

ADDRESS BY MR THARMAN SHANMUGARATNAM, MINISTER FOR EDUCATION AND SECOND MINISTER FOR FINANCE, AT THE LAUNCH OF THE TAX ACADEMY AND OPENING OF THE TRANSFER PRICING SEMINAR, 28 JULY 2006, 9.00 AM AT SWISSOTEL THE STAMFORD

Distinguished Guests, Ladies and Gentlemen,

1 It is my pleasure to join you this morning for the launch of the Tax Academy and opening of the Seminar on Transfer Pricing. I would first like to commend this joint effort of private tax practitioners and IRAS in working towards the development and transfer of knowledge in the field of taxation.

Launch of Tax Academy of Singapore

2 The “Big 4” (Deloitte & Touche, Ernst & Young, KPMG and PricewaterhouseCoopers), the Law Society of Singapore and IRAS have come together to set up the Tax Academy of Singapore. This is a major step to raise professional competencies and expertise in our tax community. It will also grow Singapore’s role as a knowledge hub in tax policy and tax administration.

3 To serve as a knowledge hub in this field, we need highly skilled tax professionals, top quality research and the presence of international tax institutions. It means enlarging our pool of tax professionals and helping them acquire the complex expertise that is required to function effectively, not only in the Singapore environment but in fast changing international markets.

4 The Academy seeks to bring together local and international tax practitioners, tax administrators, researchers and academia to engage in education and knowledge development. It will provide a wide range of training and professional development programmes, and will serve as a natural forum for tax practitioners to exchange ideas and interact. The Academy will conduct its first courses towards the end of August this year. It will start with courses on income taxation. I am told that about half the places for the first three courses to be conducted later this year have already been taken up.

5. The Academy also intends to explore working with universities to conduct training on tax modules that can earn credits in their undergraduate and postgraduate programmes.

Transfer Pricing

6 Today's seminar, which focuses on Transfer Pricing, a specialized but important area for tax authorities as well as for businesses going global. It is a good example of the activities that will be conducted by the Tax Academy.

7 Singapore businesses that seek to expand overseas need to be aware of the potential for them to be scrutinized on their transfer pricing policies and to prepare themselves accordingly. I am sure the tax experts from the Big 4, who have the benefit of borrowing from experiences in tax jurisdictions where transfer pricing audits are actively conducted, will be

able to offer you many insights into this topic. IRAS will also share the feedback it received on the Transfer Pricing guidelines it issued in February and the guidance developed in response to this feedback. I am sure this will be informative and beneficial for all.

Pursuing Professional Excellence

8 Before I end, let me just say that the pursuit of excellence among Singapore-based professionals has to be continuous. It has to entail regular bites of training, frequent exchange of knowledge, and an continuous appetite for more complex knowledge. It does not end in the early years of a professional career. It has to be relentless.

9 That's how Singapore will keep its place in the knowledge-based world, keep moving up the value curve. The 600 of you present here this morning are a very positive indication of this aspiration.

10 It is now my pleasure to launch the Tax Academy of Singapore and open this Seminar on Transfer Pricing. Thank you.