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PREMIER TAX EVENT OF THE YEAR
NATIONAL TAX CONFERENCE
2018

16 & 17 JULY 2018 | MONDAY & TUESDAY
KUALA LUMPUR CONVENTION CENTRE

“Taxation in a Changing Economy”

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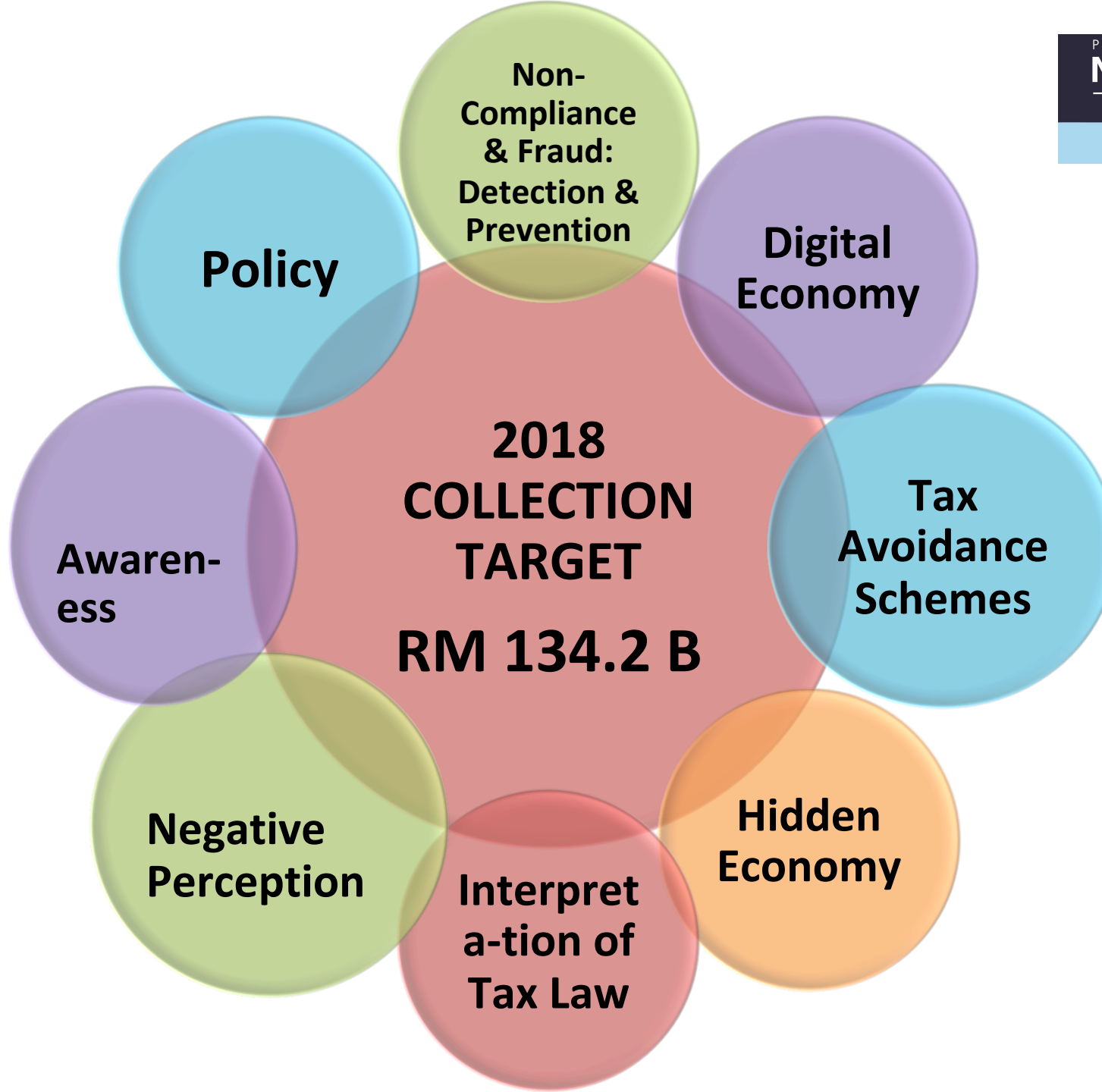
16 & 17 JULY 2018 | MONDAY & TUESDAY
KUALA LUMPUR CONVENTION CENTRE

DAY 1 : 16 JULY 2018

TOPIC : LHDNM – STRATEGIES AND CHALLENGES

Speaker : *Datuk Noor Azian Abdul Hamid*
Deputy Chief Executive Officer (Policy)
Inland Revenue Board Malaysia

CHALLENGES

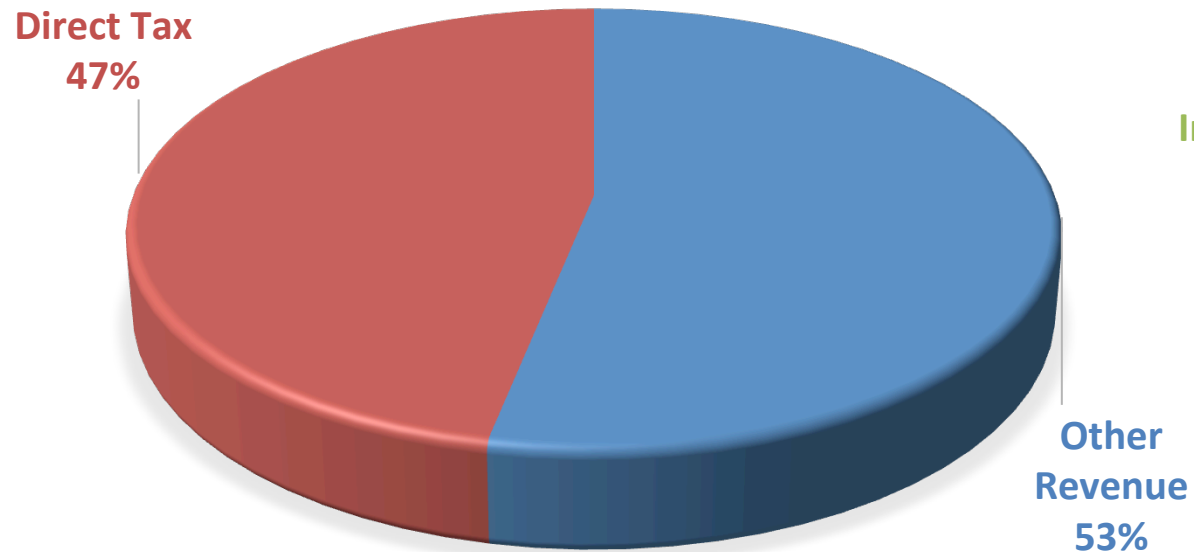


STATISTICS AND FIGURES

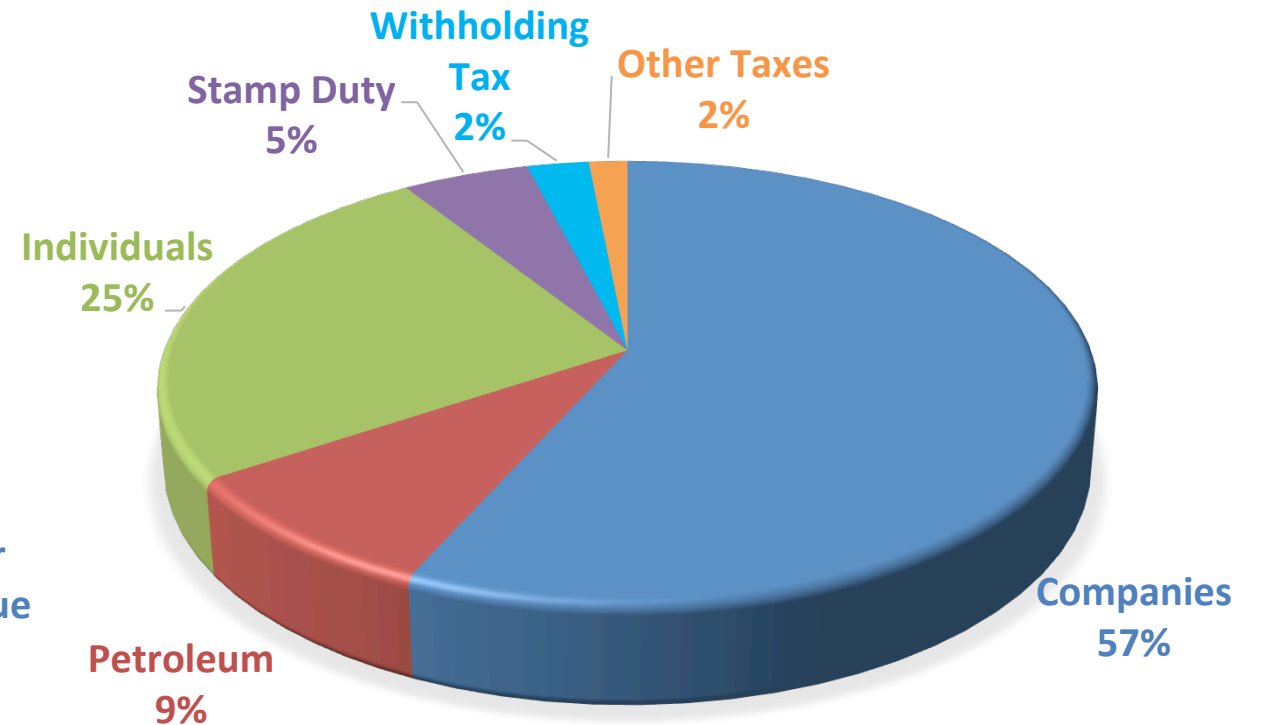


Direct Tax Contributions

DIRECT TAX CONTRIBUTION TO FED GOVT BUDGET
(2018)



COMPARISON OF DIRECT TAX COLLECTION BY
COMPONENT
(2018 BUDGET ESTIMATION)



Number of taxpayers



**Narrow tax
base**

Only **16.27%** of companies are paying tax

195,216

1.2 million companies registered with CCM

Only **15.24%** of individuals are paying tax

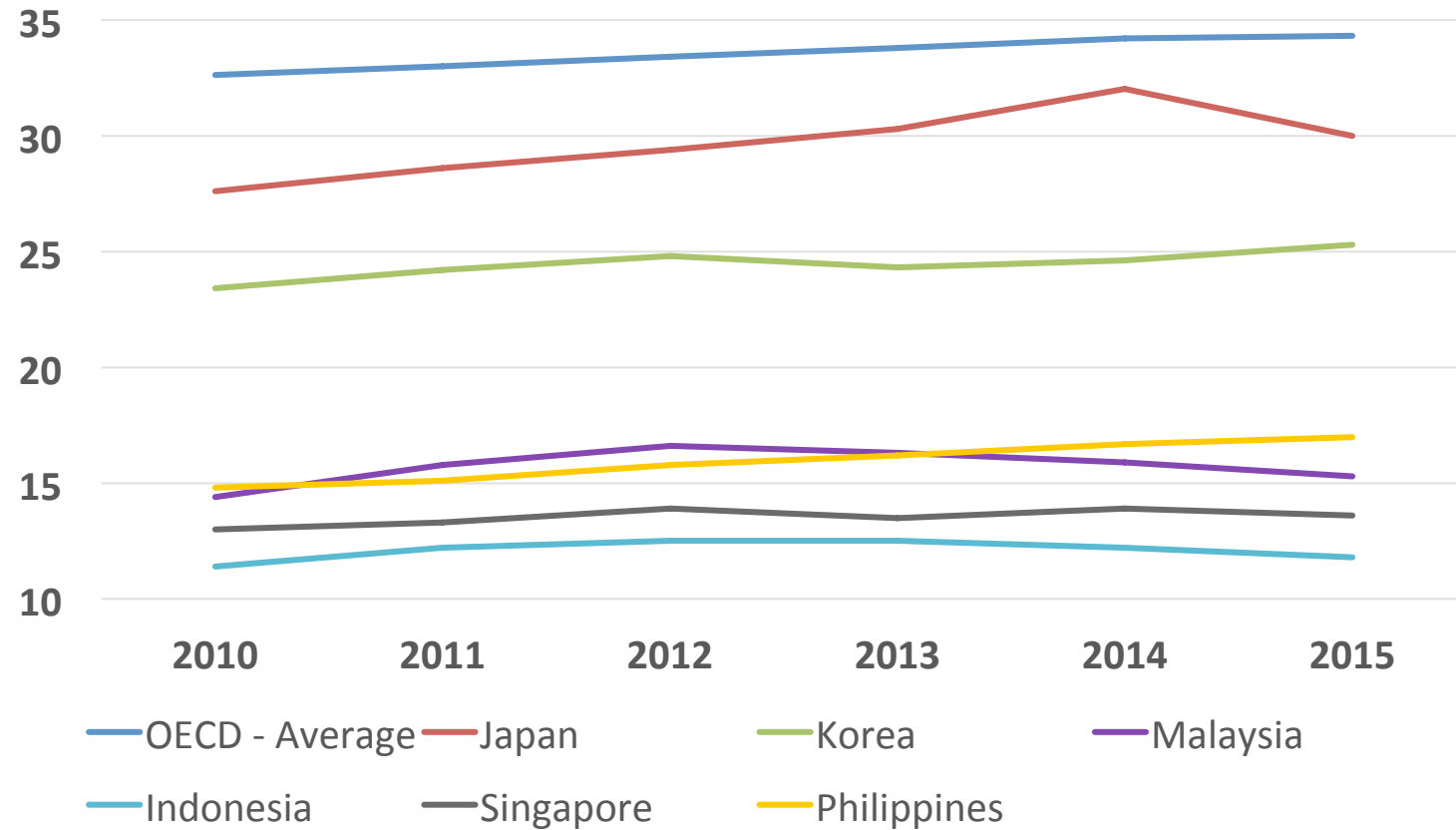
2.27 m taxpayers

**32.4 million population,
14.9 million labour forcé
7.3 million registered taxpayers**

Tax/GDP Comparison

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Source: OECD

STRATEGIES



Drivers of taxpayer compliance behaviour

Deterrence – audits, perceived risk of detection, sanctions [penalties]

1

2

Opportunity – to be compliant [low compliance costs] vs to be noncompliant [opportunities for evasion]

Fairness – trust in government, tax authority, other taxpayers

3

4

Economic factors

Detecting and Preventing Fraud and Non-Compliance

Increase the use of technology

✓ HASIL Power Data

Increase in data source

✓ Domestic and Cross-border co-operations
✓ CBCR, CRS, AEOI
✓ JITSIC

Commitment to BEPS

✓ Active Participation at OECD
✓ MLI – 4 minimum standards

**Greater awareness of interaction
between domestic and international law**

✓ Increase exposure to international tax issues

Implementation of BEPS Action Plan in Malaysia

Member of Inclusive Framework since 2018.
116 countries participate on an equal footing

Commit to 4 minimum standards:

- Prevent treaty abuse through treaty shopping
- Tackle harmful tax practices with greater transparency
- Provide single global picture of MNE operations to tax administrations with Country-by-Country Reporting (CbCR)
- Resolve cross-border tax disputes more effectively to deliver greater certainty to business and governments

MLI – signatory since purpose is to implement BEPS-related treaty changes

Increased cross-border internet-based transaction; Emergence of sharing economy

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Active participation at international forum/committees

Cooperation and sharing of knowledge between tax administration

Policy change

Enhance IRBM's technology



Tax Avoidance Schemes

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TAX SCHEMES

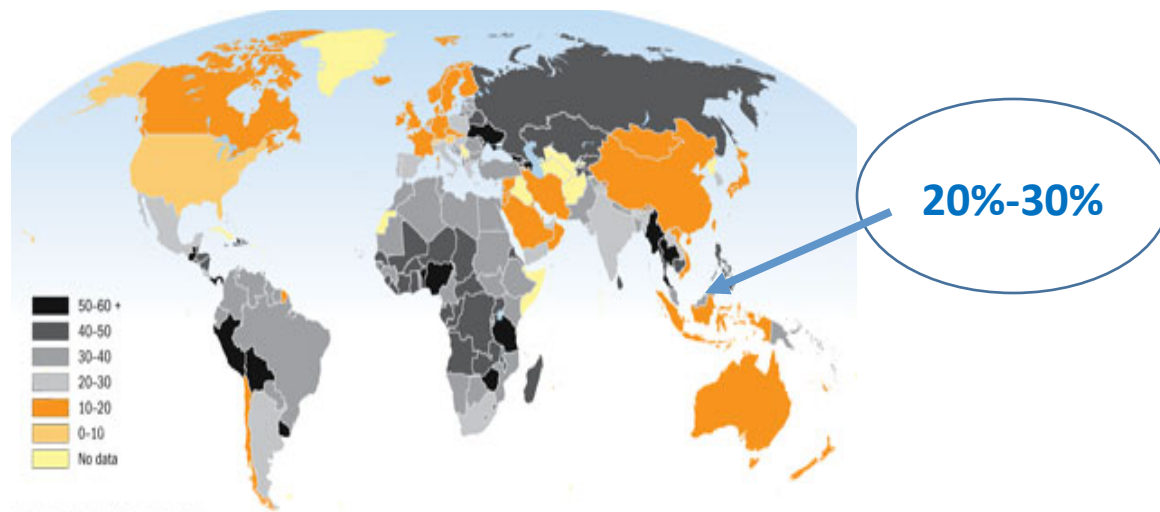


**Improve capabilities and skills
to deal with complexities**

**Knowledge sharing, best
practice**

Consider policy change

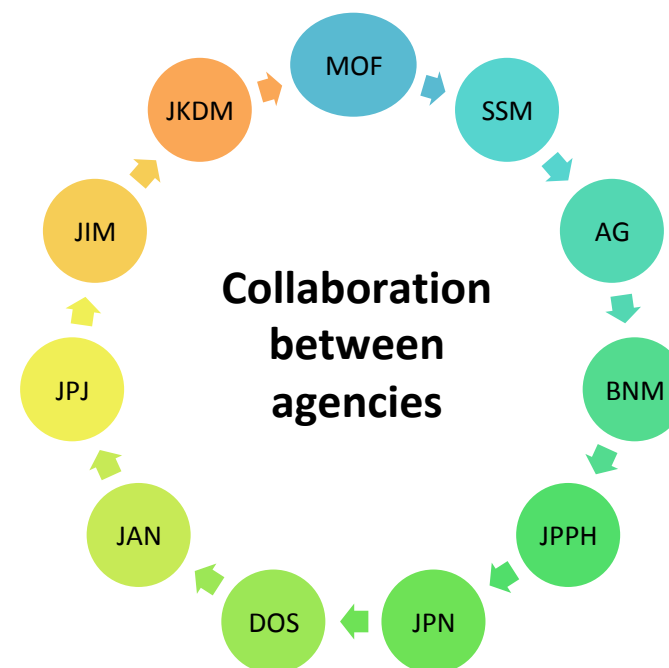
Hidden Economy



Source: Schneider, Buehn, Montenegro (2010)

Tax Gap

20%



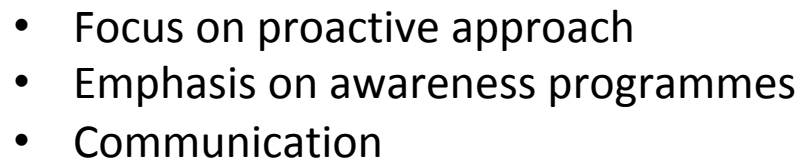
JITSIC

Different Interpretation of Tax Laws



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Enforcement approach

[illegible]

Improve e-services

Online Services

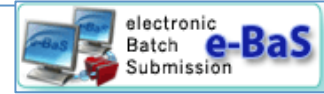
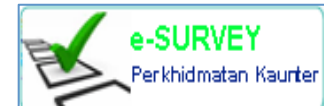
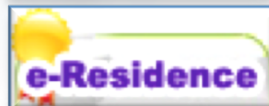
ezHASiL

Facilitate & Ease Compliance

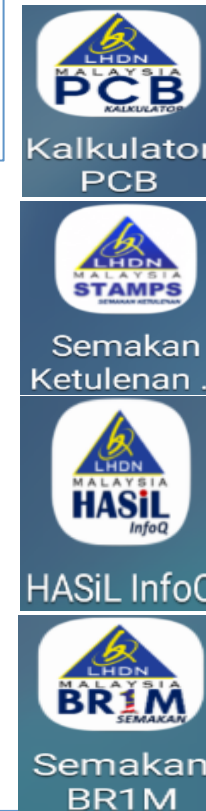
Other Online Services



Pre-Filled Tax Returns



idea_desire@hasil.gov.my



HASiL
YOUR TAX SERVICE PROVIDER

e-LEJAR
Semak rekod transaksi cukai

e-KEMASKINI
Kemaskini maklumat peribadi

MyTax
Papar maklumat aktiviti percutian cukai, status pemotongan cukai e-BE / e-B / e-OT / e-M / e-MT dan maklumat pembayaran balik

KALKULATOR PCB
Bantu majikan dan pekerja mengira PCB

TAeF
e-Filing bagi ejen cukai berdaftar

e-PCB
Bantu majikan yang tidak menggunakan sistem pengiraan berkomputer mengira PCB

e-DAFTAR
Daftar sebagai pembayar cukai individu atau syarikat

e-FILING
Lapor pendapatan dan hantar Borang Nyata Cukai Pendapatan

STAMPS
Permohonan penyetaman, keluasan dan bayaran duti

e-BAS
Penghantaran e-Borang secara kelompok untuk ejen cukai berdaftar

e-SPC
Majikan lapor pemberhentian pekerja untuk mendapatkan Surat Penyelesaian Cukai

e-RESIDENCE
Hemahoran siji taraf pemastautin

e-Data PCB
Bantu majikan semak format dan muat naik fail teks CSV

m-FILING
Kemudahan menginput Borang Nyata Cukai Pendapatan (e-BE) melalui peranti mudah alih

e-Data PRAISI
Pra isi maklumat suran daripada majikan ke dalam e-Filing

HASiL Your Feel Good Partner

Collaboration and Awareness Programs

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Jalan kaki 1,600km edar risalah cukai

80th Anniversary

HRDF

LHDNM-MEF

SEMINAR 2018

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LHDN

ctm

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Official Opening by:

YB Tuan Lim Guan Eng (Invited)

Finance Minister

16 & 17 JULY 2018

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CONVENTION CENTRE

UMS

LHDN

PROGRAM SEHARI

BERSAMA

LEMBAGA HASIL DALAM NEGERI

(LHDN)

ANJURAN:

JABATAN BENDAHARI & JABATAN PENDAFTAR

TIADA MASA

UNTUK E-FILING?

PERSOALAN TENTANG

CUKAI PENDAPATAN

ANDA?

INGIN KURANGKAN

CUKAI PENDAPATAN

ANDA?

LUPA KATA

LALUAN?

10 APRIL 2018 (SELASA) | MEGALAB PERPUSTAKAAN | 9.00

PENGISIAN PROGRAM:

TAKLIMAT E-FILING & POTONGAN CUKAI BERJADUAL - 9.00PG

KAUNTER PERKHIDMATAN PELANGGAN - DIBUKA SEPANJANG



Kakitangan LHDN memulakan cabaran jalan kaki secara berkumpulan sejauh 1,600 kilometer dari LHDN Ipoh



AMAZING

TAXPLORACE

2018

24 FEBRUARI 2018

AKADEMI PERCUKAIAN MALAYSIA

UMS

LHDN

MBAM

UIM

FTM

Infrastructure University

401

Policy on Tax Incentives

Challenges

**“Race to the bottom” –
generous incentives**

**Tax revenue forgone =
RM 10 B – RM 15B***

**Diminishing spillover
effect
Abuses of incentives**

Conflicting objectives

Recommendations

**Public tax expenditure
report**

**Monitoring and
enforcement of tax
incentives**
Cost – Benefit Analysis

**Appoint a central
approving agency**

***Source: Rethinking Investment Incentive, BNM (2017)**

THANK YOU