

Celebrating 20 Years of Excellence in Tax Administration

Address by Mr Moses Lee, Commissioner of Inland Revenue

Revenue House, Lobby, Friday, 31 Aug 2012

Mr President, IRAS Board members, Distinguished Guests, Colleagues, Principal and teachers, boys and girls, a very good afternoon to all of you. Thank you for joining us today to celebrate IRAS' 20th Anniversary.

Significance of IRAS' 20th Anniversary

2. The history of tax administration in Singapore dates as far back as 1948 when the Singapore Income Tax Department was set up by the colonial government to administer the Income Tax Ordinance introduced on 4 Dec 1947. This was to provide a new source of revenue to fund post-war social and economic reconstruction of Singapore and lay the foundation for a modern economy. With rapid industrialisation and economic growth following independence, the taxpayer base grew rapidly, creating a huge backlog of tax assessments and mounting tax

arrears. This was aggravated by high staff turnover due to uncompetitive terms and conditions in the civil service and abundant job opportunities in the vibrant private sector.

3. To overcome these challenges, IRAS was established as a new statutory board on 1 September 1992 - to give the tax administration greater financial and personnel autonomy to pay competitive wages to attract and retain good staff, instil a service mindset, and improve efficiency and compliance.

4. Over the last 20 years, we have achieved a high level of operational efficiency, provided many customer-centric services and reduced taxpayers' compliance costs. Our cost of tax collection at 0.78 cents per dollar collected is among the lowest in the world. Our voluntary compliance indicators, 92% of tax returns filed on time and payment arrears of less than 1%, are better than most other tax administrations. The IRAS service culture is strong, where even tax enforcement officers regularly receive compliments from errant taxpayers.

5. Since 2006, we have committed ourselves to playing a more proactive role in facilitating economic development. Today, we partner the economic agencies and taxpayers to review existing tax policies and identify new tax initiatives to sharpen Singapore's competitive edge and encourage enterprise. We believe that when businesses are successful and individuals have good paying jobs, our revenue collection will grow without increasing the tax burden on taxpayers.

6. IRAS has seen wave after wave of improvements, propelled by successive generations of passionate and dedicated staff. Our people have aspired and achieved as One IRAS to realise our Vision to be the leading tax administration in the world. I must acknowledge that we have benefited considerably from the collective wisdom and experience of the IRAS Board members. They have given their unwavering support to our initiatives, provided strategic direction and encouraged us to reach greater heights. We are also fortunate

to have the strong support and co-operation from our diverse stakeholders - the tax professionals, industry and business associations, the Big 4 Accounting firms, ICPAS, SIATP; they are an integral part of the tax administration. Their valuable inputs and perspectives have made a big difference and helped us to keep our tax system simple, relevant and competitive.

20th Anniversary Celebrations

7. As we celebrate our 20th Anniversary, we do not forget our community and the less fortunate. IRAS has been a strong supporter of the President's Challenge for the past 10 years and we have made a special effort to involve our staff, stakeholders and the public in raising funds for the President's Challenge.

8. Our theme for this year is to raise "A million coins for the nation". This is a rallying call to achieve full staff participation, and to underline that no contribution is too small. I am

heartened that all our staff have responded enthusiastically, and rallied their colleagues, families and friends to support this worthy cause. Many saved up the coins received from their daily cash transactions, while children emptied their piggybanks. Every division organised mini fund raising events with payments by coins preferred. Mass coin pouring sessions into the giant coin bank you see up on stage were held to show support for the President's Challenge. We will invite the President later to do the final pouring and top up the giant coin bank.

9. For the first time, and definitely the last time, we have also released a batch of decommissioned revenue stamps for sale to the public as collectibles. These stamps, printed more than 15 years ago, have been made redundant by our electronic stamping system, which enable documents to be stamped from the home, office or anywhere in the world. The response was way beyond our expectations, and I am told that the \$5000 set are now for sale on e-Bay for \$20,000.

10. Let me now take a moment to thank the members of the IRAS Board, Taxpayer Feedback Panel and corporate partners who have also generously contributed towards our fund-raising efforts. In a moment, President Tony Tan would be presenting an autographed copy of a specially designed revenue stamps folio as a token of appreciation to donors who have contributed \$10,000 or more.

11. With an eye to the next 20 years, we have decided to engage future taxpayers in our celebrations. We organised an online tax game competition to engage students on the role of taxes in nation building. Over the past 5 months, 7 student teams from 5 tertiary institutions pitted against each other to design and develop online games revolving around tax rules, taxpayer service and enforcement. I must say that they have made the tax system quite fun and enjoyable in the virtual world. We will include the winning game as part of our collection of tax games in our IRAS gallery, where we regularly

host visits by students and foreign dignitaries to share with them the Singapore Tax Story.

12. We have also commissioned a sculpture by Rebecca, a young student from the School of the Arts, to symbolise our journey of excellence as a tax administration. We will ask the President to unveil the sculpture shortly.

Conclusion

13. Even as we celebrate this significant milestone in our journey, we are now gearing up for the next 20 years. With the continued support of our Board, staff and stakeholders, I am confident that IRAS will continue to overcome future challenges and climb new peaks of excellence. In conclusion, let me once again express our sincere gratitude to Mr President for gracing our celebrations, and all of you for sharing this precious moment with us. Thank you.