

GST Risk Management and Harnessing Technology

by Joanna Wong, Assistant Director, Singapore Institute of Accredited Tax Professionals (SIATP) based on a presentation by Accredited Tax Advisor (GST) Mr Koh Soo How, Tax Partner at PwC Singapore. For more tax insights, please visit www.siatp.org.sg.



Accredited Tax Advisor (GST) Mr Koh Soo How shared on how technology can help reduce and improve operational effectiveness.

In Singapore, the revenue collected by the taxman from Goods and Services Tax (GST) has been increasing over the years and this upward trend is not expected to abate any time soon.

Looking at GST from a compliance angle, there is a growing expectation by tax authorities for taxpayers to take more responsibility and accountability for tax risk management. To top it all off, there is a myriad of technical errors a company may mistakenly make, such as the incorrect treatment of standard-rated supplies as zero-rated supplies.

In addition to technical errors, there may also be financial accounting system errors due to the fact that the GST logic (which automatically determines the GST treatment based on pre-set parameters) was incorrectly designed in the first place. In addition, GST errors may arise from incorrect data entry and failure to take relevant legislative changes into account.

In light of the above, businesses would be wise to invest in resources to get things right in terms of GST compliance. At the sold-out ISCA Breakfast Talk on October 8, Accredited Tax Advisor (GST) Koh Soo How, Tax Partner, PwC Singapore, shared that businesses should strive to harness technology so as to reduce valuable time and costs in GST compliance yet achieving a higher state of GST compliance. According to him, a good technology solution should have the following features:

- 1) Enables data to be reconciled between financial accounts and GST returns;
- 2) Delivers strong detective controls such as highlighting duplicate claims and disallowed claims;
- 3) Provides trend analysis to enable businesses to identify any unusual/unexpected trends.

With the right use of technology and data analytics, combined with effective controls embedded in its GST processes, a company is not only able to reduce the time needed to manage its GST obligations, it will also have the assurance that the risk areas and potential errors are promptly identified and dealt with before the return is filed with the Inland Revenue Authority of Singapore. .

As the regulatory landscape changes and greater accountability is required for tax compliance, companies need to ensure that it has robust systems and processes that are operationally efficient in order to have the confidence to grow their business without worrying about non-compliance with the tax rules. The harnessing of technology to reduce GST risks and improve operational effectiveness at the same time is simply killing two birds with one stone.

About Mr Koh Soo How:



Tax Partner, PricewaterhouseCoopers (PwC) Services LLP

Accredited Tax Advisor (GST)

T: +65 6236 3600

E: soo.how.koh@sg.pwc.com

Soo How is a Tax Partner with PwC Singapore, where he leads the PwC Indirect Taxes network in Asia Pacific. Known for his pragmatic approach and sound advice and solutions, Soo How has been named as one of the world's leading indirect tax advisers by International Tax Review since 2011. He has also been appointed by the Minister of Finance to be a member of the GST Board of Review which is an administrative tribunal established to adjudicate disputes between taxable persons and the Comptroller of GST.

As an advisor, Soo How has wide GST advisory experience in the areas of business restructuring, supply chain transformation, cross-border transactions, processes review and controls and dispute resolution matters arising from audits conducted by the Inland Revenue Authority of Singapore (IRAS).

Soo How has almost 20 years of relevant experience in GST. Prior to PwC, Soo How was a member of the GST team at IRAS that was responsible for the implementation of the GST system in 1994. He was an Assistant Comptroller of GST with the primary responsibility to set up the GST audit function and develop policy as well as operational rules for the GST treatment of specialised issues and transactions such as the export of goods, tourist refunds, and record-keeping requirements. His policy and implementation experience has led him to be involved in discussions with overseas policy makers (more recently in China and Malaysia) on their proposed indirect tax reforms.