

**ORGANISED BY**



PREMIER TAX EVENT OF THE YEAR

# NATIONAL TAX CONFERENCE 2015

25 & 26 AUGUST 2015 | KUALA LUMPUR CONVENTION CENTRE

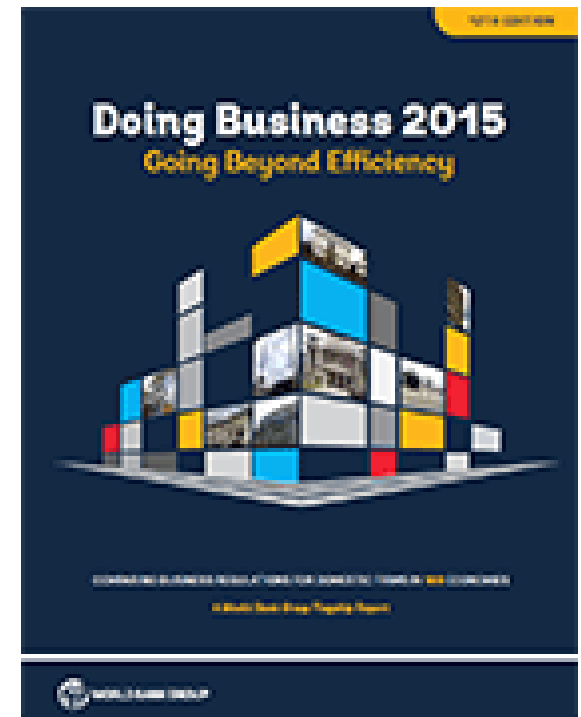
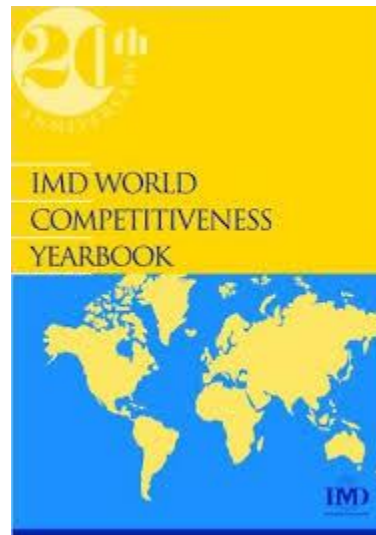
# NEW INITIATIVES FROM LHDN

**Dato' Chua Tia Guan**





## *A Word Class Malaysia*





THE WORLD BANK

# The World Bank

## Ease of Doing Business 2015

Economy	2015 Rank	2014 Rank
Singapore	1	1
Hong Kong	3	3
Republic of Korea	5	5
Malaysia	18	20
Taiwan	19	18
Thailand	26	28



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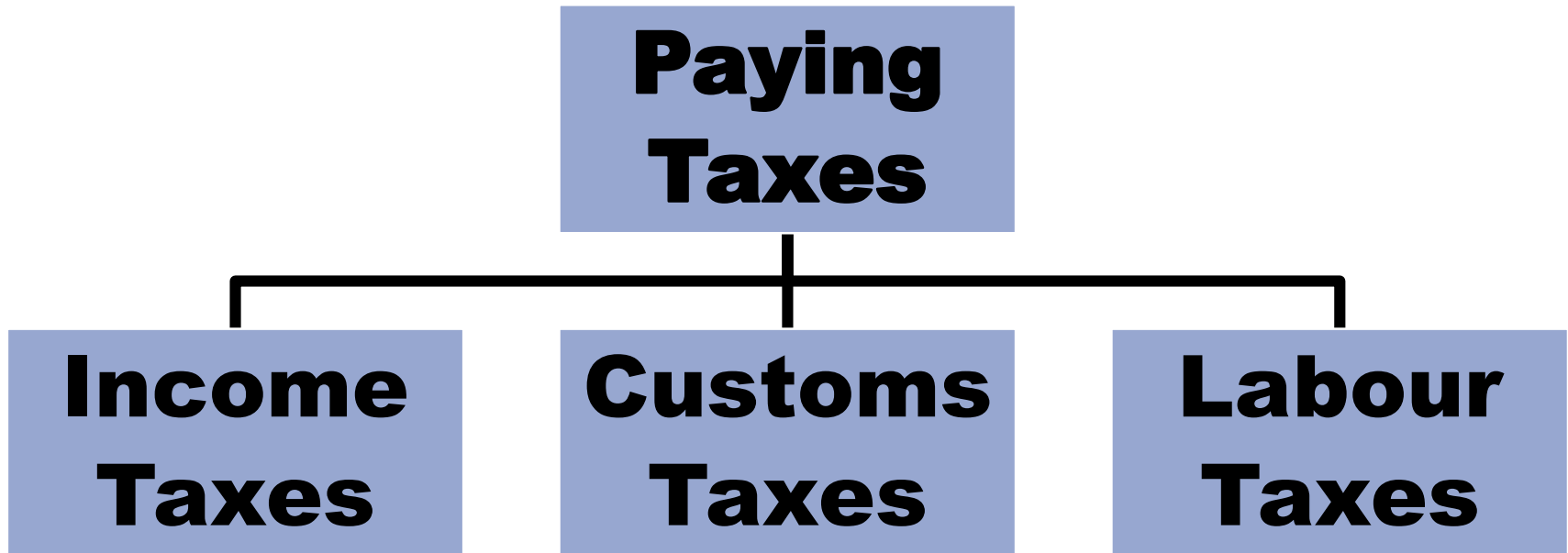
# MALAYSIA: WBDB 2015 INDICATORS

		<i>Ranking</i>	<i>Top performer</i>
INDICATORS	Starting a Business	13	New Zealand
	Dealing with Construction Permits	28	Hong Kong SAR, China
	Getting Electricity	27	Republic of Korea
	Registering Property	75	Georgia
	Getting Credit	23	New Zealand
	Protecting Minority Investors	5	New Zealand
	Paying Taxes	32	<b>Qatar</b>
	Trading Across Borders	11	Singapore
	Enforcing Contracts	29	Singapore
	Resolving Insolvency	36	Finland



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# MALAYSIA: WBDB 2015 INDICATORS





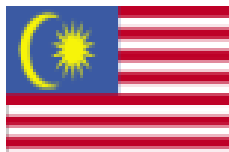
# MALAYSIA PERFORMANCE COMPARED TO SELECTED COUNTRIES IN PAYING TAXES 2015

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Indicators	Malaysia	Qatar	Spore	Hong Kong
<b>1. Payment (number per year)</b>	<b>13.0</b>	<b>4.0</b>	<b>5.0</b>	<b>3.0</b>
<b>2. Time (hours per year)</b>	<b>133.0</b>	<b>41.0</b>	<b>82.0</b>	<b>78.0</b>
<b>3. Total tax rate (% profit)</b>	<b>39.2</b>	<b>11.3</b>	<b>18.4</b>	<b>22.8</b>
<b>i. Profit Tax (%)</b>	<b>21.7</b>	<b>0.0</b>	<b>2.2</b>	<b>17.6</b>
<b>ii. Labour tax (%)</b>	<b>16.4</b>	<b>11.3</b>	<b>15.1</b>	<b>5.1</b>
<b>iii. Other taxes (%)</b>	<b>1.1</b>	<b>0.0</b>	<b>1.1</b>	<b>0.1</b>



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Ease of Doing Business in

# Malaysia

<b>Tax</b>	<b>No. of payment</b>	<b>Time taken (hours)</b>	<b>Total tax rate (% of profit)</b>
<b>Corporate income tax</b>	<b>1</b>	<b>26</b>	<b>20.99</b>
<b>EPF</b>	<b>1</b>	<b>77</b>	<b>14.56</b>
<b>SOCSSO</b>	<b>1</b>		<b>1.81</b>
<b>RPGT</b>	<b>1</b>		<b>0.76</b>
<b>Property tax</b>	<b>1</b>		<b>0.59</b>
<b>Vehicle tax</b>	<b>1</b>		<b>0.47</b>
<b>Stamp duty</b>	<b>1</b>		<b>0.00</b>
<b>Sales tax</b>	<b>6</b>	<b>30</b>	<b>0.00</b>
<b>Total</b>	<b>13</b>	<b>133</b>	<b>39.17</b>



# MALAYSIA PERFORMANCE COMPARED TO SELECTED COUNTRIES IN PAYING TAXES 2015

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## Corporate Tax

Indicators	Malaysia	Spore	Hong Kong
<b>1. Payment (number per year)</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>2. Time (hours per year)</b>	<b>26</b>	<b>32</b>	<b>50</b>
<b>3. Total tax rate (% profit)</b>	<b>20.99</b>	<b>2.24</b>	<b>17.58</b>



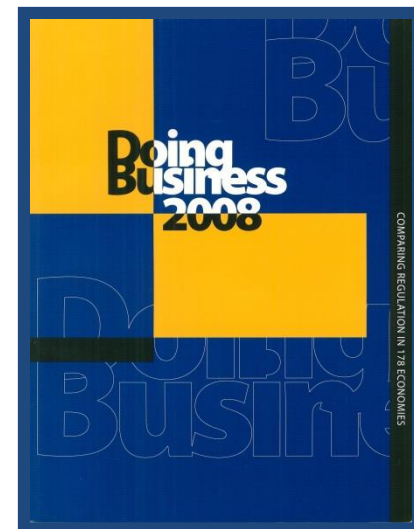
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# Global benchmark

***“In Sweden we pay taxes online. The corporate income tax, value added tax, labour contributions and property tax are filed on a single form.***

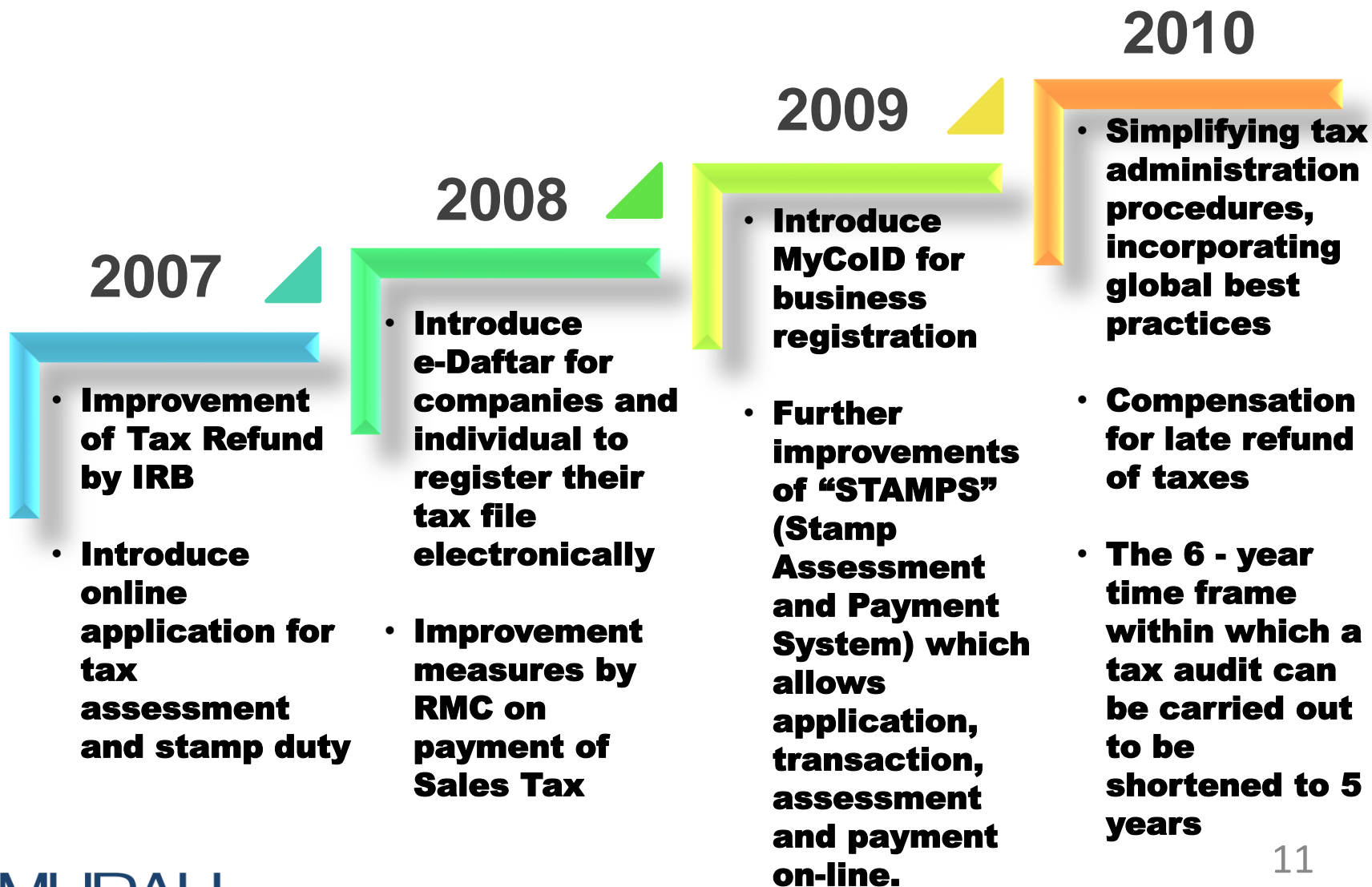
***Doesn’t everyone do it that way?”***

***Astrid, a Swedish business owner.***





# INITIATIVES DONE BY FGPT SINCE 2007





# INITIATIVES DONE BY FGPT SINCE 2007

**2011**

- **Phase II of MyCoID Gateway System (MGS) integrating the systems of five participating agencies; IRB, EPF, HRDF, SOCSO & SME Corp.**

**2012**

- **Maintained past amendments made to the Public Rulings**
- **Implement the waiver of form for tax incentives**
- **Reduced the time bar for assessment of Income Tax Act; (6 to 5 years)**

**2013**

- **Improvement on payment of sales tax and tax returns by RMC**
- **Continue improvement the income tax system on a single source of employment income not to file tax and enforcing compensation for late refund of taxes**

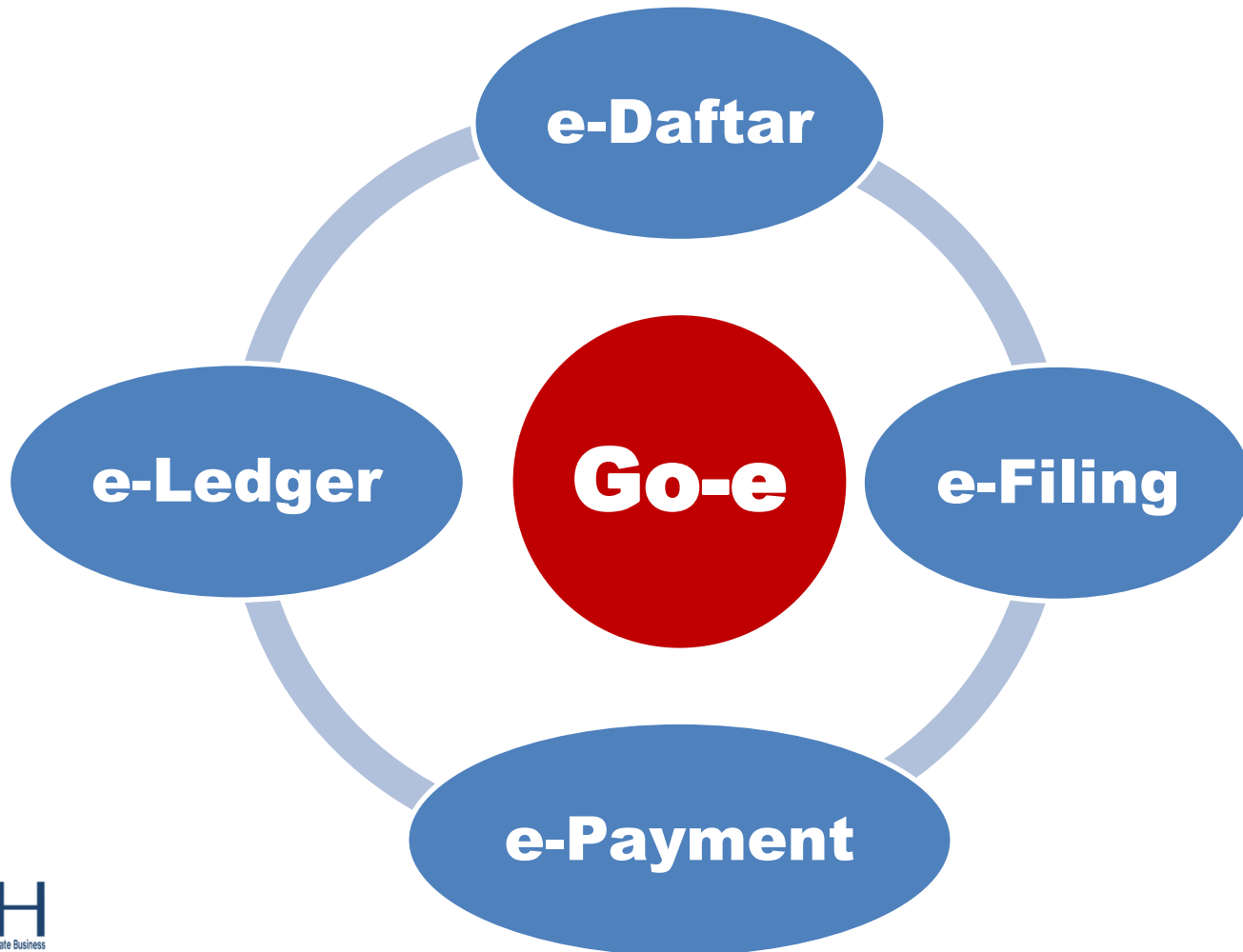
**2014**

- **e-Filing and e-Payment for withholding tax**
- **Implemented consolidation of payment date – SOCSO, HRDF and IRB**
- **Improvements in Paying Taxes include the reduction in time taken to file and make payment for labour taxes: EPF, SOCSO and HRDF**



# Joint Initiatives by PEMUDAHA & IRB since 2007

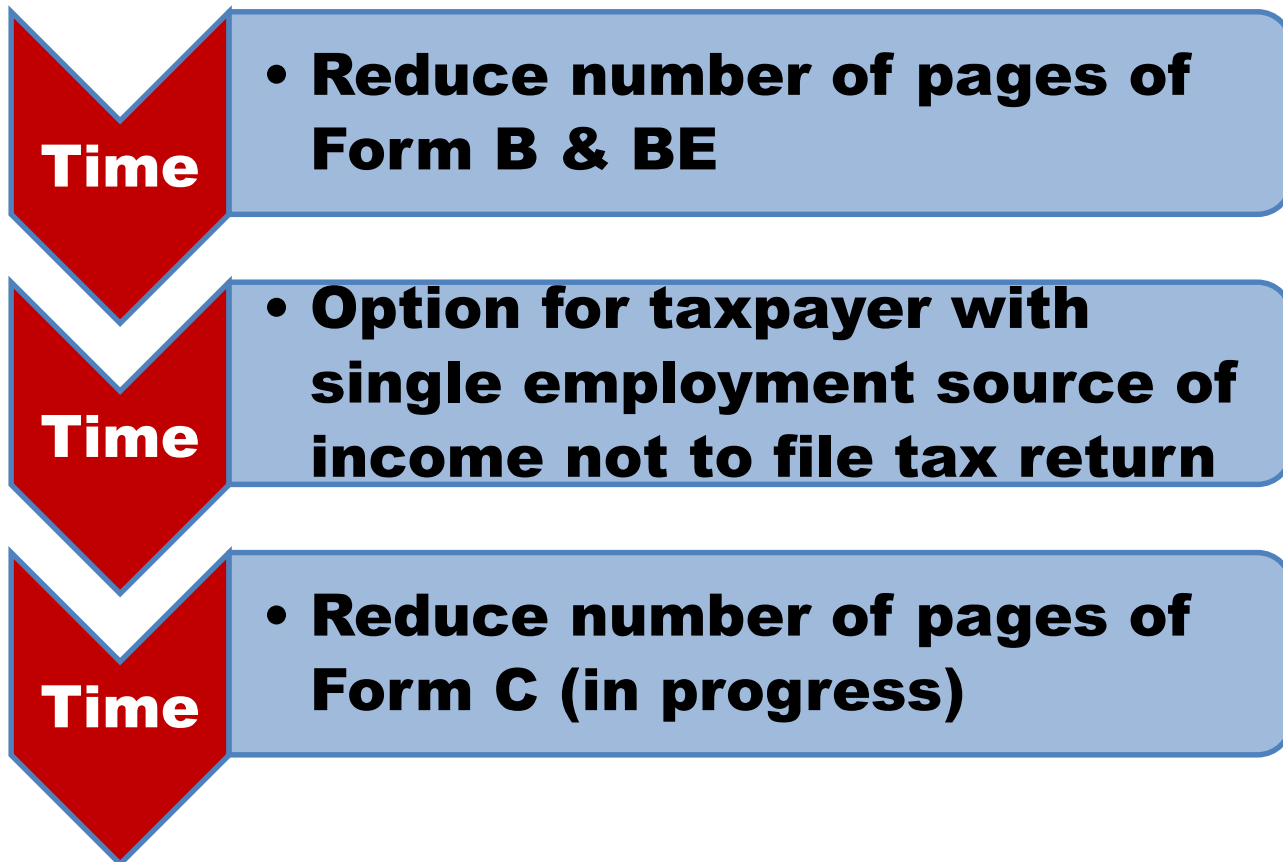
## Leverage on technology





# Joint Initiatives by PEMUDAH & IRB since 2007

## Simplify tax filing





# Joint Initiatives by PEMUDAHA & IRB since 2007

## Time bar for tax audit

	2012	➡	2013	➡	2016	➡	2020
Years	6	➡	5	➡	4	➡	3

- **Australia 4 years, UK 2 years**
- **increase the certainty of cost of doing business**
- **enhance the investors' confidence**



# Joint Initiatives by PEMUDAH & IRB since 2007

## Income Tax Refund

	2007	→	2013	→	2016	2017	2018	2019	2020
Compensation			2%	→	5%	→	8%	→	10%
No. of days			90 days	→	60 days	→	30 days	→	0 days

**Compensation  
for late refund**

**Refund first, Audit later**



*Thank You!*