

### Name of Initiative

## Digitalised Tax Regulatory Processes



### Agency

Inland Revenue Authority of Singapore



### Could you share briefly on what was the impetus that eventually led to the initiative, and how did you motivate yourself/your team to pursue it?

The Inland Revenue Authority of Singapore (IRAS) appoints banks for the recovery of outstanding taxes. When appointed, banks have a statutory obligation to pay the Comptroller the amount due from the taxpayer's bank account.

Bigger banks like DBS, UOB and OCBC can fulfil their obligations with ease as they have regular file exchanges with IRAS. However, for the smaller banks, file exchanges are not feasible given their low appointment volume. Hence, 38K hardcopy notifications are sent to these banks annually.

Banks receiving hardcopy notifications may take up to 13 days to appoint or release the affected accounts due to postal delivery time, sorting/re-directing within the banks and processing time taken. As the entire process is labour intensive and time consuming, both IRAS and banks have received several contacts from taxpayers requesting that their bank accounts be released urgently after payment are made.

Faced with these challenges, the team recognized the need to offer a low-cost yet secure digital solution to the banks such that they can receive notices from IRAS digitally and process them in a timely manner.

Together with our IT colleagues, the team brainstormed for possible solutions to address the issues from a ground-up approach. The team was encouraged to adopt Service Design principles to develop solutions that can create value for the organisation and enhance taxpayers' experience. After several discussions, the team assessed the sending of encrypted listed via secure email as the most suitable solution as it was able to cut release time to 3 days.



### What were the challenges that you/your team encountered, and how did you/your team overcome them?

Prior to the implementation of the new solution, banks had established ways to handle our hardcopy appointment or release notices. Their method of processing involved numerous steps across different functions and some banks had even established partial automation in some of the steps to reduce manual work.

To switch to the new solution, the banks had to re-design their processes and resources. To get buy-in from the banks, the team had to pitch the usefulness of the solution:

# PEP-SBF Awards 2021

Pro-Enterprise Initiative (PEI) Award - Silver



Cost-effective for banks as there is no need to spend on large sum of investment or development cost



Able to improve operational efficiency and eliminate many manual handling processes



Improved security and accountability as only authorized bank staff have access to the e-mails from IRAS



Complemented their move towards digitalization allowed more extensive use of RPA to handle the more routine part of work

While banks were receptive to the new solution, the team had to get consensus from banks on a common file template that can suit the banks' needs. This was a tedious exercise as banks had their specific requirements and it took much effort to align their requirements. Through several rounds of discussion and reworks, we were better able to appreciate the needs and constraints of the banks and came up with a template that was most suitable for all. The template could also be used to send case updates to IRAS seamlessly, further cutting down on manual follow-up by both parties.



## What was the most memorable moment while working on this project?

The team's most memorable moments were the time during circuit breaker period when requests were coming in from banks to send appointment and release cases digitally as bank officers were not able to return to office to handle the hardcopy notices. With agility and quick improvements, we were able to make system changes and enhance the listing within a short timespan of 2 weeks so that all appointment and release cases could be incorporated into the same listing.

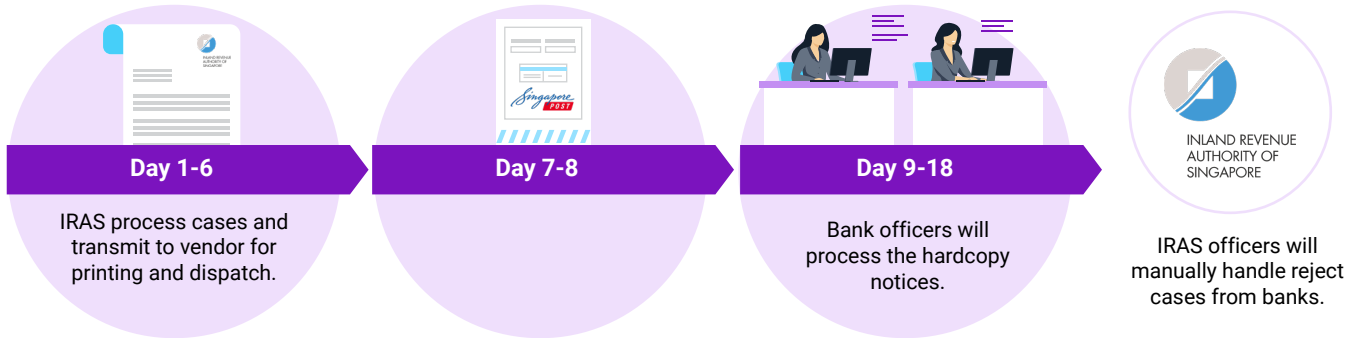
There were other memorable moments like when banks agreed to adopt the use PGP encryption software after we have shared our simple step-by-step installation and usage guide with them. Through the engagement process, and as more banks agreed to on-board the new solution, we were heartened that we had forged stronger relationships with them and were the catalyst in digitalising the appointment process for both IRAS as well as the banks.

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## Average time taken to process hardcopy notices



## Average time taken to process digital listings via encrypted e-mail

