The Inland Revenue Authority of Singapore

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IRAS was established on 1 September 1992 by the Inland Revenue Authority of Singapore Act 1992. It is the statutory board that administers the Income Tax Act 1947, the Goods and Services Tax Act 1993, the Stamp Duties Act 1929 and the property tax. It also acts as competent authority for the exchange of information under Singapore's tax treaties and under the Common Reporting Standard.[1] For digital assets IRAS speaks through e-Tax Guides, which are administrative statements of its interpretation without binding force on the courts but with great practical weight, since IRAS follows them and a taxpayer who relies on them is protected against penalties. The two guides that matter are "Income Tax Treatment of Digital Tokens", first issued on 17 April 2020, and "GST: Digital Payment Tokens", first issued on 19 November 2019. The latter implements the exemption of digital payment tokens from goods and services tax from 1 January 2020.[2]

IRAS offers advance rulings on the tax treatment of a proposed transaction for a fee, with a published timeline. It publishes anonymised summaries of rulings of general interest. In digital-asset work the advance ruling is the instrument of choice in three situations. A token issuer may be uncertain whether its sale proceeds are revenue. A fund may be uncertain whether its token holdings are designated investments under its incentive. An individual may be uncertain whether frequent trading has crossed the line into a trade. Part M, Chapter VIII describes the procedure and Part Q, Chapter IV gives the cost and timing ranges. The Swiss reader will find the system close to the Swiss tax ruling, with two differences. IRAS charges for the ruling, and the ruling binds IRAS only on the facts stated, which places the burden of a full and accurate statement on the applicant.

Notes

1. Inland Revenue Authority of Singapore Act 1992 (2020 Rev Ed), s. 3 (establishment) and s. 6 (functions).
2. IRAS e-Tax Guide, "Income Tax Treatment of Digital Tokens", 17 April 2020 (and later editions); IRAS e-Tax Guide, "GST: Digital Payment Tokens", 19 November 2019 (and later editions); see Part M, Chapters I and III.

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