Iras recovers $10m from high-earning tax-avoiders

**Examples of tax avoidance**

Schemes some doctors and dentists are using to avoid paying taxes are rather ingenious. Here are four real examples of unacceptable tax avoidance the Inland Revenue Authority of Singapore has uncovered among the medical/dental profession in recent years.

**ASSIGNING INDIVIDUALS INSTEAD OF A COMPANY**

A doctor or dentist working as an "associate" who claims he stands to benefit from the same tax benefits as if he were the sole practitioner.

**MULTIPLE COMPANIES FOR ONE BUSINESS**

EXAMPLE 1

A doctor sets up a new clinic. Instead of operating out of one physical clinic, he operates out of four different locations. Each of them represents a separate company, and each company hires a different group of doctors, dentists and staff.

EXAMPLE 2

A specialist doctor sets up a clinic. Instead of operating out of only one clinic, he opens up four different clinics, each with its own patient consultation. The second to third year, he further increases his clinic's scope by opening up multiple clinics in different locations, each with the same readers except that in the different locations.

EXAMPLE 3

A doctor or specialist employs a tax consultant to set up four separate companies. Each company employs one other specialist doctor or general practitioner to tax avoidance, with a cap on tax of $3.6 million in the four previous years.

**DIFFERENCE IN TAX PAYABLE BY PRIVATE LIMITED COMPANIES AND SOLE PROPRIETORS**

**Total income**

<table>
<thead>
<tr>
<th>Company</th>
<th>Tax payable</th>
<th>Total income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>$170,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Company B</td>
<td>$150,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>Company C</td>
<td>$120,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>Company D</td>
<td>$100,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Company E</td>
<td>$80,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

**MULTI-TIERED STRUCTURE WITH ASSIGNMENT OF PERSONAL INCOME TAX**

Three doctors set up a clinic. To cut tax and avoid paying tax, they use a small company to help. The three doctors are also directors of a separate company.

**Potential**

The doctors set up a separate company to run a clinic.

**Corrective action**

The doctors were told to pay the tax due and the company was dissolved.

**Nominal amounts to doctors**

<table>
<thead>
<tr>
<th>Amounts paid to respective doctors</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Company E</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>$400,000</td>
<td>$300,000</td>
<td>$200,000</td>
<td>$100,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

More seeking help amid push to mental health awareness

*Salma Khalik*

*Assistant Editor for Health*

The campaign, drawn by hand and jampacked with facts in vast 100-year-old block letters, found its way to local doctors and dentists, any agents and anyone attempting to avoid paying tax through the backdoors.

*The Straits Times*

**Penalties are lower if doctors own up**

Concerned about high-earning medical professionals who seem to be using tax avoidance schemes to evade tax, the Inland Revenue Authority of Singapore (Iras) has roped doctors into game of tax evasion voluntarily with the assurance that penalties will be less severe.

*The Straits Times*

**More seeking help amid push to mental health awareness**

Favian Sath

Senior Medical Correspondent

The campaign is drawing both millions of dollars in back taxes from high-earning doctors and dentists, some who are imposing the tax on themselves and those who are looking to pay less tax.

*The Straits Times*