



Introduction

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Panelist



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Deloitte Malaysia



DELOITTE TAXMAX: Tax Corporate Governance

**Datuk Abu Tariq Bin Jamaluddin
Deputy Chief Executive Officer (Compliance)
Inland Revenue Board of Malaysia**

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INTRODUCTION

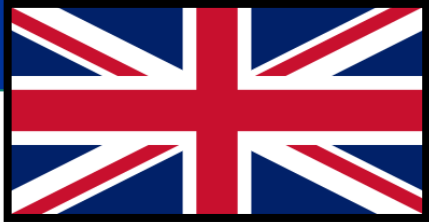
What is Tax Corporate Governance?

Good tax governance is a subset of good corporate governance.

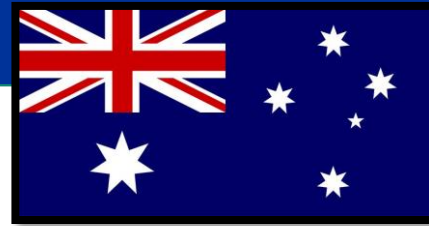
Tax Corporate Governance encompasses the **rules, relationships, systems and processes** under which decisions are made and authority is **exercised and controlled within an organisation**.

It comprises the mechanisms by which **businesses, office holders and those in control** are held to account.

TCG AROUND THE WORLD



Co-operative Compliance Programme



Australian Government
Australian Taxation Office


- Top 1000 Combined Assurance Program
- Justified Trust
- Voluntary Tax Transparency Code



INLAND REVENUE
AUTHORITY
OF SINGAPORE

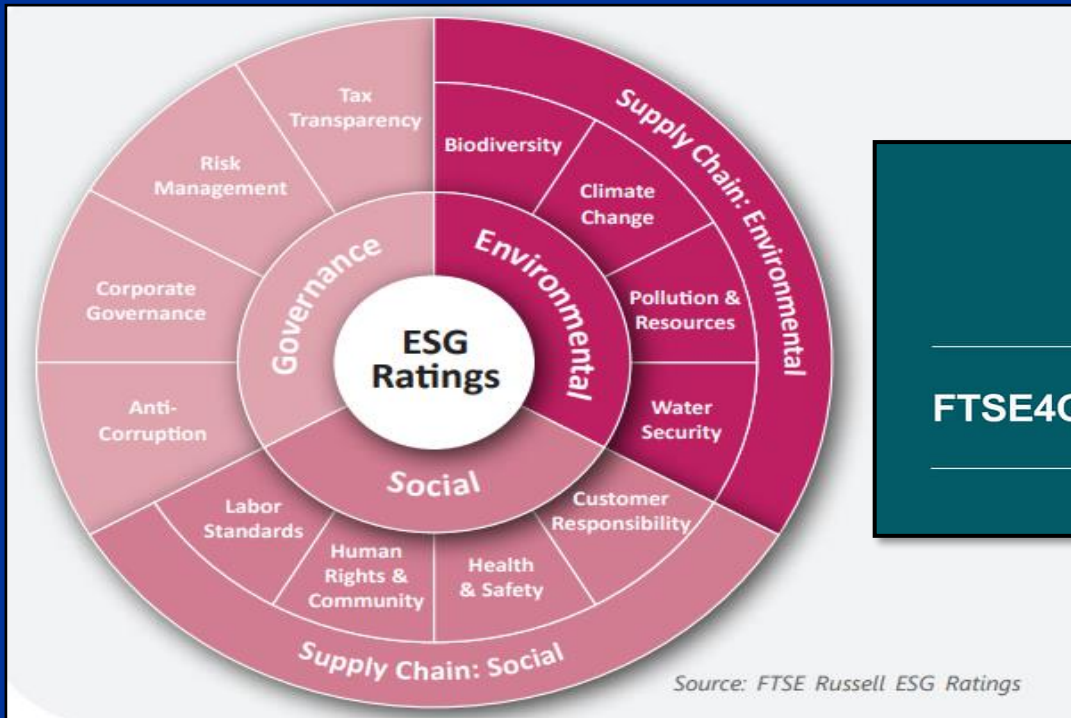
- Singapore's Tax Risk Management and Control Framework for Corporate Income Tax
- Assisted Compliance Assurance Programme

CORPORATE GOVERNANCE IN MALAYSIA

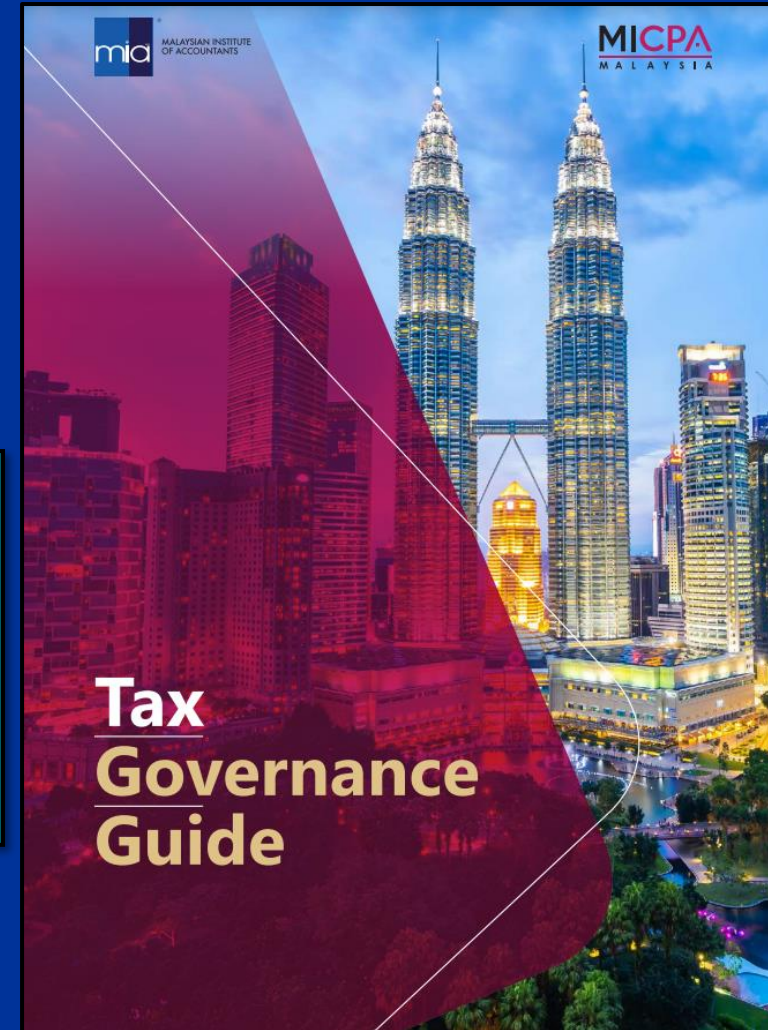


BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

INTERNAL CONTROL
FRAMEWORK



FTSE4Good Bursa Malaysia Index



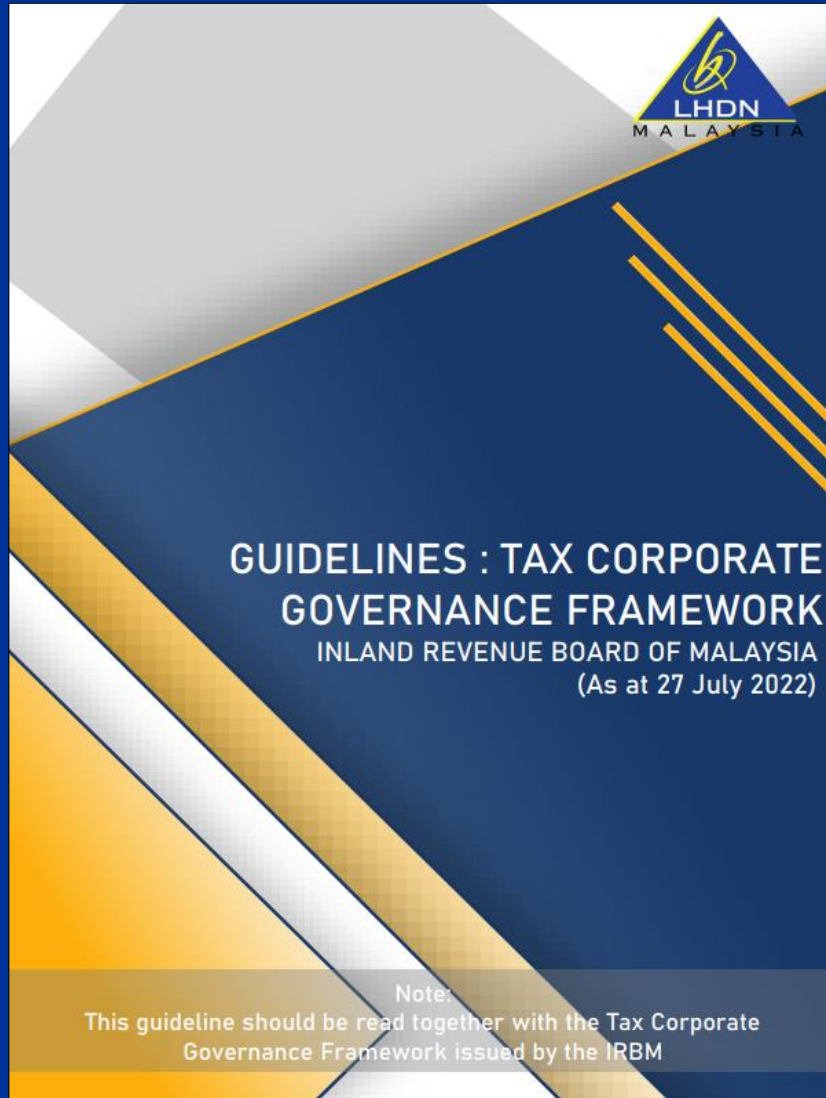
02

TAX
CORPORATE
GOVERNANCE
FRAMEWORK

TAX CORPORATE GOVERNANCE FRAMEWORK

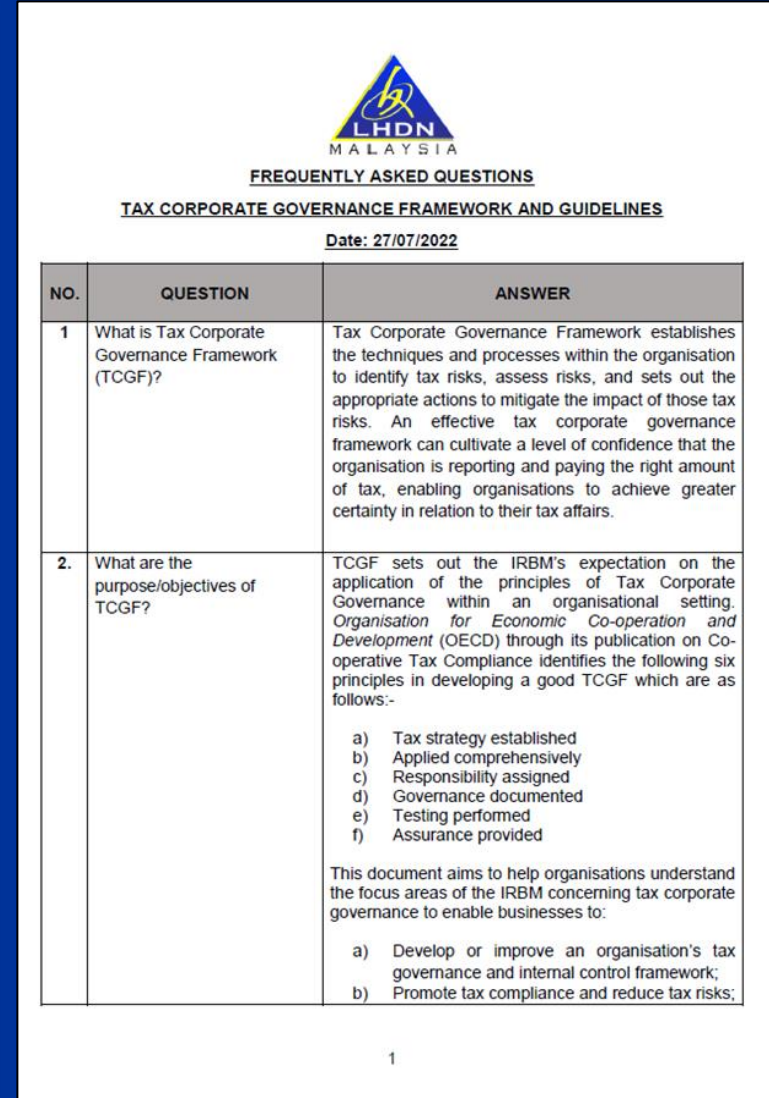



TAX CORPORATE GOVERNANCE FRAMEWORK
INLAND REVENUE BOARD OF MALAYSIA
(As at 11 April 2022)



GUIDELINES : TAX CORPORATE GOVERNANCE FRAMEWORK
INLAND REVENUE BOARD OF MALAYSIA
(As at 27 July 2022)

Note:
This guideline should be read together with the Tax Corporate Governance Framework issued by the IRBM

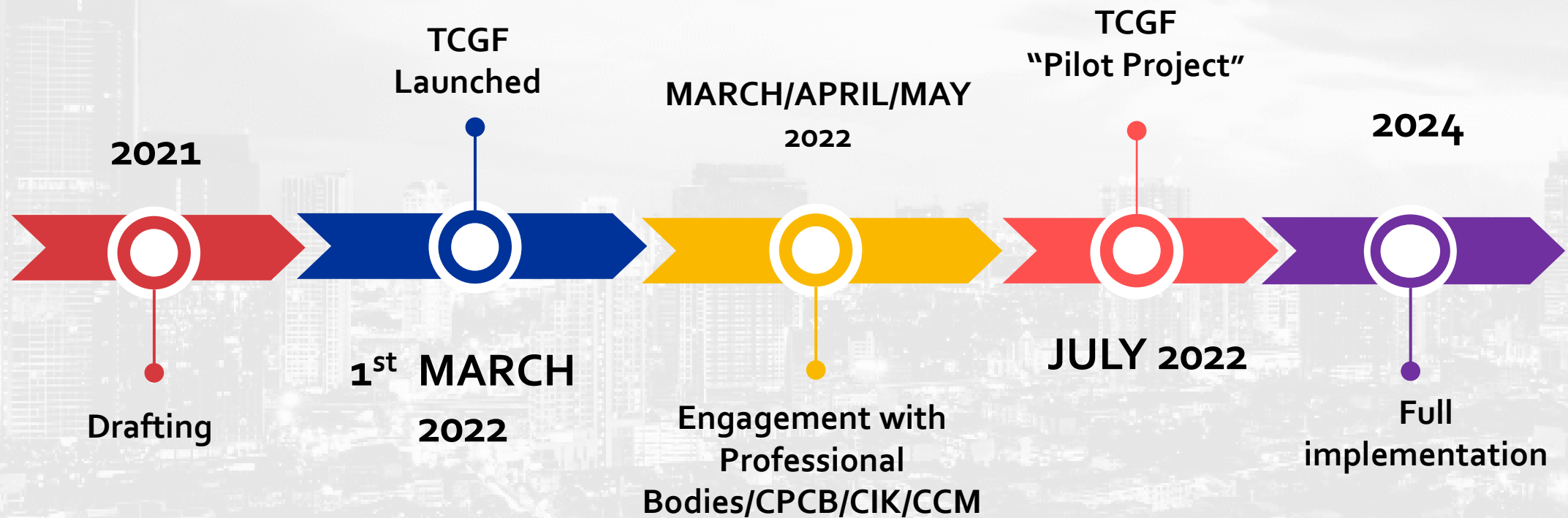


FREQUENTLY ASKED QUESTIONS
TAX CORPORATE GOVERNANCE FRAMEWORK AND GUIDELINES
Date: 27/07/2022

NO.	QUESTION	ANSWER
1	What is Tax Corporate Governance Framework (TCGF)?	Tax Corporate Governance Framework establishes the techniques and processes within the organisation to identify tax risks, assess risks, and sets out the appropriate actions to mitigate the impact of those tax risks. An effective tax corporate governance framework can cultivate a level of confidence that the organisation is reporting and paying the right amount of tax, enabling organisations to achieve greater certainty in relation to their tax affairs.
2.	What are the purpose/objectives of TCGF?	TCGF sets out the IRBM's expectation on the application of the principles of Tax Corporate Governance within an organisational setting. <i>Organisation for Economic Co-operation and Development</i> (OECD) through its publication on Co-operative Tax Compliance identifies the following six principles in developing a good TCGF which are as follows:- <ul style="list-style-type: none"> a) Tax strategy established b) Applied comprehensively c) Responsibility assigned d) Governance documented e) Testing performed f) Assurance provided This document aims to help organisations understand the focus areas of the IRBM concerning tax corporate governance to enable businesses to: <ul style="list-style-type: none"> a) Develop or improve an organisation's tax governance and internal control framework; b) Promote tax compliance and reduce tax risks;

1

PROJECT MILESTONES



Criteria for TCG application



1. Large companies / public listed (with turnover of RM100 mil and above)



2. Companies which have won the best IRBM taxpayer award



3. GLCs / state-owned enterprise



4. Compliant taxpayers



BENEFITS OF TCGF



- Improved Image and Reputation



- Increased Tax Authority Confidence



- Increased Stakeholders Confidence



- Reduced Audit or Tax Enquiries



- Reduced Cost of Compliance



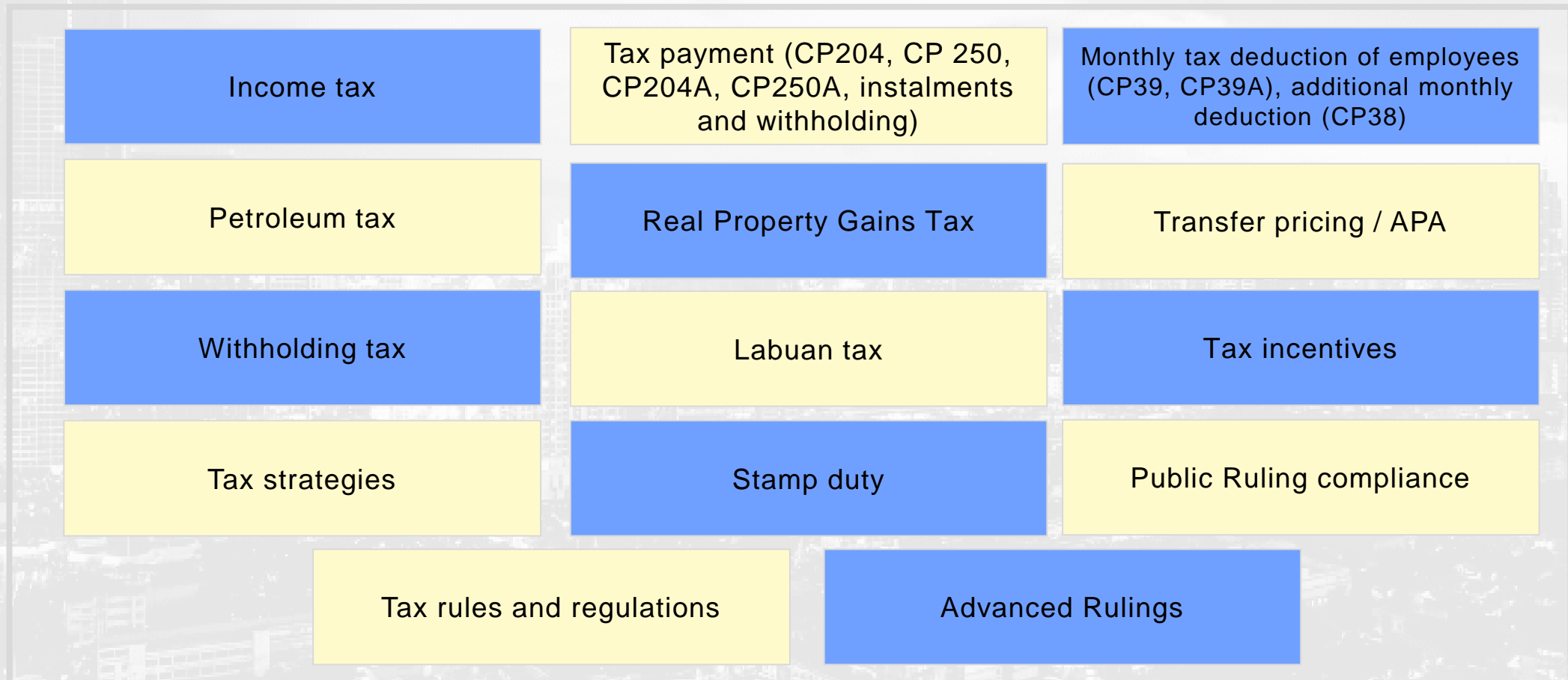
- Better Management of Tax Affairs

BENEFITS OF TCGF

'NO OR LOWER PENALTY'

SCOPE OF TCGF

The IRBM encourages organisations to develop their TCGF accordingly (whichever is applicable) in relation to:



PROCESSES OF THE TCG PROGRAMME

(Proposed timeframe: 8 to 12 months, with a potential extension of time by application)



SIX TCGF PRINCIPLES

1) Tax strategy established

2) Applied comprehensively

3) Responsibility assigned

4) Governance documented

5) Testing performed

6) Assurance provided

OUR **KEY FOCUS AREA** IN ORGANISATION'S TCGF

1) ROLES AND
RESPONSIBILITIES

2) CONTROL
FRAMEWORK

3) CONTROL
TESTING

4) TAX RISK
MANAGEMENT

5) SIGNIFICANT OR
NEW
TRANSACTION

6) TAX AND
ACCOUNTING
RESULTS

TCGF

TCG DISCLOSURE



To **Publish** the Organisation's Tax Strategy/Tax Policy



Describe the process through which the **tax governance and control framework** is **monitored, tested, and maintained.**



Refer to any **tax governance, internal control frameworks** or **generally accepted risk management principles** that are applied to tax.





03

KEY TAKEAWAYS

KEY TAKEAWAYS

1. TCG is a voluntary compliance initiative.
2. To attain and maintain good standards of tax governance.
3. To communicate that the company/corporation is socially responsible.
4. Enhance and complement the corporate governance of the organisation.
5. TCG will further complement and strengthen the overall ESG of any corporation in general.
6. For further info, email us at **tcg@hasil.gov.my**

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DO NOT DISCLOSED YOUR TAX INFORMATION

DO NOT BE A *VICTIM* OF FINANCIAL AND TAXATION SCAMS

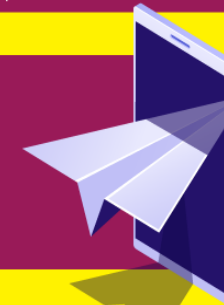


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THANK YOU



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Single Sign-On
Untuk Semua
Perkhidmatan

Dashboard Ringkas
& Padat

Pusat Untuk Semua e-Perkhidmatan LHDNM



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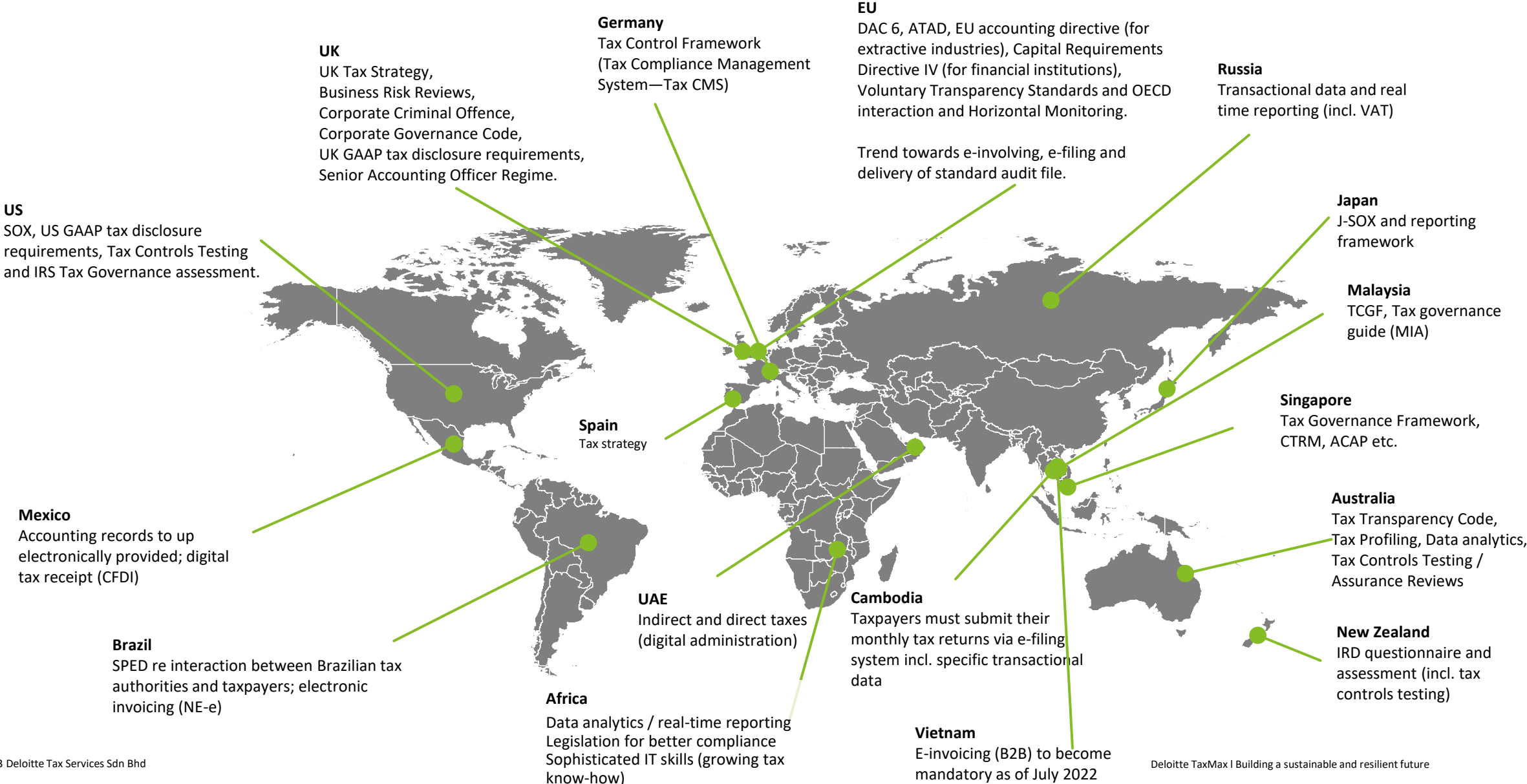
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AppGallery

Panel discussion

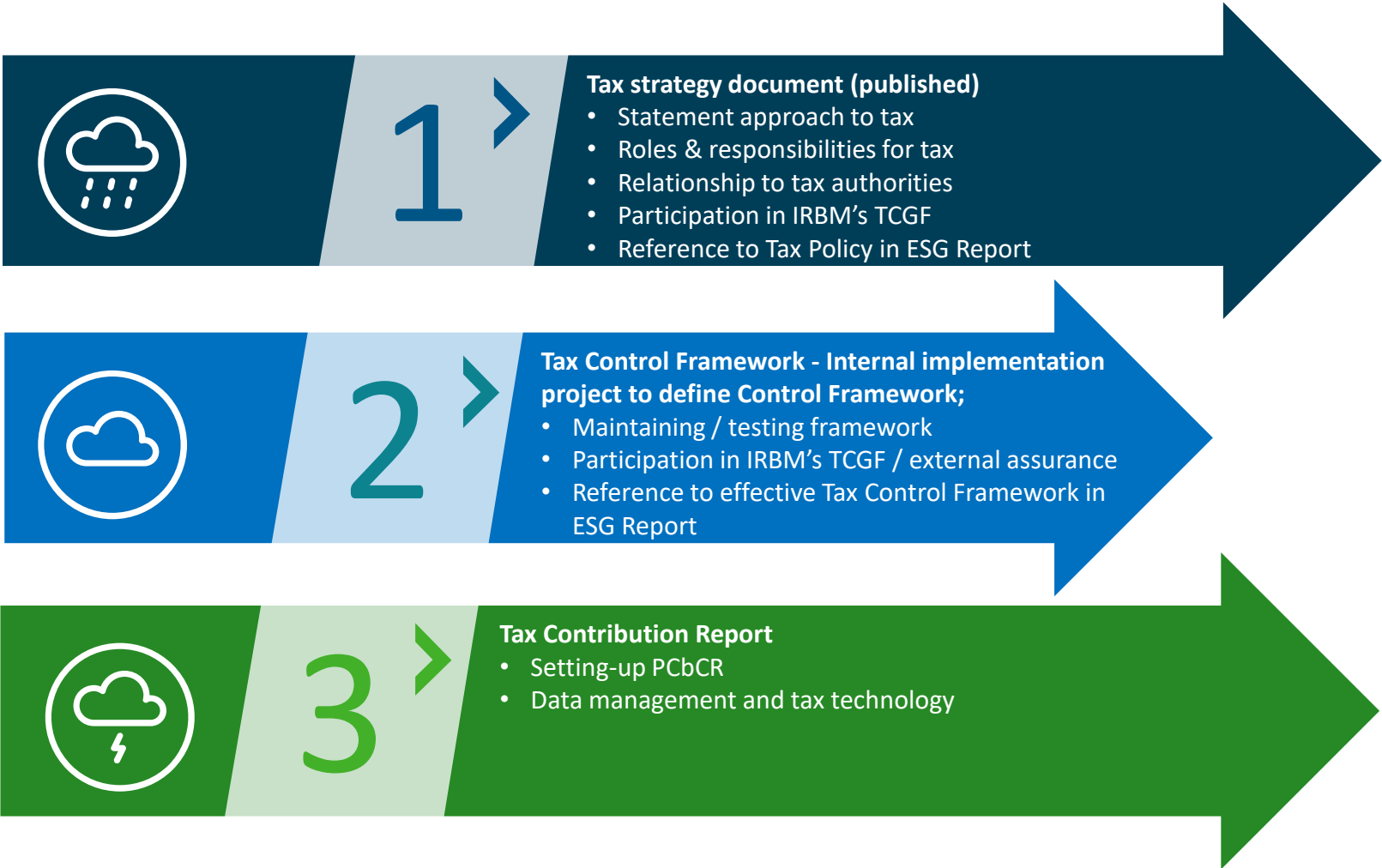


Tax Governance landscape—a global perspective



TCGF and Sustainability Reporting – GRI 207

The are many ‘standards’ emerging but 2021 saw the launch of a key measure which will likely have significant influence going forward – GRI207



GRI 207 – TAXATION

Approach to tax (GRI 207-1)

- Tax strategy publication
- Accountability (roles & responsibilities)
- Regulatory compliance
- Linking tax to broader sustainability reporting

Tax stakeholders (GRI 207-3)

- Tax authorities
- Tax policy advocacy
- Gaining stakeholder views

Tax governance, control & risk management (GRI 207-2)

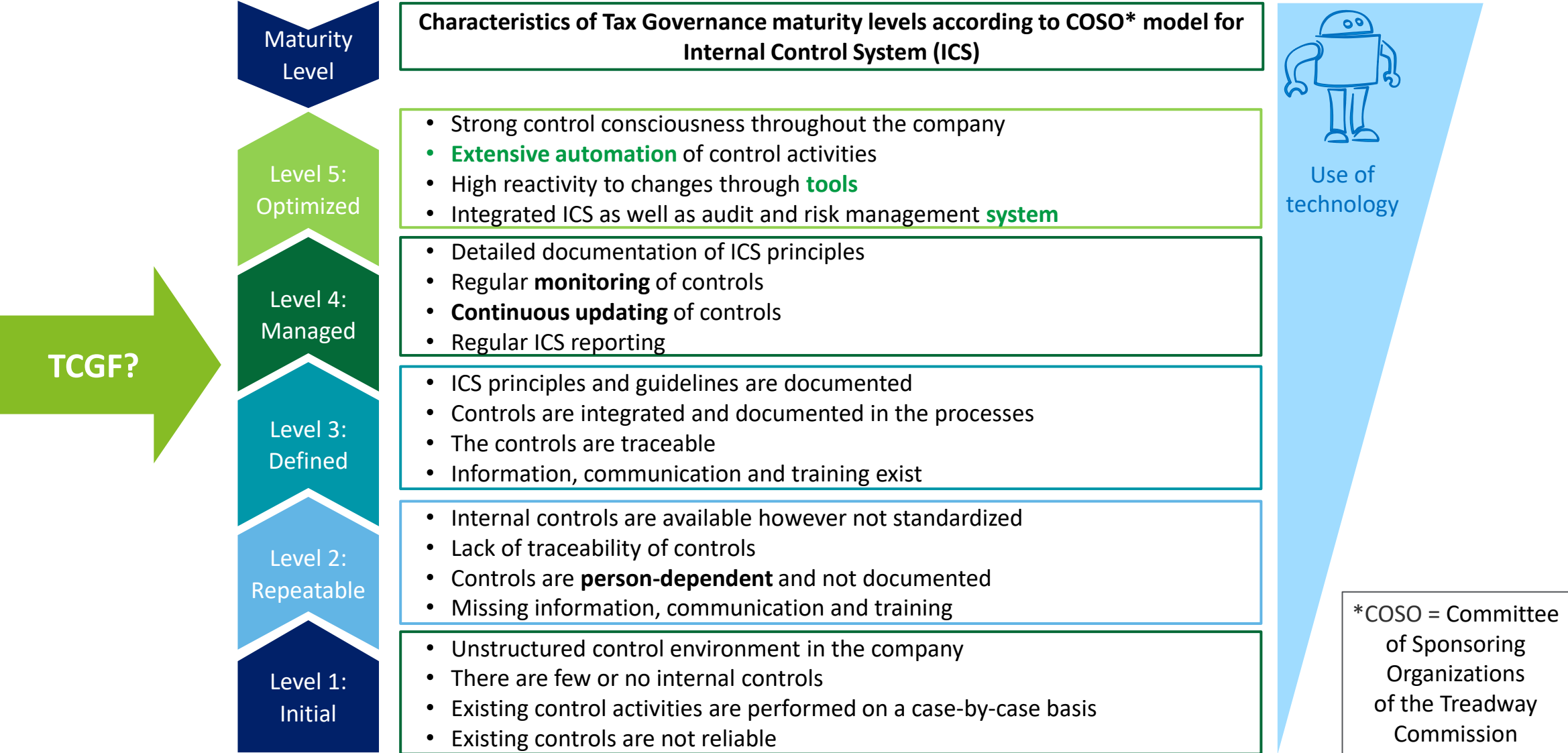
- Tax governance & control framework narrative
- Assurance provided

Country by country tax reporting (GRI 207-4)

- All countries, all taxes

Why tax governance matters?

Tax Governance: Maturity Levels





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