

Voluntary Disclosure Programmes

May 2024

The Inland Revenue Authority of Singapore (“IRAS”) has been actively conducting routine compliance checks, tax audits to ensure that individuals and companies are compliant with tax laws. The IRAS is empowered to impose penalties when there are errors, omissions and discrepancies. The penalties that the IRAS is empowered to impose under the relevant Tax Acts is dependent on whether there is evidence that indicates intention to evade taxes:

Without intention to evade	With intention to evade
1. Penalty of up to 200% of the amount of tax undercharged	1. Penalty of up to 400% of the amount of tax undercharged
2. Fine of up to \$5,000 ; and/or	2. Fine of up to \$50,000 ; and/or
3. Imprisonment of up to three years	3. Imprisonment of up to five years

To encourage taxpayers to be voluntarily compliant, the IRAS has the **Voluntary Disclosure Programme (“VDP”)**. The purpose of the VDP is to encourage taxpayers to come forward voluntarily, in a timely manner, to disclose errors that have been made in their tax filings. In such cases, the IRAS is prepared to impose reduced penalties for voluntary disclosures subject to the fulfillment of qualifying conditions.

Income Tax (corporate and individual), Goods and Services Tax (“GST”), Withholding Tax (“WHT”) and Stamp Duty are covered under the VDP.

How Baker Tilly can assist

- We can assist you to conduct a health check which includes the reviewing of past income tax, GST and WHT return(s) filed, to ensure that they are in compliance with the relevant laws.
- In the event where the review discloses that an incorrect position(s) has been applied previously, we can assist you to prepare the submission to the IRAS to correct the errors. We can also assist you to apply for reduced penalties under the VDP if the qualifying conditions are met.
- We can also assist you to respond to any subsequent queries from the IRAS following the submission to expedite the closure of the submission.

Contact us

If you have any concerns on your company's historic income tax (corporate and employees), GST or WHT compliance matters, or would like to learn more about Baker Tilly's services, please reach out to us:

Income Tax and WHT		GST
Sim Siew Moon Head of Tax T: 6393 3012 E: siewmoon@bakertilly.sg	Bernard Yu Partner, Tax T: 6393 3013 E: bernard.yu@bakertilly.sg	Yvonne Chua Partner, GST, Tax T: 6393 3014 E: yvonne.chua@bakertilly.sg
Alena Wan Senior Manager, Tax T: 6393 3116 E: alena.wan@bakertilly.sg	Sandy Tan Manager, Tax T: 6393 3118 E: sandy.tan@bakertilly.sg	Amy Sim Senior Manager, GST, Tax T: 6393 3133 E: amy.sim@bakertilly.sg

DISCLAIMER: All opinions, conclusions, or recommendations in this publication are reasonably held by Baker Tilly at the time of compilation but are subject to change without notice to you. Whilst every effort has been made to ensure the accuracy of the contents in this publication, information in this publication is not designed to address any particular circumstance, individual or entity. Users should not act upon it without seeking professional advice relevant to the particular situation. We will not accept liability for any loss or damage suffered by any person directly or indirectly through reliance upon the information contained in this publication.