (IIA) SCHEME

To keep pace with the evolving business environment, a new IIA scheme will be introduced to provide an additional allowance on fixed capital expenditure incurred on or after 17 February 2012 for productive equipment placed overseas on approved projects. The existing Integrated Industrial Capital Allowance incentive will be withdrawn following the introduction of the IIA scheme on 17 February 2012.



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EXTENSION OF TAX FILING AND PAYMENT DEADLINE FOR WITHHOLDING TAX

Persons making payments to non-residents for which withholding tax is required will be allowed one additional month to file and pay the tax, i.e. by the 15th of the second month following the date of payment to the non-resident. This change will take effect for all payments made to non-residents on or after 1 July 2012. For example, if the payer is liable to make an interest payment to the non-resident on 5 July 2012, he has to notify and pay the tax withheld to the Comptroller of Income Tax by 15 September 2012.

ENHANCEMENTS TO LIBERALISED WITHHOLDING TAX EXEMPTION REGIME FOR BANKS

Specified entities will not need to withhold tax on interest and other payments made to permanent establishments in Singapore. This change will take effect for:

- (i) Payments to be made from 17 February 2012 to 31 March 2021, for contracts already in force before 17 February 2012; and
- (ii) All payments arising from contracts effective on or after 17 February 2012 to 31 March 2021.

Permanent establishments in Singapore will continue to be assessed to tax on such payments received and are required to declare these payments in their annual income tax returns.

EXTENSION OF WITHHOLDING TAX EXEMPTION FOR OVER-THE-COUNTER (OTC) FINANCIAL DERIVATIVES PAYMENTS

Currently, financial institutions enjoy withholding tax exemption on all payments made on qualifying OTC financial derivatives to persons who are neither residents of nor permanent establishments in Singapore. The withholding tax exemption will be extended to 31 March 2021 to encourage the growth of our derivatives market.

EXTENSION OF TAX DEDUCTION FOR COLLECTIVE IMPAIRMENT PROVISIONS MADE UNDER MAS NOTICES

Currently, banks may claim tax deduction for collective impairment provisions made under MAS Notice 612, subject to stipulated caps. Similarly, finance companies and merchant banks may claim tax deduction for collective impairment provisions made under MAS Notice 811 and MAS Notice 1005 respectively. To encourage banks to maintain adequate levels of impairment allowances, the tax concessions will be extended for a further three years till YA2016 or YA2017, depending on the financial year end of the taxpayer. All other existing terms and conditions of the scheme apply.

ENHANCEMENT OF DESIGNATED INVESTMENT AND SPECIFIED INCOME LISTS FOR FINANCIAL SECTOR TAX INCENTIVE SCHEMES

With effect from 17 February 2012, an exclusion list will be adopted for specified income applicable to the various financial

sector tax incentive schemes. In addition, the list of designated investments will be rationalised as follows:

- (i) Stocks and shares of any company¹;
- (ii) All debt securities²;
- (iii) All other securities (not already covered under the list of designated investments):
 - Issued by foreign governments in foreign currency;
 - Listed on any Exchange;
 - Issued by supranational bodies; or
 - Issued by any company¹; and
- (iv) All financial derivatives that relate to any designated investment or financial index, subject to existing conditions and counterparty restrictions.

The designated investment list will also be expanded to cover:

- (i) Private trusts that invest wholly in designated investments;
- (ii) Freight derivatives; and
- (iii) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore.

¹ Other than those issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than the business of property development).

² Other than non-qualifying debt securities by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than the business of property development).



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EXEMPTION OF VESSEL DISPOSAL GAINS DERIVED BY QUALIFYING SHIP OPERATORS AND SHIP LESSORS FROM TAX

With effect from 1 June 2011, qualifying ship operators and ship lessors under the Maritime Sector Incentive (MSI) awards will be granted tax exemption on gains from the disposal of vessels automatically, without the need to opt for the exemption. Gains from the disposal of vessels under construction and new building contracts will also be tax-exempt.

EXEMPTION OF CHARTER FEES FOR SHIPS FROM WITHHOLDING TAX

With effect from 17 February 2012, bareboat, voyage and time charter payments made to non-residents - excluding permanent establishments in Singapore - for the use of ships are exempted from withholding tax. Payers making such payments to the permanent establishment of a non-resident in Singapore are also not required to withhold tax³. The exemption will further

enhance Singapore's competitiveness as an international maritime centre, and also reduce business costs for ship charterers.

ENHANCEMENT OF MARITIME SECTOR INCENTIVE – MARITIME LEASING (CONTAINER) AWARD [MSI-ML (CONTAINER)]

MSI-ML (Container) award recipients will enjoy the following enhancements:

- (i) Interest and related payments, made on or after 17 February 2012, arising from loans taken to finance qualifying containers and intermodal equipment will be granted automatic withholding tax exemption;
- (ii) With effect from 2013, income derived from the leasing of intermodal equipment (e.g. trailers) which is incidental to the leasing of qualifying containers will also enjoy the concessionary tax rate of 5% or 10%; and

- (iii) With effect from YA2013, qualifying containers will refer to containers that adhere to the standards defined by the International Organisation for Standardisation, Institute of International Container Lessors, or any other equivalent organisation.

EXTENSION AND ENHANCEMENT OF AIRCRAFT LEASING SCHEME (ALS)

The ALS will be extended to 31 March 2017. ALS award recipients will be granted withholding tax exemptions automatically, subject to conditions, on interest and qualifying payments made on or after 1 May 2012 in respect of qualifying foreign loans entered into on or before 31 March 2017.

INCOME TAX CHANGES FOR INDIVIDUALS**INCREASE IN EARNED INCOME RELIEF (EIR)**

With effect from YA2013, the amount of EIR and Handicapped EIR will be increased to encourage elderly workers to stay employed and to provide more support to handicapped workers. The revised amount of EIR and Handicapped EIR are as follows:

Age	With effect from Year of Assessment 2013	
	EIR	EIR for Handicapped
Below 55	S\$1,000 (no change)	S\$4,000
55 to 59	S\$6,000	S\$10,000
60 and above	S\$8,000	S\$12,000

³ Permanent establishments in Singapore will continue to be assessed to tax on charter fees received and are required to declare such payments in their annual income tax return.



Excellence

Fostering a Competitive Tax Environment

GOODS AND SERVICES TAX CHANGES

GST EXEMPTION ON INVESTMENT-GRADE GOLD AND PRECIOUS METALS

The import and supply of investment-grade gold, silver and platinum will be exempt from GST with effect from 1 October 2012. Measures will also be introduced to ease cash flow of qualifying refiners and local consolidators of these precious metals in the payment of input GST on import and purchase of raw materials used in refining the precious metals into investment-grade form. These measures are to facilitate the development of a new refining and trading cluster in Singapore.

EXTENSION OF GST TEMPORARY IMPORT PERIOD FROM 3 TO 6 MONTHS

With effect from 1 April 2012, the temporary import relief period of three months under the Temporary Import Scheme will be extended to six months to provide businesses with greater flexibility. All other existing terms and conditions of the scheme apply.

EXTENSION OF GST TOURIST REFUND SCHEME (TRS) TO TOURISTS DEPARTING BY INTERNATIONAL CRUISE

With effect from 1 January 2013, the TRS will be available to international cruise passengers (excluding cruises-to-nowhere, round-trip cruise and regional ferry passengers) departing Singapore via the Singapore Cruise Centre at Harbourfront and the Marina Bay Cruise Centre Singapore.

SIMPLIFICATION OF GST IMPORT RELIEF FOR INCOMING TRAVELLERS

With effect from 1 April 2012, the GST import relief for travellers bringing goods into Singapore will be simplified. Inbound travellers (excluding holders of work permit, employment pass, student's pass, dependant's pass or long-term pass), regardless of their age, who have spent time outside Singapore for at least 48 hours will be given GST import relief of up to S\$600, while those who have been away for less than 48 hours will be given GST import relief of up to S\$150.

STAMP DUTY CHANGES

ENHANCEMENT OF STAMP DUTY RELIEF FOR QUALIFYING MERGERS & ACQUISITIONS (M&A)

Stamp duty relief will be extended to qualifying M&A completed from 17 February 2012 to 31 March 2015 where:

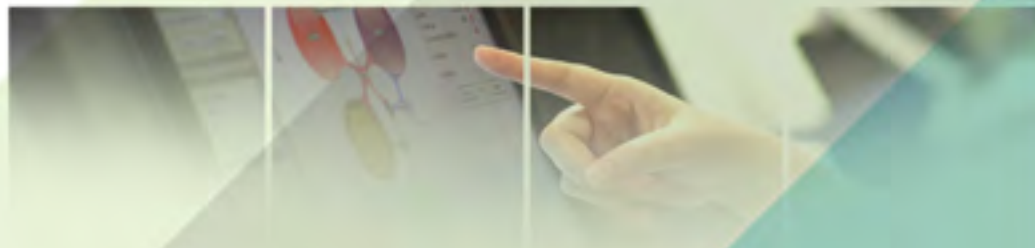
- The acquiring company acquires shares of the target company through multiple tiers of wholly-owned subsidiaries;
- The qualifying conditions imposed on a target company is satisfied by a wholly-owned subsidiary indirectly held by the target company;
- Companies under the HQ programme that have obtained a waiver, on a case-by-case basis, of the condition that the ultimate holding company of the acquiring company must be incorporated in and tax resident of Singapore subject to conditions imposed by the relevant economic agency.



INLAND REVENUE AUTHORITY OF SINGAPORE
AR 2011/2012 ▲

Excellence

Enhancing Compliance ▲





Excellence Enhancing Compliance

“We strive to achieve the highest possible level of voluntary compliance through taxpayer education and compliance programmes. We believe that a high level of voluntary compliance is the only sustainable outcome to ensure a cost effective and efficient tax administration.”



MAKING IT EASIER TO COMPLY

In FY2011/12, we reviewed GST rules to widen the zero-rating provisions for the marine industry and specialised storage services. In collaboration with the Singapore Land Authority, we reviewed the stamp duty regulations and dispensed with the requirement for submission of stamp duty certificates when documents are lodged electronically with the Land Titles Registry.

We launched the Assisted Compliance Assurance Programme (ACAP) in April 2011 to help businesses enhance their tax risk management and strengthen GST internal controls. Companies that undertake ACAP within the 5-year period from April 2011 to April 2016 and attain ACAP status will be offered 50% co-funding of ACAP fees capped at S\$50,000 as well as a one-time waiver of penalties for voluntary disclosures of past GST errors. The response was

overwhelming; the original S\$5 million budget was fully taken up within a few months. In line with our commitment to facilitate and raise voluntary compliance among GST-registered businesses, we invested another S\$5 million in ACAP to be spread over the period from April 2012 to April 2016.

To ease the tax filing process for individual taxpayers, the Auto-Inclusion of Employment Income Scheme (AIS) was extended to 26,746 employers in YA2012, up from 18,670 employers in YA2011. The AIS provided convenience for some 1.2 million employees during the YA2012 tax filing as their employment income information were submitted electronically to IRAS by their employers. From 2013, IRAS will extend the AIS to include employers with 15 or more employees. Another 100,000 taxpayers can then look forward to an easier tax filing experience.

TAXPAYER EDUCATION

We believe taxpayers are generally compliant and will comply voluntarily if they know how. We therefore strive to provide timely information to taxpayers through various platforms such as IRAS' website, helpline, educational letters, workshops and seminars, and to tailor our education efforts to different taxpayer segments.

In FY2011/12, we published a starter guide for the tuition industry to provide information on the tax obligations of tuition centre and agency operators. To provide greater clarity on our tax rules, we also published e-Tax guides on tax treatments on expenses and payments relating to the pharmaceutical manufacturing industry and the GST treatment for certain supplies relating to the specialised storage of high-value goods kept in qualifying warehouses.



Excellence Enhancing Compliance

We conducted several workshops and seminars on tax obligations and updates on tax changes and new tax schemes: the Seminar for Start-Up Enterprise Conference to update new business operators on their tax obligations, the Cash Accounting Scheme for GST-registered businesses, and seminars on tax changes announced in the Singapore Budget 2012.

DETTERRING NON-COMPLIANCE

We continued to build a credible IRAS through our strategy of maintaining a strong audit and investigation presence among taxpayers. A total of 12,490 taxpayers and GST traders were audited and investigated in FY2011/12, resulting in the collection of over S\$273 million in taxes and penalties. We took errant taxpayers to task and publicised our prosecution cases in the media to raise public awareness of IRAS' compliance capabilities and deter others from committing tax offences. We also publicised our compliance focus and featured compliance-related news articles and stories in the media.

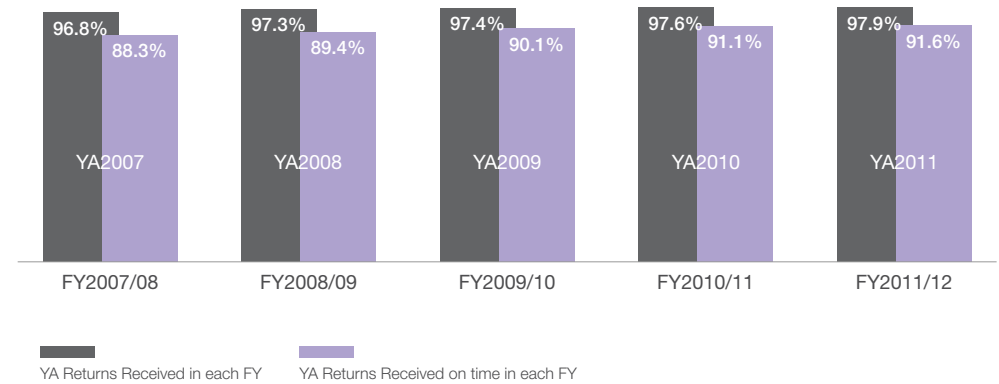
We invested in data analytics to gain insights into taxpayers' behaviour and identify unknown compliance risks. We have developed a 3-year medium term work plan to leverage on analytics to support our compliance strategies. In FY2011/12, we used analytics to enhance our effectiveness and efficiency in auditing corporate tax returns, identify GST evaders and customise enforcement actions for different taxpayer segments.

TAX COMPLIANCE RESULTS

As a result of our relentless efforts to promote voluntary compliance, our filing and payment compliance rates have been on an upward trend.

For Individual Income Tax, close to 92% of the 1,789,226 returns issued in YA2011 were filed by the due date.

Compliance Results for Individual Income Tax

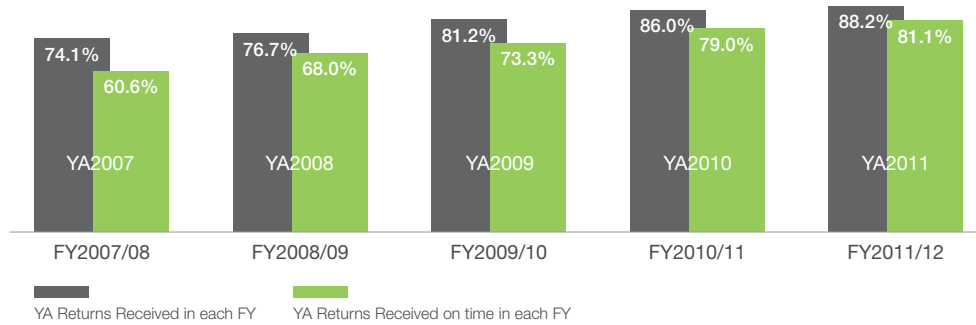




Excellence Enhancing Compliance

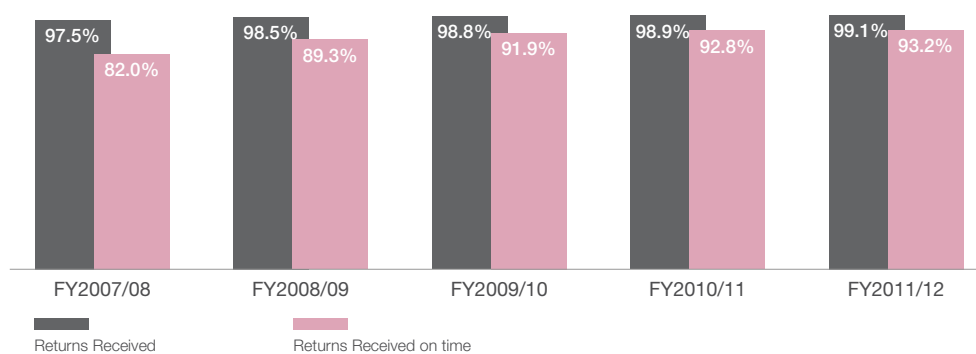
For Corporate Income Tax, we issued a total of 143,227 corporate income tax returns in YA2011 and 116,113 returns were submitted on time.

Compliance Results for Corporate Income Tax



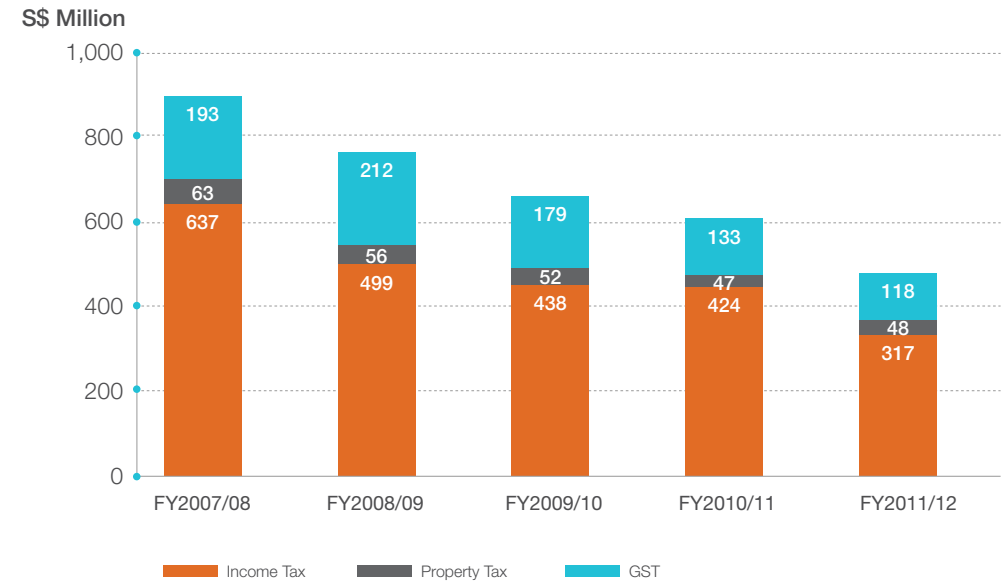
For Goods and Services Tax, 93.2% of the 323,029 GST returns issued were submitted on time.

Compliance Results for Goods & Services Tax



Our total cumulative tax arrears have been declining since 2007. As at 31 March 2012, the total cumulative tax arrears amounted to S\$483 million. This represents a significant reduction of about S\$410 million or 46% fall from FY2007.

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





INLAND REVENUE AUTHORITY OF SINGAPORE
AR 2011/2012 ▲

Excellence
Service from Our Hearts ▲





Excellence Service from Our Hearts

“We strive to achieve a high level of taxpayer satisfaction. As we imbue upon our staff the culture of service excellence, we believe everyone in IRAS has a role to play in making taxpaying a pleasant experience for taxpayers.”



SURPASSING SERVICE STANDARDS

In FY2011/12, we answered a total of 994,462 telephone calls from taxpayers. We answered 80% of telephone calls within one minute during the peak period (exceeding our service target of 70%), and met our service target of answering 85% of telephone calls within one minute during the non-peak period.

We responded to 90% of the 250,686 correspondences within 15 working days and responded to 96% of the 234,562 emails within 5 working days in FY2011/12, exceeding our service targets of 80%. We also attended to 87% of the 101,357 taxpayers who walked into our Taxpayer Service Centre within 20 minutes, surpassing our target of 80%.

Tax refunds were processed expeditiously. For the year, we processed 99% of the 658,608 refund cases within 14 days and near 100% within 30 days from when the credit arose.

RAISING STANDARDS IN TAXPAYER SERVICE

Beyond achieving service targets, we continued to augment our service offerings and enhance our systems and processes to meet the needs of our taxpayers.

The Electronic Tourist Refund Scheme (eTRS) was officially launched last year to offer tourists a hassle-free shopping experience and an easy GST refund claim process. eTRS eliminates the need for manual application and submission of GST refund forms and the need for tourists to queue at different counters at the airport to claim their refunds.

We introduced a slew of e-services and self-help initiatives in FY2011/12 to deliver greater convenience to taxpayers. We launched the

IRAS-SG iPhone Application last year to enable taxpayers to access the Income Tax calculator, Property Tax calculator, and the FileTax SMS service directly from their iPhones. We enhanced the e-Filing system with a tax calculator feature to show an estimate of the tax payable once taxpayers complete the e-Filing process. We also introduced new tax calculators to facilitate taxpayers in estimating their Property Tax liability and for sole-proprietors and partnerships to compute capital allowances for their assets. We started a new SMS “Return My Call” service to give taxpayers waiting in our call queue the option to leave us their contact details so that we can return their calls.

We launched a Frontline Quality Monitoring Framework to monitor and improve our frontline service quality. The framework enables us to identify areas of improvement through monthly evaluation of selected cases of interactions with taxpayers and close quality gaps through staff coaching and training.

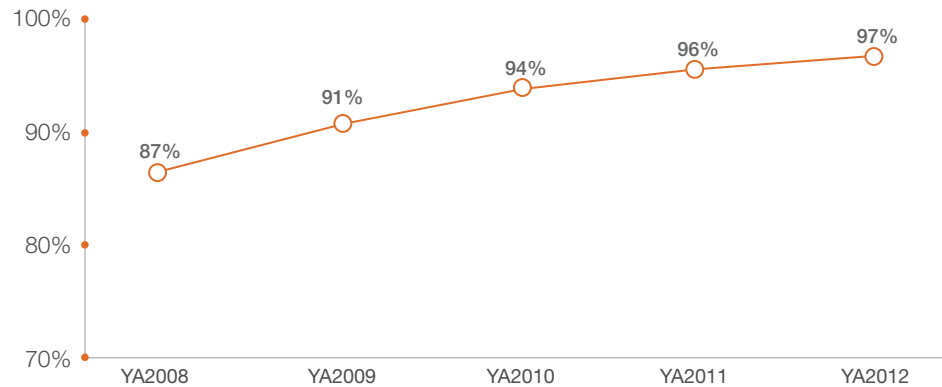


Excellence Service from Our Hearts

We continued to expand the No-Filing Service (NFS) so that more taxpayers can enjoy a hassle-free tax filing experience. The NFS allows taxpayers whose employment income are electronically transmitted by their employers to IRAS under the auto-inclusion scheme and whose claims for relief have

remained unchanged, to receive their Notices of Assessment without having to file their returns. 963,000 individual taxpayers were included in the NFS for YA2012, up from 790,000 in YA2011. Among the individuals who needed to file their tax returns in YA2012, a record 97% did so by e-filing.

Individual e-Filing Rate



GATHERING TAXPAYERS' FEEDBACK FOR IMPROVEMENT

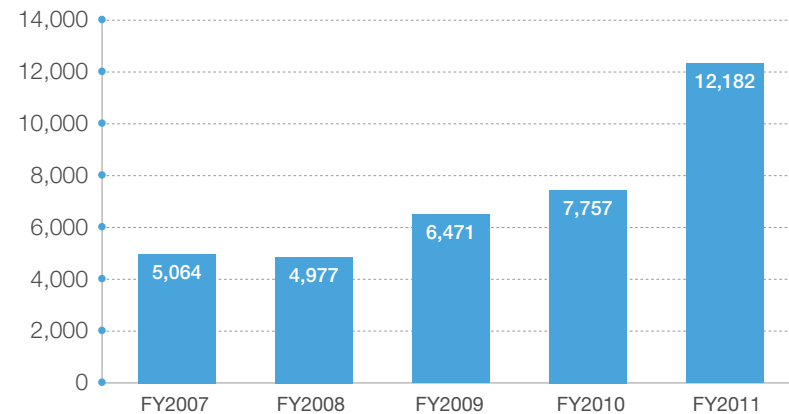
We continued to solicit taxpayers' feedback for ways to improve the quality of our services.

We held quarterly consultation sessions with our Taxpayer Feedback Panel (TFP) to learn more about the changing needs of our taxpayers. These meetings also provided us with a platform to clarify taxpayers' concerns about our tax policies and rules. Some issues discussed at the TFP meetings in FY2011/12

included the Simplified Income Tax Returns for Small Companies, Tax Treatment of Insurance Premiums and the IRAS Compliance and Voluntary Disclosure Programme.

The number of compliments we received from taxpayers had been increasing since 2008, while the number of learning opportunities had been on the decline. In FY2011/12, we received 12,182 compliments, up from 7,757 compliments in FY2010/11. The number of learning opportunities also fell to 57 from 72 last year.

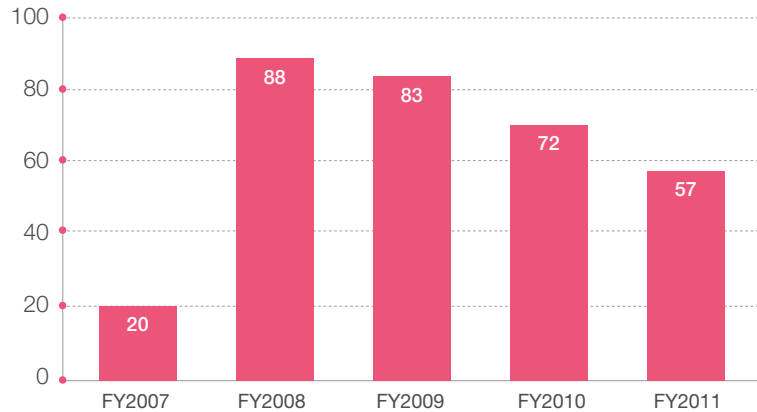
Number of Compliments from Taxpayers





Excellence Service from Our Hearts

Number of Learning Opportunities



TAXPAYER SURVEY 2011

We conduct the Taxpayer Survey biennially to assess taxpayers' satisfaction with our services and their general attitudes towards compliance. 5,500 taxpayers across different taxes and tax agents dealing with corporate tax and GST participated in the survey conducted in 2011.

Overall, 94.7% of the respondents were satisfied with IRAS and her services. While this represented a 1.1% drop from the satisfaction rate in the 2009 survey, the percentage of respondents who gave us the highest rating of "6" (which denotes that they strongly agree that they are satisfied with the level of service provided by IRAS) increased from 5.3% in 2009 to 6.0% in the 2011 survey. 96.8% of the respondents were satisfied with their experience browsing our IRAS website and more than 94% agreed that our website is comprehensive, clear and easy to use.

Majority of the respondents (91.4%) acknowledged that the Singapore tax system was business-friendly and encouraged enterprise. A high percentage (95.9%) believed that taxpayers in general declared their income and reliefs honestly.



Excellence Service from Our Hearts

2011 PS21 STAR SERVICE AWARD WINNERS' SERVICE STORIES

IRAS' DISTINGUISHED WINNERS – EPITOME OF EXCELLENT SERVICE. ALWAYS!

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

This year, two IRAS officers received these prestigious awards – Mr Yap Kong Huat Matthew from Enforcement Division received the PS21 Distinguished Star Service Award and Ms Koo Li Jun from Taxpayer Services Division received the PS21 Star Service Award.



Mr Yap Kong Huat Matthew
Tax Officer, Enforcement Division
Winner of 2011 PS21 Distinguished Star Service Award

Compliment for Matthew: *“Sincere in assisting and educating us on the procedures. It is through outstanding officers like Matthew that the Government is able to relay their policies to the public effectively.”*



Ms Koo Li Jun
Senior Tax Officer, Taxpayer Services Division
Winner of 2011 PS21 Star Service Award

Compliment for Li Jun: *“I was very pleasantly surprised at the high quality level of service I received today. What started as a bad day had turned into a great one, thanks to Li Jun. Thank you!”*

Excellence Service from Our Hearts

2011 IRASHINES! SPECIAL AWARD RECIPIENTS

Everyone in IRAS has a role to play in delivering excellent service. The IRASHines! Award is a pinnacle service award introduced in 2011 to reward and recognise both frontline and backroom staff for their outstanding service to taxpayers and internal customers. There are 12 winners this year and among them, four were honoured as the Special Award recipients for their exemplary contributions to service excellence.



Mrs Chua-Lee Suk Wen Joanne
(Senior Tax Officer, Taxpayer Services Division)

2011 IRASHines! Special Award Recipient:
Frontline (counter)

Compliment for Joanne: *"It was a remarkable experience. Joanne was so kind. She even offered additional assistance. No wonder Singapore is one of the best countries to live in."*

Ms Foo Siang Hui Catherine
(Senior Tax Officer, Enforcement Division)
2011 IRASHines! Special Award Recipient:
Frontline (helpline/ email/correspondence)

Compliment for Catherine: *"If we can have more officers like Ms Foo, IRAS would be voted the best in customer service."*

Ms Tan Kwee Khim Kellyn
(Assistant Manager, Property Tax Division)
2011 IRASHines! Special Award Recipient:
Backroom (non-fulltime frontline)

Compliment for Kellyn: *"I am very thankful and grateful for all the advice and prompt help that you have rendered. Your strong dedication and commitment towards your job certainly impressed me. With this experience, I have true faith that the Singapore Government indeed has a strong system of rule."*

Mrs Leu-Goh Poh Nai (Human Resource Officer, Corporate Services Division)
2011 IRASHines! Special Award Recipient:
Backroom (internal customer service)

Compliment for Poh Nai: *"Poh Nai has on one occasion called to make sure that some confidential documents reached me and that I would have no problems accessing the documents. She was worried that I would not be able to reach her for clarifications during her absence. She has gone the extra mile in serving my needs."*



Excellence Service from Our Hearts

2011 IRASHINES! AWARD WINNERS' SERVICE PHILOSOPHIES

Here are the service philosophies that our IRAShines! Award winners live by.

Frontline (counter)

“Make a difference.
Serve with sincerity,
passion and empathy.”

Yap Kong Huat Matthew, Tax Officer
Enforcement Division

“True service is about carrying
through our work with a
positive attitude.”

Tan Tit Thye, Principal Tax Officer
Corporate Tax Division

Frontline (helpline/email/correspondence)

“I believe that customers don't
expect you to be perfect, but
they do expect you to fix things
when they go wrong.”

Mohd Fauzi bin Mohamed, Tax Officer
Goods and Services Tax Division

“The joy and satisfaction
of bringing a smile to our
taxpayers makes going the
extra mile worthwhile.”

Lim Sue Min Sheryl, Senior Tax Officer
Property Tax Division

Backroom (non-fulltime frontline)

“To me, service comes in a
P.A.C.K. Passion, Attitude,
Customer satisfaction
and Knowledge.”

Julieana binte Elias, Senior Tax Officer
Individual Income Tax Division

“Service is all about having
Sensitivity, Empathy,
Responsiveness, Versatility,
Initiative, Clarity and
Enthusiasm.”

Low Hock Choo Carine, Acting Manager
Taxpayer Services Division

Backroom (internal customer service)

“Service is not just about how
you feel; it is how you make
others feel.”

Chin Sau Hing, Assistant Manager
Taxpayer Services Division

“Believe in yourself that you
have all it takes to give the
best service.”

Kong Jin Yee, Senior Tax Officer
Accounting and Processing Division



INLAND REVENUE AUTHORITY OF SINGAPORE
AR 2011/2012 ▲

Excellence
Our People ▲





Excellence Our People

“Our people are our most important asset. We believe that we can achieve our Vision through a team of competent and committed people.”



STAFF STRENGTH

Our staff strength as at 31 March 2012 stands at 1,872. Our turnover rate fell from 5.19% in FY2010/11 to 4.98% in FY2011/12.

STRENGTHENING CAPABILITIES

We invest in our people to raise their technical competency, professional standards and knowledge base. In FY2011/12, our staff training expenditure was S\$3.8 million or 2.68% of the total payroll.

Our people attend overseas conferences to keep abreast of international tax developments or to learn more about best practices in other tax administrations. In FY2011/12, we attended conferences such as the OECD Roundtable on Avoiding and Solving Tax Disputes in Paris, which discussed issues on multi-jurisdictional cases and measures to prevent disputes, and the Third IMF High Level Tax Seminar for Asian Countries, which provided insights on emerging taxation issues in Asian countries. Our staff also went on

study visits, including one to the National Tax Service (NTS) of South Korea, where they learnt about NTS' compliance framework and information technology systems.

IRAS has a culture of learning and sharing. Sharing sessions are organised for invited speakers to speak on external developments that affect tax administration or for staff to share their experiences and observations from certain case studies or visits. Topics covered in the sharing sessions in FY2011/12 included Business-Friendly Measures for the Marine Industry, Facilitating Compliance for the Biomedical Industry and Transfer Pricing Aspects of Business Restructuring.

We conducted the Annual Tax Conference in September 2011. Organised by the IRAS' Accredited Tax Specialist (ATS) community, the event aimed to raise the technical competency, professional standards and standing of our tax officers. The conference provided the ATs with the opportunity to discuss issues on enhancing Singapore's competitiveness in attracting, exploiting and retaining Intellectual Properties, and the

issues of volatility, certainty and transparency of Property Tax. At the conference, tax specialists who attained the ATS status were honoured, book prizes for Advance Tax Courses were given out and the Technical Contribution Award was conferred to those who had made significant contributions to technical expertise in IRAS.

We continued to expose staff to different areas of work through job rotations, attachments to other foreign tax administration as well as secondments to the Ministry of Finance to develop their skills in tax policy work.

In recognition of our human capital best practices, we were accorded 4 Singapore HR Awards in 2011 - the Leading HR Practices Awards for "Learning & Human Capital Development" and "HR Communications & Branding", as well as the Leading HR Practices (Special Mention) Awards in "Talent Management, Retention & Succession Planning" and "Employee Relations & People Management".



Excellence Our People

RECOGNITION FOR STAFF

Nine IRAS staff were honoured with medals at the Singapore National Day Awards in 2011. The Singapore National Day Awards recognises various forms of merit and service to the nation. Ms Tang Wai Yee (Assistant Commissioner, Infocomm Division) and Ms Hoe Ee Hui (Tax Director, Goods and Services Tax Division) were bestowed the Public Administration Award (Silver) and Public Administration Award (Bronze), respectively, for their outstanding efficiency, competence and industry. For their commendable performance and conduct, Mr Ang Seng Leong (Acting Director, Investigation and Forensics Division), Mr Aw Eng Poh (Senior Infocomm Specialist, Infocomm Division) and Mr Ho Chuang Wei (Manager, Investigation and Forensics Division) were conferred the Commendation Medal. Mr Hong Kang San (Assistant Manager, Enforcement Division), Miss Lum Mei Yoke (Acting Manager, Individual Income Tax Division), Mdm Lim Siew Hiok (Assistant Manager, Property Tax Division) and Mrs Kwan-Cho Seah Moi (Assistant Manager, Enforcement Division) were awarded the Efficiency Medal for their exceptional efficiency or devotion to duty.

PROMOTING INNOVATION

We encourage our people to continuously seek new ways to make their work easier and to raise overall productivity in the organisation. In FY2011/12, our people completed 392 innovation projects and generated 5,822 suggestions. We also give out awards such as the Chairman's Award, Commissioner's Award and Ideas for IRAS Award to recognise and appreciate the innovative efforts of staff.

IRAS was conferred the PS21 ExCEL Best Pro-enterprise Suggestion Award (Silver), which recognises outstanding suggestions and practices within the civil service that support enterprises, for proposing and implementing GST measures to ease the compliance costs of businesses in the biomedical industry and to facilitate the growth of the industry in Singapore. We also received the MOF Power Award, which recognises cut red-tape initiatives, for our project to enhance the tax receiving process.

WORK-LIFE BALANCE

We provide a conducive work environment for staff to better manage their work, personal and family needs.

Our biennial IRAS Family Day was held at Sentosa in January 2012, where we launched the logo commemorating IRAS' 20th anniversary as a statutory board. Beach games, activities for children and activities to involve the entire family were part of the event, which saw participation by some 1,700 staff, their families, friends and other invited guests.

Our Inland Revenue Recreation Club organised a range of sports and recreational activities in 2011. Our people participated

actively in sporting events such as the Public Service Star Games organised by the Civil Service Club, and clinched top finishes in Volleyball, Sports Telematch and the CSC Reservoir Run. Some 160 staff participated in the Revenue Games 2012 hosted by the Inland Revenue Board of Malaysia in Kota Kinabalu in February 2012. Our Commissioner also led a team of 24 IRAS staff to conquer Mount Kinabalu, the tallest mountain in Southeast Asia.





Excellence Our People

COMMUNITY INVOLVEMENT & CHARITY

We organise events to promote the spirit of volunteerism and inculcate a strong sense of public responsibility amongst staff.

In FY2011/12, our people participated in volunteer activities to assist the elderly, abused children and youth. We worked with the Red Cross to organise blood donation drives in IRAS. In recognition of our efforts to encourage staff participation in the Community Chest's SHARE Programme, IRAS was conferred the SHARE Award (Gold) and Community Chest 10-Year Outstanding SHARE Award.

To raise funds for President's Challenge, we organised activities such as food and charity bazaars, and collected donations in conjunction with the launch of the taxation book "The Law and Practice of Singapore Income Tax". Through these efforts, we raised a record sum of S\$262,730 for President's Challenge 2011.

VOLUNTEER E-FILING SERVICE (VES)

We continued to promote volunteerism by the community for the community via our Volunteer e-Filing Service (VES). 382 students and adults signed up as volunteers this year to render e-Filing assistance to less IT-savvy taxpayers over four weekends from 24 March 2012 to 15 April 2012, at 22 CitizenConnect Centres.

CARING FOR THE ENVIRONMENT

We continued to care for the environment. Our people actively participated in the Waterways Watch to keep Singapore's waterways clean and litter-free. We conducted regular pulping exercises and recycled used toner cartridges as part of our recycling efforts. We have also put in place eco-friendly features in our office building to conserve water and energy. In recognition of our efforts, we were conferred the Eco-Office Award, a green initiative driven by Singapore Environment Council and City Developments Limited.





Excellence Our People



ACHIEVING A HIGH LEVEL OF STAFF COMPETENCE AND SATISFACTION

IRAS believes that it is through our people that we can achieve our Vision of being the leading tax administration in the world. **Ms Wai Yean Tze** and **Mr Sim See Choon** shared their views on our corporate goals and core values, their work and the learning opportunities they have received to date.

Yean Tze, a Master Tax Specialist trainee, is currently on attachment to the Business Development Division at the Monetary Authority of Singapore (MAS). She is part of a team tasked with projects to monitor research and provide assessments on the structural shifts in the post-crisis financial landscape. In this role, she works closely with the industry players and relevant government agencies to build Singapore's resilience against the potential threats brought about by the changes in global capital and liquidity rules as well as evolving banking resolution requirements.

Yean Tze shared IRAS' goal to pursue excellence in tax administration -- "IRAS needs to be engaged continually on the forefront to facilitate economic development and help Singapore maintain her status as

a key business centre. The challenge is to have a tax system that is competitive, simple and conducive for cross-border trades and investments. We could contribute by the way we handle and deal with issues in the course of our work and how we exert our influence in the tax policy formulation process. Our IRAS leaders participate actively in various cross-divisional or functional committees to inculcate an excellence mindset within IRAS and lead initiatives to promote work improvement and excellence."

At IRAS, our staff exhibit IRAS' core values in their daily work. In his role as Manager, GST-Wholesale Trade Branch, **See Choon** leads a team of auditors to carry out compliance programs and issue rulings for GST registrants in the Wholesale Trade and the Retail Trade clusters. The team is also responsible for the administration of the electronic Tourist Refund Scheme (eTRS) and Hand-carried Export Scheme (HCES).

See Choon shared the pride of being an IRAS staff -- "IRAS leaders have always demonstrated the 'can-do' attitude towards business excellence and this 'can-do' spirit has become a hallmark of all IRAS staff as we carry out our day-to-day activities."



Excellence Our People

Resonating IRAS' core values, See Choon also said "Professionalism in IRAS staff will build trust and confidence from taxpayers in helping us to deliver a fair tax administration and achieve our corporate goals. I believe in collective team effort. I work closely with my colleagues to constantly seek innovation and improvements in our daily work. By tapping on the ability of every individual, we are able to rise to the challenge and meet the demands of our work."

See Choon and his team embraces new work procedures which have led to significant improvements in work outcomes. His team has seen a 94% improvement in positive tax recovery for the completed tax audit cases. See Choon also led a special project team to conduct investigation on a possible fraud case through the Tourist Refund Scheme.

In the areas of staff development, Yean Tze commented "The stint in MAS has allowed me to gain greater exposure to financial sector issues and build up knowledge of current and potential financial market developments. I have also gained insights on the structures and strategies of global financial players. Before my MAS attachment, I was sponsored for the NUS MBA programme. The MBA programme refreshed and enhanced my skill

sets and knowledge, particularly in the finance field. The course had also heightened my sensitivity in exploring differing perspectives and implications when dealing with issues."

His involvement in the project on tackling possible Tourist Refund Scheme fraud provided See Choon on the job training and opportunities to work with both internal and external stakeholders and built his capabilities in coordinating their efforts towards ensuring a robust eTRS system.

IRAS will continue to build our internal capability, harness the energies and ideas of our people as every staff has an important role to play in contributing towards excellence in tax administration.





INLAND REVENUE AUTHORITY OF SINGAPORE
AR 2011/2012

Looking Ahead



Looking Ahead

“The socio-economic landscape is rapidly evolving. We will constantly review our strategies to make tax administration a competitive advantage for Singapore.”



Photo courtesy of Gardens by the Bay

FACILITATING ECONOMIC GROWTH

We will continue to play a proactive role in facilitating economic growth through tax policies, rule simplification and regular environment scanning so that it is easy to do business in Singapore and our tax regime remains internationally competitive. We will pursue strategic international collaborations in tax administration matters. We will also continue our efforts in updating our existing tax treaties to incorporate the EOI standard.

PARTNERING TAXPAYERS

We will deliver customer-centric services and implement our compliance strategies to ensure an effective tax system where everyone is willing and committed to paying their fair share of taxes for nation-building. We will continue to engage taxpayers to understand their needs and tailor our services accordingly.

We will simplify our tax rules and processes, and introduce user-friendly e-services to make it easier for taxpayers to fulfil their tax obligations. We will conduct research studies to identify potential compliance risks and formulate plans to mitigate them. We will leverage on data analytics to better understand taxpayers' compliance behaviour and augment our human and technological capabilities to detect non-compliance.

DEVELOPING OUR PEOPLE

Our people are our most valuable asset. We will continue to identify training and development programmes to enhance their technical expertise and equip them with the relevant soft-skills to perform their roles well. We will also continue with efforts to retain technical and operational knowledge and mitigate the risk of loss of such knowledge.

INCREASING PRODUCTIVITY

Raising productivity has always been a key corporate goal for IRAS. We will improve service delivery and manage demand for service by rigorously examining and understanding the causes of demand to systematically reduce or resolve them in the most productive manner. We will review our key business processes, leveraging on data analytics and technology, to ensure relevance and to streamline or automate them for greater efficiency.