



Assisted Compliance Assurance Programme (ACAP)

By having strong internal controls, businesses can reduce the risk of incorrect GST returns and save on compliance costs. Businesses that take part in ACAP usually benefit from lower compliance costs and fewer tax audits.



The ACAP is a voluntary compliance arrangement where the Inland Revenue Authority of Singapore (IRAS) encourages GST registered businesses to deploy robust GST accounting and reporting processes.

Benefits of ACAP

Once the Applicant submits a notification of intent to participate in ACAP, the IRAS will give the Applicant 15 months to prepare and submit the ACAP report for assessment. During this time, the IRAS will not audit the Applicant unless major anomalies or fraud is suspected.

Depending on the robustness of the processes and controls of the ACAP Applicant, the IRAS would accord the Applicant either an ACAP Premium or ACAP Merit status. The ACAP status is accompanied by the following benefits:

- **Step-down of IRAS compliance activities** for 5 years for businesses with ACAP Premium status or 3 years for businesses with ACAP Merit status
- **Faster GST refunds** within three working days from the date of e-filing the GST returns (as opposed to usual time of up to 3 months)

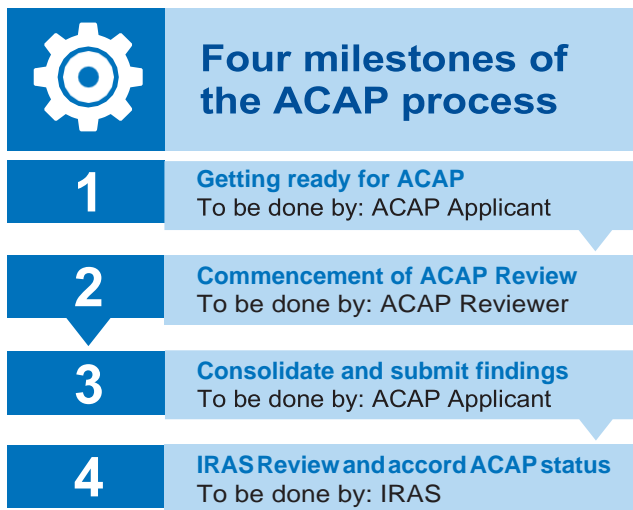
- **Faster issuance of GST rulings** and resolution of GST issues raised with the IRAS
- **Auto renewal of the GST schemes** such as the Major Exporter Scheme
- **Full waiver of penalties** for non-fraud GST errors voluntarily disclosed during an ACAP review

Eligibility for ACAP

Applicants are required to meet certain criteria. These include being GST registered for at least 3 years (subject to certain exclusions). Applicants should not currently be in the process of undergoing a GST audit by the IRAS and should have good tax compliance records with IRAS and Singapore Customs. Applicants must exhibit a proactive management of GST risks through a GST controls framework.

Features of ACAP

The IRAS has divided the ACAP process into the following four milestones:



Operating your business' control systems in an effective manner and delivering compliant GST returns is an important part in managing your business' tax risk. Further, prioritising data quality has become increasingly crucial with the IRAS' intention to implement InvoiceNow for direct transmission of data to the IRAS.

1. Getting Ready for ACAP

The ACAP Applicant is required to prepare documentation on GST processes of the business, including its accounting and operational processes.

2. Commencement of ACAP Review

This first step towards accreditation is a comprehensive review of an ACAP Applicant's GST controls framework. The review considers its effectiveness and how your business operates at the entity, its transactions and GST reporting levels. As an independent ACAP Reviewer, KPMG can conduct this review, by performing both substantive and controls tests.

3. Consolidate and Submit Findings

Upon receiving the ACAP Reviewer's report, the Applicant will correct the deficiencies identified. These include similar qualifying errors from previous years. The ACAP Applicant must also take active steps to improve the existing control activities.

4. IRAS Review and Accordance of ACAP Status

The IRAS will accord either an ACAP Premium or Merit status upon a satisfactory review of the ACAP submission. The status given depends on the adequacy and effectiveness of the controls established by the ACAP Applicant.

How KPMG can help

Having an effective GST compliance system is key to achieving the highest ACAP rating and its associated benefits. Hence, timely preparation can help to maximise these benefits.

The IRAS requires the ACAP Reviewer to be an Accredited Tax Advisor (GST) of the Singapore Institute of Accredited Tax Professionals.

KPMG offers our expertise from a highly competent team of Accredited Tax Advisors (GST) and Accredited Tax Practitioners (GST). As a market leader for ACAP cases and vast experience in assisting clients to undergo the Compliance Assurance Programme (CAP), a precursor of the ACAP, working with us can bring value to your business. As your advisor, we can work with you in preparation for participation in ACAP:

- **Preparation for ACAP** such as assisting in documenting the business' processes and controls
- **Health checks** to identify areas of non-compliance with the GST laws in respect of business transactions
- **GST rectification exercise** such as quantifying the GST errors and recommending measures to close the gaps in controls
- **Application for ACAP** and assisting you in accessing the many benefits afforded through participation in the programme

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