

**ORGANISED BY**



PREMIER TAX EVENT OF THE YEAR  
**NATIONAL TAX CONFERENCE**  
**2020**

**25 & 26 AUGUST 2020 | TUESDAY & WEDNESDAY**  
**VIA LIVE STREAMING**

Moderator

**Ms Farah Rosley**

*President*

*Chartered Tax Institute of Malaysia*

Speaker

**YBhg. Dato' Sri Dr. Sabin bin Samitah**

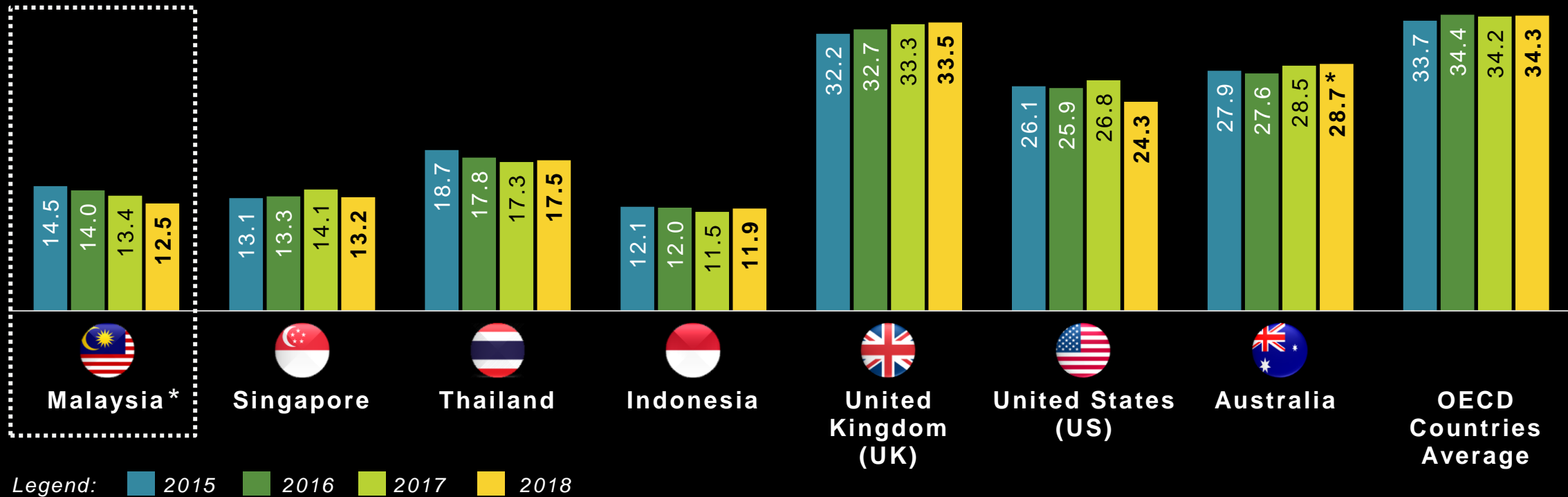
*Chief Executive Officer*

*Lembaga Hasil Dalam Negeri Malaysia*

# TOPIC 1: **CHALLENGES & STRATEGIES OF LHDNM**

# Tax-to-GDP ratio

## - Comparison against other countries










Source: OECD revenue statistics

\* Note:

- Malaysia: Figures do not include tax revenues from local governments (quit rent and assessment tax), which are unavailable.
- Australia: 2018 figure is based on total tax revenue as a percentage of GDP for 2018-19 from Australian Bureau of Statistics.

# Snapshot of economic outlook and COVID-19 pandemic economic stimulus measures

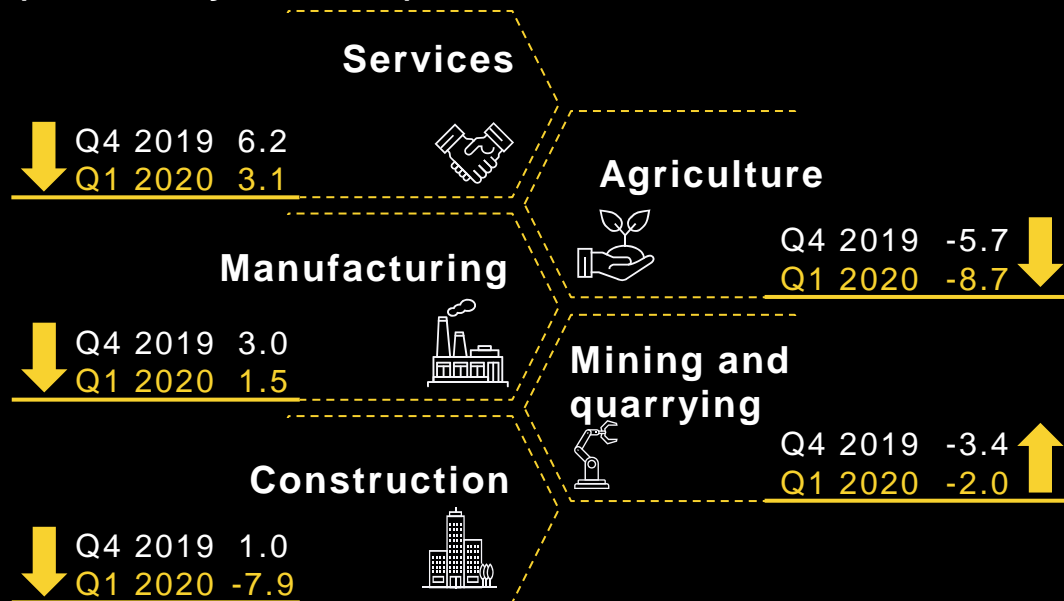
		 <b>Malaysia</b>	 <b>Singapore</b>	 <b>Thailand</b>	 <b>Indonesia</b>	 <b>UK</b>	 <b>US</b>	 <b>Australia</b>
<b>Economic Outlook</b>	<b>2019 Quarter 3</b>	4.4	0.7	2.6	5.0	1.3	2.1	1.8
	<b>2019 Quarter 4</b>	3.6	1.0	1.5	4.9	1.1	2.3	2.2
	<b>2020 Quarter 1</b>	0.7	-0.3	-2.0	3.0	-1.6	0.3	1.4
	<b>2020 Quarter 2</b>	-17.1	-13.2	-12.2	-5.3	-21.7	-9.5	-7.0 (forecast)
<b>COVID-19 Pandemic Economic Stimulus measures</b>	Cash handouts to all adult individuals		✓					
	Cash handouts based on income bracket	✓	✓		✓		✓	
	Cash handouts for employee retention	✓	✓			✓		✓
	Cash handouts to self-employed / unemployed / affected individuals	✓	✓	✓	✓	✓	✓	✓
	Personal tax reliefs	✓		✓	✓	✓		✓
	Corporate tax reliefs	✓	✓	✓	✓	✓	✓	✓
	Policy measures / financial aid for SMEs	✓	✓	✓	✓	✓	✓	✓
	Financial aid for hard-hit sectors (e.g. tourism and travel sectors)	✓	✓	✓	✓	✓	✓	✓

- Sources:
- **Economic Outlook:** OECD G20 GDP growth - First quarter of 2020 dated 11 June 2020; National Economic and Social Development Council (NESDC) Economic Report dated 18 May 2020; Weekly Publication by Westpac Institutional Bank dated 14 August 2020 (for Australia 2020 Quarter 2)
  - **COVID-19 economic stimulus measures:** national authorities; various news articles and publications

# COVID-19 pandemic impact on sectors

## Malaysia

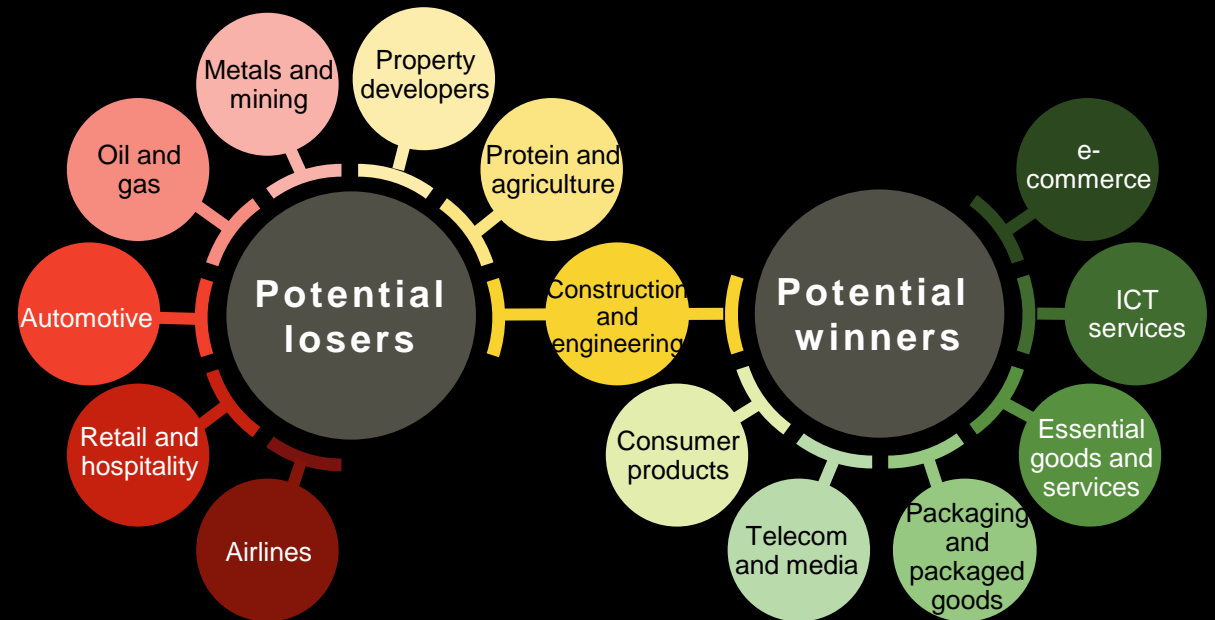
- GDP growth by economic activity  
(Quarterly GDP, %)



Source: Department of Statistics Malaysia (DOSM)  
Pocket Stats Quarter 1 2020 (May 2020)

## Asia-Pacific

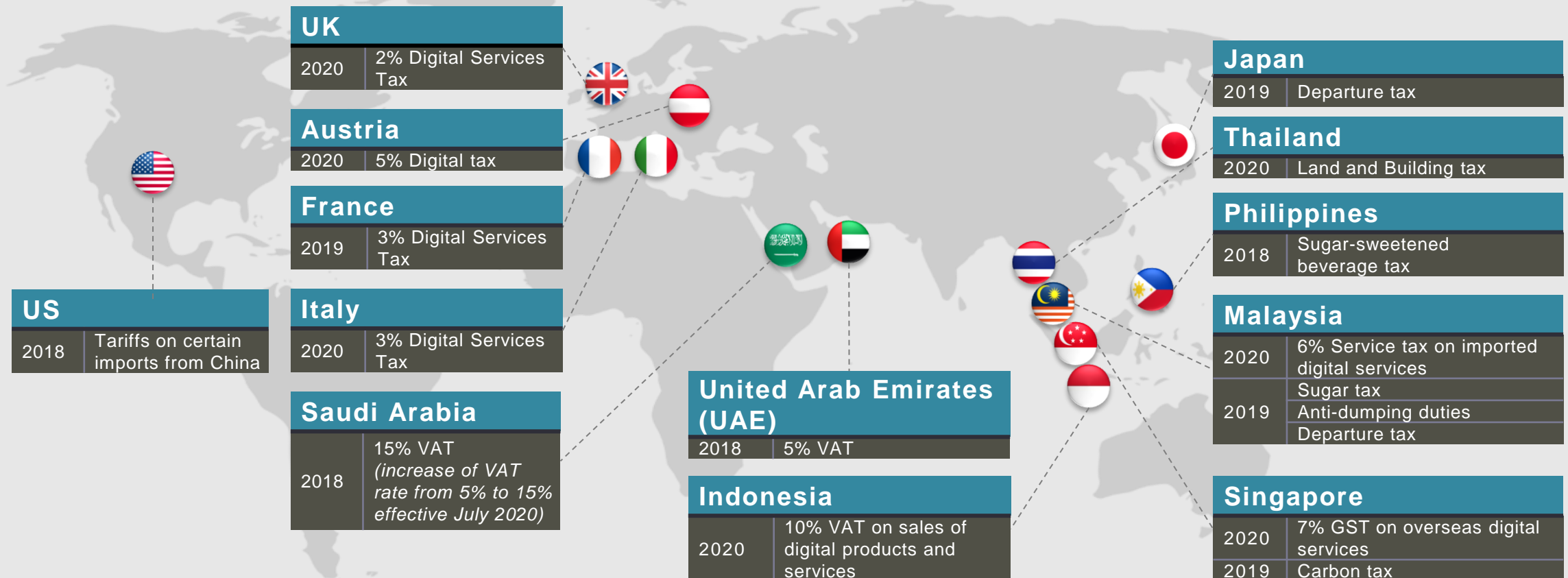
- Sector exposure to COVID-19 pandemic



Source: Moody's Investors Service (Asia-Pac, 25 May 2020)

# New taxes around the world

Examples of new taxes that have been introduced and enforced around the world recently:



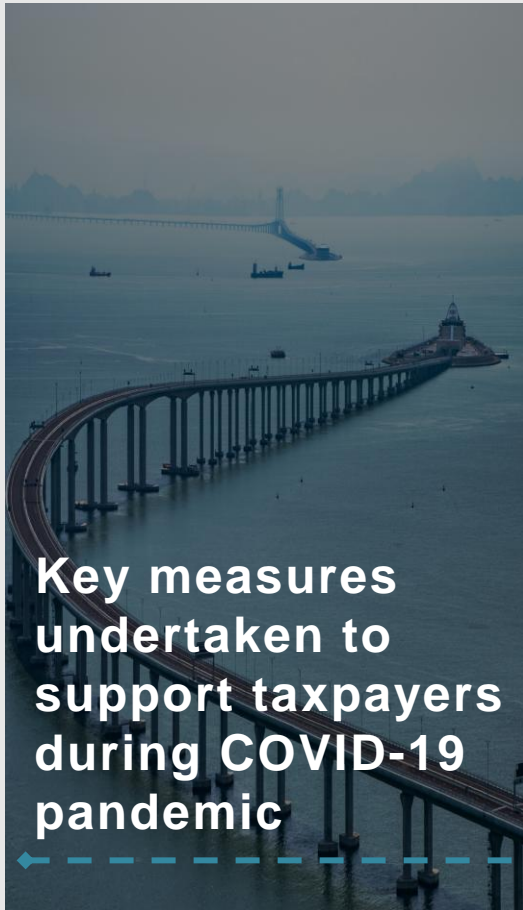
*Note: Value-Added Tax (VAT), Goods and Services Tax (GST)*

*Sources: National authorities; various news articles and publications*

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# Tax administration responses to COVID-19 pandemic



## A. Additional time for dealing with tax affairs



**Extension of deadlines**  
(e.g. filing of tax returns)



**Deferral of payments**



**Remitting penalties and interest**  
(e.g. for late filing of tax returns or late tax payments)



**Easier access to debt payment plans and extension of plan durations**  
(e.g. setting up of installment plans or adjustments of payment arrangements)



**Suspension of debt recovery**  
(e.g. temporary pause of debt collection actions or asset seizures and sales)

## B. Enhanced services and communication initiatives



### Malaysia

- **Announcements and press releases** on the Inland Revenue Board (IRB)'s website and social media
- Publication of **Frequently Asked Questions (FAQs)**



### South Korea

- **Continuous updates** on the National Tax Service (NTS)'s website and social media
- Guidance provided by the **newly-formed COVID-19 Task Force team**

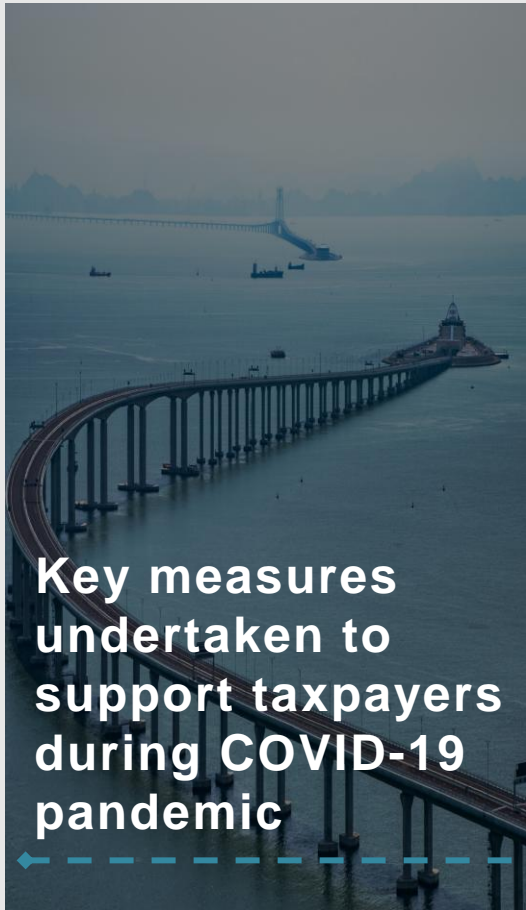


### Singapore

- Assistance provided via **remote-home access** through digital service channels (e.g. live chats, AskJamie – a virtual assistant on tax matters)
- **Appointments arranged in advance** for face-to-face tax filing assistance and other taxpayer counter services
- **Timely information and periodic media releases** on the Inland Revenue Authority of Singapore (IRAS)'s website, social media and the Government portal

Sources: OECD Tax administration responses to COVID-19: Measures taken to support taxpayers dated 21 April 2020; national authorities; various news articles and publications

# Tax administration responses to COVID-19 pandemic



## C. Quicker refunds to taxpayers



### Malaysia

- **Relaxation of risk checks** before making refunds to ease the cash-flow pressure on taxpayers

#### Auto refunds for:

Cases with no and low risk of being wrongful refund claims

Large business cases involving refund amounts of less than RM1 million each

#### Refund priority provided to:

SMEs

Individual taxpayers

## D. Temporary changes in audit policy and ways to provide quicker tax certainty



### China

- **Review and examination of electronic documents only after the submission of export tax refund (exemption) declarations through "non-contact" channels and application of "non-contact" auditing**

#### Is there suspicion of problems (e.g. tax fraud) during review and examination process?

**No** → Tax refund (exemption) status will be granted.

**Yes** → Taxpayers may be required to provide relevant image data through "non-contact" channels (e.g. WeChat, email).  
 For export tax refunds that require investigation and assessment, tax authorities would use "non-contact" channels (e.g. desk analysis and telephone interviews) to avoid on-site inspections and face-to-face interviews.

Sources: OECD Tax administration responses to COVID-19: Measures taken to support taxpayers dated 21 April 2020; national authorities; various news articles and publications





*This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Any organisation cannot accept responsibility for loss to any person relying on this article.*

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# Thank you