

Tax Governance Framework: Are you ready for it?



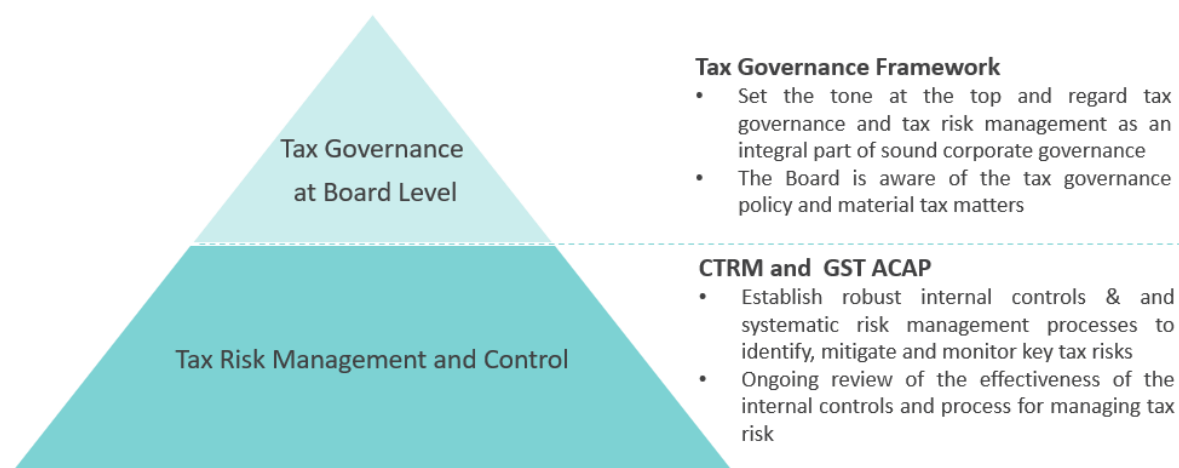
Tax Governance Framework: Are you ready for it?

The Inland Revenue Authority of Singapore (IRAS) launched the Tax Governance Framework (TGF) and the Tax Risk Management and Control Framework for Corporate Income Tax (CTRM) programmes in 2022 which are targeted at large corporations with the aim of encouraging them to strengthen their existing tax governance structure.

The TGF and CTRM complement the Goods and Services Tax Assisted Compliance Assurance Programme (GST ACAP) in helping corporations improve their tax compliance. Corporations may adopt these programmes which are voluntary in nature, on a stand-alone basis or in combination with one another.

The IRAS has started inviting certain corporations to participate in the TGF.

In brief, the TGF requires a tax governance policy that is endorsed by the Board of Directors to be published on its corporate website or in its annual report which must be publicly accessible. The published tax governance policy must include details of how the corporation manages tax risks under the IRAS' three specified essential building blocks of good tax governance. They are namely compliance with tax laws, governance structure for managing tax risks and relationships with tax authorities.



	TGF	CTRM	GST ACAP
Benefits for adopting	One-time extended 2-year grace period for voluntary disclosure of corporate income tax, withholding tax and GST errors made within 2 years from the date of approval of TGF application. For GST ACAP companies, there will be an extended 3 years for voluntary disclosure of GST errors.	One-time waiver of penalties for voluntary disclosure of prior years' CIT and/or WHT errors.	One-time waiver of penalties for voluntary disclosure of the past non-fraudulent GST errors under the first ACAP conducted.

Conclusion

Corporations can no longer afford to adopt a wait and see approach but should take proactive steps to demonstrate accountability in its tax approach. Speak to us today!

Contact Us

Tax Advisory Specialists



Edwin Leow
Co- Advisory Leader
Director, Head of Tax
edwinleow@sg.cla-ts.com



Jason Oon
Manager, Tax
jasonoon@sg.cla-ts.com

CLA Global TS Holdings Pte. Ltd.
A: 80 Robinson Road, #25-00, Singapore 068898
T: (65) 6534 5700
E: connect@sg.cla-ts.com



CLA-TS.com



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