

TAX ADMINISTRATION ISSUES

Use of Technology in Tax Administration

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CHRONOLOGY OF TAX REFORMS IN MALAYSIA



1973
Formal Assessment

2000
Current Year Basis

2001
Self Assessment System

2006
E-filing

2014
Mandatory e-Filing for companies & MTD Final Tax

Restructure & Improve Tax System

Underlying Themes in Tax Reforms

Implement Socio-Economic Policies

Simplification of Tax System
Modernization of Tax Administration (use of Technology/Analytics)
Reduce Tax Burden
Enhance R&D and Skill Training
Promote Investment Through Various Incentives
Improve Investment Climate
Fostering Caring Society
Promote Domestic Consumption



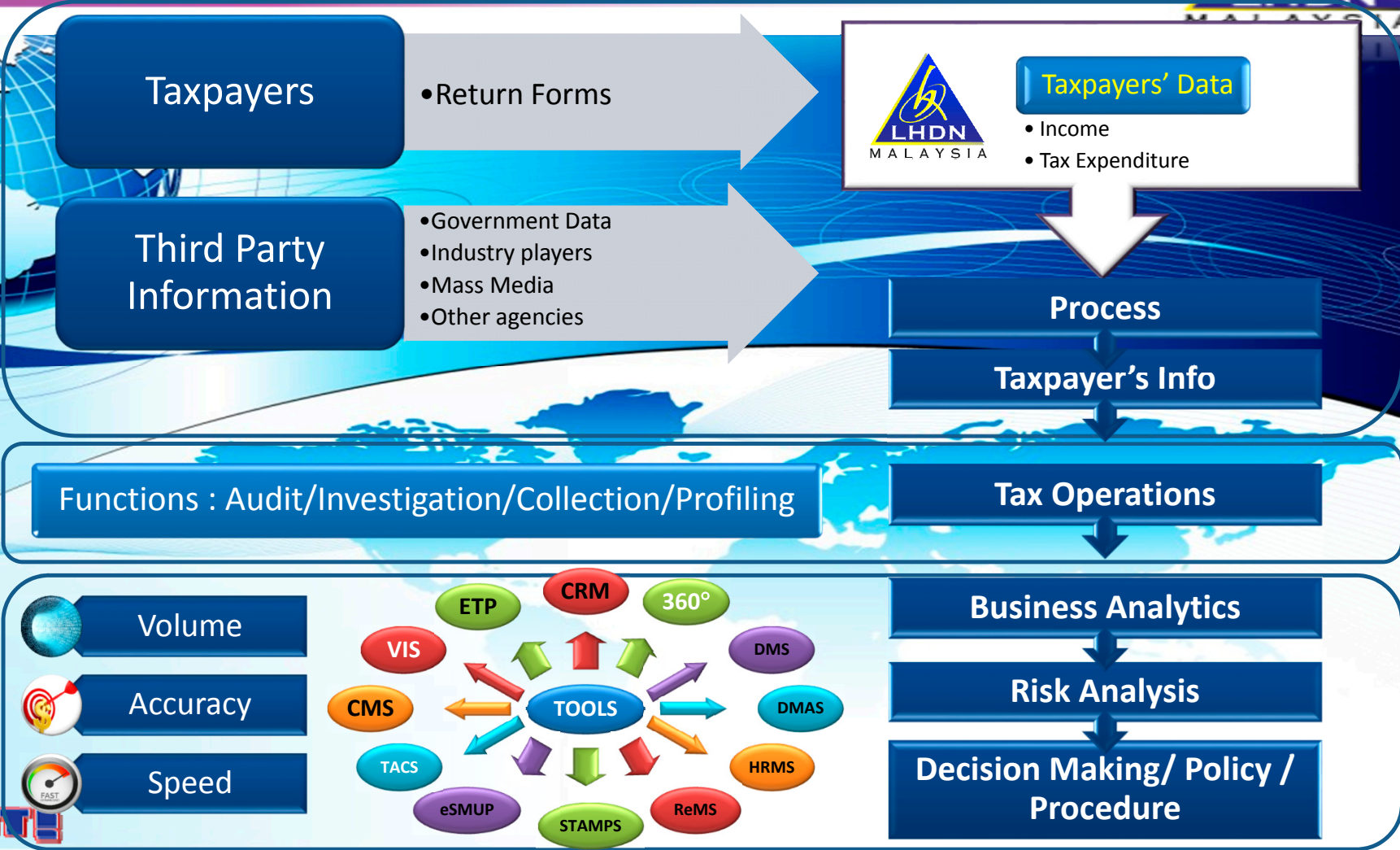
USE OF TECHNOLOGY IN TAX ADMINISTRATION



I
Information

C
Communication

T
Technology



THE SELF ASSESSMENT SYSTEM(SAS)



Taxpayers



Self-assess & payment of tax

Furnish relevant and accurate information

Submit Tax Returns on time.
(Received in 'good faith' by IRBM)

Compliance activities to facilitate 'voluntary compliance'

IRBM



USE OF ICT IN TAXPAYERS' SERVICES

Objectives :

- Efficient tools in providing quality taxation service to the taxpayers.
- Enhancing taxpayers CONVENIENCE, EXPERIENCE and making COMPLIANCE EASIER for taxpayers.
- To sustain efficient and effective delivery service to the public and the stakeholders, need full effort and support from all level.
- Increase the level of trust among taxpayers on the tax system thereby, increasing voluntary compliance.

USE OF ICT IN TAXPAYERS' SERVICES



Taxpayers' Services

Web-based applications

- Tax information published in the website
- Transaction with the IRB through the internet (eFiling and payment of tax)

Call Centres (HRCC) –
Customer Relationship Management
(CRM)

IRBM: TAXPAYERS' SERVICES AND OTHER ONLINE SERVICES:



ezHASiL

- e-Filing
- e-Daftar
- TAeF
- e-SPC
- Bye HASiL
- e-Kemaskini
- BARU / NEW e-LEJAR
- STAMPS
- Kalkulator PCB
- Pre-Filled Tax Returns
- e-Data PCB
- MyTax
- e-PCB
- e-Residence
- m-Filing

Other Online Services

- SELF FINANCING
- electronic Batch Submission e-Bas
- e-SMUP Information Collection Programme
- Kidzania Junior Tax Officer
- e-SURVEY Perkhidmatan Kaurter
- Hasil Integrity Programme
- STATISTICS Online Services
- m-Filing
- Report Tax Evasion
- Information Collection Programme
- Hasil Integrity Programme
- PUBLICATION
- Tender / Quotation

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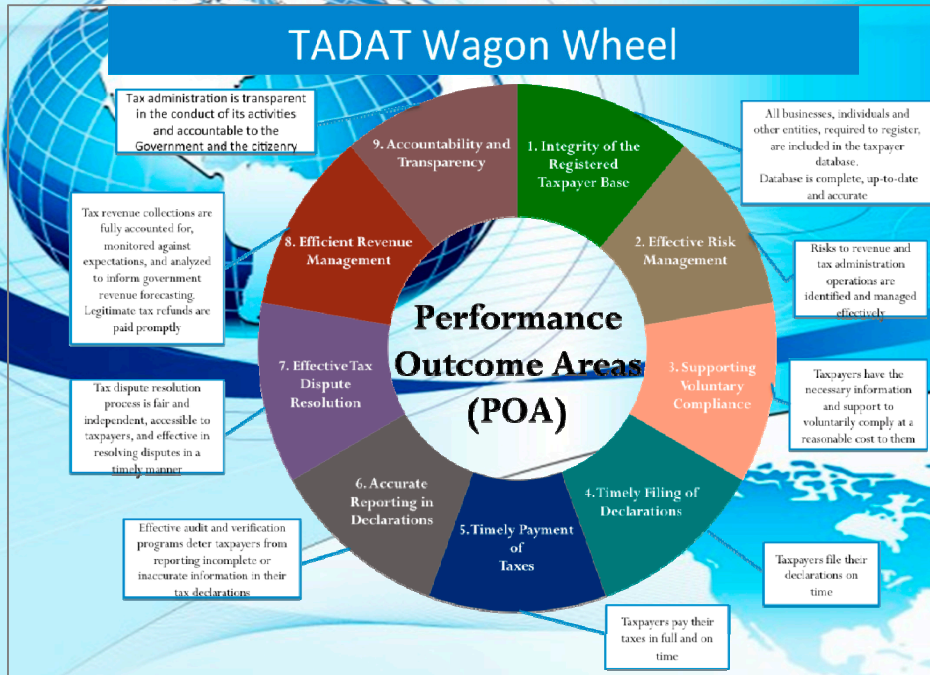
HASiL
YOUR TAX SERVICE PROVIDER

- e-LEJAR Semak rekod transaksi cukai
- e-KEMASKINI Kemaskini maklumat peribadi
- MyTax Papan maklumat aktiviti percukaaian terbahari, status penerimaan surat e-BE / e-B / e-ST / e-M / e-MT dan maklumat pembayaran balik.
- KALKULATOR PCB Bantu majikan dan pekerja mengira PCB
- TAeF e-Filing bagi ejen cukai berdaftar
- Bye HASiL Kemudahan bayaran cukai pendapatan
- e-PCB Bantu majikan yang tidak menggunakan sistem pengiraan berkomputer mengira PCB
- e-DAFTAR Daftar sebagai pembayar cukai individu atau syarikat
- e-DATA PRAISI Pta loi maklumat sazaan daripada majikan ke dalam e-Filing
- e-FILING Laporan pendapatan dan hantar Borang Nyata Cukai Pendapatan
- STAMPS Permohonan penyoteman, kalkulasi dan bayaran duti
- m-FILING Kemudahan menghantar Borang Nyata Cukai Pendapatan (e-BE) melalui peranti mudah alih.
- e-RESIDENCE Permohonan sijil karat pemastautin
- e-DATA PCB Bantu majikan semak format dan muat naik fail teks CP20
- e-SPC Majikan lapor pemberhentian pekerja untuk mendapatkan Surat Penyelesaian Cukai
- e-BAS Penghantaran e-Borang secara kelompok untuk ejen cukai berdaftar

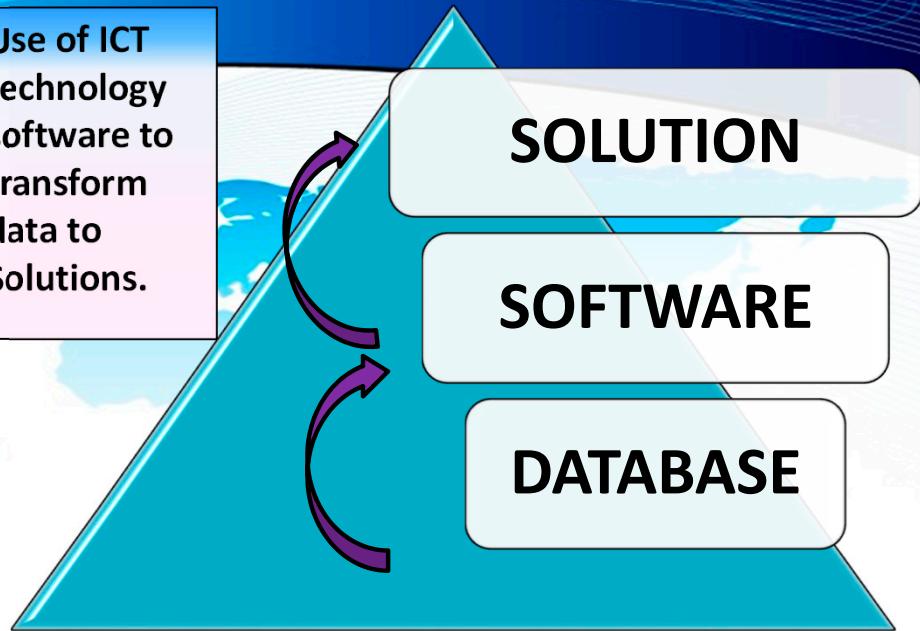
HASiL Teman Keceriaan Anda

HASiL Your Feel Good Partner

TRANSFORMING DATA TO VALUABLE INFORMATION



Use of ICT technology software to transform data to Solutions.



Data Analytics FOR BETTER DECISIONS



Understanding Data Landscape

- 5V : Volume, Variety, Velocity, Veracity, **Value**
- Predictive power of data



Transform Data- Valuable Information

- Provide suggested Solutions (UBER, WAZE)
- Use of Intelligent Apps (e.g. eBR1M)



Data-driven culture

- Embrace data-driven culture (not gut-feel & orgn. position)
- Digital Optimization : **People-Process-Technology**



Sustainable engagement with data

- Access to data to obtain insights
- Knowledge & skills to deal with data

Data Analytics FOR BETTER DECISIONS



Right Information at the Right Time

- **Data Harvesting** instead of Data Mining
- Profiling of Taxpayers – assess risks and segmentation
- Speed of processing information



Tools to shape Officers' effectiveness

- Analytics applications: IDEA, SAS, SPSS, IBM I2
- Facilitate effective monitoring of tax operations
- Accurate reporting on achievement of KPIs and KRAs



Pre-build Dashboard and Reporting

- 'Dashboard Thinking' – accurate, concise and informative
- Facilitate fast decision making

DASHBOARD THINKING & REPORTING



Core
Strategies :

IRBM as the main contributor towards the well being of citizen.

The trusted national tax administrator

Efficient and integrated taxation system and procedure

IRBM as the selected employer

Key Result Areas
(KRAs)

Voluntary Compliance

Customer Centric

Operational Excellence

Sustainable Institution

Core Objectives /
(Deliverables)

- To increase level of voluntary compliance
- To reduce tax leakages
- To strengthen debt management
- To widen the tax base

- To ensure equity and fairness of the tax system
- To increase the level of service delivery
- To ensure safe custodian of tax information and assets
- To protect the reputation and corporate image

- To develop and strengthen ICT applications
- To increase the cost effectiveness and efficiency
- Continuous improvement in work processes
- To inculcate 'risk management culture' in work norms

- To execute the optimum level of workforce
- To develop human potential
- Conducive work environment
- To strengthen leadership



IRBM: WAY FORWARD IN DATA ANALYTICS



The Way Forward!

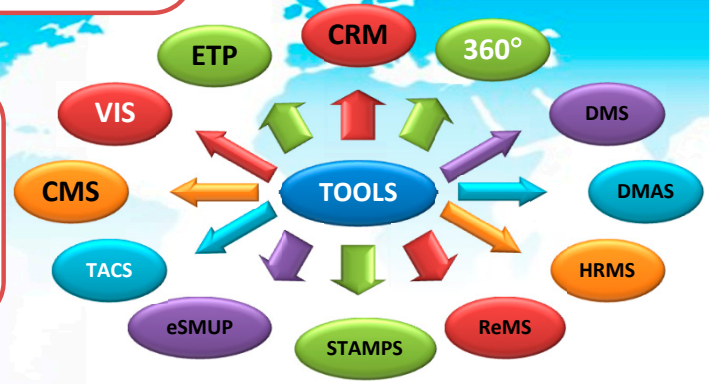
RETURN FORMS –
prefilled



BIG DATA ANALYTICS
(HASIL POWER DATA)



TOOLS IN
BUSINESS ANALYTICS



CHALLENGES IN USING DATA ANALYTICS



- **Capacity Building in Analytics for tax administration**

- Data Thinking culture
- Tax Data Scientist
- Predictive Analysis
- Modelling

- **Digital capabilities in tax administration**

- Willingness to commit to significant level of investment in ICT

- **Taxing the Digital Economy**

- eCommerce
- New definition of income, PE and business models

- **Regulatory hindrance: inter agencies data sharing**

- Legal framework
- Institutional framework



THANK YOU



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