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30 posts

>3.4 million taxpayers contributed taxes for nation-building

# IRAS Annual Report FY2019/20

## Redefining Taxpayers' Experience

Click to learn more



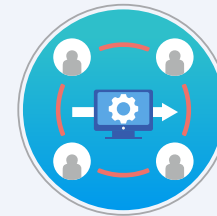
Corporate Information



Highlights



A Digital IRAS



A Digital Workforce



Financial Review



S\$53.5 billion in tax revenue collected

Read More



Taxpayer-Centred Experiences

Read More

# OUR MISSION • VISION

## Corporate Goals

- Foster a competitive tax environment that supports inclusive growth
- Provide excellent service
- Maximise voluntary compliance
- Enhance organisational and staff productivity
- Achieve a high level of staff competence and satisfaction

## Core Values

- Fairness: Treat everyone in the same circumstances equally
- Integrity: Do what is right without fear or favour in all circumstances
- Professionalism: Serve our nation responsively, with competence, pride, commitment and empathy
- Teamwork: Work with one another with mutual trust and respect to achieve Whole-of-IRAS and Whole-of-Government outcomes
- Innovation: Continuously seek new ways to do our work better



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## About Us

### Our Mission

- Act as an agent of the Government and provide service in the administration of taxes
- Advise the Government, and represent Singapore internationally, on matters relating to taxation

### Our Vision

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



# CHAIRMAN'S STATEMENT



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**tanchingyee** Tax revenue is used to fund various social, economic and security programmes for Singapore. IRAS' tax collection accounted for about 72% of the Government's Operating Revenue.

### Fostering International Co-operation in Tax Matters

Increasingly, tax matters are the subject of international discussion and consensus-building. Singapore plays its rightful role in these.

IRAS continues to fulfil Singapore's commitment to implement Automatic Exchange of Information. In FY2019, it successfully transmitted Common Reporting Standard (CRS) reports to 63 reciprocal partner jurisdictions on time. It also transmitted the FY2017 Country-by-Country reports of 20 Singapore Multinational Enterprise Groups to 33 partner jurisdictions, and the FY2018 reports of 49 Singapore Multinational Enterprise Groups to 40 partner jurisdictions.

IRAS is an active member of the Steering Group of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the Forum on Harmful Tax Practices Bureau and the Task Force on Digital Economy Bureau. It also chairs the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes. IRAS represents Singapore in the review of the BEPS minimum standards, formulation of the CRS peer review framework, and the ongoing work relating to the taxation of the digital economy.

To facilitate cross-border investment and trade, IRAS continues to expand Singapore's network of Avoidance of Double Taxation Agreements (DTAs). In FY2019, Singapore signed new comprehensive DTAs with Armenia, Greece, Indonesia, Korea and Turkmenistan. 87 out of Singapore's 93 comprehensive DTAs are in force as at 31 March 2020.

[#internationallycompetitive](#)



# Supporting **INCLUSIVE GROWTH**

**IRAS supports the government on the administration of assistance schemes to aid businesses and help Singaporeans keep their jobs.**



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## **Chairman's Statement**

**tanchingyee** IRAS has been administering the disbursement of the Wage Credit Scheme (WCS) since its introduction in 2013. In March 2020, over 80,000 employers received more than S\$600 million in WCS payouts on the wage increases given to employees in 2019. All the disbursements were credited directly into the employers' bank accounts through GIRO and PayNow Corporate, in line with Singapore's Smart Nation efforts. In June 2020, a supplementary payout of S\$460 million was disbursed to over 87,000 employers as part of the enhanced WCS announced in Budget 2020.

IRAS also disbursed the Jobs Support Scheme (JSS) payouts, which aims to help businesses protect jobs during the economic uncertainty caused by the COVID-19 pandemic. More than S\$7 billion in JSS payouts were made to over 140,000 employers in April 2020. Following the enhancements to the JSS, IRAS disbursed another S\$4 billion to more than 140,000 employers in May 2020, and over S\$4 billion to more than 150,000 employers in July 2020. A further JSS payout will be made in October 2020.

IRAS implemented various tax measures to support businesses during the COVID-19 situation. These include rebates for corporate tax and property tax, as well as automatic deferral of income tax payments for companies and self-employed persons. IRAS also extended the tax filing deadlines for individuals and businesses.

[#inclusivegrowth](#) [#SGUnited](#)



# Building a FUTURE-READY ORGANISATION



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## Chairman's Statement

**tanchingyee** IRAS continues with its organisational development efforts to be future-ready. It leverages technology to enhance taxpayers' experience and reduce their compliance costs. It actively collaborates with tax professionals, taxpayers and accounting software developers in the process. It has progressively scaled up its analytics capabilities to streamline work processes, improve service delivery and combat tax non-compliance. It is modernising its core IT system in phases that will enable even more seamless and convenient digital services. It is also preparing and equipping staff for the future through workforce transformation.

### Acknowledgements

On behalf of the Board and staff of IRAS, I wish to thank former Board members – Mrs Chng Sok Hui, Mr Niam Chiang Meng, Dr Philip Pillai and Mr Bob Tan – for their many contributions to IRAS. They retired from the IRAS Board in September 2019. I also welcome Mr Sarjit Singh Gill, Mr Ngiam Shih Chun, Mr Seah Chin Siong, Mr Darren Tan and Mr Wong Kim Yin, who joined the Board in the same month.

The success of an organisation hinges on the quality and commitment of its people. On behalf of the Board, I express my appreciation to the management and staff of IRAS for their dedication and contributions.

#future-ready #digitalisation



# “Redefining TAXPAYERS' EXPERIENCE



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## Commissioner's Message

**ngwaichoong** IRAS collected S\$53.5 billion in tax revenue, 2.1% higher than the previous year. We kept our cost of collection low under one cent, at 0.78 cents for every dollar collected. Tax arrears stayed low as well at 0.79% of net tax assessed.

In FY2019, we continued to roll out enhancements and new digital initiatives to make taxpaying easier.

From May 2021, most IRAS notices and letters will be digitised.

[#redefining](#) [#transformation](#)



# Promoting **VOLUNTARY COMPLIANCE**



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## Commissioner's Message

**ngwaichong** We reviewed and simplified the GST registration rules. With effect from 1 January 2019, 16,000 businesses with revenue close to S\$1 million are only required to review their GST registration liability once a year instead of every quarter. Businesses can self-assess their liability using an intuitive online calculator.

We launched an interactive guide to help new sole-proprietors and partnerships understand their tax obligations based on their responses to key questions. As at end-March 2020, 1,900 businesses have tried this interactive start-up kit.

Together with the Accounting and Corporate Regulatory Authority (ACRA), we have worked with accounting software providers to develop a seamless filing solution using API (Application Programming Interface) technology. This will enable small companies to file their tax and financial returns to IRAS and ACRA directly using the accounting software. With the launch of this solution in 2020, about 200,000 companies can potentially benefit from this initiative.

We audited and investigated 9,843 taxpayers and recovered more than S\$443.5 million in taxes and penalties in FY2019.

[#seamlessfiling](#) [#digital](#) [#interactive](#)



# Fostering a **COMPETITIVE TAX ENVIRONMENT**



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## Commissioner's Message

**ngwaichoong** We proactively review our tax policies to ease businesses' compliance costs and provide them with greater tax certainty. In FY2019, we reviewed 31 tax policies. This included the review of tax treatment on compensation receipt from early termination of charter contract for the shipping industry, enhancement to the qualifying conditions of the Business and Institutions of Public Character (IPCs) Partnership Scheme, and the review of income tax treatment of digital tokens.

We continue to support international efforts to establish a consistent set of international tax standards as a member of the Steering Group of the BEPS Inclusive Framework, and Chair of the Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Review Group. In August 2019, we joined the Bureau of the OECD Forum on Tax Administration (FTA), giving us the opportunity to jointly steer the work of the FTA and contribute thought leadership on tax administration matters.

[#competitive](#) [#international](#)





# Enhancing ORGANISATIONAL PRODUCTIVITY & CAPABILITIES



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## Commissioner's Message

**ngwaichoong** We continue to modernise our core IT system in phases to drive towards greater digitalisation, improve efficiency and raise staff productivity. The system is on track to enable digital notices and preference management for taxpayers in early 2021.

We integrated our helplines, emails and outbound SMS capability into a single Omni-Channel Contact Centre System. The new system provides a comprehensive overview of taxpayers' interactions with IRAS across the various channels. It optimises resource utilisation and enables us to serve taxpayers in a more complete and consistent manner.

We piloted an initiative to cross-train a selected group of officers to handle income tax and enforcement enquiries via Live Chat and myTax Mail. Besides enhancing staff capabilities, the initiative also allowed us to improve taxpayer experience by reducing case referrals/transfers and improving first contact resolution.

[#productivity](#) [#solutions](#) [#transformation](#)



# Operating in CHALLENGING TIMES

We continue to innovate, scale up digital service channels, and adopted video conferencing and working from home.



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## Commissioner's Message

**ngwaichoong** We support the government in helping workers, sustaining businesses and keeping our society going during the COVID-19 situation. We implemented assistance schemes and tax measures announced by the government to help workers and businesses. We actively promote our digital service channels so that taxpayers can minimise physical interactions with us, and put in place safe distancing measures for those who require on-site assistance. We also adopted working from home for functions that can be effectively carried out remotely to ensure the safety and well-being of our staff, while enabling us to continue our operations effectively and efficiently.

### Looking Ahead

IRAS will continue to partner the community and stakeholders as we strive to improve taxpayer service, facilitate compliance and enhance the competitiveness of our tax regime.

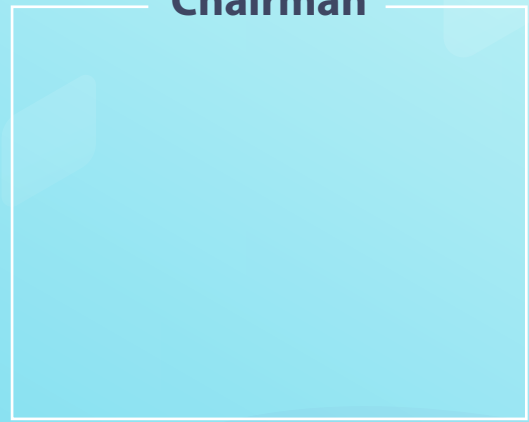
### Acknowledgements

I would like to thank the Board for its support and all IRAS staff for their commitment and contributions.

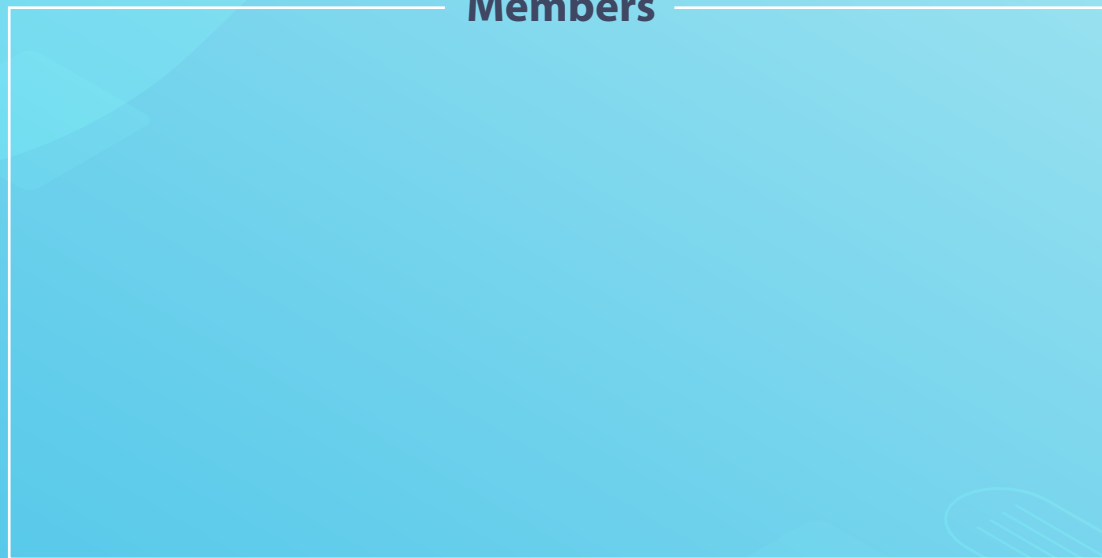
[#iras](#) [#sgunited](#) [#team](#)



**Chairman**



**Members**



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**IRAS Board**



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

[#iras](#) [#taxes](#) [#sg](#)



# IRAS BOARD

Commissioner Of Inland Revenue/Chief Executive Officer

Internal Audit Branch

## Individual Group

## Business Group

## International, Investigation And Indirect Taxes Group

## Corporate And Services Group

Individual Income Tax Division

Taxpayer Services Division

Corporate Tax Division

Tax Policy And Transfer Pricing Division

Compliance Strategy And Insights Division

International Tax & Relations Division

Investigation & Forensics Division

Goods & Services Tax Division

Property Tax Division

Revenue & Corporate Services Division

Enforcement Division

Corporate Development Division

Law Division

Infocomm Division



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## Organisation Structure

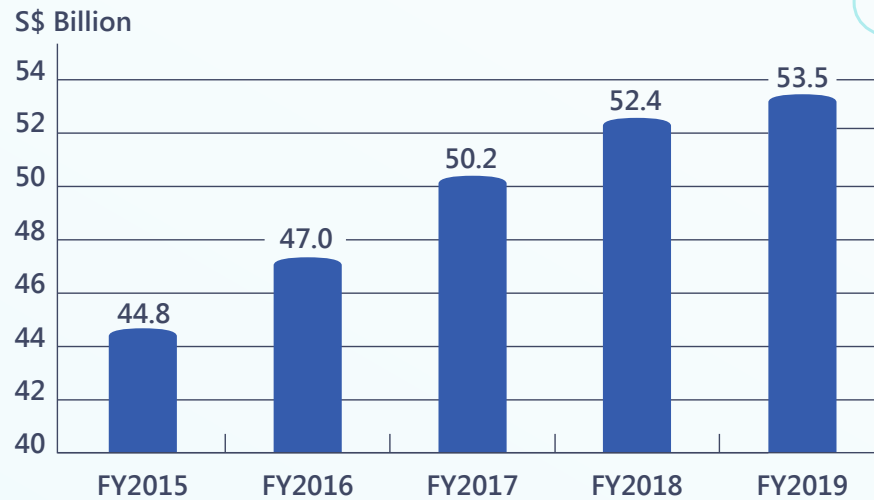
Our various divisions work together to ensure the smooth administration of Singapore's tax system.

#iras #taxes #nation-building #sg



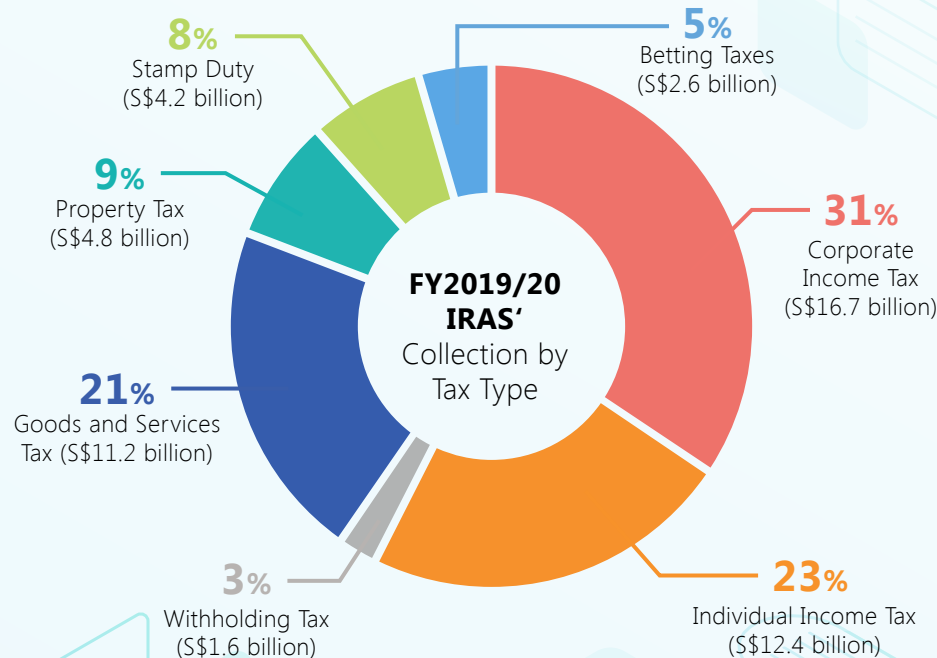
## IRAS' TAX COLLECTION

In FY2019/20, we collected a total revenue of **S\$53.5 billion**. This represents **72%** of the Singapore Government's Operating Revenue and **10.5%** of Singapore's Gross Domestic Product.



● IRAS' Collection

## Revenue Collection by Tax Type



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



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## Our Revenue Collection in FY2019/20

Taxes play an important role in nation-building. Your contribution keeps Singapore financially resilient.

IRAS plays a key role in the collection of revenue. It is responsible for the collection of Income Tax, Goods and Services Tax (GST), Property Tax, Stamp Duty and Betting Taxes.

Our tax arrears rate remains low at 0.79% (FY2018/19: 0.87%). The current year arrears for Income Tax, GST and Property Tax amounted to about S\$357 million (FY2018/19: S\$373 million).

In FY2019/20, total Income Taxes (Corporate Income Tax, Individual Income Tax and Withholding Tax) made up 57% of IRAS' collection. They amounted to S\$30.8 billion, 4.8% higher than the S\$29.4 billion collected in FY2018/19. The increase is mainly contributed by an increase in corporate profits and higher earnings for individuals.

GST collection increased marginally by 0.2% to S\$11.2 billion.

Property Tax collection was S\$4.8 billion, 2.4% higher from FY2018/19.

Stamp Duty collection fell by 8.9%, from S\$4.6 billion in FY2018/19 to S\$4.2 billion due to a decrease in the number of property transactions.

Betting Taxes - comprising Betting Duty, Casino Tax and Private Lotteries Duty - totalled S\$2.6 billion, 1.6% lower than FY2018/19. [#iras](#) [#nation-building](#) [#sg](#)



100%

of **YA2019 Individual Income Tax** returns received in 2019 were assessed by March 2020

99%

of **Corporate Income Tax** returns received in 2018 were assessed by December 2019



The annual value of **99.8%**

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



The annual value of **99.2%**

of **existing properties** were reviewed by December 2019

15

**unilateral** and **bi-lateral Advance Pricing Arrangements (APAs)** were concluded



We have signed

**93**

**comprehensive Avoidance of Double Taxation Agreements (DTAs),**

15

**Mutual Agreement Procedure (MAP) cases** were resolved



**87**

of which are in force as at 31 March 2020

31

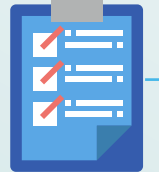
**tax policies** were reviewed to ensure our tax system stays **competitive** and **progressive**



**9,843**

cases were **audited** and **investigated** and

about **S\$444** million in **taxes and penalties** were recovered



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# IRAS at a Glance: Our Performance

Check out our highlights from FY2019/20.

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## Our Services

Even as IRAS continues on its journey of digital transformation, we still strive to assist taxpayers through multiple channels.

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**International Engagements**



**Tax Treaties**



**Exchange of Information**

Participated in a joint project with Canada, UK and US to develop a toolkit on FATCA and CRS compliance for tax administrations



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# International Engagement and Partnership

We advance Singapore's tax interests and priorities through strengthening Singapore's DTA network, and participating actively in regional and international tax initiatives.

#iras #taxes #nationbuilding #sg







**FTA Tax Admin 2030 Steering & Drafting Group, Norway**



**Global Forum on Transparency and Exchange of Information for Tax Purposes 10th Anniversary**



**FTA SME Project workshop, Utrecht, the Netherlands**



**Conference on 'Conducting Financial Investigations', OECD-APAC Academy, Japan**



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# International Engagement and Partnership

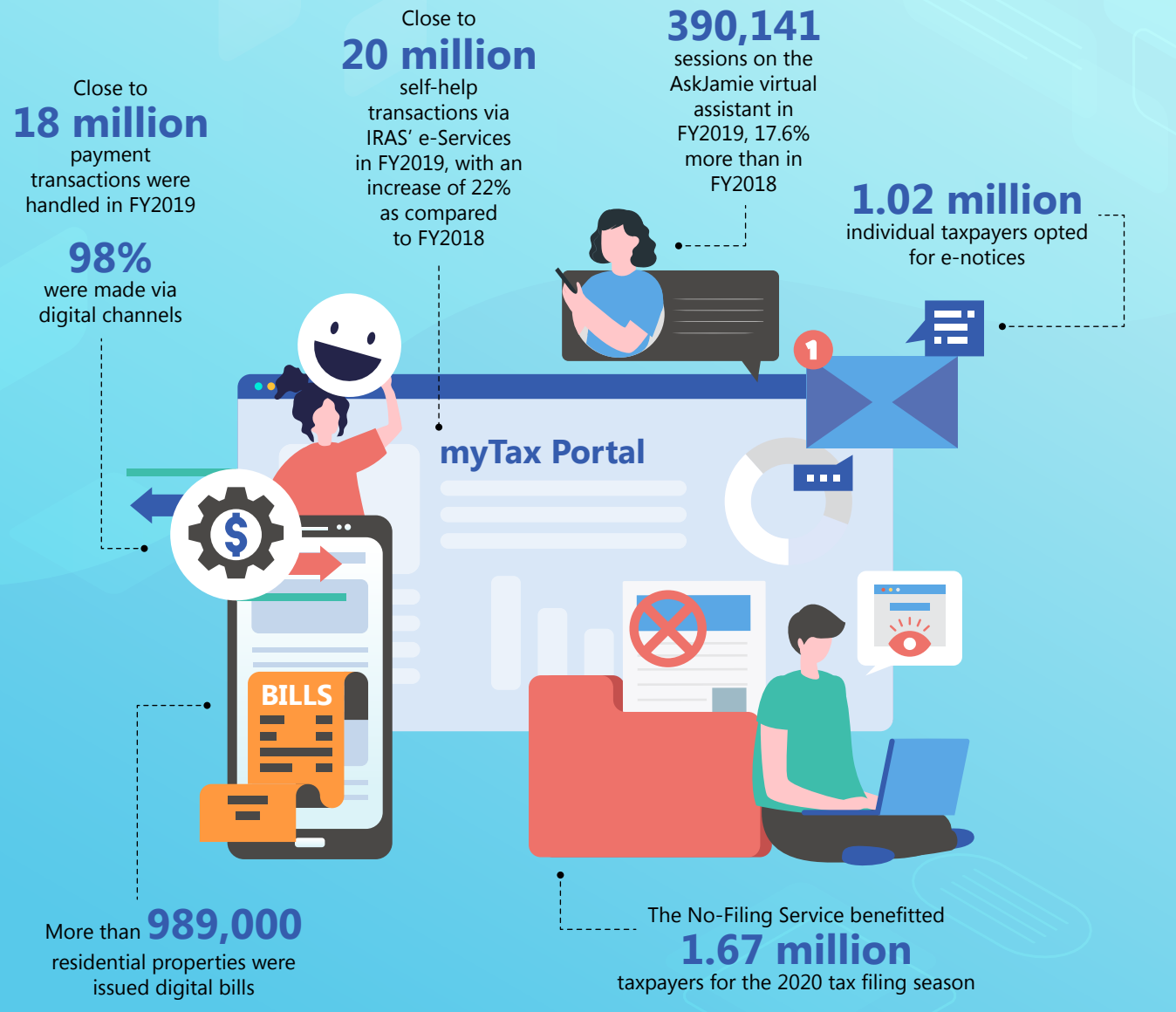
We engage with our international counterparts around the world to profile IRAS and our people, and to exchange knowledge and experiences.

[#iras](#) [#international](#) [#taxes](#) [#sg](#)



Our Services:

CONNECTING DIGITALLY WITH TAXPAYERS



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We are transforming our services to redefine the taxpaying experience. In our biennial Taxpayer Survey, 98% of respondents were satisfied with IRAS' service.

#iras #transformation #sg



# TAXPAYER-CENTRED EXPERIENCES



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**A Digital IRAS**



We are always innovating to make the taxpaying experience seamless and hassle-free.

[#iras](#) [#digitaltransformation](#) [#sg](#)



### On-Time Filing Results for FY2019/20

97.3%

96.0%

84.3%

NA

Individual Income Tax

Goods and Services Tax

Corporate Income Tax

Property Tax

91.2%

90.4%

84.3%

95.1%

### On-Time Payment Results for FY2019/20



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## A Socially Responsible Taxpaying Community

IRAS is committed to building a community of socially responsible taxpayers by making it easier to file and pay taxes.

#iras #nation-building #sg



Mouse over icons for details



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# IRAS & the Community

Collaboration and innovation go hand in hand. Find out more about what we have been working on in 2019.

#iras #community #sg





# NIMBLE AND FUTURE- READY IRAS OFFICERS



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## A Digital Workforce

Here at IRAS, our officers are given opportunities to learn and develop new skills. This will prepare them well for the rapidly evolving digital workplace.

“Harnessing technology not only helps us build a more robust tax system with an enhanced taxpaying experience, it also drives meaningful productivity gains in our daily work. As officers, we should be nimble and ready for change. Together, we can stay ahead of the game and be a future-ready leading tax administrator.”

**Lim Sue Min**

Manager  
Valuation and Stamp Duty  
Property Tax Division

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# LEVERAGING TECH FOR SERVICE EXCELLENCE

## Customised digital solutions

**Chin Poh Li**  
Senior Manager  
Enterprise Digital Solutions  
Infocomm Division

## Digitalised workplace

**Juliana Bte Kadir**  
Senior Tax Officer  
Self Employed  
Individual Income Tax  
Division

## Streamlined processes

**Zeenath Nissa  
D/O Jahaber  
Maricar**  
Senior Tax Officer  
Contact Centre  
Taxpayer Services

## Innovation & creativity

**Derek Yam**  
Valuer  
Commercial  
Property Tax Division



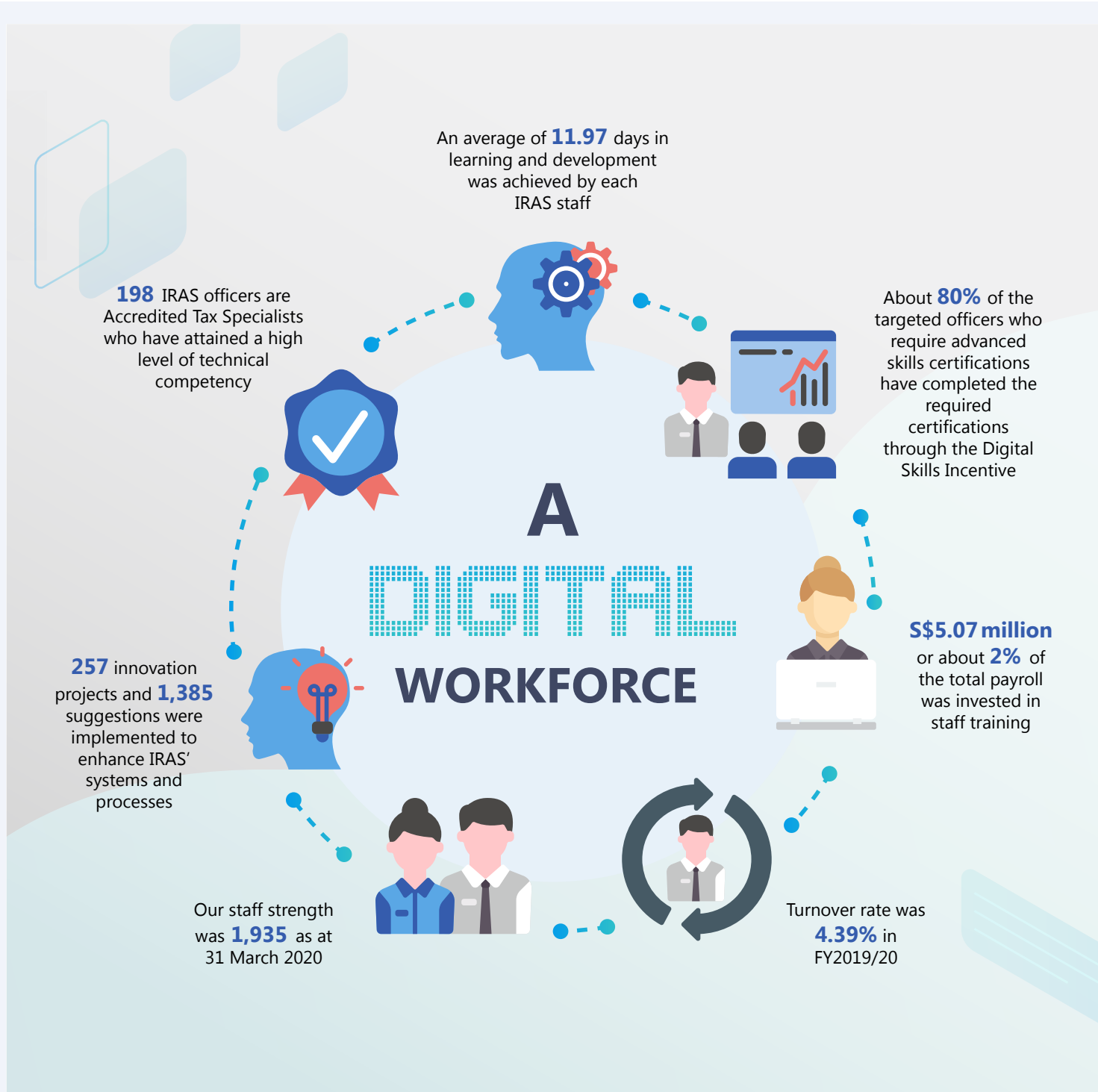
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**A Digital  
Workforce**



Hear more about how we leverage technology to provide better service to our taxpayers.

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# A Digital Workforce

Innovation is a core value in IRAS. We constantly promote pervasive innovation to transform the way we work.

In support of the Public Sector Transformation Million Hours challenge, IRAS launched the "Innovate & Save Time" campaign. We galvanised the entire organisation to collectively save more than 300,000 hours for taxpayers and our staff. We streamlined work processes and enhanced services, creating better taxpaying and work experiences.

To promote a data-driven and human-centred culture, IRAS held our inaugural Staff Hackathon during the annual Learning & Innovation Festival. The Hackathon encouraged the application of analytics, data visualisation tools and behavioural insights across IRAS. Close to 100 staff participated, generating 25 team proposals with applications across IRAS.

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## FIVE-YEAR FINANCIAL SUMMARY

### STATEMENT OF COMPREHENSIVE INCOME (S\$' MILLION)

	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Operating Income	429.8	459.8	474.3	492.2	509.7
Operating Expenditure (includes depreciation and amortisation)	374.3	397.0	424.3	421.9	423.1
Manpower Costs	231.2	249.5	257.4	258.7	256.1
Depreciation and Amortisation	22.1	21.6	22.9	22.6	61.0
Other Operating Expenditure	121.0	125.9	144.0	140.6	106.0
Operating Surplus	55.5	62.8	50.0	70.3	86.6
Net Investment Income	1.6	14.6	13.5	8.3	8.8
Other Comprehensive Income - Actuarial Loss	(1.6)	-	(0.3)	(0.7)	(1.3)
Surplus before Contribution to Government Consolidated Fund	55.5	77.4	63.2	77.9	94.1
Capital Expenditure (S\$' million)	8.0	13.5	16.6	16.2	36.5*
Tax Revenue (S\$' million)	44,771	47,028	50,226	52,428	53,511
Cost per Dollar of Tax Collected (cent)**	0.83	0.84	0.84	0.80	0.78
Number of taxpayers per employee	2,203	2,315	2,464	2,555	2,596



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## Financial Review

Find out more details about IRAS' Five-Year Financial Summary.

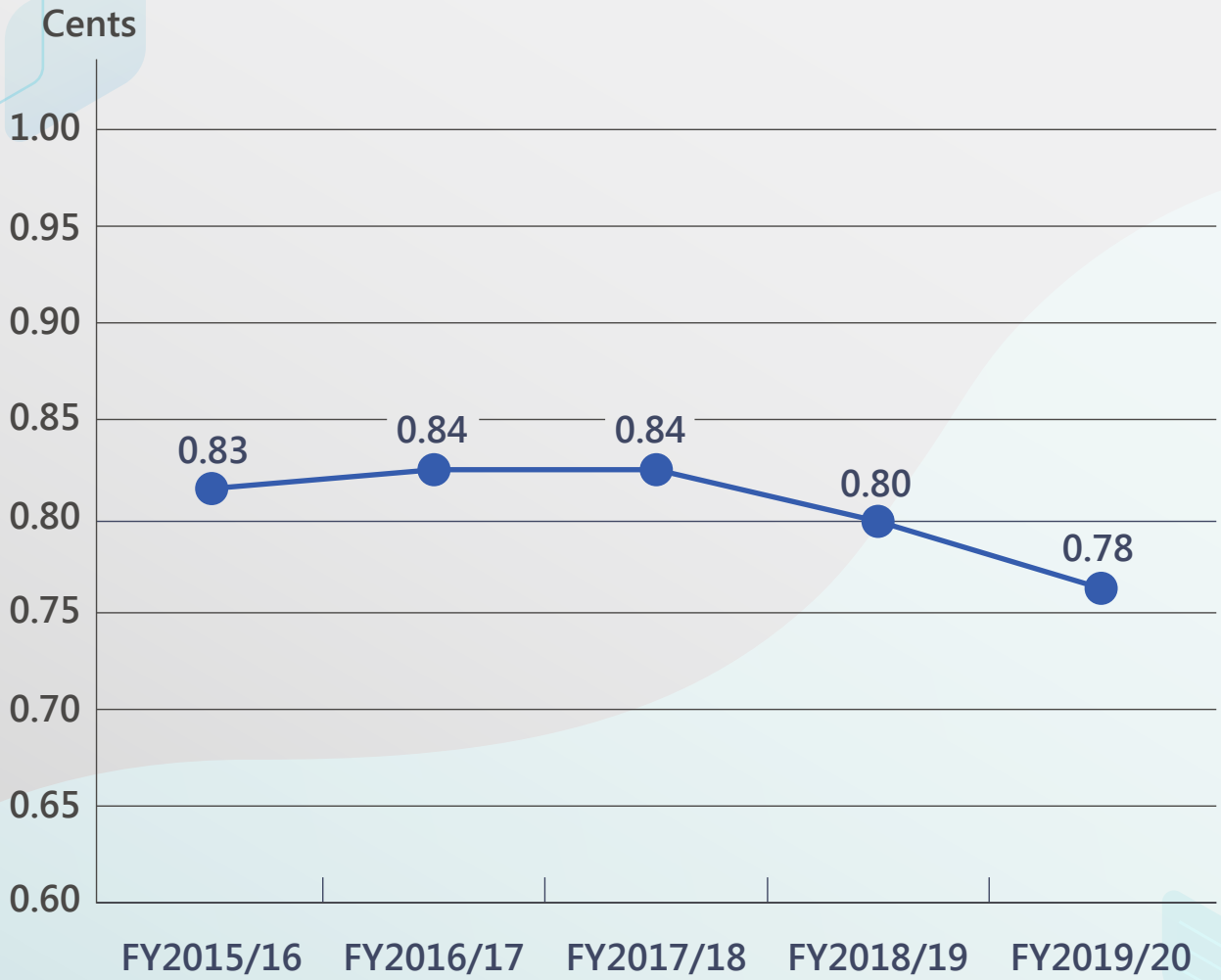
\* Excludes the capitalisation of right-of-use assets upon initial adoption of *SB-FRS 116 Leases* on 1.4.2019.

\*\* Excludes the cost of administering Medishield Life Scheme on behalf of MOH and Wage Credit Scheme on behalf of MOF.

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# COST PER DOLLAR OF TAX COLLECTED



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## Financial Review

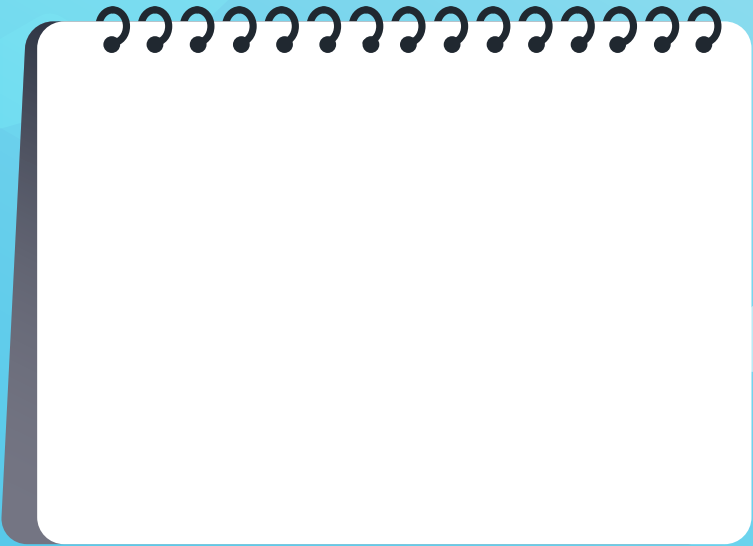
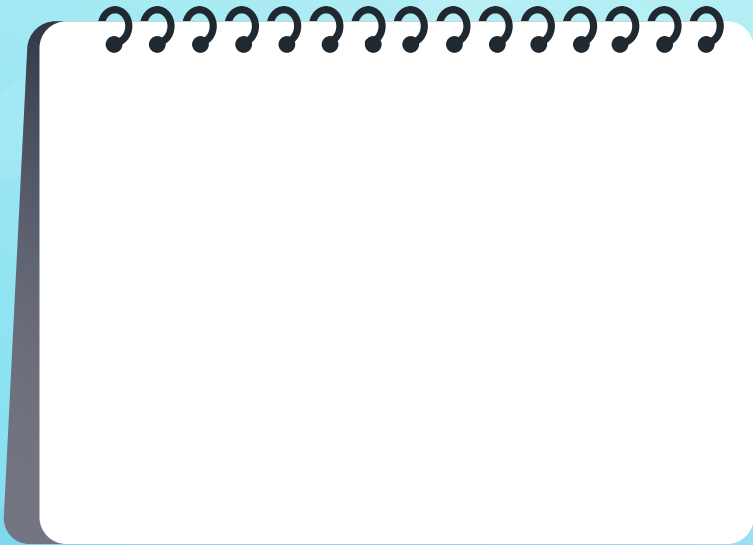
IRAS aims to keep the cost of tax collection low. The average cost per dollar of tax collected in the last 5 financial years has been kept at below 1 cent. For FY2019/20, the cost per dollar of tax collected is 0.78 cents. This is 3% lower than last fiscal year. The decrease is mainly due to a 2% increase in tax revenue collections.

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● Cents  
**Fiscal Year**



# FINANCIAL RESULTS



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## Financial Review

### Operating Expenditure

Operating expenditure for FY2019/20 is S\$423.1 million. This is S\$1.2 million more than FY2018/19.

Operating expenditure is made up of 3 main components: (i) Staff Cost, (ii) Infocomm Technology (ICT) and (iii) Maintenance and Facilities. Staff Cost accounts for 62% of total operating expenditure (FY2018/19: 63%), followed by ICT at 27% (FY2018/19: 26%) and Maintenance and Facilities at 6% (FY2018/19: 6%).

Staff Cost consists of manpower costs, staff welfare and training costs. It has decreased by 1% to S\$263.7 million (FY2018/19: \$266.9 million). The decrease is mainly due to a lower annual variable component.

ICT, comprising IT resources, depreciation of computer hardware and amortisation of computer software, is the second highest cost component of IRAS' operating costs. Compared to previous year, there is an increase of 2% in the expenditure on ICT to S\$113.4 million (FY2018/19: \$111.2 million). The increase is mainly due to the roll out of new IT systems in FY2019/20.

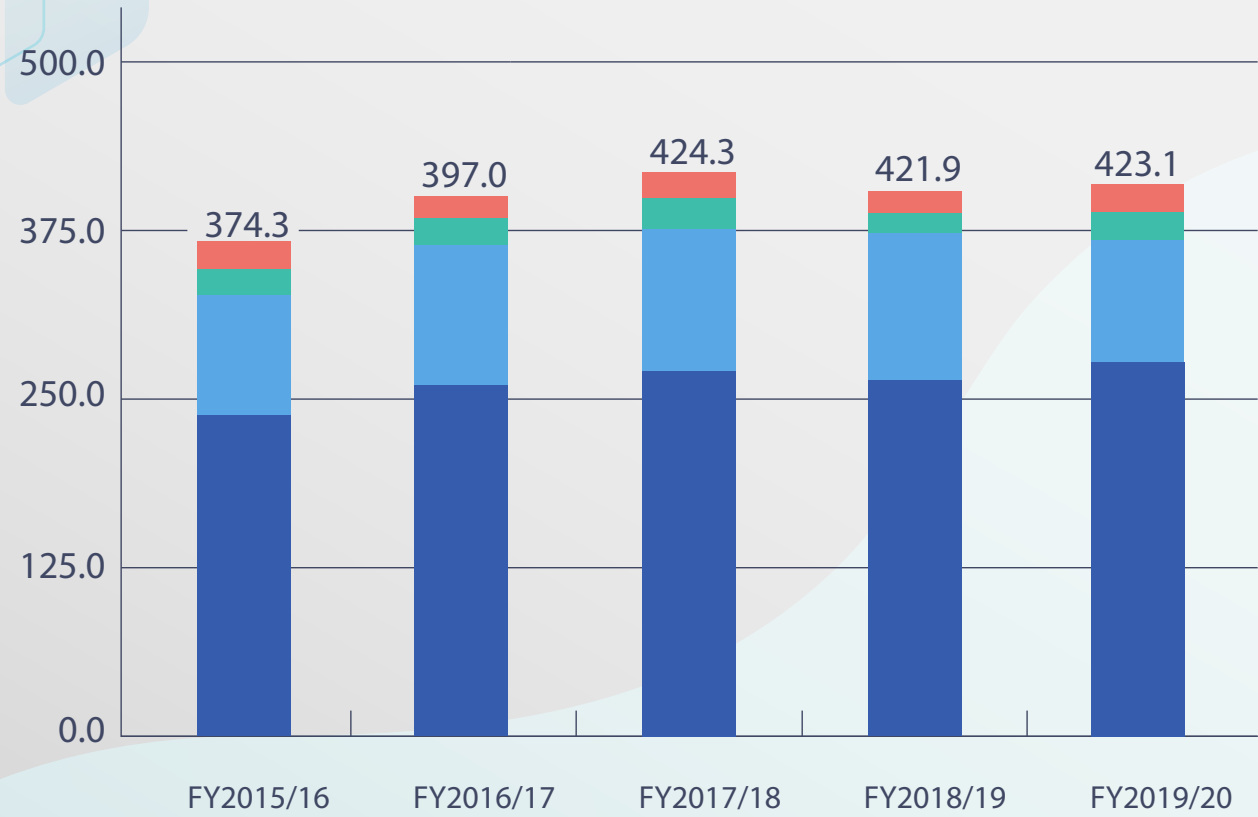
The third main cost component is Maintenance and Facilities. The expenditure on Maintenance and Facilities remains the same as FY2018/19 at \$23.5 million.

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# OPERATING EXPENDITURE OVER 5 YEARS

\$ Million



Fiscal Year

- Staff Cost
- Information & Technology
- Maintenance & Facilities
- Others

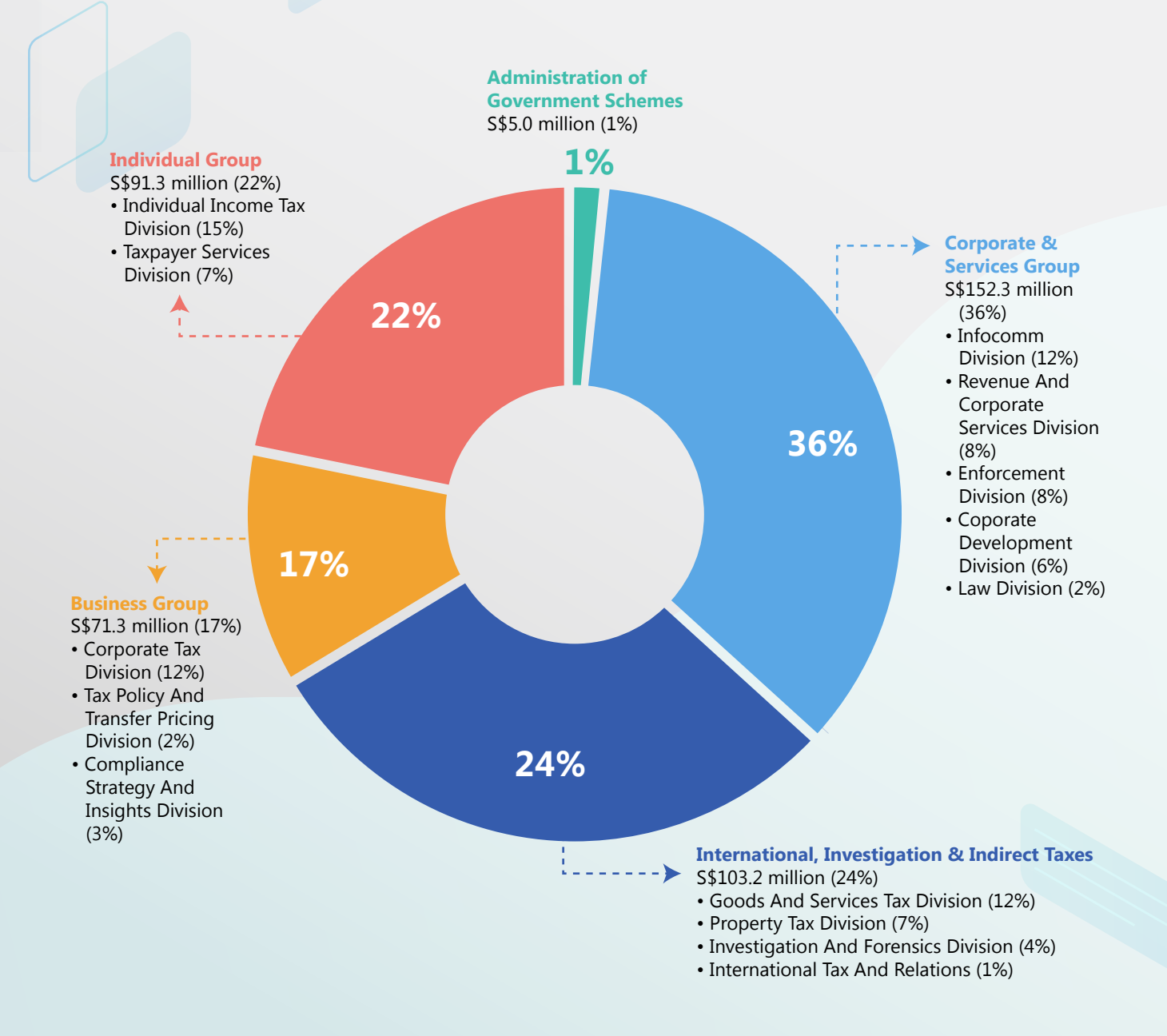


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**Financial Review**

Learn more about IRAS' operating expenditure.  
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# EXPENDITURE BREAKDOWN BY FUNCTION FY2019/20




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## Financial Review

Find out more about our expenditure breakdown.  
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# FINANCIAL POSITION



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## Financial Review

Our long-term liabilities comprise lease liabilities, deferred income and provision for pension that is set aside for future payments to pensionable staff upon their retirement and pensioners who opted for monthly pensions. As at 31 March 2020, the lease liabilities were S\$75.1 million.

Our cash position remains healthy with S\$124.2 million in cash and cash equivalents as at 31 March 2020 with a net cash outflow of S\$43.3 million during the financial year. The net cash outflow is mainly from our investing and financing activities.

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INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

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