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SUM YEE LOONG, SINGAPORE MANAGEMENT UNIVERSITY, INTERVIEW

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The intellectual challenge of developing a deep understanding of taxation has led to Sum Yee Loong's long career in the sector – first in practice and now as an educationalist



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With the Singapore government making tax compliance much simpler in recent years and the Inland Revenue Authority of Singapore (IRAS) regularly publishing informative e-guides, Sum Yee Loong, professor of accounting (practice) at Singapore Management University (SMU), likes to joke with his students that tax accountants in Singapore now live ‘from hand to mouth’.

‘I think the tax authorities hope that compliance will become so simple that there might really be no need for tax consultants,’ he says. ‘This will also make their lives easier,’ he quips, while noting that corporate taxes in Singapore have remained competitively low so as to continue to attract investment.

‘The government has long recognised that compliance cost is a business cost, and since my early days they’ve always indicated they wanted to simplify tax compliance. As the years have passed, it’s made my life that much easier as a tax accountant. But then when it’s so simple, a lot of the clients start asking: “Why should I have you file my tax return when I can do it myself?” Sum explains, adding that the profession has had to become a lot more client-orientated.

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‘Corporate [tax] returns may have become simpler, but because the government has also been introducing a lot of new measures and incentives for businesses, it has also become quite interesting for us,’ he continues. ‘On the one hand, compliance is easier; on the other, we can convince clients that we are actually providing value-added services because we know how all the government’s special schemes work, such as the Productivity and Innovation Credit scheme or other tax incentives.’

Sum started teaching full time at SMU in 2011 after retiring from Deloitte where he had enjoyed an impressive 27-year career. Initially, he was one of six tax managers in the newly set-up Deloitte Haskins & Sells Singapore office in the early 1980s, before becoming a partner in 1987.

From the beginning, Sum recalls, taxation was the specialisation that most attracted him to the profession. Having started as a junior audit clerk at a local Singapore audit firm, he left for the UK to complete his ACCA Qualification and a masters in fiscal studies (taxation and public finance) at the University of Bath. ‘I found taxation very interesting, because once you understand it, you can try to structure things for your clients to maximise tax efficiency, and it’s always changing.’ he explains. ‘For example, in the UK, every year the Chancellor presents his Budget and you have to understand what he’s trying to do. Then when the bill is out, you look at implications, and of course between the first reading of the finance bill and the eventual passing of the finance act, there will be a lot of amendments, so it keeps you on your toes. I like to be challenged, both constantly and intellectually.’

TASTE FOR TEACHING

It was during his six-year stint in the UK that Sum developed a taste for teaching, starting off as a tutor and eventually becoming a lecturer at Emile Woolf college of accountancy. When he returned to Singapore in 1982, joining PwC as a senior tax associate, he continued tutoring and teaching part time at the National University of Singapore and then Nanyang Technological University. ‘Initially I was very fortunate because my partners were very supportive of my being involved in teaching. They believed that education was very important, and I did tutoring and lecturing in the evenings and on Saturdays. When I became a partner I had more control of my time and I could arrange my lectures so as not to conflict with my work,’ he recalls.

In 1984, Deloitte had just arrived in Singapore and the firm employed a partner from Australia whose mandate was to develop local talent, an aspect that interested Sum and encouraged his move. ‘PwC was big and established, and even if I was to make it to partnership, I would be one of quite a few tax partners. But at Deloitte, I would have a chance to structure something that I feel should be done in the tax department,’ he explains.

For Sum, those early years at Deloitte proved extremely fruitful. He initially worked on a ‘Taxation in Singapore’ booklet for clients and, with the help of the firm’s IT department, created software for

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the computation of individual tax. 'When we rolled it out in 1985 it was the only software that did complex personal tax computations. After that, all the Big Eight went ahead,' he says.

Sum also decided that client Budget commentaries should be provided. 'When the Budget was announced on a Friday, we would work over the weekend to make sure clients had the commentary the following Monday. Nowadays everybody does this, but back then it was not commonly done. I thought it was important because it was very good publicity for the firm and very timely information for the clients,' he explains.

Throughout his distinguished career, Sum was nominated on several occasions as one of the top 10 tax advisers in Singapore by International Tax Review, as well as featuring as one of the world's leading tax advisers in the Legal Media Group 2011 guide. But beyond this, Sum sees the development of Deloitte's tax advisory department as one of his career's most satisfying achievements. 'When I was first admitted as a partner, we had about 35 people in the tax department; when I left, we had close to 200 people,' he says.

APPEALING PROFESSION

Sum remains active in advising various corporate clients and believes that the appeal of the tax advisory profession has also increased with time. 'When I first started, the tax profession mainly attracted female graduates because the working hours are quite steady and predictable. This makes tax more attractive than audit with its very long and busy peak period. Today, it's still dominated by women, but more and more men are looking at tax as a viable career. Now in SMU I have a lot of male graduates who opt to specialise in tax,' he notes.

As the role of tax advisers has evolved over the last three decades, so has their relationship with the authorities, Sum notes. 'Initially, tax was more about compliance work; clients had to submit tax computations and you had to help them complete those. Now, as I've said, it's more about value-add, and the way we interact with the tax authorities here has also changed a great deal.

'In the early days, it would have been very rare to confront the authorities if you disagreed with something; they would say, "This is our stand," and you would generally avoid having the issue brought to the court. A lot of changes have taken place since then.'

He believes that the government has adopted a more open and consultative attitude. 'There were distinct changes in the 1990s and IRAS became more consultative and more business friendly, encouraging dialogue with taxpayers and the profession,' he says.

From 2006 to 2008, Sum was a member of the Tax Advisory Committee, formed under the auspices of the Ministry of Finance. One of the important issues deliberated by the committee then was the possibility of changing the basis of taxation from preceding to current year. After a series of consultations, the preceding-year basis was kept.

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More recently, Sum assisted in negotiating with the Tax Academy of Singapore to set up a centre of excellence in taxation. The SMU-TA Centre for Excellence in Taxation (CET), which he currently heads, was launched last year; it aims, he says, to produce 'rigorous and well-researched papers and articles on tax developments in Asia Pacific'.

'Up until now, research on international taxation has been essentially done by the OECD, but it looks at things differently because it represents developed countries and its take is very different from APAC. In APAC, there is no centre to do research and explain why the Asia-Pacific region is different,' he notes, pointing out that in its 2010 final report, the Committee to Develop the Accounting Sector (CDAS) recommended that Singapore should develop such a centre.

Sum also refers to the recent work undertaken in relation to developments in the G20 summit, in particular how the OECD's Action Plan on Base Erosion and Profit Shifting will affect Asia; two upcoming reports will be dedicated to BEPS issues and a third will cover the pricing of intangibles.

'We hope to publish three research papers in our first year and another five in our second year,' he says, adding that CET is also planning to have a conference in July/August every year.