



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The 4th Belt and Road Initiative Tax Administration Cooperation Forum

— Improving Tax Environment

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Encouraging Tax Compliance in Singapore

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and Service Framework

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1. IRAS' Beliefs





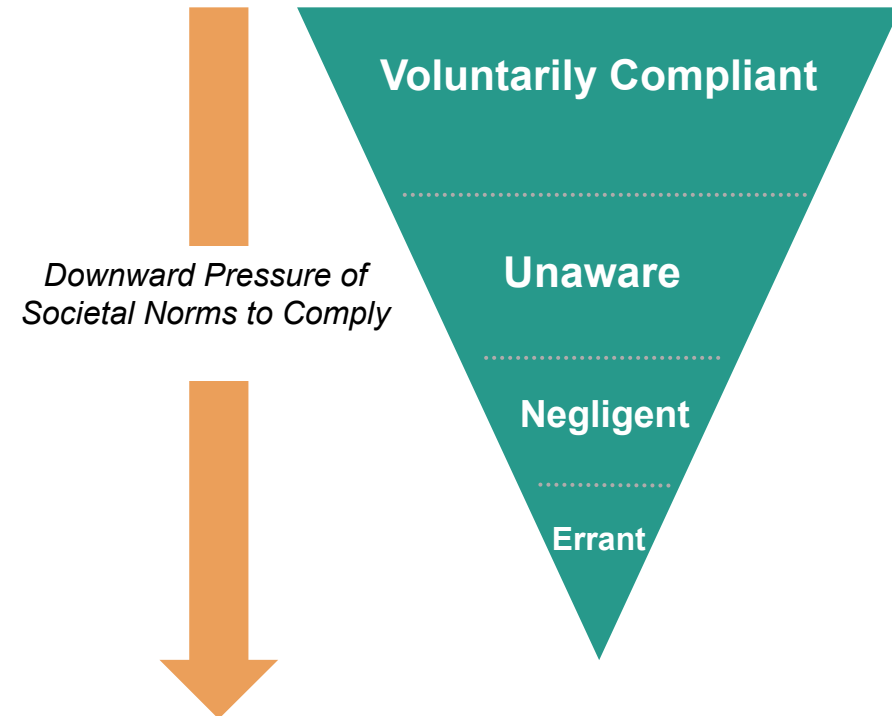
IRAS' Beliefs



Most taxpayers are and want to be compliant, as validated through our consistently high compliance performance indicators and taxpayers' responses to independently-conducted surveys

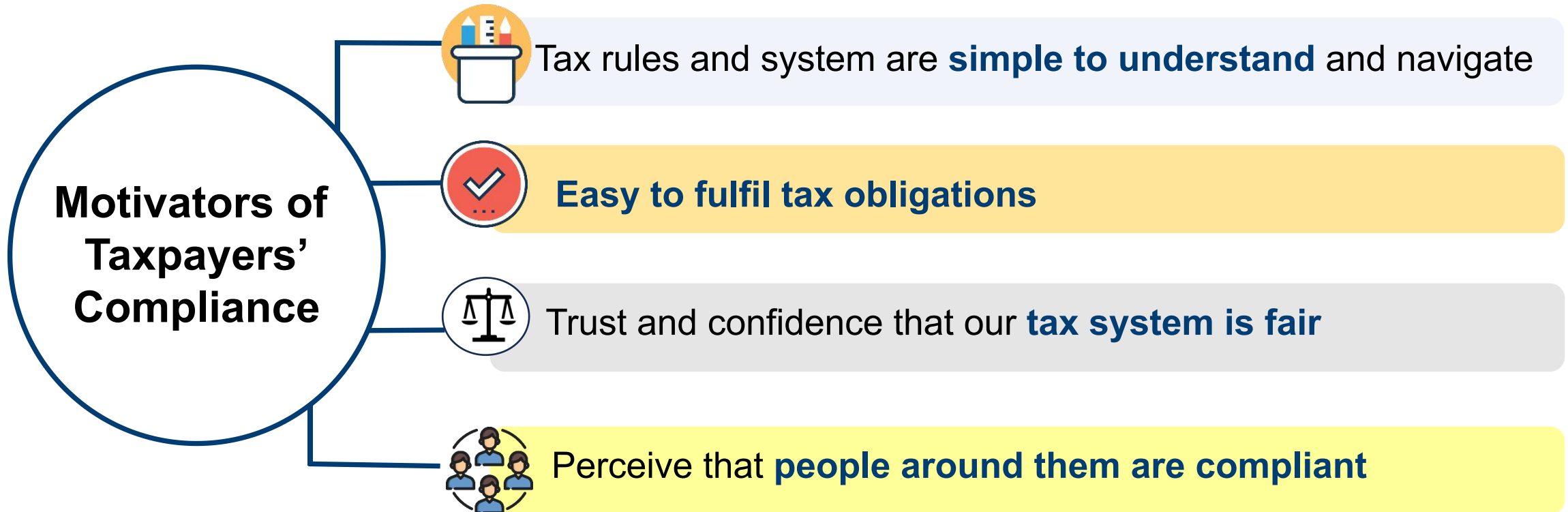


Large majority of compliant taxpayers exerts an influence on societal behaviour and creates pressure on the minority group of errant taxpayers to turn compliant





IRAS' Beliefs





2. The Integrated Compliance and Service Framework





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Based on IRAS' belief that a large majority of taxpayers are compliant, we regard providing excellent service as a key means towards achieving a high level of voluntary compliance. This has helped shape our compliance framework.

IRAS' Integrated Compliance and Service Framework (ICSF)

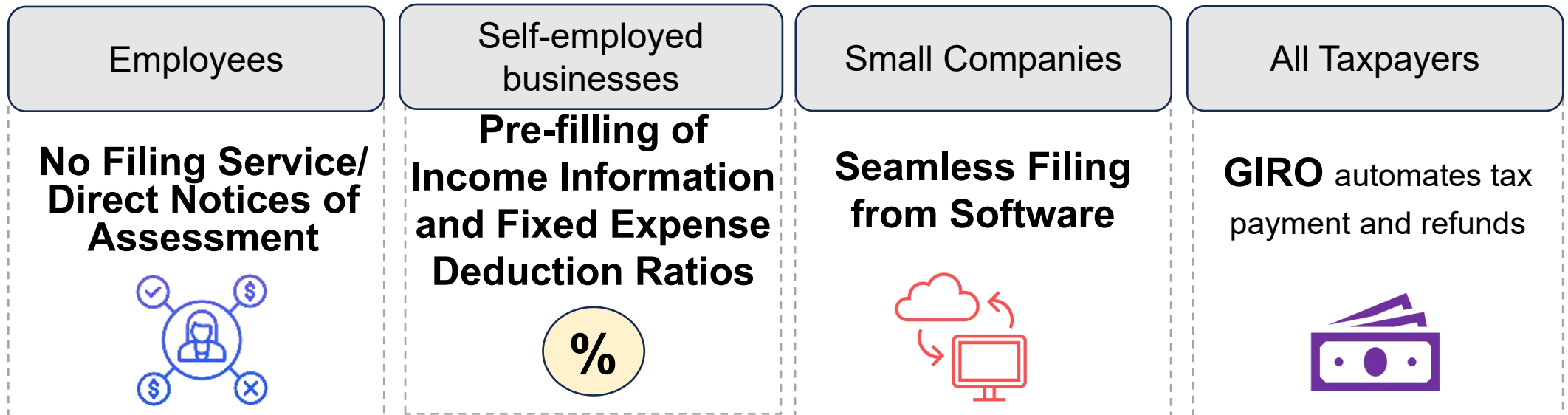
Right Design from the Start	Right Service to Meet Taxpayers' Needs	Right Actions at the Right Time	Right Taxpaying Values
<p>“No need for service is the best service”</p> <ul style="list-style-type: none">• Tax policies and processes are designed to be simple and clear.• Tax is integrated into taxpayers' life events or natural systems to minimise compliance burden.	<ul style="list-style-type: none">• Taxpayers have easy access to customised and timely assistance/ information to facilitate their tax compliance.• IRAS carries out early interventions to encourage compliance as early as possible.	<ul style="list-style-type: none">• IRAS takes effective, calibrated and timely compliance actions (i.e. deterrence, detection and tax recovery) to maintain trust and confidence in the tax system.	<ul style="list-style-type: none">• IRAS partners the community to shape social norms that embrace the value of taxpaying.



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Right Design from the Start

To integrate tax into taxpayers' natural systems, our focus is on simplifying tax rules and obtaining data from source to make tax compliance simple

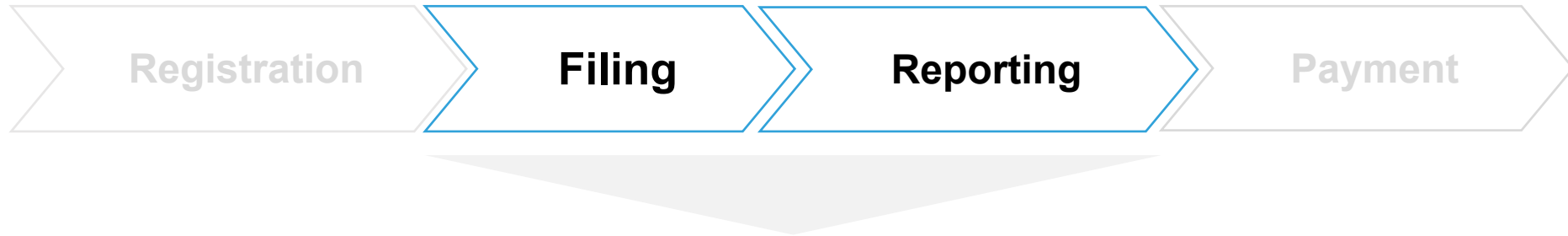


While income data might be obtained from source, taxpayers have to comply with record-keeping obligations.



Right Service to Meet Taxpayers' Needs

We strengthen taxpayers' abilities to resolve tax matters independently by **providing services that help them fulfil tax obligations easily.**



Website digital tools



Tax calculators

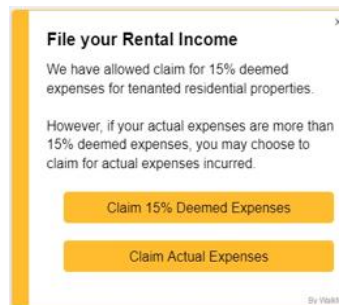


Filing/ Tax Relief checkers

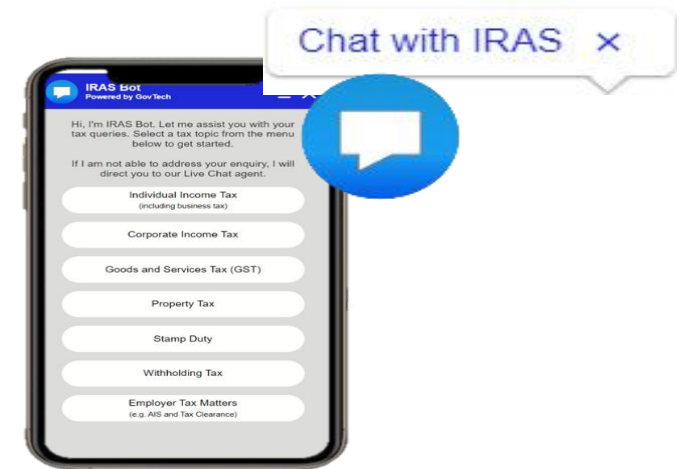


User Guides

Onscreen application guidance for the “overwhelmed user”



IRAS Bot





Right Service to Meet Taxpayers' Needs

We strengthen taxpayers' abilities to resolve tax matters independently by **providing services that help them fulfil tax obligations easily.**



“Face-to-face” consultations via virtual conferencing



Proactive reminders to encourage early compliance

SMSes and letter reminders are proactively sent out to inform taxpayers on their filing / payment due dates.



Digital tax bills for taxpayers' convenience

More than 90% of taxpayers receive digital tax bills via IRAS' portal, allowing them to access tax bills anytime, anywhere.



Array of quick and seamless digital payment /refund options

Includes GIRO, internet banking, telegraphic transfer and PayNow (a service that enables payments by scanning QR codes via mobile banking applications)



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Right Actions at the Right Time

We establish effective, calibrated and timely **compliance actions** to maintain **trust and confidence** in the tax system



Development of entity risk profiling

Identify tax compliance risks posed by each taxpayer (e.g. predict non-compliant behavior) and assign appropriate enforcement actions.



Tax recovery actions

A range of tax recovery actions can be taken against taxpayers who do not file or pay their taxes on time, such as late payment penalties or appointing banks as agents to pay outstanding taxes.



Audits and Investigations

Audits ensure accuracy of tax returns and maintains IRAS' compliance presence. Penalties are calibrated according to the severity of the offence and whether there was intention to evade tax.



Right Taxpaying Values

Active engagement with the public to **impart the right taxpaying attitudes and mindsets** and **solicit feedback** on a variety of issues



Engagement of Stakeholders and the Community

IRAS conducts dialogue sessions to reach out to tax professionals on taxes and the digital economy.



Youth Network

IRAS set up a Youth Network in 2018 to familiarise youths (i.e. future taxpayers) with taxes and inculcate positive taxpaying attitudes. Facilitated via webinars and financial literacy events.



Apply social norming elements in media releases

E.g. “Most taxpayers file their taxes by 18 April – 19 in 20 taxpayers did so in 2022.”



3. Making Tax Filing Seamless






What does making tax filing seamless mean?

Tax filing is effortless as tax is integrated into taxpayers' natural systems and processes

Desired Tax Filing Experience



Taxpayer Benefits


Minimise errors when completing a tax return


Time to focus on business/ other matters

Key Enablers

Partnership with the tax ecosystem

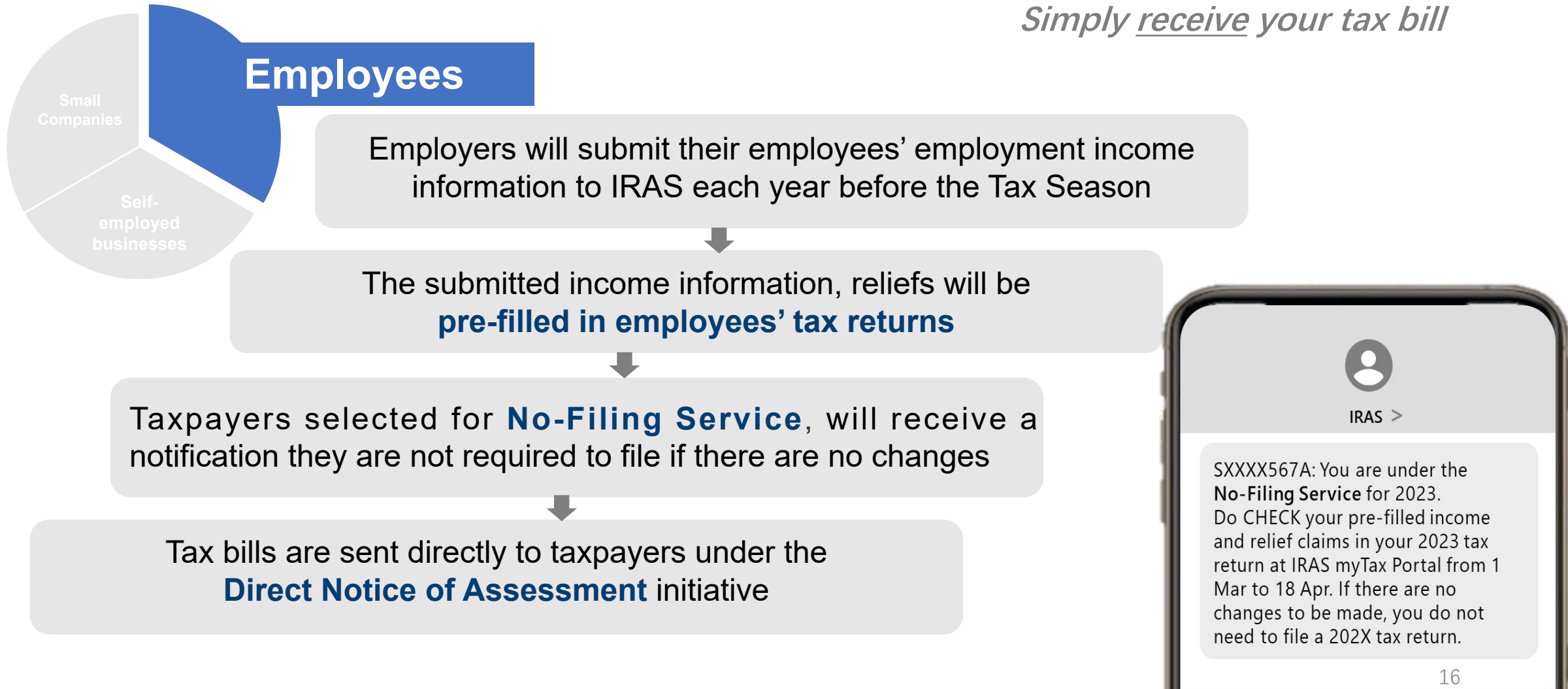
Obtaining relevant data from source

Simplification of tax rules to ease compliance



a. No Filing Service & Direct Notices of Assessment

Simply receive your tax bill





b. Pre-filing of Income Information & Fixed Expense Deduction Ratios

Simply verify your tax bill



Intermediaries transmit taxpayers' self-employed income information to IRAS each year before the Tax Season

IRAS **pre-fills the income information** in taxpayers' tax returns

A simplified tax rule called the **Fixed Expense Deduction Ratio** allows tax deduction on deemed expenses based on a ratio of the gross income earned. It is used to derive taxable income easily.

Taxpayers selected for **No-Filing Service**, will receive a notification they are not required to file if there are no changes

Revenue.....	\$100
Deemed Expenses.....	(\$20) (e.g. FEDR is 20% of \$100)
<hr/>	
Taxable Income...	\$80



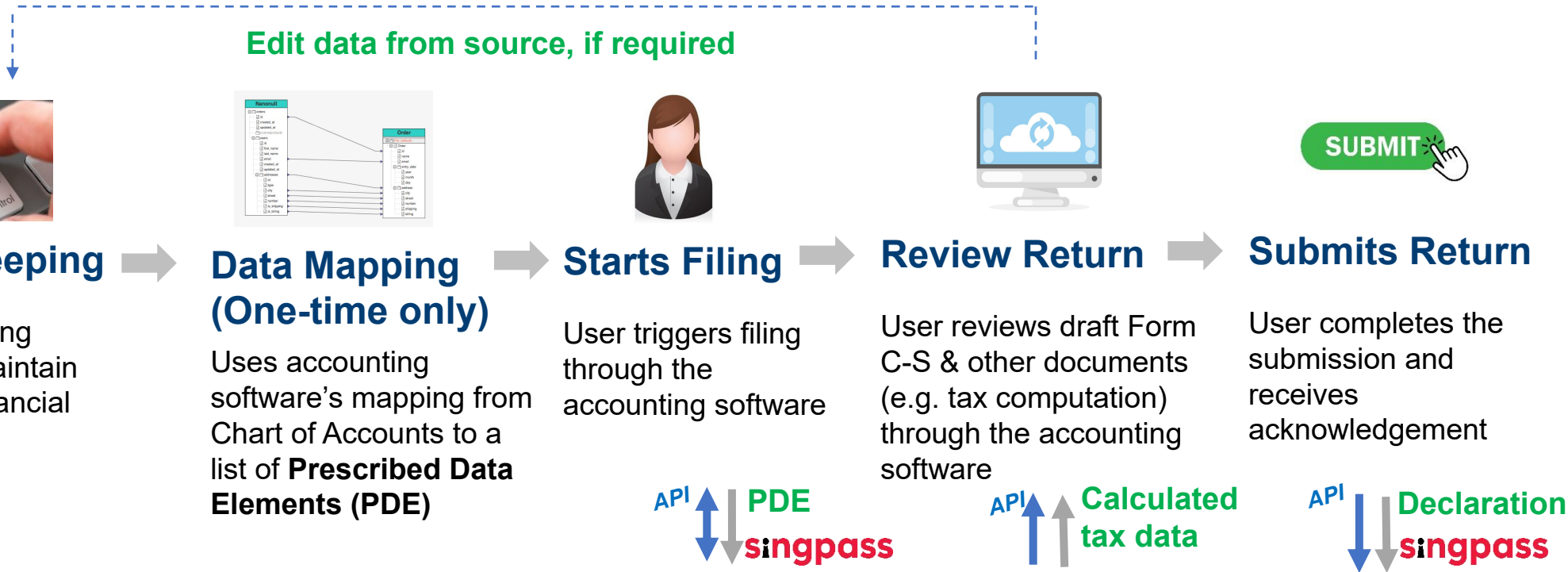
c. Seamless Filing From Software

Small Companies

Simply submit your tax bill

Example of how solution works for filing a small company's income tax return through an accounting software

Edit data from source, if required



Record Keeping

Uses accounting software to maintain company's financial transactions

Data Mapping (One-time only)

Uses accounting software's mapping from Chart of Accounts to a list of **Prescribed Data Elements (PDE)**

Starts Filing

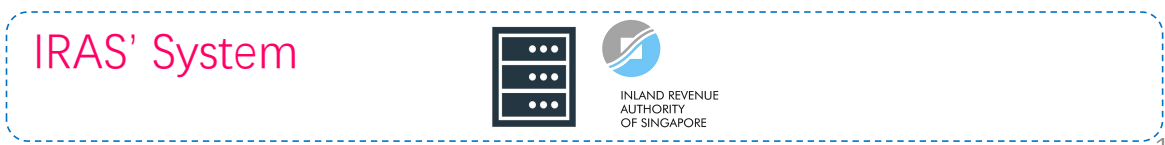
User triggers filing through the accounting software

Review Return

User reviews draft Form C-S & other documents (e.g. tax computation) through the accounting software

Submits Return

User completes the submission and receives acknowledgement





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THANK YOU

