1. TAX REFORM COMMITTEE

The Tax Reform Committee (TRC) was established in September 2018 to conduct a long-overdue review of Malaysia’s overall tax system. TRC is chaired by an ex-IRBM Commissioner, with members from professional bodies and ex-senior government officials. The main objective is to undertake a comprehensive study on the Malaysian taxation system and to make recommendations to the government on how it can be more efficient, neutral and progressive, in support of future economic growth and nation-building.

Based on the above-stated broad perspective of fiscal reform, TRC has outlined its focus on four (4) key areas, which includes reducing the tax gap, reducing tax leakages, exploring new sources of income and enhancing tax administration. TRC aims to introduce measures that improve tax revenue-to-GDP ratio, increase high tax buoyancy and enhance tax administration effectiveness and efficiency.

2. SPECIAL VOLUNTARY DISCLOSURE PROGRAMME

The Special Voluntary Disclosure Programme (SVDP) was announced during Malaysia’s Budget 2019, as part of the effort to reduce the tax gap and to explore new sources of revenue.

The SVDP allows non-compliant taxpayers to bring their tax affairs up-to-date by offering lower penalty rates than usual. The programme, which ran from 3 November 2018 until 30 September 2019, was heavily promoted to the public. Malaysia’s involvement in the exchange of CRS information was also widely publicised in conjunction with the SVDP, to encourage taxpayers to come forward.

3. DIGITAL TRANSFORMATION INITIATIVE (HASIL TRANSFORMATION)

IRBM has entered a new phase of digital transformation initiatives, known as Hasil Transformation. A major component of this project is the development of the “Hasil Integrated Tax System” (HITS) application, which enables IRBM to better manage its data resources. IRBM also employs a team of data analysts to explore the potential of data analytics.

IRBM now has more than 20 digital services (e-services) available, covering the entire taxation cycle, including registration, filing of return forms, advance payments and the amendment of return forms. The wide range of e-services offered makes it easier for taxpayers to meet their tax compliance obligations.