

NEWS RELEASE

CTIM on Budget 2022 – Pre Budget 2022 Statement

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The anticipation on Budget 2022 is raising various expectations by the people and business community. Various challenges during the current Covid-19 situation and economic uncertainty have placed greater focus on the need for Budget 2022 to be addressing issues concerning the people and businesses at large.

One key focus areas is the tax revenue of the country. Three key important aspects are as follows:

1. Tax revenue collection

The Covid-19 pandemic has caused major decline in tax revenue in the country. This is caused both directly by the economic slowdown and indirectly by tax policy and administrative measures taken in response to the situation. Limitation on business activities and people movement means lesser revenue from the businesses and thus lesser contribution to tax payments and constraint on meeting timely tax obligations. Various economic stimulus packages being announced means more revenue is needed to sustain the stimulus packages. There is a bigger need to ensure businesses continue to be supported during this recovery period.

2. Plugging leakages in tax revenue collection

There is a need to continue monitoring tax collection and ensuring equitable treatment of tax. Good administration of taxes should continue and improvements made to ensure the tax system is transparent and easy to be implemented. Use of new data and analytics could indeed support the tax administration initiative in managing tax leakages.

3. Good management of tax revenue collection including timely refund of tax

An effective tax administration and good revenue collection mechanism will enhance government performance. There is a need to develop new approaches to increase voluntary compliance, manage non-compliance, minimise compliance costs and enhance overall trust in the tax system. Timely administrative support to taxpayers including timely refund of tax collected will build trust in the tax system.



Farah Rosley is the President of the Chartered Tax Institute of Malaysia.

Established in the year 1991 as the Malaysian Institute of Taxation, the Chartered Tax Institute of Malaysia has over the years grown to be recognised as the premier organisation that acts as the collective voice of tax professionals in Malaysia. Members of the Institute of more than 3,700 tax professionals consist of licensed tax agents, legal practitioners, accountants, academics and other tax practitioners as well as members from government bodies and agencies such as the Ministry of Finance, the Inland Revenue Board of Malaysia and the Royal Malaysian Customs Department.