

# Deloitte.



Indirect Tax and Customs  
Duty Audit Management  
Be prepared, be responsive,  
be proactive, be attentive





### In a nutshell

The Royal Malaysian Customs Department (RMCD) plays an important role in the enforcement and administration of various import and indirect taxes including, but not limited to:

- Sales Tax & Service Tax (“SST”)
- Goods and Services Tax (“GST”)
- Import Duty & Excise Duty
- Other indirect taxes (e.g. tourism tax, departure levy)

In order to administer these taxes effectively and efficiently, the RMCD has been afforded significant powers to undertake audit and investigation activity to detect non-compliance, as well as to penalise those that it determines to be non-compliant. In practice, we have seen RMCD apply any number of punitive measures including:

- Issuing bills of demand for any unpaid / late paid taxes and additional penalties
- Preventing the entry of goods into Malaysia
- Seizing goods / assets / premises
- Imposing travel bans on directors and senior management

So, do not get caught off guard. It is important for businesses to be:

- **prepared** for customs audits and investigations;
- **responsive** in managing customs audits and investigations;
- **proactive** in pursuing an optimal customs audit and investigation result; and
- **attentive** to your rights and obligations under the indirect tax legislation.

### How Deloitte can assist

Deloitte is well equipped to provide support across the entire audit cycle from prevention and early detection, to active audit management and finally dispute resolution and appeals.

We have assembled a team of highly experienced professionals who can share ‘real-life’ case experience in supporting clients through challenging audit and appeal cases. Our approach is practical and has your interests at heart. It is aimed at saving you time, cost and resources.

### Anti-profiteering


Anti-profiteering rules serve as a consumer protection measure to guard against unfair price increases of goods and services. Initially introduced as a measure to protect against profiteering during the introduction of the GST, the rules continue to apply and be enforced by the authorities.


The Ministry of Domestic Trade and Consumer Affairs (“MDTCA”) administers the relevant anti-profiteering Laws and has increased its audit and enforcement activity in recent months.


At Deloitte, we can assist you in investigations by the MDTCA by reviewing data and other information in response to the investigation ‘Notice 21’ under section 21 of the Price Control and Anti-Profiteering Act 2011, and making representations to MDTCA in connection with the ‘Notice 21’ data.


We can also take proactive steps before any investigation to review business pricing and cost data from the perspective of anti-profiteering regulations, identify any practical challenges faced by clients in compliance with the anti-profiteering regulations, and to propose to MDTCA reasonable bases to overcome such practical challenges.

# A comprehensive range of services

PRE	<b>Pre-audit action</b>	
	<p>Being <b>prepared</b> is key. Before a company is selected for customs audit, we can assist with the following:</p> <p>Indirect Tax and Import Duty health check:</p> <ul style="list-style-type: none"><li>ascertain the potential material tax issues</li><li>assess the extent of the tax risks identify, remedial actions and defence approaches</li><li>seek technical clarification from the RMCD</li><li>engage with the RMCD via voluntary disclosure</li></ul> <p>Personalised session to take your team through:</p> <ul style="list-style-type: none"><li>maintaining proper documentation</li><li>the do's and don'ts of a customs audit and investigation</li></ul>	

DURING	<b>Tax audit and tax investigation management</b>	
	<p>Being <b>responsive</b> is key. Once a company has been notified by the RMCD on the Customs audit/investigation, we can assist in the following:</p> <ul style="list-style-type: none"><li>prepare you for the customs audit or investigation process</li><li>review and assess the RMCD's concerns, issues and findings</li><li>evaluate the strength of your positions and your options</li><li>formulate appropriate response to the RMCD</li><li>engage with the RMCD with a view to resolve the case</li></ul>	

DURING	<b>Review/appeal</b>	
	<p>Being <b>proactive</b> is key. Where a resolution cannot be agreed upon at Customs audit or investigation stage, a decision to escalate the case to the review panel of Customs or appeal to Customs Appeal Tribunal may be made by taxpayer. We can assist in the following:</p> <ul style="list-style-type: none"><li>prepare the review application or notice of appeal supported with grounds</li><li>manage the case and liaise with the RMCD with a view to reach an amicable resolution</li></ul> <p>Ultimately, where the Customs review/Tribunal appeal process has been exhausted or not applicable, we may provide indirect tax civil litigation support on indirect tax cases in the civil courts (High Court, Court of Appeal or Federal Court, as the case may). We would work together with legal counsel appointed by taxpayer in such civil court cases on indirect tax matters.</p> <p>Deloitte has a dedicated tax dispute resolution team, ready to assist you and to journey with you. Our team is comprised of experienced tax consultants with legal background ensuring you have the best of both worlds!</p>	

POST	<b>Post audit/ investigation</b>	
<p>Being <b>attentive</b> is key. Though the customs audit/investigation has been completed, it does not end here. We can assist in carrying out a post-mortem to facilitate the following:</p> <ul style="list-style-type: none"><li>gather and evaluate critical feedback</li><li>plan for the way forward and formulate appropriate corrective actions</li></ul>		

# Let's Chat

Whatever queries or concerns you may have, let's have a chat. Let us share our success stories with you!

## Introducing our Deloitte team

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