

ORGANISED BY



PREMIER TAX EVENT OF THE YEAR
NATIONAL TAX CONFERENCE
2020

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

Panel Member:

Ms Wan Ramiza Wan Ghazali
Director, Special Industry Branch
Lembaga Hasil Dalam Negeri Malaysia

TOPIC 7:
**ROUNDTABLE DISCUSSION ON
CURRENT ISSUES & CONCERNS**

IRBM – REVENUE AGENCY IN LINE WITH GOVERNMENT INITIATIVES

- BUDGET 2020 : EXPAND REVENUE BASE AND REDUCE TAX GAP & TAX LEAKAGES;
 - TO ACHIEVE **HIGH TAX COMPLIANCE ENVIRONMENT** - LEADING TO FAIRNESS AND EQUITY ACROSS THE NATION
- TAX REVENUE TARGET IS DRIVEN BY ECONOMIC CIRCUMSTANCES AND GOVERNMENT PROJECTION e.g.
 - TO FINANCE FACILITIES TO SUPPORT BUSINESS GROWTH
 - 2020 COVID-19 PANDEMIC – STIMULUS PACKAGES, PRIHATIN RAKYAT, PENJANA, ETC 
- **IRBM ROLE: SUPPORT GOVERNMENT INITIATIVES** 

PRIHATIN, PRIHATIN TAMBAHAN & PENJANA ACHIEVEMENTS

STIMULUS & RECOVERY PACKAGES TOTALLING RM295 BILLION



PRIHATIN & PENJANA are expected to **contribute upwards of 3%** to Malaysia's GDP growth in 2020



800,000 businesses, including **micro SMEs**, have benefitted



RM11.14 billion channelled to 10.4 million **Bantuan Prihatin Nasional** recipients



1.4 million e-hailing drivers given **RM500** incentive (total: **RM34 million**)



477,000 taxi, bus & tour drivers given **RM600** incentive (total: **RM28.8 million**)



TNB bill reduction
7.7 million electricity consumers given a **50% discount** (overall value: **RM312.32 million**)
1.4 million electricity consumers given a **15% discount** (overall value: **RM185.75 million**)



65% of households have benefitted from the 6-month **bank moratorium** (overall value: **RM38.4 billion**)



545,000 micro-entrepreneurs given the **Geran Khas Prihatin** (overall value: **RM1.6 billion**)



7,000 BSN microfinance recipients (overall value: **RM247 million**)



23,000 TEKUN microfinance recipients (overall value: **RM177 million**)



834,000 employers & 6.7 million employees have benefitted from the **wage subsidy** (overall value: **RM7.4 billion**)



2.75 million jobs saved through the **Employment Retention Programme**

PRIHATIN & PENJANA 15TH IMPLEMENTATION REPORT (AS AT JULY 24, 2020)

Prihatin
Pakaj Rangsangan Ekonomi Prihatin Rakyat

PROTECTING THE PEOPLE

1 BANTUAN SARA HIDUP (PHASE 3)

AS AT JULY 31:

Total recipients



4.13 mil

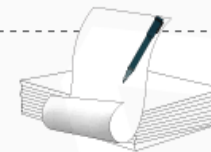
Total credited payment

RM2.7 bil

2 HASANAH SPECIAL GRANT

AS AT JULY 28:

Projects approved



42 (RM7.6 mil)

Recipients

115,000

SUPPORTING BUSINESSES

3 WAGE SUBSIDY PROGRAMME

Total payment approved

RM8.97 bil

Total employees

2.58 mil



STRENGTHENING THE ECONOMY

4 MORATORIUM BY FINANCIAL INSTITUTIONS ON LOAN REPAYMENT

Total amount

RM62.8 bil

Total benefited by business sector

RM21.9 bil

Total benefited by the people

RM40.8 bil



PENJANA

5 MY30 PROGRAMME

Passes sold

179,349

Total subsidy

RM30.5 mil



6 SOCIAL ASSISTANCE FOR VULNERABLE COMMUNITIES INVOLVING:

DISABLED PERSONS (OKU)
Recipients

185,713
(**RM55.7 mil**)

HOME HELP SERVICE WORKERS

1,815
(**RM544,500**)

7 HIRING INCENTIVE PROGRAMME & TRAINING ASSISTANCE

Employed

7,543

COMPRISING:

Under 40

5,302

40-60 years old

1,212

OKU

66

Apprentices

963



8 TEKUN BUSINESS RECOVERY SCHEME

Total applications approved

718
(**RM5.27 mil**)



9 ePENJANA JULY 31-AUG 2: Recipients

over 4.5 mil

IMPROVEMENT OF ASSISTANCE FOR SMEs



1 Micro-credit scheme

- Abolishment of 2% interest to 0%, totaling RM500 million under Bank Simpanan Nasional
- Extended to TEKUN Nasional, a maximum of RM10,000 per company, 0% interest. Total funding of RM200 million

***Applicants can only choose one scheme to allow more people to benefit from it**



2 Rental waiver/discount by owner of private premises

- For SMEs in retail sector
- During MCO period & 3 months after MCO ends
- Further tax exemption equal to the amount of rental discount for April-June 2020 will be given
- Rental discount must be at least 30% of usual rate

3 25% reduction on levy for foreign workers

- For companies whose employees' work permit ends between April 1-Dec 31, 2020
- Not applicable to domestic help sector



4 The government encourages consultation between employers & employees on working terms, including salary deduction options & unpaid leave during MCO period

5 The government agrees on the 30 day automatic moratorium from the last day of MCO for enterprises to submit their statutory documents to SSM



6 Deadline for handover of company's financial statement will be extended to 3 months after MCO ends

- For companies whose financial year ends Sept 30-Dec 31, 2019
- Must submit application to SSM
- No fee will be imposed for this extension

Credits to: Bernama Infographics

**01****EXTENSION OF DEADLINES**

Submission of filing tax return

Submission of any document / notice / form

Submission of CbCR

02**REVISION TAX ESTIMATES AND DEFERRAL OF PYMTS**

Revision of income tax estimation

Deferment of tax instalment payment

Stamp duty exemption on loan agreements executed from 1/3/2020 until 31/12/2020

03**DEBT PAYMENT PLANS**

Payment under scheduled instalment plans within the MCO period - extended till 31 May 2020

04**SUSPENDING DEBT RECOVERY TIL 31 MAY 2020****07****ENHANCED SERVICES AND COMMUNICATION INITIATIVES**

Issue press releases regularly to update public

Published FAQs on tax matters during MCO

Regular engagement with tax practitioners

06**CHANGES IN AUDIT POLICY**

Audit activities are carried out as usual

Communication with taxpayers based on appointment

Extension of time - submission of document

05**QUICK REFUNDS**

Auto refund – cases no/low risk of wrong claim

Auto refund - large business refund < RM 1 Mill

Priority refund for SMEs & individual taxpayers

**IRBM SUPPORT
IN DEALING
WITH TAX
AFFAIRS**

FOCUS OF IRBM

- TO PROMOTE HIGH COMPLIANCE – CORRECT AND ACCURATE SAS
 - ENFORCEMENT: AUDIT AND INVESTIGATION;
 - TAX EDUCATION PROGRAMMES;
- ENFORCEMENT FOCUS:
 - NOT ONLY AT ONE ENTITY, CAN BE AT GROUP LEVEL – SCHEME & TAX-PLANNING CAN BE IDENTIFIED
 - BOTH DOMESTIC AND CROSS BORDER TRANSACTIONS; USAGE OF LOW TAX JURISDICTION
- YEAR 2019 - SPECIAL VOLUNTARY DISCLOSURE PROGRAMME (**SVDP**)
- INCREASE WORKFORCE TO STRENGTH ENFORCEMENT
 - EARLY 2020 : SHADOW ECONOMY
 - INFORMATION – EOI, CRS, LOCAL AGENCIES, ETC

CONCERNS OF IRBM

- WHETHER INCREASE IN TAX COLLECTION EACH YEAR INDICATE INCREASE IN COMPLIANCE ?
- PROVIDE BETTER SERVICE FOR TAXPAYER; IMPORTANT ROLE BY TAX CONSULTANTS
 - TAX CONTRIBUTED BY PROFITABLE BUSINESSES = SHARING PROSPERITY / SUPPORT THOSE AFFECTED BY PANDEMIC
- THE NEED TO INCREASE ENFORCEMENT TO REDUCE TAX LEAKAGES AND TAX GAP
 - TO ENHANCE SUSTAINABLE REVENUE COLLECTION
- **REVENUE COLLECTED IS FOR THE RAKYAT**

THANK YOU