

**SPEECH BY MR LEE YI SHYAN, MINISTER OF  
STATE FOR TRADE AND INDUSTRY AND  
MANPOWER AT THE CONFERENCE ON ASIA-  
PACIFIC TAXATION: A GLIMPSE INTO THE  
FUTURE ON THURSDAY, 27 AUGUST 2009, 9.05  
AM AT THE MARRIOTT HOTEL SINGAPORE**

Mr Moses Lee, Commissioner of Inland Revenue

Mrs Fang Ai Lian, Chairman of the Tax Academy  
Board

Mrs Chia-Tern Huey Min, CEO of the Tax Academy

Distinguished Guests

Ladies and Gentlemen,

It is my pleasure to join you this morning at the Tax Academy's Signature Conference on "Asia-Pacific Taxation: A Glimpse into the Future". Let me extend a very warm welcome to all our delegates and speakers, especially those who have travelled some distance to join us.

**Asia-Pacific Taxation – A Changing Landscape**

2 Nearly ten months after the global financial crisis first started, we are beginning to see signs of bottoming out and stabilisation. While confidence is gradually restoring, most are of the view that the recovery may be weak and uncertain. The world's financial system needs to be reformed, new safeguards need to be introduced to check excesses,

and key markets have to redefine their mutual dependencies. A new normal, as some call it, would emerge.

3 The high cost of preventing collapse of the international banking system, and the economic stimulus measures to pump prime economies, have led to record budget deficits for many nations. As a result, governments and tax authorities around the world have been developing policy responses to plug the widening gap between revenue collection and public expenditure. Many countries are implementing tax policy changes to raise revenue collection while ensuring that domestic competitiveness and jobs are not adversely affected. For instance, the Obama administration announced sweeping reforms to tax deferral rules and to close foreign tax credit loopholes. US multi-national companies are closely studying the potential impact of the proposed changes on their world-wide operations. Here in Singapore, the government remains in close touch with US companies operating in the region to assess and understand the impact on their operations and bottom-line.

4 Besides the US, many other countries, including Asia-Pacific nations, have reviewed and made changes to tax policies affecting domestic and foreign businesses with multinational operations. Hence this Signature Conference organised by the Tax Academy is timely. The conference theme "A Glimpse into the future" was selected in response to sharp changes in the global economy and its impact on the regional tax landscape. Over the next two days, speakers from the leading regional tax administrations and tax will

lead discussions on the policy responses from governments, the impact on the operating environment for multi-national enterprises and how businesses can ready themselves for the future.

### **Preparing for the Upturn**

5 Here in Singapore, we have taken decisive measures to contain the fallout of the global meltdown. In the beginning of this year, the Government introduced a S\$20.5 bil (US\$ 14.2 bil) stimulus package to save jobs, sustain liquidity for business and invest in new capabilities for the future. It is our hope that when the upturn comes, Singapore would recover quickly taking advantage of the new opportunities that avail themselves.

6 Consistent with our emphasis on professional and skills upgrading, I am pleased to learn that our tax community has been taking steps to improve professional standards and competencies. In particular, I would like to announce two initiatives by IRAS, Institute of Certified Public Accountants of Singapore (ICPAS) and the Tax Academy to prepare the tax community for the upturn.

### **Raising the Professional Standards of the Tax Community**

7 The first initiative pertains to raising professional standards of the tax community. Some background: At the Signature Conference in 2008, the Tax Academy – set up by IRAS in collaboration with the Big Four accounting firms, ICPAS and the Law Society - had launched an industry-wide capability

development roadmap to raise the professional competencies and standards of tax professionals in Singapore. The Tax Academy is leading the way in providing a robust platform by way of a Structured Tax Training framework to nurture talent and encourage professionals to be well grounded in tax principles. This will position the profession to better serve their clients in tax advisory and compliance work.

### **An Accreditation Body for Tax Practitioners**

8 I am therefore pleased to announce the setting up of an accreditation body for local tax practitioners by the fourth quarter of this year. The intent is to raise the standard of technical competence and capabilities of individual tax practitioners through accreditation. Participants will be accredited based on classroom and practical experience assessments. The benefits for the economy as a whole will be improved tax compliance, and lower compliance costs, and overall a more business friendly operating environment. Participants would earn the titles of an Accredited Tax Practitioner or Accredited Tax Advisor. They are also required to fulfil 30 hours of Continuous Professional Education annually, to ensure they are kept abreast of the latest tax changes.

### **An International Tax Programme for Asia-Pacific**

9 Apart from providing the training framework for raising tax professionalism locally, the Tax Academy also prepares our tax professionals to operate more effectively in a global environment. In an

increasingly complex tax environment, the ability of our tax professionals to look at tax solutions for cross-border businesses and operations from a holistic rather than a narrow, country-specific perspective. This will in turn strengthen our position as a regional business hub.

10 Therefore, I am pleased to launch the International Tax Programme, or ITP. This is a collaborative effort between the International Tax Centre at Leiden University (Netherlands) and the Tax Academy. Leiden University has a world-renowned faculty in international tax and an established 12 month full-time Masters in International Taxation programme in Netherlands.

11 The ITP will be a unique offering. It is the first international tax programme designed for tax professionals who wish to develop deep expertise in tax advisory work for businesses in the Asia-Pacific region. The programme aims to grow the talent pool of tax professionals advising on cross-border investments and transactions, and those who play a critical role in supporting regional and international businesses located in Singapore. Offering topics on advanced treaty concepts and issues relevant to China, India and other Asian economies, the programme will be taught by a select team of leading experts from the Leiden University and from the Big Four international accounting firms. The inaugural intake of ITP will be in May next year. With this programme, Singapore is a step closer to becoming the regional tax hub and centre of excellence in tax education.

## **Conclusion**

12 The future is unpredictable. But what we do today will shape our outcomes. Assuring professional standards locally through accreditation, and equipping our professionals with skills for international tax work, are imperatives in a globalised tax environment. By augmenting the strong fundamentals of our tax regime and regional network, Singapore will be ready to adapt to challenges in the future.

13 On this note, it is my pleasure to declare the Conference on "Asia Pacific Taxation: A Glimpse into the Future" open. I wish you a fruitful session ahead. Thank you.