

Initiatives for capacity-building of BIR personnel

Bureau of Internal Revenue, Philippines 2014

Development of Transfer Pricing Audit and Analysis Capabilities

CHALLENGES:

- ▶ The manipulation of prices of goods to maximize profits by taking advantage of doing business with a related party in low-tax jurisdictions is problematic for tax collection;
- ▶ Transfer Pricing is proscribed in the Philippines under Section 50 of the Tax Code wherein the tax authority has the power to allocate income and deduction of related parties to prevent evasion of taxes;
- ▶ The lack of personnel skilled in this area and the absence of a dedicated database for similarly situated third parties or comparables renders the provision of law ineffective.

Development of Transfer Pricing Audit and Analysis Capabilities

INITIATIVES:

- ▶ Issue implementing regulations on Transfer Pricing based on Section 50 of the Tax Code (Revenue Regulations No. 02-2013);
- ▶ Constitute a committee dedicated to Transfer Pricing issues (Revenue Special Order No. 660-2013);
- ▶ Dialogues and exercises between the International Tax Affairs Division and the Large Taxpayers Audit to harmonize the functions of audit and transfer pricing analysis.

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

CHALLENGES:

- ▶ The BIR concentrated tax collection and enforcement mostly on domestic transactions over the years;
- ▶ Analysis of the situation yields the following reasons that prevail upon attempts at capacity-building of BIR personnel to address tax collection and enforcement on cross-border transactions:

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

CHALLENGES:

- ▶ Development of a comprehensive human resources (HR) strategy; a good professional and career development plan for BIR employees; and, at par training materials.

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

INITIATIVES:

- ▶ The challenge posed by a lack of sufficient means to address tax collection and enforcement on cross-border transactions is to (1) open up to international institutions for updates on knowledge in cross-border transactions and (2) re-engineer the BIR training program.

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

PROGRESS:

- ▶ The personnel who attended these seminar/workshop/study drafted post training reports that detail what they have learned and recommendations on a plan of action. Afterwards, the trained personnel conduct echo seminars to spread the knowledge to pertinent government agencies and divisions.

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

Seminar/Workshop/Study	Sponsor
International Taxation	JICA, OECD Korea Policy Centre
Exchange of Information	OECD Korea Policy Centre, JICA, Global Forum
MAP and Permanent Establishment	JICA
Transfer Pricing and Customs Valuation	OECD
Train the Trainers Programme on Transfer Pricing	OECD
Effective EOI	Global Forum
Financial Investigative Techniques	IRS
Introduction to the application and negotiation of tax treaties	Malaysian Tax Academy
Transfer Pricing	Quanterra Solutions
Negotiation of tax treaties	Malaysian Tax Academy
Negotiation of tax treaties	UN, OECD

A campaign of educating local personnel through seminars and workshops sponsored by international institutions

Echo Seminar	Beneficiary
Tax Update/Seminar for Philippine National and Alien Individual Employed by Embassies and International Organizations	Taxpayers from various revenue regions
Basic International Taxation	Revenue District Officers and auditors from the Large Taxpayers Service
General Anti-Avoidance Rules	National Tax Research Center
Introduction to International Taxation	Students of the General Course for Revenue Officers (GCRO)
EOI as a Tool to Combat tax Evasion	Auditors and Lawyers of the Run After Tax Evaders (RATE) Program
Financial Investigative Techniques and Money Laundering	Auditors and Lawyers of the Run After Tax Evaders (RATE) Program
Basic Course on International Taxation	Auditors

Development of Human Resources personnel to address the flow of knowledge from educational institutions to participating BIR employee to BIR personnel whose functions are related to the subject matter.

CHALLENGES:

- ▶ The BIR relies on the quality of the post report and echo seminar of BIR employees who have participated in seminars from various educational institutions;
- ▶ The unintended negative consequences are as follows:
 - ▶ Redundancy of the knowledge transfer would lead to wastage of resources;
 - ▶ A mismatch of qualifications of the intended participant to the seminar would render knowledge transfer ineffectual;
 - ▶ Selecting a different employee to attend each stage of a ladderized course prevents any BIR employee from gaining true mastery of the subject matter.

Development of Human Resources personnel to address the flow of knowledge from educational institutions to participating BIR employee to BIR personnel whose functions are related to the subject matter.

INITIATIVES:

- ▶ Develop and institutionalize competency-based learning;
- ▶ Re-engineer the training management system.

Development of Human Resources personnel to address the flow of knowledge from educational institutions to participating BIR employee to BIR personnel whose functions are related to the subject matter.

PROGRESS:

- ▶ Training and needs analysis have been underway.

Development of Human Resources personnel to address the flow of knowledge from educational institutions to participating BIR employee to BIR personnel whose functions are related to the subject matter.

Programs/Activities	Status
Enhance the training management system through fine tuning core processes	Ongoing since May 2014- drafting of training manuals/toolkits with the aid of specialists on each field of study under existing BIR Curriculum
Competency-building of training staff	Ongoing since March 2014- conduct of training programs, workshops, coaching sessions
Development of training strategy for medium-term plans through training needs analysis, and review of current policies	Ongoing since October 2014- creation of a new personnel orientation course, basic tax administration course
Training of trainers	Ongoing since May 2014- conduct of training programs, workshops, coaching sessions
Launching of revised training course for newly-hired employees	Target date of launch in December 2014
Development of new course materials with subject matter experts	Integrity Workshop for Section Chiefs (ongoing), Seizure Agents Course (ongoing)
eLearning feasibility in the BIR	Completed- examination by ADB consultant of BIR's ICT policies and systems and intranet
Build an eLearning Team	Ongoing since October 2014
Conversion of hard copy training materials into eLearning format	Ongoing since October 2014
Develop a competency assessment process	Ongoing since October 2014

“Salamat po sa inyong pakikinig”
 (Thank you for your time.)

What successes/challenges have you had in building future capability?

Foo Wei Lin
Director
Human Resource

MHTI 2014

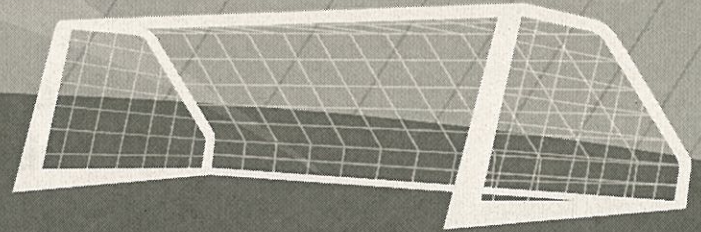


Everyone Matters Our most valuable assets.



CORPORATE GOALS

Provide excellent service
Maximise voluntary compliance
Enhance organisational and staff productivity
Achieve a high level of staff competence and satisfaction
Foster a competitive tax environment that supports inclusive growth



Key Strategies on Capability Building

Build sense-making and other organisational capabilities to enhance IRAS' agility

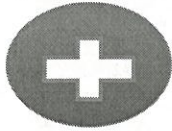
Develop specialised knowledge in specific areas of taxation

Deepen core competencies and develop systems to support learning and growth

Deepen competencies to enhance organisational productivity



Sense Making Capability



Build up data analytics capabilities internally and through cross agency partnerships to understand customer behaviour/ shifts in profile

Service Analytics to know when, where and how customers access IRAS' services

Pilot e-filing with target groups

Compliance strategies by Industry

Real time Sense Making Capabilities



5

Specialised Areas of Taxation

8% of IRAS tax officers are Accredited Tax Specialists



Income Tax

Goods and Services Tax

Property Tax

2 are certified as Master Tax Specialists



UK Tax System, Corporate and Financial Restructuring

International Tax

Tax Academy – exchange of tax knowledge and views between government, industry and academia



Sustain interest in joint research projects



6

Core Competencies



Leadership competencies
at middle and senior
leadership levels

360 feedback

Leadership Development
Programmes

Case studies

Service Excellence

Deliver Positive Experience

Simplify rules and
procedures

Stakeholders Engagement

Multi-Generation Issues



Case Studies

A Change Ready Organisation – The IRAS Story

<http://www.capam.org/elibrary/details.asp?m=&id=493> Or

<https://www.ccollege.gov.sg/Knowledge/Pages/A-Change-Ready-Organisation%20The-IRAS-Story.aspx>

IRAS – From Regulator to Service Provider to Partner of Taxpayers in Nation Building and Economic Development

<https://www.ccollege.gov.sg/knowledge/pages/iras-from-regulator-to-service-provider-to-partner-of-taxpayers-in-nation-building-economic-development.aspx>

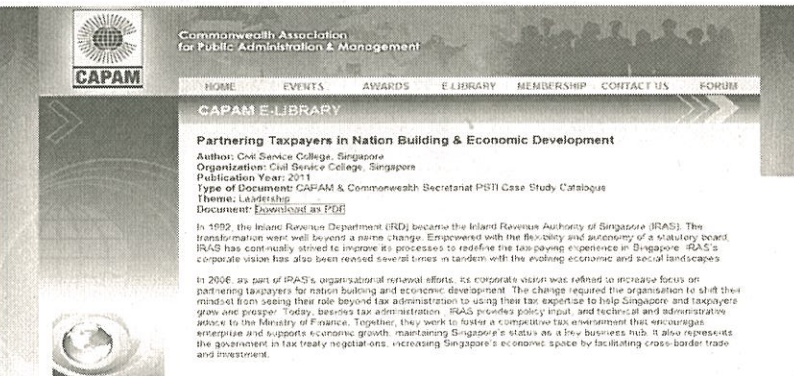
IRAS — From Regulator to SP to Partner of Taxpayers | 3

IRAS — From Regulator to Service Provider to Partner of Taxpayers in Nation Building and Economic Development

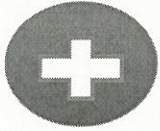
"It has never been just the leaders' vision. It is always "IRAS's vision". Everyone is involved. We all decide on what we want to do as a team, as an organisation..."

— Ong Khai Hong
Deputy Commissioner
Inland Revenue Authority of Singapore

Inland Revenue Authority of Singapore (IRAS) assesses, collects, and enforces payment of taxes. Every year, IRAS services about 1.9 million individuals, 163,000 companies, 87,000 Goods & Services Tax (GST)-registered businesses, and 1.26 million property owners. Its



Organisational Productivity



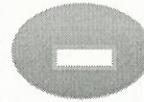
Use of IT and innovation to enhance performance

Provide ICT solutions for record keeping, filing and payment

Simplify processes to achieve 100% efilig rate

Re-prioritise resources to emerging areas

Upskilling and Redeployment of staff



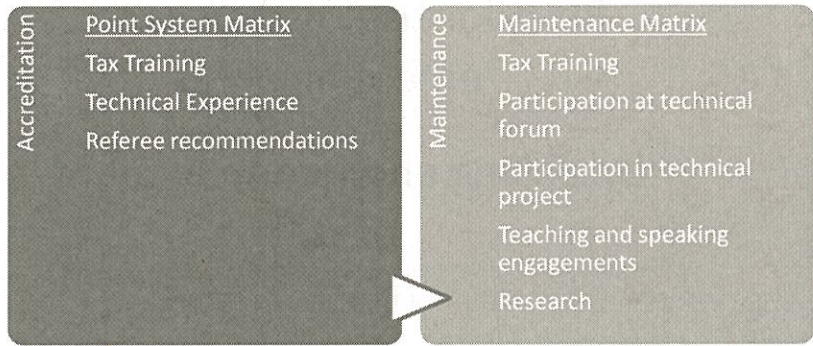
Thank You





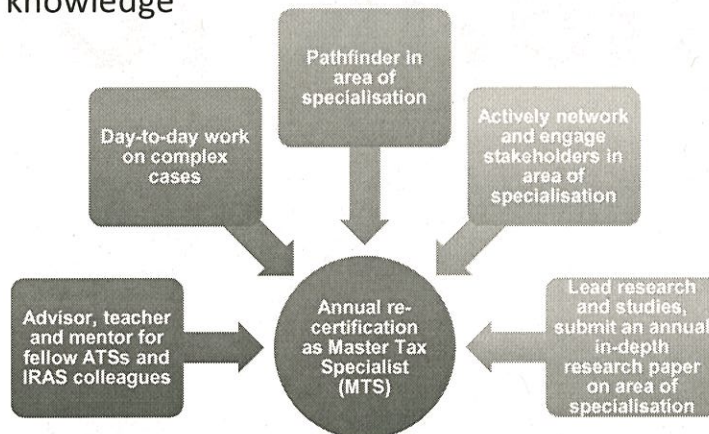
Accredited Tax Specialists in IRAS

- Accreditation Framework to recognise tax officers who have attained a high level of technical competency
- They continually upgrade, share their technical knowledge and contribute to the development of the tax officers in IRAS
- Officers with specialist inclinations are coached to apply for accreditation



Master Tax Specialists in IRAS

- Accreditation Framework to recognise Accredited Tax Specialists to further deepen in specific areas of taxation
- They lead in the identification of new issues, resolve complex problems, self-learn and impact knowledge





Tax Academy

A not-for-profit institution, the Tax Academy is set up by the Inland Revenue Authority of Singapore in collaboration with the international accounting firms, Deloitte & Touche, Ernst & Young, KPMG, PricewaterhouseCoopers, as well as the Institute of Singapore Chartered Accountants and the Law Society of Singapore.

2015 Key Events on International Tax

- International Tax Programme Level 1 and 2 (Apr, May)
- Advanced Management Programme in International Tax (Apr, Jul)
- IFA-TA Asia-Pacific Regional Tax Conference (16 & 17 Apr)
- SMU-TA Centre for Excellence in Taxation Conference (27 Aug)



