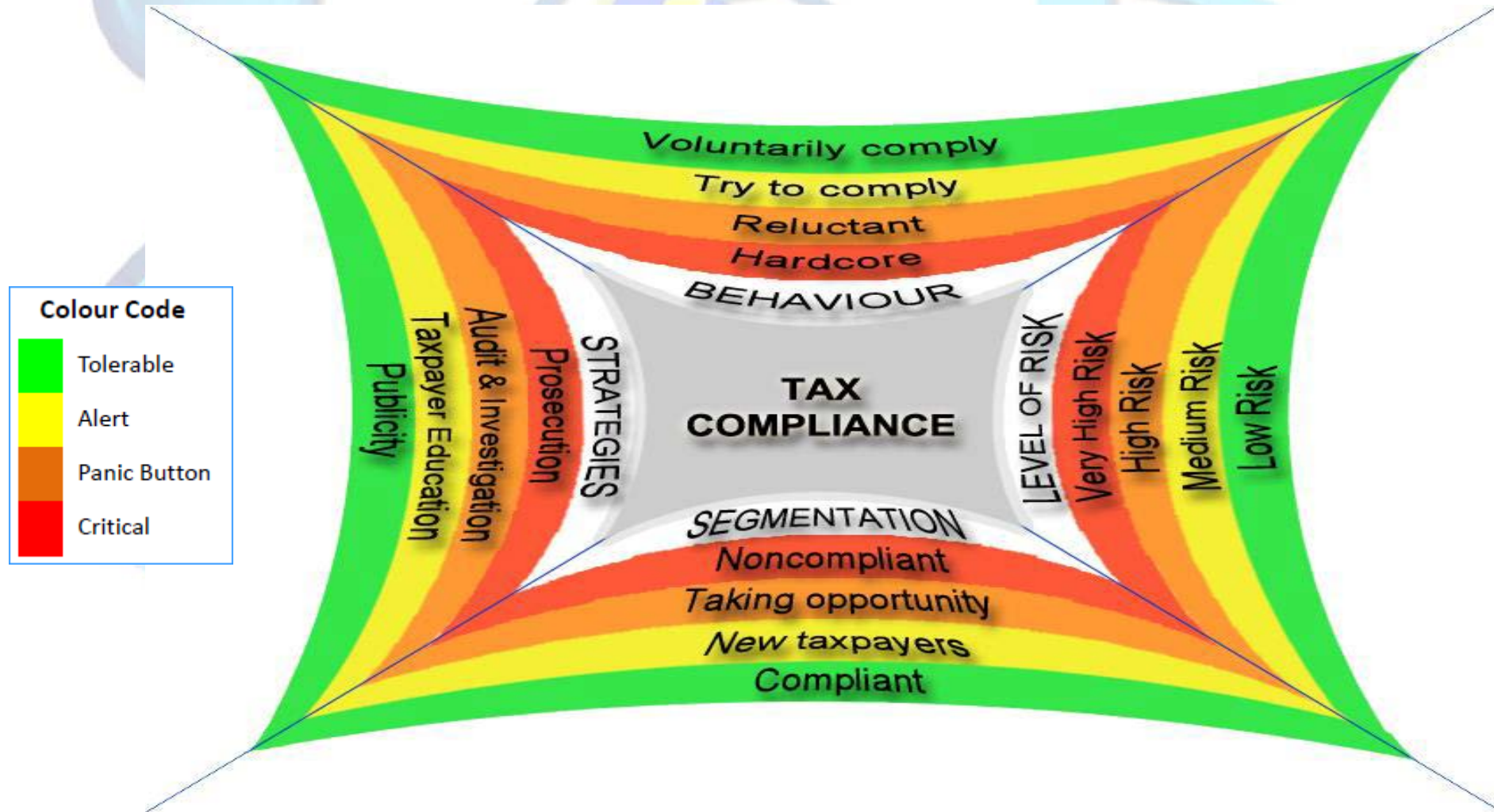


# Inland Revenue Board of Malaysia's Tax Compliance Risk Management

By

**Dr. Zainal Abidin Md Yassin**  
**Inland Revenue Board of Malaysia**

# IRBM TAX COMPLIANCE RISK MANAGEMENT MODEL



Registration Risk

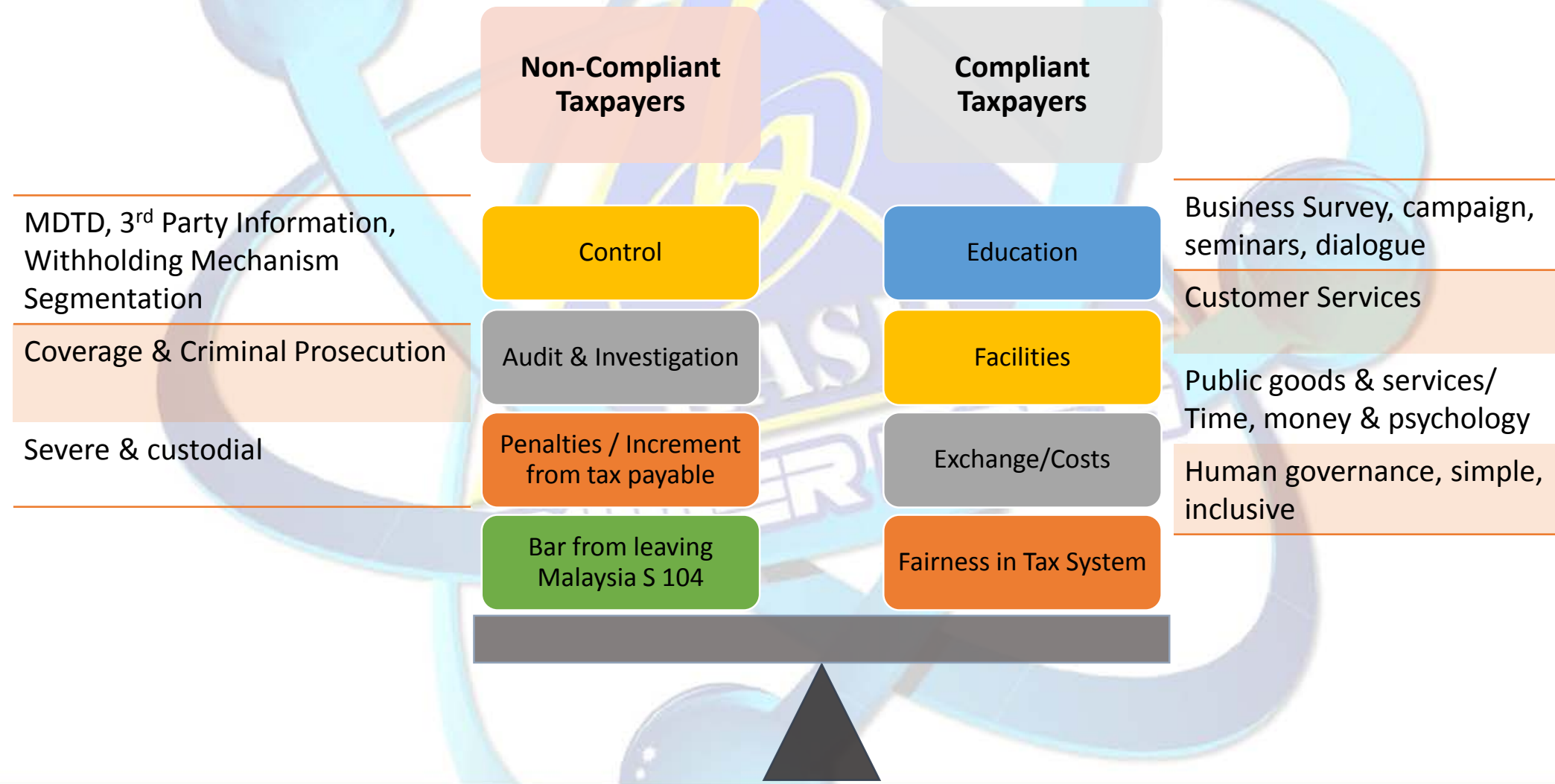
Submission Risk

**TAX COMPLIANCE  
RISK MANAGEMENT**

Reporting Risk

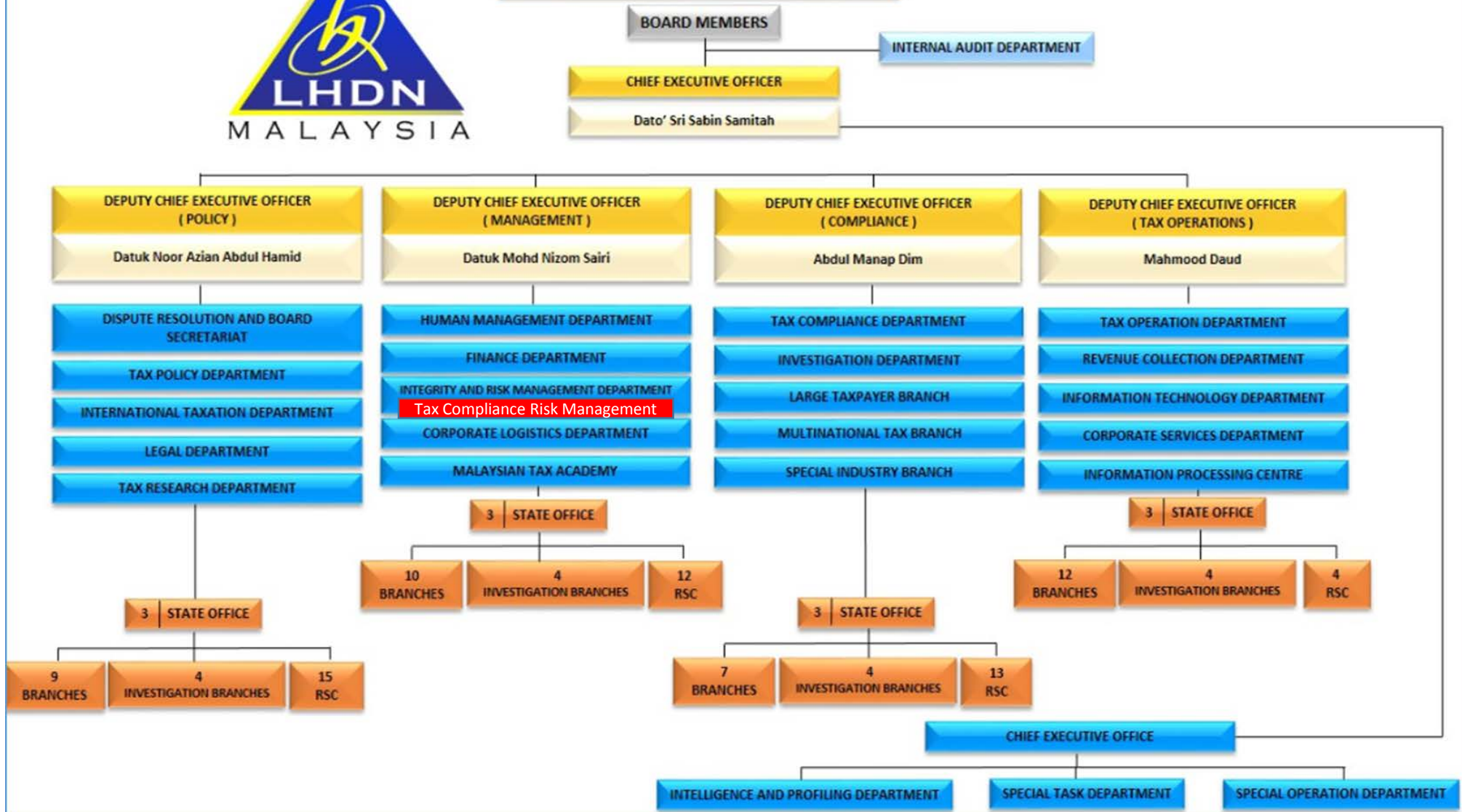
Payment Risk

# TAX COMPLIANCE RISK MANAGEMENT





# ORGANISATION CHART



# ORGANISATION OF TAX COMPLIANCE RISK MANAGEMENT

Integrity & Risk Management Department



Enterprise Risk Management Division (ERMD)



Tax Compliance Risk Management Framework

Tax Compliance Risk Management Model



Reviewing & monitoring twice a year  
Coordinating the risk compliance profile

Developed through coordination between ERMD and risk owners and business owners

# TAX COMPLIANCE RISK MANAGEMENT STRATEGIES

SEGMENTATION OF TAXPAYERS

APPOINTMENT OF TAX RELATION OFFICERS (TROs)

SUPPORT SERVICE FOR SMALL BUSINESSES

TAX AUDIT

MANAGING DELIBERATE TAX DEFAULTERS (MDTD)

RESTRICTION ON CROSS-BORDER MOVEMENT BY TAX DEFAULTERS

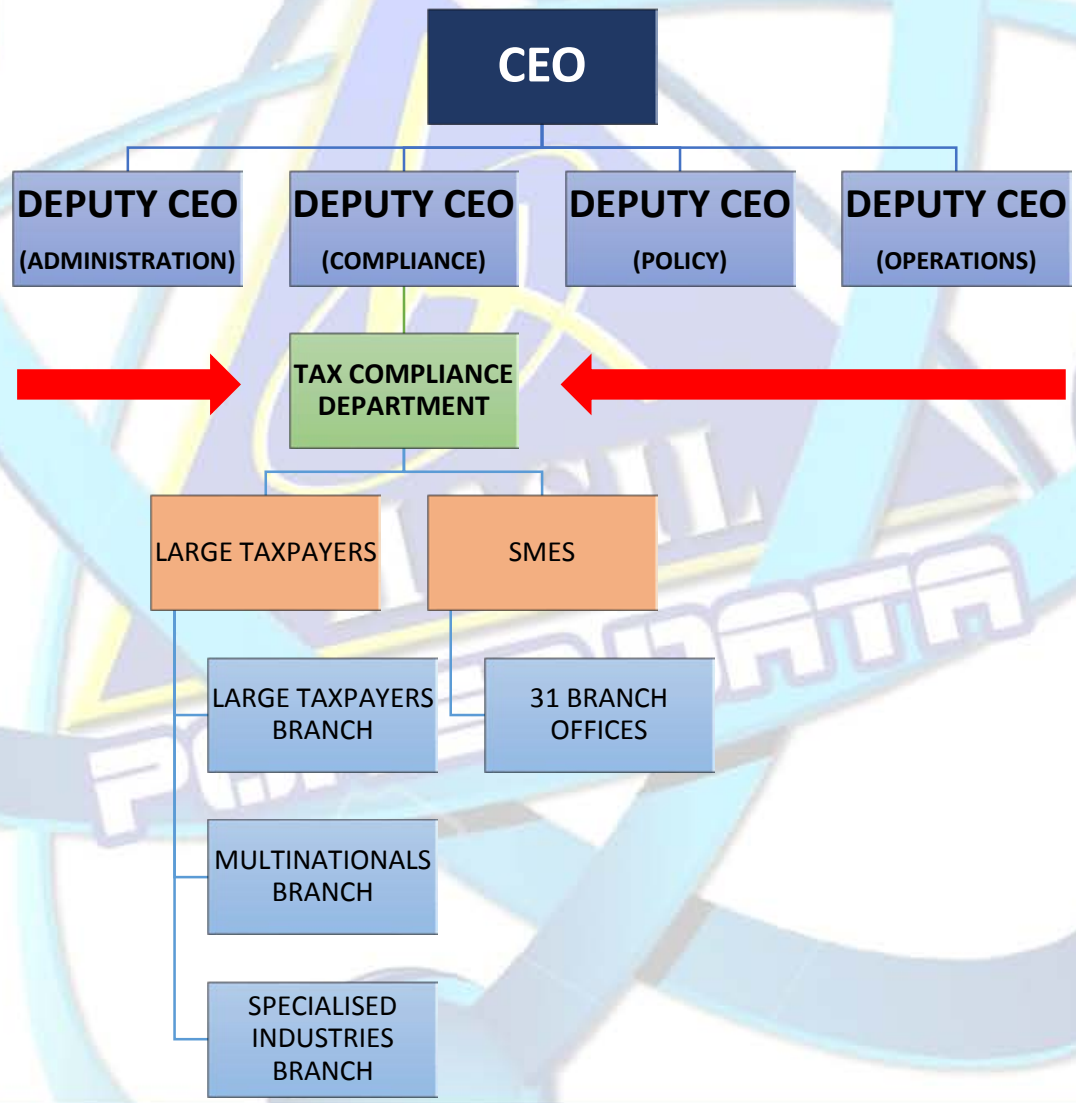
UPSTREAM PROCESS

SERVICE DELIVERY SYSTEM

TAX EDUCATION

# SEGMENTATION OF TAXPAYERS

- Risk Assessment by Tax Compliance Department is done by:
1. Tax Audit & Compliance System in case audit selection process
  2. Case Audit Selection Committee for Transfer Pricing & Specialised Industries
  3. Criteria for event triggered desk audit selection process
  4. Payroll Case Selection Process
  5. Case Management System in managing audit process



- Outcome of the Risk Assessment:
1. Success rate of audit cases
  2. Additional taxes derived from audit process
  3. Fines received from payroll audit process
  4. Increase/decrease in revenue collection



# APPOINTMENT OF TAX RELATION OFFICERS (TROs)

Participation by  
Government Agencies,  
Businesses and  
Associations

With large number of  
employees

TROs are from the  
taxpayer entities

TRO provides  
information of  
taxpayer's duties &  
understanding taxation  
matters

IRBM provides training  
for TROs

## SUPPORT SERVICE FOR SMALL BUSINESSES



Sole-proprietorship without tax agent

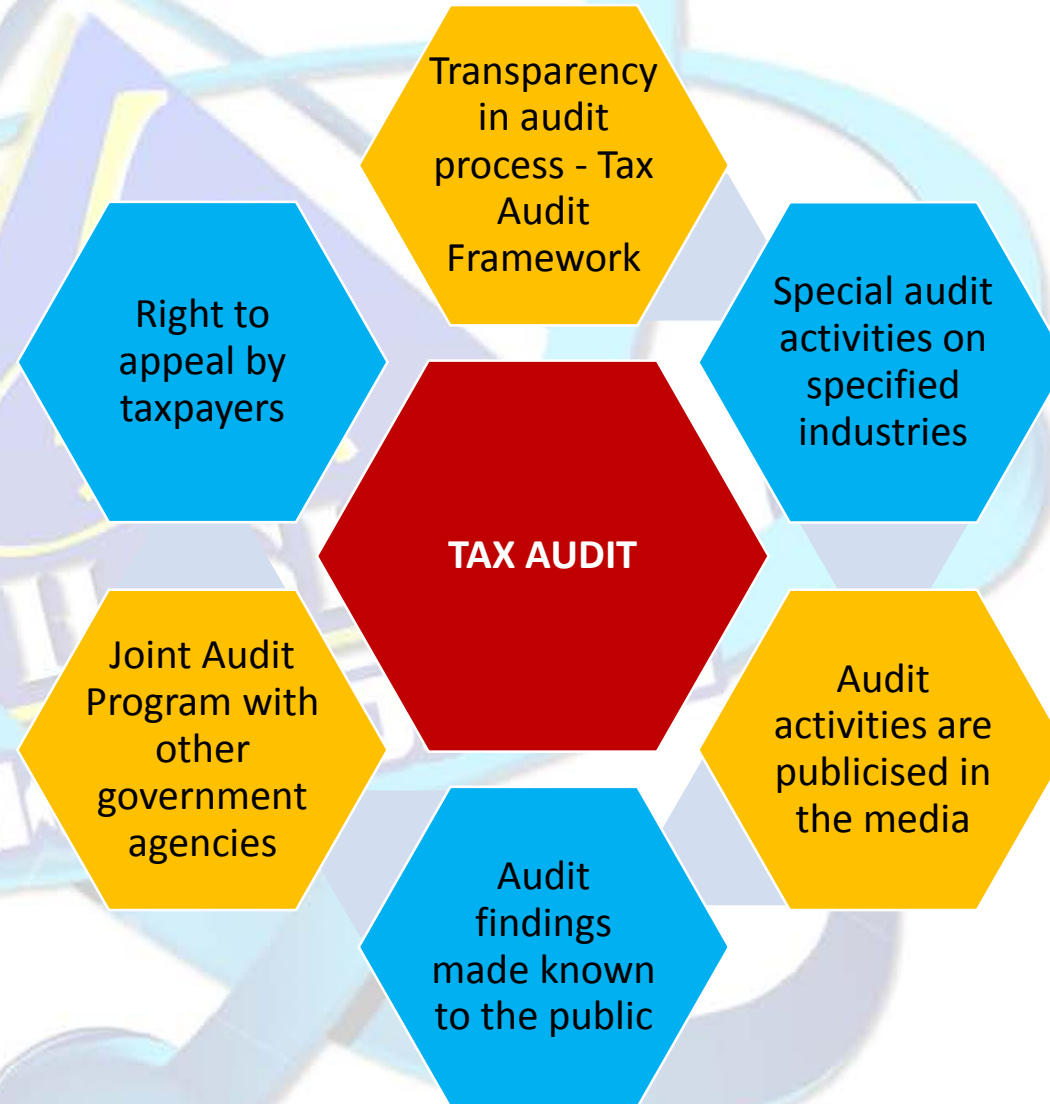


Available at all branch offices



Assistances on tax matters & pre-filing process

# TAX AUDIT



# TRANSPARENCY IN AUDITS

## AUDIT FRAMEWORK

- Outlines the objective of audits, audit process, rights & responsibilities of both taxpayer and IRBM and provision of reduced penalty structure for voluntary disclosure

## PUBLIC RULINGS

- Provide guidance for the public and officers of IRBM, sets out interpretation in respect of particular tax laws, policies and procedures

## OPERATIONAL & TECHNICAL GUIDELINES

- Easy reference for taxpayers in dealing with operational and technical aspects of taxation as required by IRBM

## COMMUNICATIONS

- Seminars, dialogues and conferences

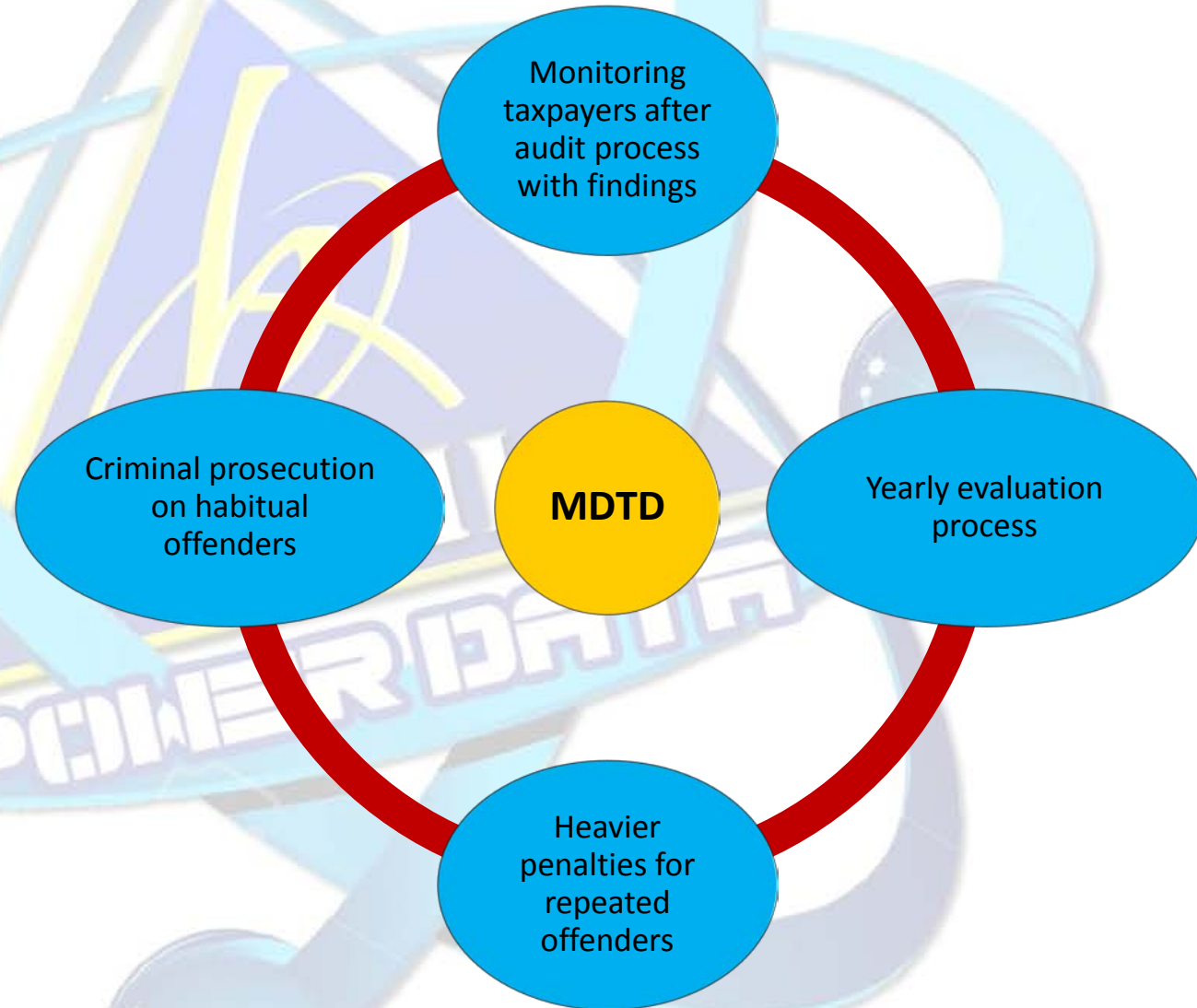
## MONITORING DELIBERATE TAX DEFAULTERS (MDTD)

A system designed to monitor taxpayers identified as non-compliant in accordance to the criteria as set out in the MDTD programme.

### Objectives:

- To encourage voluntary compliance by continuously monitoring taxpayers who are non-compliant or have committed offences under the tax laws.
- To continuously educate and put on track non-compliant taxpayers identified during field audit.

# MONITORING DELIBERATE TAX DEFAULTERS (MDTD)



## RESTRICTION ON CROSS-BORDER MOVEMENT BY TAX DEFAULTERS

Default in tax  
payment

Minimum tax  
liability of **RM2,000**

Temporary  
upliftment by **50%  
payment**

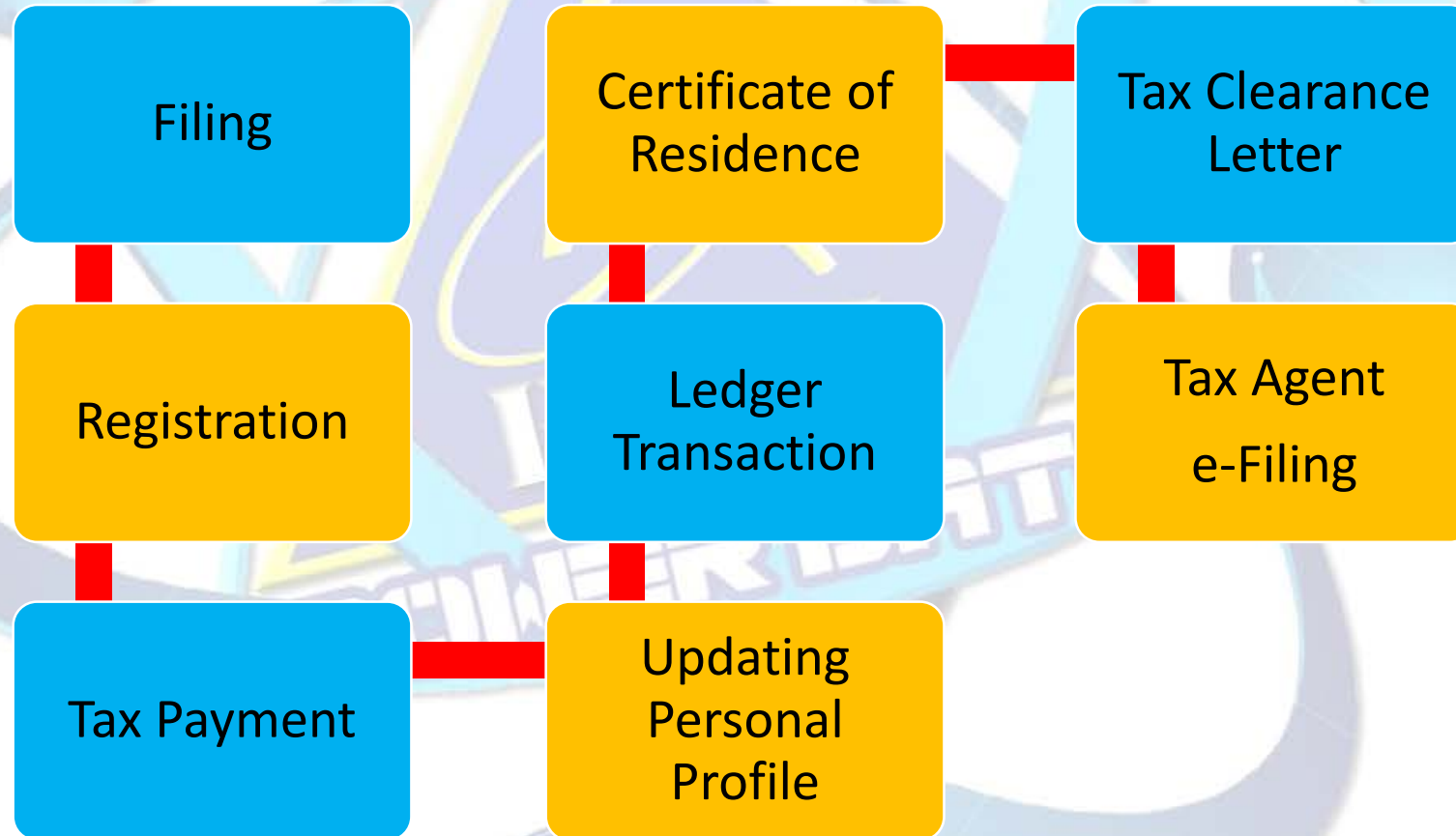
Pre-filled tax return  
form with 3<sup>rd</sup> party  
information

Option not to file tax  
return form for  
salaried group

**UPSTREAM  
PROCESS**



## SERVICE DELIVERY SYSTEM ONLINE





# SCAN ME

*Physical Space to Digital Space*



BAYARAN CUKAI PENDAPATAN (*Income Tax Payment*)

CUKAI PENDAPATAN & ANDA  
*Income Tax & You*



CUKAI KEUNTUNGAN HARTA TANAH  
*Real Property Gains Tax*



PENDAPATAN PERNIAGAAN INDIVIDU  
*Individual Business Income*



DUTI SETEM  
*Stamp Duty*



TANGGUNGJAWAB MAJIKAN  
*Responsibility of Employer*



SEKATAN PERJALANAN  
*Stoppage Order*



CUKAI KORPORAT  
*Corporate Tax*



EKONOMI DIGITAL  
*Digital Economy*



CUKAI KOPERASI  
*Tax On Co-Operative*



PENAMATAN PERKHIDMATAN  
*Termination Of Service*



[www.hasil.gov.my](http://www.hasil.gov.my)

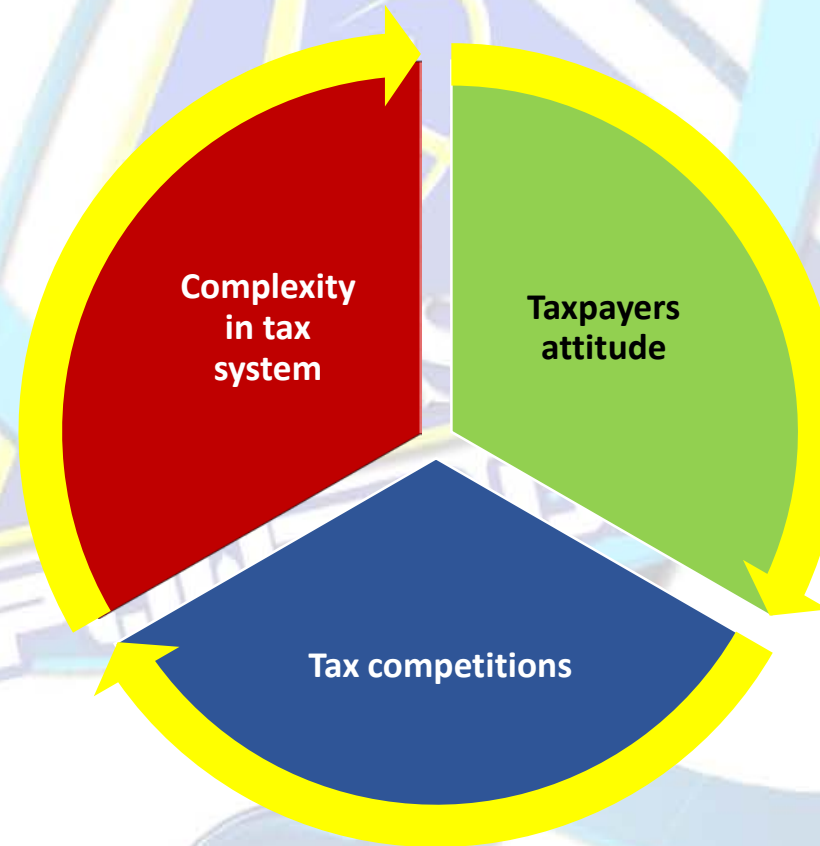
# TAX EDUCATION






P08/2015/BI

# CHALLENGES



# WAY FORWARD



Provision of  
secured chain  
approach

Simplified tax  
systems

Co-operative  
compliance

A large, semi-transparent graphic in the background consisting of blue and yellow swirling lines and spheres, resembling a stylized atom or data flow. The words "POWER DATA" are written in a bold, blue, sans-serif font across the center of this graphic.

**THANK YOU**