





Annual Report 2010

2011 Publication
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CORPORATE CULTURE

IRBM's Corporate Culture was established to instil moral values and commitment among the Hasil community in order to achieve its vision, mision and objective. Understanding and adoption of its corporate values will foster a working culture of excellence and improve the quality of its services provided to its clients and society.



Vision

Leader in Tax Administration



Mision

To provide taxation services with quality and integrity towards promoting voluntary compliance



Objective

To implement an effective, just and fair taxation management system



Quality Policy

With integrity as foundation, we are committed to giving the best service to our customers



Slogan

Together We Develop The Nation



Service Motto

The Best Service For You

Functions

The functions of IRBM:

- To act as a government agent in the administration, assessment, collection and enforcement of income tax, petroleum income tax, real property gains tax, estate duty, stamp duty and other taxes agreed between the government and the Board;
- To advise the government on matters related to taxation and to collaborate with Ministries and statutory bodies with respect to those matters;
- To participate in meetings, discussions and agreements on matters related to local and international taxation;
- To act as a collection agent for and on behalf of any statutory body to recover the unpaid loans to those body under any written laws; and
- To carry out any other functions given to IRBM by any other written laws.

Responsibilities

IRBM is responsible for the administration of the following laws:

- a. Income Tax Act 1967;
- b. Petroleum Act (Income Tax) 1967;
- c. Real Property Gains Tax Act 1976;
- d. Stamp Act 1949;
- e. Labuan Offshore Business Activity Tax Act 1990; and
- f. Promotion of Investment Act 1986.

IRBM must comply with all Double Taxation Agreements (DTAs) signed by the Malaysian Government with governments of foreign countries. In addition, IRBM must comply with all regulations related to the administration of IRBM:

- a. Federal Constitution 1957;
- b. Interpretation Act 1948 and 1967;
- c. Limitation Act 1953;
- d. Courts of Judicature Act 1964;
- e. Companies Act 1965;
- f. Bankruptcy Act 1967;
- g. National Land Code 1965;
- h. Criminal Procedure Code (Act 593);
- i. Penal Code (Act 574);
- j. Company Winding-Up Rules 1965;
- k. Rules of the High Court 1980; and
- l. Subordinate Courts Rules 1980.

IRBM also continues to administer several repealed legislations to resolve outstanding cases from previous years:

- a. Estate Duty Enactment 1941; and
- b. Share Transfer Tax Act (Land-based Companies) 1984.

Members of the Inland Revenue Board of Malaysia

IRBM is regulated by the following Board Members:

- a. The Secretary General of Malaysian Treasury cum IRBM Chairman;
- b. Attorney General or its representative;
- c. Director General of Public Services or its representative;
- d. Two other individuals appointed by the Finance Minister to represent the government; and
- e. Two other individuals appointed by the Finance Minister from the private sector.

Board Members had convened for six meetings in 2010.

Official Address

Chief Executive Officer/Director General
of Inland Revenue
Inland Revenue Board of Malaysia
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Official Blog : <http://blog.hasil.gov.my>

GOVERNANCE

GOVERNANCE

CHAIRMAN'S STATEMENT

**Secretary General of the Malaysian Treasury
Cum Chairman of
Inland Revenue Board of Malaysia**



In line with the government's aspiration to become a high-income developed country by 2020, the Roadmap for the Government Transformation Programme (GTP) was introduced, detailing the objectives, productivity and the set of preliminary actions in National Key Result Areas and Ministerial Key Result Areas. To ensure its success, the GTP was developed based on the concept of "1Malaysia: People First, Performance Now" by emphasising the aspect of innovative and effective service delivery by the public sector.

To this end, the Inland Revenue Board of Malaysia (IRBM), being the national direct tax collecting agent, continues to support and uphold the government's efforts in achieving the given objectives. Year 2010 once again demonstrated IRBM's excellence in collecting national direct taxes, which amounted to a gross total of RM86.50 billion. This represents more than 50% of the Federal Government's Revenue. This could not have been achieved without the cooperation and commitment of the entire Hasil community. The slogan, "Together We Develop the Nation" indirectly supports the concept of "1Malaysia: People First, Performance Now".

IRBM's success in 2010 indicates the effectiveness of Key Performance Indicators (KPIs) as a motivating factor for Hasil's staff to pursue excellence. Effective KPIs are able to spur the workforce to compete with one another in a healthy way, and gives them the desire to excel in anything they do. The effort and determination shown by Hasil's staff toward their duties and responsibilities in achieving their KPIs provides a strong foundation for improving accountability and transparency to the people.

In order to strengthen their tax management, IRBM will always be a step ahead and will continue to be innovative in order to provide world-class taxation services. Its culture of innovation is founded upon integrity and ethics, as sound moral values will certainly benefit an organisation. IRBM continuously innovates in its effort to develop and improve an electronic service network for its clients. IRBM's commitment in injecting elements of innovation and creativity received recognition when it was selected as the recipient of the 2009 Prime Minister's Innovation Award (AIPM) in 2010.

The role of taxpayers' in its success was equally important. Their willingness in giving cooperation and support indicates their strong national spirit in contributing to the country's wellbeing and development. The planning and implementation of taxation programmes will be more focused on current and future challenges in order to ensure taxpayers' commitment in continuing to serve our beloved country. The continual synergy and understanding between IRBM and taxpayers is a journey that can help boost our country to a more advanced phase of development.

In this regard, I would like to take this opportunity to convey my utmost gratitude to taxpayers in particular, and to the Malaysian society in general, for their support and cooperation in ensuring that the targeted performance of IRBM's 2010 revenue collections was achieved. I would also like to thank all Board Members who have contributed their time, effort and brilliant ideas in ensuring that every initiative implemented under the annual action plan meets IRBM's targets and strategies. Well done and congratulations to all Hasil staff for their commitment and determination in ensuring IRBM's continued excellence.



TAN SRI DATO' SRI DR. WAN ABDUL AZIZ BIN WAN ABDULLAH

BOARD MEMBERS

Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah
Secretary General of the Malaysian Treasury
Cum Chairman of
Inland Revenue Board of Malaysia



1 Dato' Sri Abu Bakar bin Hj. Abdullah
Director General of Public Services
Public Services Department of Malaysia
(starting 1 July 2010)

2 Dato' Engku Nor Faizah binti Engku Atek
Parliamentary Legal Draftsman
Drafting Division
Attorney General's Chambers of Malaysia

3 Wan Selamah binti Wan Sulaiman
Accountant General
Accountant General Department of Malaysia
(starting 18 December 2010)

4 Dato' Siti Halimah binti Ismail
Secretary Tax Analysis Division
Malaysian Treasury

5 Datuk Wira Haji Ahmad Rusli bin Joharie
Private Consultant

6 Dato' Mohd Salleh bin Mahmud
Private Consultant
(starting 18 December 2010)

PREAMBLE

**Chief Executive Officer/
Director General of Inland Revenue
Inland Revenue Board of Malaysia**



The year 2010 began with enthusiasm and a firm resolution to successfully perform the duties and responsibilities entrusted upon us and to ensure that the targeted objectives were achieved with excellence. Consequently, IRBM continues to develop initiatives and action plans to carry out its function as the government's agent and to aim for excellence in managing and administering the nation's direct taxes for the people's wellbeing.

To become an outstanding and highly-regarded organisation, it is not enough for IRBM to merely act as the country's revenue collecting agent. Instead, IRBM has to be an organisation of national aspiration with a strong tax collections system, a pillar of hope and trust to the public, specifically the taxpayers, for advisory services as well as fair and equitable tax treatment. As the nation's main tax collecting agent, IRBM also needs to be seen as a key reference point and a dialogue partner to countries in the region on the aspect of tax administration. Therefore, it is necessary for IRBM to provide various significant facilities, such as world-class training centres, technology, resource centres, etc in order to produce a professional and sound workforce with expertise in taxation and other areas. At the same time, IRBM is taking serious steps to create a harmonious working environment and provide competitive facilities as well as career advancement and personal development opportunities to its officers and employees to increase productivity.

As in 2009, every step taken toward the pinnacle of excellence has been planned based on IRBM's 2009-2013 Strategic Plan. Our Key Performance Indicators (KPIs) are the yardsticks of the organisation's performance in its journey toward our aspirations and directions. To ensure that the 2010 KPIs are achieved more effectively, IRBM has placed emphasis on these two main actions of revenue generation and the maintenance of top services for taxpayers. Strategically steering both actions is important in driving the continuity of IRBM's excellence in collecting the nation's direct taxes.

2010 also witnessed IRBM's continued efforts in producing experts in several fields, such as transfer pricing, taxation on cross-border transactions and double taxation agreements. In addition, its mission to make the Malaysian Tax Academy (MTA) a regional and international reference hub has also been strengthened as planned. This is an essential step in producing human capital capable of adding value to our services, and subsequently, driving IRBM to becoming a high performance organisation in line with IRBM's vision of becoming one of the world's top tax administrators.

An organisation driven by a high performance culture is able to inspire its employees to continue striving for self improvement and advancement in every job and responsibility given to them. A high performance culture would amount to nothing without innovation because innovation drives transformation. It can be translated into the implementation of a taxation system of quality and integrity, in line with IRBM's service motto, "The Best Service for You".

Being honoured as the recipient of the 2009 Prime Minister's Innovation Award (AIPM) in 2010 shows IRBM's strong commitment in continuing to innovate in providing the best service to clients. The award represents the recognition of IRBM's significant and impactful innovations in the application of information technology in its taxation operating systems. In 2010, IRBM increased the number of its applications to 12 from seven in 2009.

The award will be regarded as a challenge, not only to maintain the excellent performance achieved thus far, but also to encourage every Hasil staff to continue working using creative and useful ideas. This will subsequently produce innovations that can further improve the quality of our services. IRBM will also take the proactive approach in turning each challenge into a catalyst for organisational excellence.

Finally, on behalf of IRBM, I would like to thank all Board Members for their encouragement, support and advice in making IRBM a respected and highly-regarded agency. I would also like to congratulate and thank all Hasil staff for their hardwork and commitment in lifting IRBM to the level it has now attained. My thanks also goes to all Malaysians in general, and to taxpayers in particular, for fulfilling their responsibilities in realising "Together We Develop the Nation" we love.

A handwritten signature in black ink, appearing to read 'Hasmah'.

TAN SRI HASMAH BINTI ABDULLAH

TOP MANAGEMENT



Tan Sri Hasmah binti Abdullah
Chief Executive Officer/
Director General of Inland Revenue
Inland Revenue Board of Malaysia



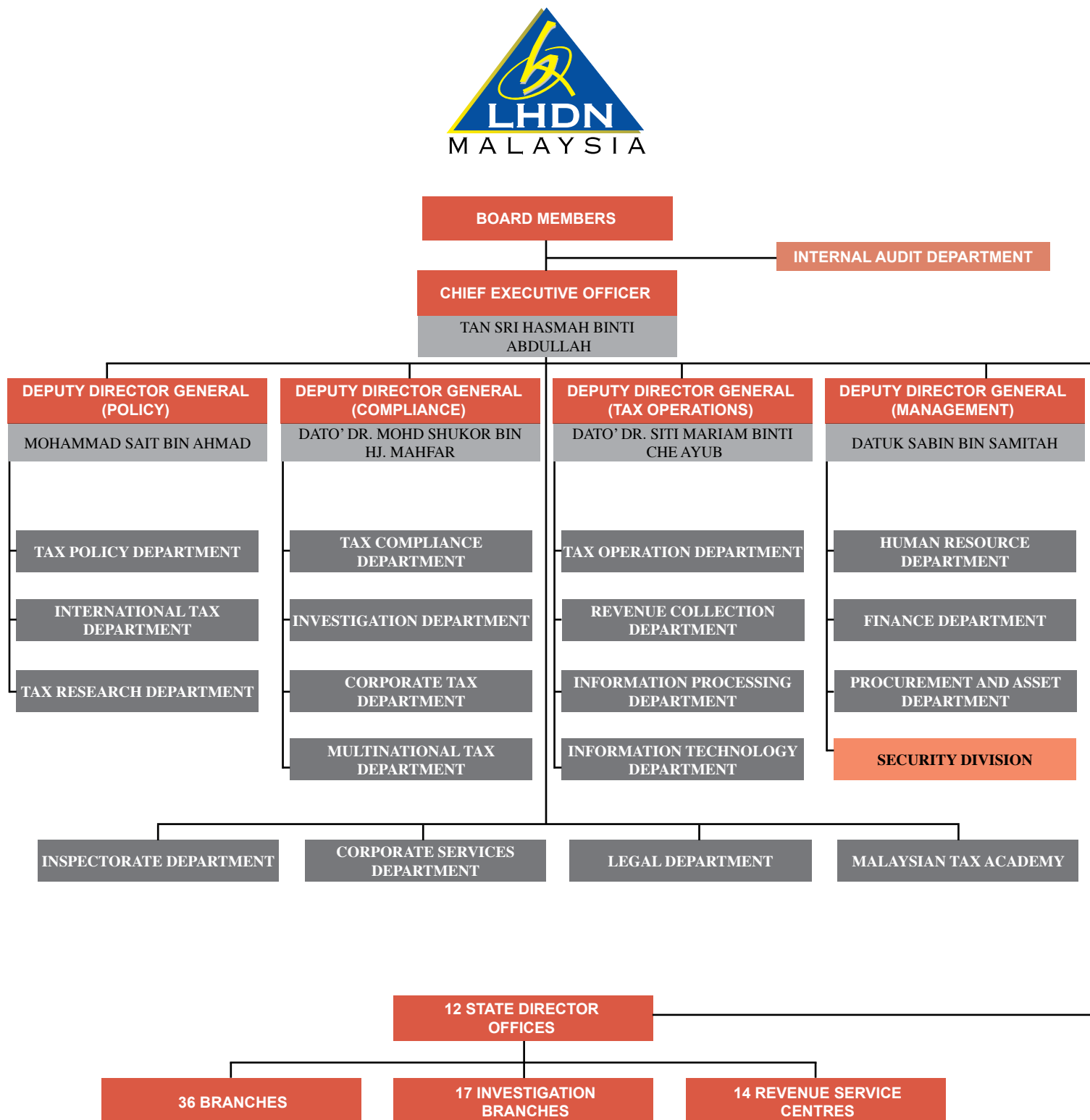
1 Dato' Dr. Mohd Shukor bin Hj. Mahfar
Deputy Director General (Compliance)
Inland Revenue Board of Malaysia

2 Dato' Dr. Siti Mariam binti Che Ayub
Deputy Director General (Tax Operations)
Inland Revenue Board of Malaysia

3 Mohammad Sait bin Ahmad
Deputy Director General (Policy)
Inland Revenue Board of Malaysia
(starting 1 October 2010)

4 Datuk Sabin bin Samitah
Deputy Director General (Management)
Inland Revenue Board of Malaysia
(starting 1 October 2010)

ORGANISATION CHART





CORPORATE PERFORMANCE

PERFORMANCE

Revenue Collections

2010 remained a challenging year for IRBM in ensuring the effectiveness of the country's direct tax collections on the back of an economic recovery following a global crisis. To achieve the collections target set by the government, IRBM ensured that its 2010 tax operations programmes were carried out by developing efficient and productive initiatives in accordance with current economic developments.

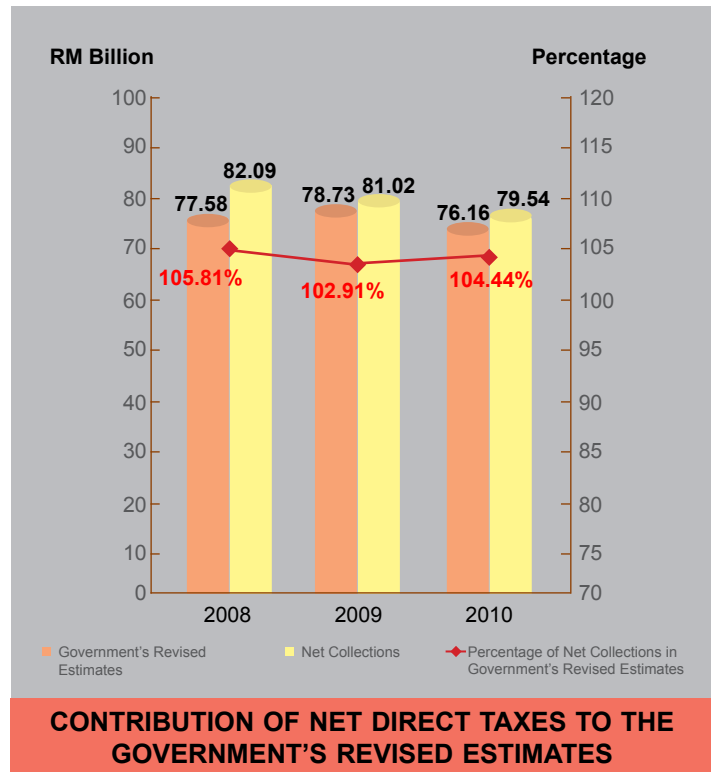
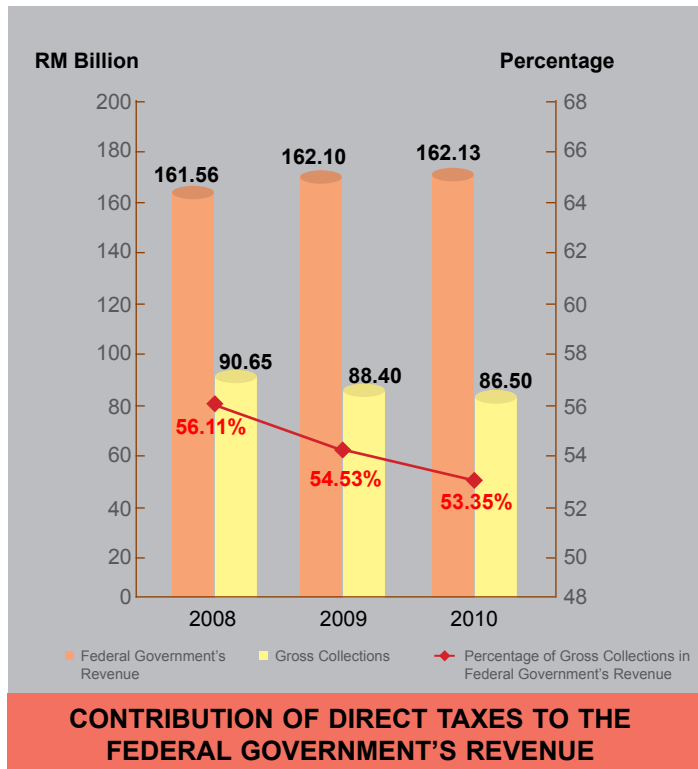
In 2010, IRBM collected gross direct taxes amounting to RM86.50 billion, contributing 53.35% of the total estimated Federal Government Revenue of RM162.13* billion. Despite the drop in total collections compared to the previous year, 2010's direct tax collections surpassed the government's target. Net direct tax collections amounting to RM79.54 billion (less Tax Refund Fund of RM6.96 billion) exceeded the Government's Revised Estimates of RM76.16 billion by RM3.38 billion (4.44%).

“Dasar percukaian dalam era sistem ekonomi moden tidak lagi dilihat semata-mata sebagai alat mendapatkan sumber pendapatan kerajaan. Cukai juga dilihat sebagai satu proses

pindahan wajib sumber ekonomi daripada sektor swasta kepada sektor awam bagi mencapai beberapa objektif ekonomi dan sosial negara”

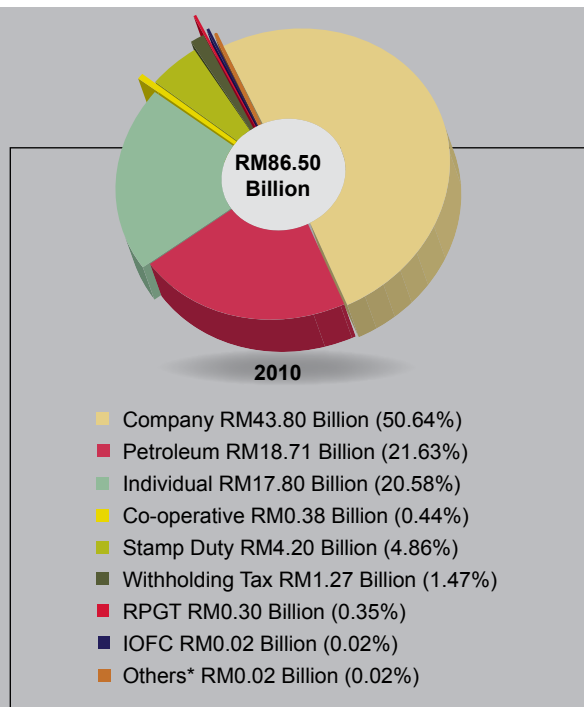
“Cukai yang dikenakan ke atas pembayar cukai berpendapatan tinggi menjadi sumber hasil kerajaan seterusnya

Quoted from
Berita Minggu
9 May 2010



*Source: Estimates of Federal Government's Revenue 2011.

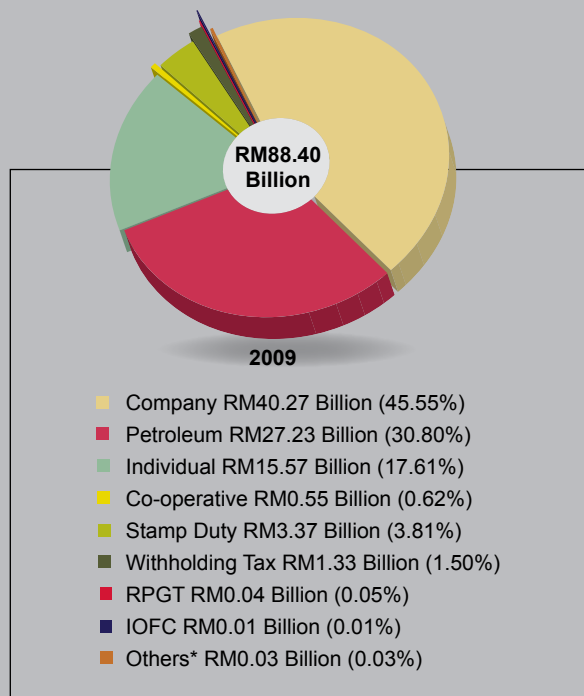
Revenue Collections



As a result of the positive growth in the economic recovery, most of the major components of direct taxes saw an increase. Company taxpayers remained the main and biggest contributors to revenue collections, with RM43.80 billion collected, making up 50.64% of total collections.

This was followed by petroleum income tax with 21.63% of total collections. However, in 2010, collections of petroleum tax dropped by RM8.52 billion compared to 2009. The decline was due to two main factors, which was the drop in crude oil and natural gas prices in the global market, and the change in the tax assessment method for upstream petroleum companies, from a system based on the previous year to that based on the current year, beginning from assessment year 2010.

The third major component of direct taxes is individual income tax collections, with a contribution of 20.58%. The increase in collections indicates an improvement in tax compliance amongst taxpayers as well as the effectiveness of IRBM's collections and enforcement activities. The percentage contributed by tax component to total direct tax collections is illustrated in the adjacent diagram.



* Others includes charges pursuant to Section 124 of the ITA 1967, estate duties, court charges, bank interests, litigation revenues, company registrations (Sarawak), service charges pursuant to Section 138B of the ITA 1967 and advance ruling charges.

DIRECT TAX COLLECTION BY COMPONENTS

Tax Management Efficiency

In 2010, IRBM succeeded in maintaining its tax management efficiency cost ratio at RM1.04 for every RM100 of tax collected. The low cost rate indicates that IRBM carried out the management of national direct taxes prudently and effectively despite the uncertainties of the current global economic crisis at that moment.

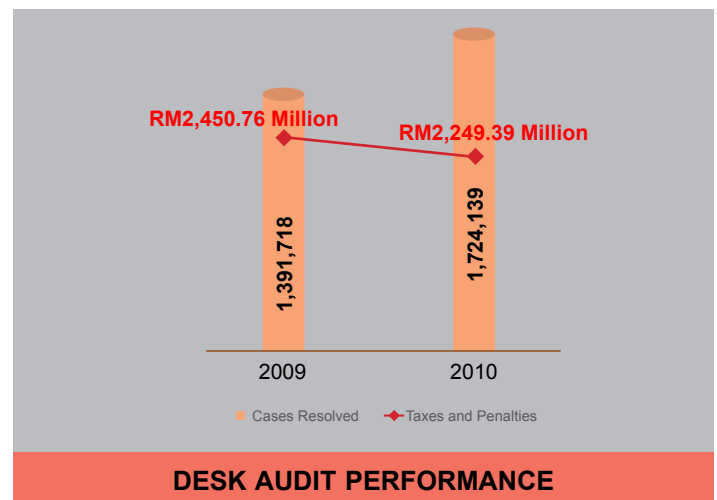
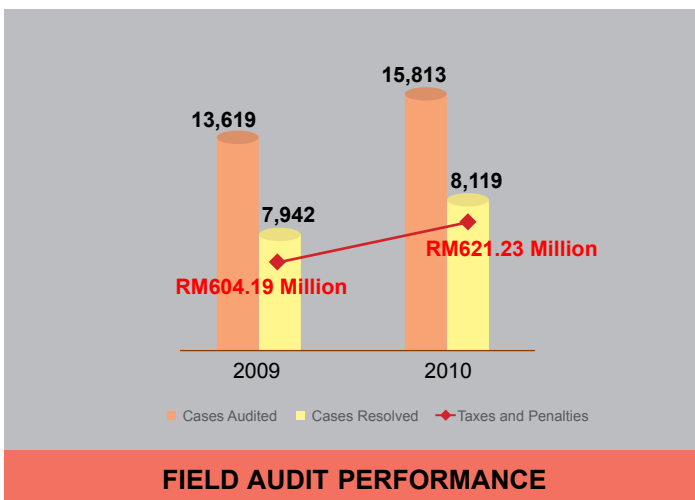
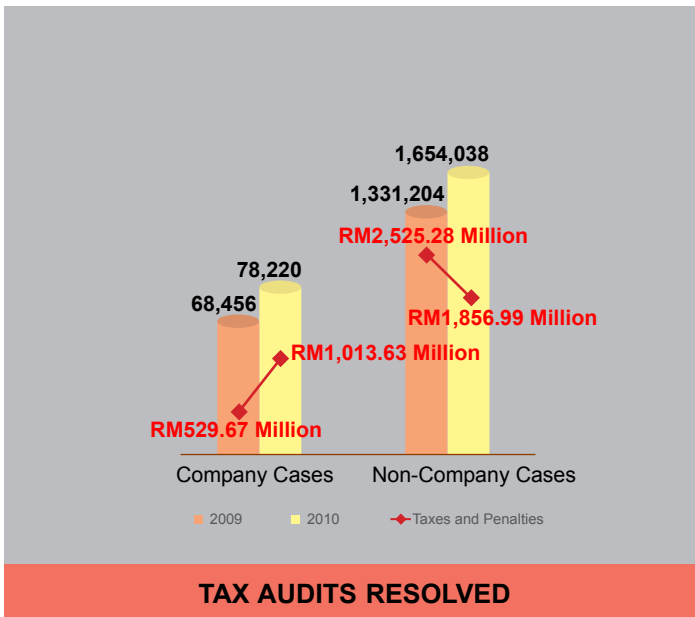


Tax Compliance

Tax Audits

IRBM continues to be highly committed in performing its functions in order to meet the national direct tax collections target. The implementation of an effective tax audit programme is a key factor in increasing tax collections. The programme will help IRBM in ensuring that the level of tax compliance continues to improve and that taxpayers comply with the provisions of applicable tax laws and regulations, particularly within the environment of a Self-Assessment System.

Tax audits were carried out using two methods, namely the field audit and the desk audit. The field audit is followed by a notification letter informing the taxpayer about the upcoming audit visit to their business premise as well as the information/documents that they are required to prepare. The desk audit is carried out at IRBM's office using the information submitted.



Tax Compliance

MTD Audits

The Monthly Tax Deduction (MTD) audit programme is aimed at checking employers' level of compliance in making tax deductions from their employees' monthly salaries and remitting it to IRBM according to the regulations stipulated in the Income Tax (Deduction from Remuneration) Rules, 1994. MTD audits are carried out by examining employees' salary records at the employer's premise.

Failure to comply is chargeable under Rule 17 of the Income Tax (Deduction from Remuneration) Rules, 1994. If convicted, a fine of not more than RM1,000 or a prison term of not more than six months, or both, shall be imposed.

Employers who fail to remit payments by the 10th of the following month may be fined a minimum amount of RM200 but not exceeding RM2,000 or six months' prison, or both. MTD payments which are not deducted will become debts to the government. Thus, employers who do not deduct MTD payments or who make deductions but do not remit the payments to IRBM shall be charged in court.



MTD AUDITS RESOLVED

Year	No. of Employers Audited	Non-Compliance Employers		Insufficient Tax Deduction (RM Million)	Compounds (RM Million)	Amount of Tax and Compounds (RM Million)	No. of Offences Charged in Court
		No.	%				
2010	31,821	5,783	18.17	81.99	8.10	90.09	1,572
2009	32,424	5,873	18.11	77.70	12.18	89.88	1,190

Enforcement and Prosecution

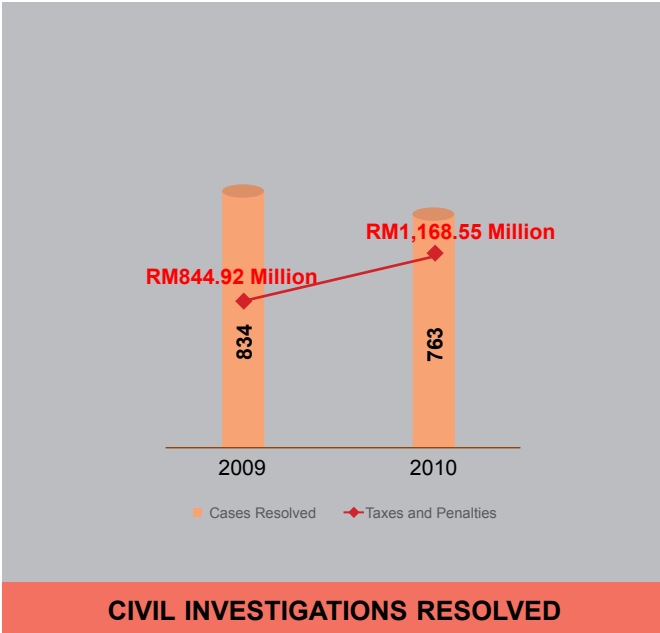
Investigations

To ensure that revenue collections reflect the true potential of the country's economic growth, enforcement measures are taken to eliminate tax evasion and avoidance. Investigations are carried out comprehensively with priority on high-profile cases to improve voluntary compliance. There are two methods of investigation, which are civil investigation and criminal investigation.

Civil investigations address intentional tax evasion and negligence in reporting taxable incomes. The settlement of outstanding taxes is done with consent. The resolution of civil investigations cases is illustrated in the adjacent diagram.

Criminal investigations track down and investigate intentional tax evasion activities and subsequently file for legal action in court. Taxpayers who commit offences under Sections 113(1), 114(1) and 120 of the Income Tax Act, 1967 are prosecuted in court. Fines and penalties shall be imposed, depending on the type of offence committed under those sections. In 2010, 10 investigation papers were resolved while 30 cases are still pending investigation.

In order to establish a reasonable control system and to guarantee that IRBM objectives are achieved at an acceptable level of risk, Risk Management Division was created to strengthen the enforcement programmes and other core activities. Risk management is a part of corporate governance that ensures a reduction in the wastage of resources and upholds transparency, accountability, and integrity. Among others, the functions of risk management include supervising, monitoring and reviewing the principles, policies, strategies and control procedures being implemented.



Enforcement and Prosecution



Ban from Leaving the Country

A ban from leaving the country (Section 104 of the Income Tax Act, 1967 and Section 22 of the Real Property Gains Tax Act, 1976) will be enforced against taxpayers who fail to settle their income tax and real property gains tax liabilities, if it is believed that they will be out of or leaving the country.

In 2010, the ban was enforced against 4,443 taxpayers in the income tax category and 330 taxpayers in the real property gains tax category. It involved a tax arrears totalling RM205.29 million and RM562.82 million respectively. Meanwhile, 613 income tax cases and four real property gains tax cases were revoked in 2010 as a result of the taxpayers settling their liabilities totalling RM14.49 million and RM0.03 million respectively.

Civil Suits

Civil suits under Section 106 of the Income Tax Act, 1967 and Section 23 of the Real Property Gains Tax Act, 1976 shall be taken against taxpayers who fail to settle their income tax liabilities within the stipulated period. Civil suits are initiated by filing a summons and a statement of claim in the relevant court, depending on the tax liability amount for each case. Civil suits are handled in court until a judgement is obtained against the taxpayer.

In 2010, IRBM filed 14,363 civil summonses in court. The summonses involved 12,192 individual cases and 2,171 company cases with tax liabilities totalling RM274.29 million and RM1,198.40 million respectively.

Enforcement and judgement are carried out as follows:

- Writs of confiscation and sale, debtor summonses or bankruptcy orders on individual taxpayers; and
- Winding up procedures on company taxpayers.

For cases receiving bankruptcy or winding up orders, proof of debts will be registered with the Malaysian Department of Insolvency.

BAN FROM LEAVING THE COUNTRY

Type of Tax	No. of Cases Effective (2009 and Prior)	Amount of Tax Involved (RM Million)	No. of Cases Effective (January – December 2010)	Amount of Tax Involved (RM Million)	No. of Cases Effective (Until 2010*)	Amount of Tax Involved (RM Million)
Income Tax	62,290	1,832.01	4,443	205.29	49,340	1,600.88
Real Property Gains Tax	9,102	191.57	330	562.82	7,432	160.67
Total	71,392	2,023.58	4,773	768.11	56,772	1,761.55

* Number of cases effective as at 31 December 2010 (including cases prior to 2010).

Collections

During 2010, IRBM placed serious emphasis on collections programmes to ensure effectiveness and efficiency in tax collections. The emphasis was focused on the following core activities:

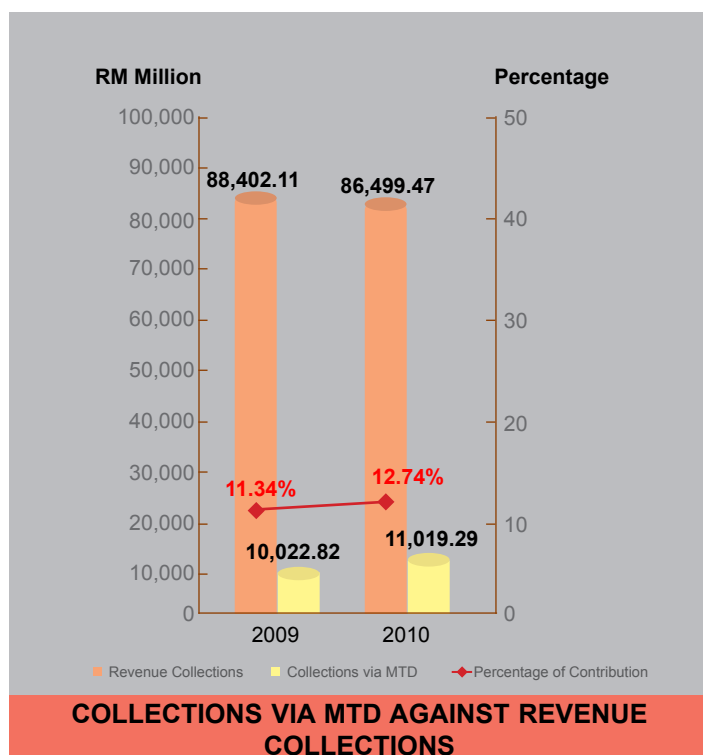
- Collecting tax estimates through Monthly Tax Deductions and the Instalment Scheme;
- Reducing revenue arrears (Accounts Receivables) by 45% by the end of 2010; and
- Ensuring that refunds are processed within the leadtime indicated in IRBM's Client Charter.

Monthly Tax Deductions

Individual taxpayers with incomes from employment pay their taxes through Monthly Tax Deductions (MTDs) made by their respective employers from the employees' monthly remuneration. The deductions are made in accordance with the Income Tax (Deduction from Remuneration) Rules, 1994 to lessen the employees' burden of paying their taxes in one lump sum when taxes are calculated during the submission of their Income Tax Return Forms. For

2010, MTD amounts were determined using two methods, which are the MTD Schedule and the Computerised Calculation Method. For employers using the Computerised Calculation Method to determine the MTD amounts, employees may claim deductibles and rebates under the act in each month or in any month of the current year. Employers using the MTD Schedule are required to utilise the system or application developed by IRBM for employees who wish to claim deductibles and rebates.

In 2010, collections via MTD amounted to RM11,019.29 million, contributing 12.74% of direct tax collections. The increase in MTD collections was also supported by continuous briefings and tax education for employers, as well as the various facilities, such as *e-PCB*, *e-Data PCB* and *Kalkulator PCB*. In addition, IRBM also expanded MTD payment facilities to employers through electronic banking and over the counter at banks appointed as receiving agents.



MTD COLLECTIONS BY PAYMENT METHOD

Payment Method	2010 (RM Million)	2009 (RM Million)
IRBM Payment Counters		
Total	9,830.89	9,157.66
Bank Counters		
CIMB Bank Berhad	323.89	273.88
Public Bank Berhad	498.15	402.86
Total	822.04	676.74
Internet Banking		
CIMB Bank Berhad	177.93	76.11
Public Bank Berhad	120.01	88.04
RHB Bank Berhad	45.69	22.48
Alliance Bank Berhad	1.90	0.28
Maybank Berhad	19.45	1.51
EON Bank Berhad	0.65	-
OCBC Bank Berhad	0.13	-
<i>e-PCB & e-Data PCB</i>	0.60	-
Total	366.36	188.42
Grand Total	11,019.29	10,022.82

Collections

Tax Collection by Instalment Scheme

There are two categories of tax collections by instalment under Sections 107B and 107C of the Income Tax Act, 1967:

- Individual taxpayers with income from businesses:
 - Tax collection is by bimonthly instalments via an instalment notice (Form CP500) issued by the Director General of the Inland Revenue;
 - The instalment schedule is from March to January of the following year; and
 - Applications for amendment (Form CP502) can be made before 30 June of the current year.
- Taxpayers in the categories of companies, co-operatives, trust bodies and unit/property trusts:
 - Tax collection is by monthly instalments based on the tax estimate (Form CP204) submitted by taxpayers on or before the stipulated date according to the taxpayer's accounting basis period;
 - Notice of Payable Tax Estimate (Form CP205) will be issued to taxpayers who fail to submit Form CP204;
 - The instalment schedule is from the second month of the basis period of a year of assessment; and
 - Applications for amendment (Form CP204A) can be made in the sixth or ninth month, or both, of the accounting period.

Failure to comply with the instalment schedule in both the above categories will result in a 10% increase in taxes on the balance of unpaid instalments.

BAYARAN CUKAI PENDAPATAN

Bayaran Ansuran Individu

SELAIN PENGGAJIAN (CP500)	PENGGAJIAN (PCB)
<ul style="list-style-type: none"> - 6 ansuran dikeluarkan oleh LHDNM - Bayar mulai Mac - Setiap ansuran bayar dalam masa 30 hari - Mohon pindaan sebelum 30 Jun (jika perlu) 	<ul style="list-style-type: none"> - Majikan potong gaji pekerja ikut Kaedah PCB - Bayar sebelum/pada 10 hb (CP 39)

Bayaran Ansuran Syarikat (Anggaran dibuat oleh Syarikat)

	SYARIKAT BARU	SYARIKAT SEDIA ADA	BORANG
Hantar anggaran	Dalam masa 3 bulan pertama operasi	30 hari sebelum mula tempoh asas	CP204
Mula bayar	Bulan keenam tempoh asas	Bulan kedua tempoh asas	
Tarikh bayaran	Sebelum/pada 10 hb		CP207
Pinda anggaran	Bulan keenam atau kesembilan tempoh asas		CP204A

Borang Yang Perlu Digunakan

JENIS BAYARAN	BORANG DIGUNAKAN	
	KAUNTER	BANK
Cukai Pendapatan/CKHT Skim Ansuran (Syarikat) Skim Ansuran (Individu) Potongan Cukai Bulanan (PCB)	CP157 CP207 CP501 CP39 atau Disket	Slip bank } Slip khas Disket

Butiran Yang Perlu Semasa Membayar Cukai

• No. Fail Cukai Pendapatan	• Nama dan No. Kad Pengenalan
• Alamat	• Tahun Taksiran
• No. Jadual Skim Bayaran Ansuran	• Kod Bayaran
• Nombor Ansuran	• Jumlah bayaran

Nota: Simpan resit dan slip bank untuk rujukan

www.hasil.gov.my

1-300-88-3010

COMPANY TAX ESTIMATES (CP204 FORM) AND INDIVIDUAL INSTALMENT (CP500 FORM)

	2010	2009
No. of CP204 Forms Received	279,639	276,758
Tax Estimates in CP204 Forms* (RM Million)	35,304.57	36,731.89
No. of CP500 Forms Issued	288,545	270,729
Instalment in CP500 Forms** (RM Million)	2,002.66	1,563.74

* The tax estimate stated in CP204 (for companies, co-operatives and trust bodies) is before any amendments and payments.

** The CP500 instalment (for non-companies) are stated prior to any amendments and payments.

Refunds

A benchmark of the success of the Self-Assessment System is the efficiency in processing refunds of overpaid taxes to the taxpayers. Priority is given to the current year's tax refund cases in addition to settling the remaining refund claims from previous years. The emphasis on performing these refund activities within the predetermined timeframe is in line with the rulings stated in IRBM's Client Charter.

According to the Client Charter, refund cases shall be processed within the following timeframe, subject to the Income Tax Return Forms (ITRFs) received being complete and in order:

- 30 working days from the date of receipt of the ITRF via e-Filing; and
- 90 working days from the date of manual receipt of the ITRF.

In 2010, IRBM issued 891,763 refund vouchers totalling RM6,934.72 million. This includes refunds to individuals and companies.

As an improvement and innovative measure in the work process of making the refunds, the Electronic Fund Transfer (EFT) was implemented beginning 1 January 2010. The refund amount is deposited directly into the bank account of taxpayers who provide their account numbers. EFT expedites the refund process and eliminates the mode of payment by cheque. In addition, EFT helps minimise potential problems associated with cheques, such as being lost in the post, forgery and expired cheques.



Management of Tax Arrears

As the main tax collections agent for the government, IRBM is responsible for ensuring that tax liabilities payable to the government is collected efficiently and effectively in order to avoid arrears in revenue. The management of tax arrears has always been a priority and is enhanced to minimise the current year's arrears amount and avoid new arrears amounts.

As at 31 December 2010, a total of 801,287 tax arrears cases had been successfully resolved. Action taken to reduce cases of tax arrears resulted in reduction of Accounts Receivables by 50.98% or RM5.64 billion.

PERFORMANCE OF REFUNDS OF OVERPAID TAX

		2010	2009
Non-Companies	No. of Cases	866,940	629,220
	Amount (RM Million)	1,651.23	1,617.70
Companies	No. of Cases	24,823	21,138
	Amount (RM Million)	5,283.49	5,743.05

Collections

Withholding Tax Collections

The tax collection for certain types of payments received by non-residents from residents of Malaysia is made through withholding tax. Withholding tax is imposed on certain types of income under the following provisions of the Income Tax Act, 1967:

- Section 107A (contract payments);
- Section 109/109B (interest, royalties, service charges or fees, rentals and other charges);
- Section 109C (interest [except exempted interest] paid by approved financial institutions); and
- Section 109D (income distributions from unit trusts).

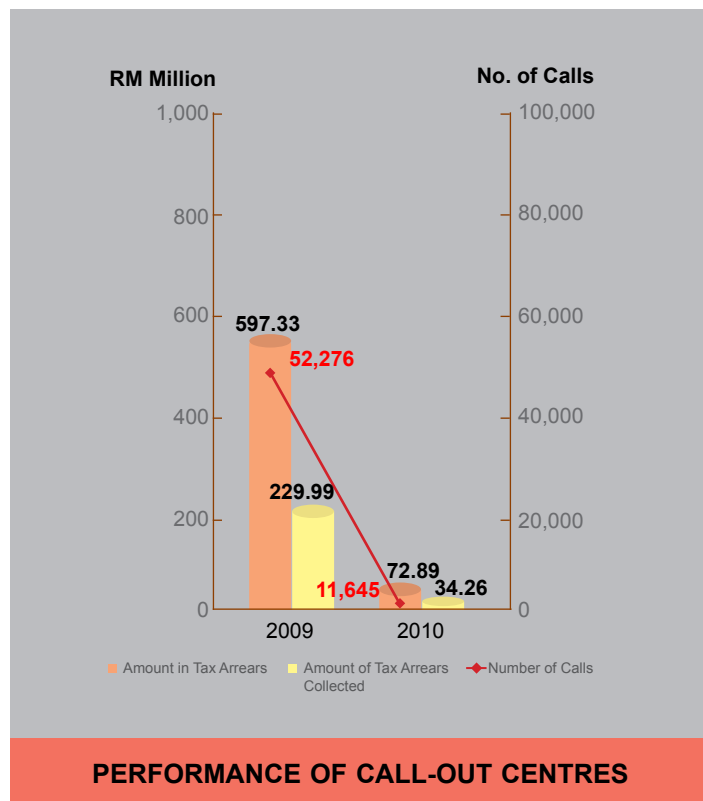
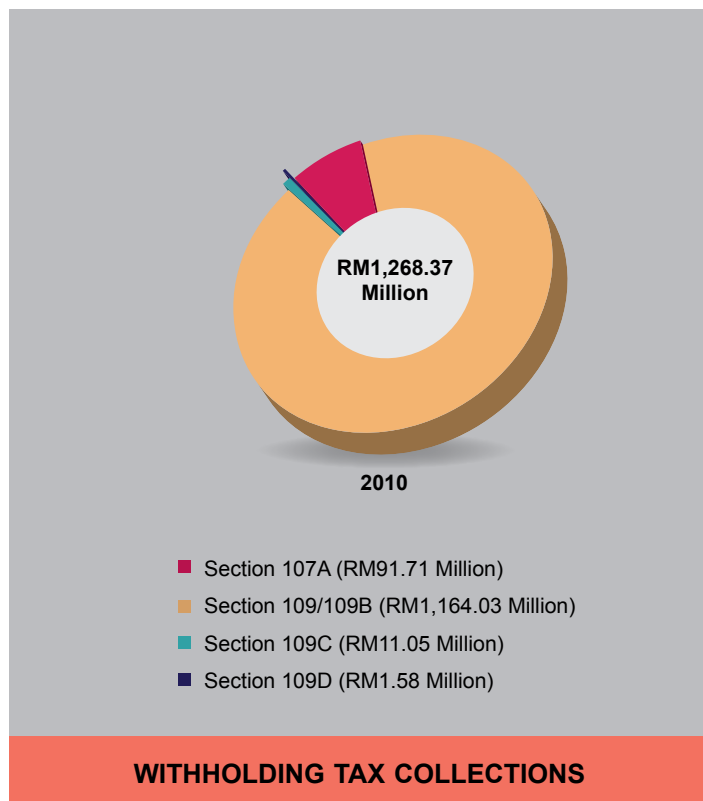
In 2010, a total of RM1,268.37 million was collected using this mechanism.

Call-Out Centres

Call-Out Centres make calls to taxpayers who have outstanding taxes. The purpose of the calls are:

- to remind taxpayers to settle their outstanding taxes;
- to inform taxpayers about the enforcement measures that will be taken against defaulters; and
- to assist taxpayers who have cash flow problems by re-scheduling their instalments according to their financial affordabilities.

In 2010, a total of 11,645 calls were made, involving tax arrears amounting to RM72.89 million. Of this amount, RM34.26 million was collected.



Customer Service

Programmes to improve the quality of its service delivery system has always been a priority of IRBM. IRBM provides customer service to enable easy and quick public access to information on taxation through specially designed programmes as well as various other facilities for taxpayers.

Customer Service Centres

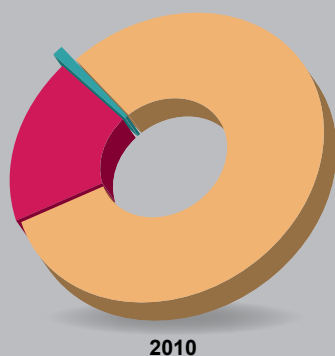
Customer Service Centres (CSCs) were set up to provide taxation services specifically via telephone and e-mail. Taxpayers may contact IRBM through its toll-free hotline at **1-300-88-3010**. IRBM runs two CSCs, located in Pandan Indah, Kuala Lumpur and in Kuching, Sarawak. Calls received are automatically re-directed either to Pandan Indah or Kuching to be handled.

Revenue Service Centres

Revenue Service Centres (RSCs) were established to extend stamping services to the smaller districts and to eventually take over stamping duties from the District Offices. Among the services offered at these RSCs are:

- Assessment and payment of stamp duties;
- Endorsement of instruments of transfers, loans, etc; and
- Advisory services on taxation.

The RSCs provide convenience in stamp duty matters and help increase duty collections every year. As at 31 December 2010, the IRBM has a total of 14 RCSs operating across the country.



■ Telephone Calls (548,251)
■ Faxes/Letters (8,476)
■ E-mails Received (119,551)

CUSTOMER SERVICE CENTRES PERFORMANCE

STAMP DUTY COLLECTIONS AT THE REVENUE SERVICE CENTRES

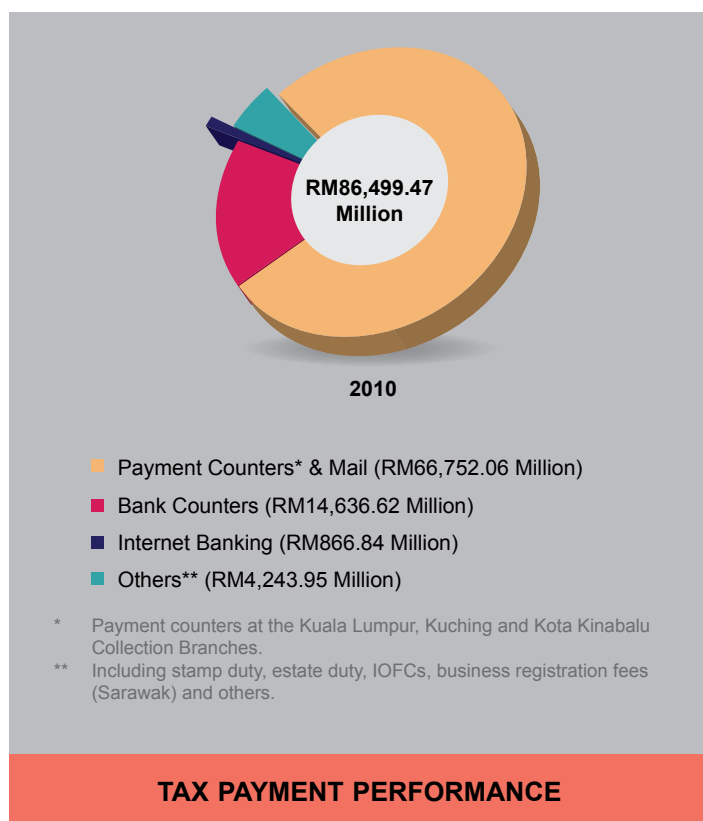
RSCs	2010 (RM Million)	2009 (RM Million)
Manjung	19.83	15.74
Hulu Langat	61.38	52.10
Batu Pahat	32.61	23.32
Kudat	0.57	0.22
Lahad Datu	0.24	0.86
Mukah	0.13	0.18
Limbang	1.58	1.76
Kemaman	7.15	6.35
Bentong	23.81	7.09
Sri Aman	1.27	1.09
Tampin	3.53	3.47
Kuala Pilah	2.15	1.70
Segamat	15.86	14.11
Tanah Merah	2.39	1.62
Total	172.50	129.61

Customer Service

Payment Counters

Tax payments can only be made at the payment counters of IRBM's three tax collection centres located at the Kuala Lumpur Collections Branch, the Kuching Branch in Sarawak and the Kota Kinabalu Branch in Sabah. IRBM payment counters accept tax payments in cash, cheque, bank draft or postal money order. Tax payments can also be made by post to these branches.

In addition, payment of taxes can be made at all counters of CIMB Bank Berhad, Public Bank Berhad, EON Bank Berhad and Maybank Berhad, which are IRBM's appointed receiving agents. The performance of tax payments for 2010 is illustrated in the diagram.

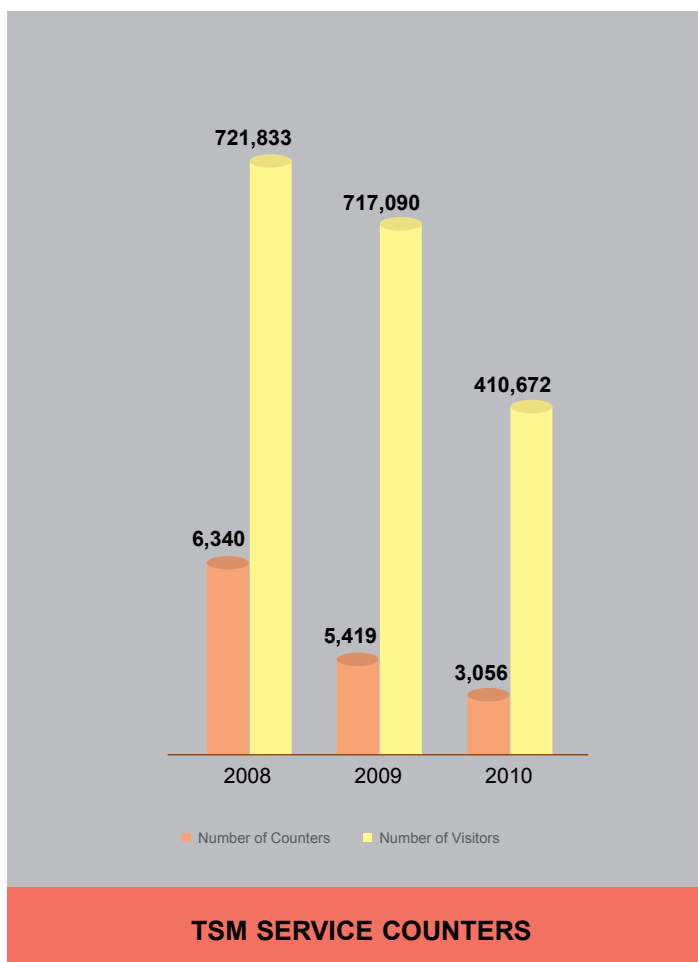


One-Stop Counters

The One-Stop Counter service is managed by the Customer Service Unit at all IRBM branches to enable taxpayers manage all their taxation needs at a single location in a more convenient, friendly and prompt manner. To improve its counter service, taxpayers are given the opportunity to offer their views and report their complaints using the Service Feedback Box placed at all IRBM counters and the Complaints/Suggestions Box placed at IRBM's main counter. Complaints may also be filed online using an interactive form at IRBM's website.

Service Counters at Exhibitions/Expos

IRBM service counters are set-up during trade expos, exhibitions and public functions organised by the government, statutory bodies, private companies, city councils as well as institutions of higher learning to promote the usage of IRBM's electronic services. Among the expos that IRBM participated in during 2010 were the Electronic Government (EG) promotional counter organised by the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and the Multimedia Development Corporation (MDeC), a counter at the Launch of MyID and MyCoID, the Financial Awareness Week counter, the Islamic Innovation Carnival, the Broadband Carnival, the Innovative Malaysia Programme, convocations of institutions of higher learning, etc.



Taxpayers' Service Month

The 2010 Taxpayers' Service Month (TSM) programme was held to provide assistance to taxpayers on the usage of e-Filing and IRBM's electronic services, profile and ledger status checking facilities, as well as other taxation advisory services. The 2010 TSM programme was held from 1 April to 30 April and from 1 June to 30 June 2010. The programme was implemented at all IRBM service counters nationwide as well as offsite, such as at government offices, private offices and community halls via application to IRBM.

Tax Education Programmes

Continuous tax education programmes are designed to provide exposure and awareness on taxation laws to IRBM's clients, namely individuals, companies, tax agents, employers and future taxpayers. Besides educating, it provides a forum to inform and update clients on their rights and responsibilities as taxpayers in order to increase the rate of voluntary tax compliance.

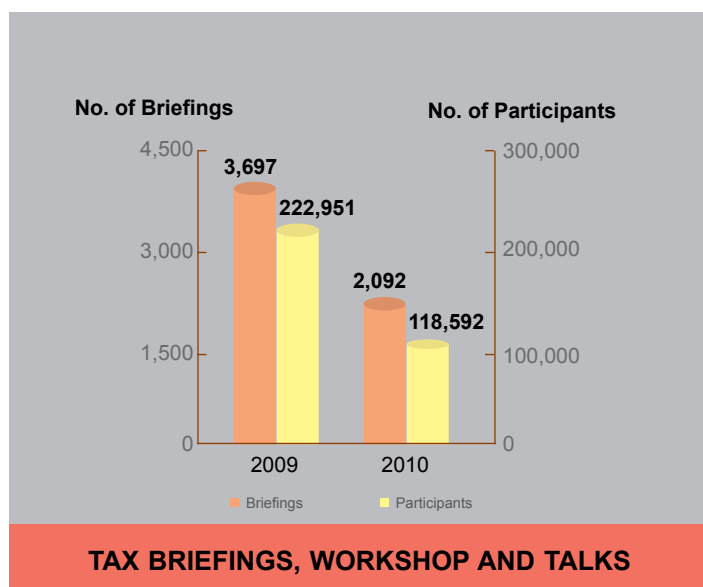
Briefings, Workshops and Talks on Taxation

Under the Self-Assessment System, the taxpayer calculates the payable tax himself. In order to minimise errors in income tax calculations and to encourage the usage of IRBM's electronic services, tax education is delivered through briefings, workshops and talks. The programme is conducted free of charge at all IRBM branches and client premises by professional and experienced IRBM officers. The briefings focus on IRBM's electronic services, which are SAS/e-Filing, *e-PCB*, *e-Data PCB*, and *e-Daftar*, among others. The Budget Briefing is presented to taxpayers, employers and the public, as and when necessary.



Business Support Services

The Business Support Services workshops offer advisory services to small and medium traders who are not represented by tax agents. It covers education on the method of business record-keeping, the preparation of simple business accounts as well as tax calculation and payment methods. The programme is extended to counter services with the cooperation of external agencies and associations.



Tax Education Programmes

Tax Relations Officer

Tax Relations Officers are appointed from among government, private and association employers with large numbers of employees to serve as intermediary/contact person in delivering information, carrying out the taxpaying function and improving the employees' understanding of taxes. The Tax Relations Officers is appointed by the head of the organisation from among their human resource executives, public relations officers or training officers who are easily accessible to the other employees. During 2010, a total of 1,467 Tax Relations Officers were appointed and trained by IRBM.

Taxation Seminars/Budget Seminars

The taxation seminar is an annual activity organised to provide updated information relating to changes in taxation laws. Participation is opened to taxation practitioners, company owners, professional bodies, employers and the public. In 2010, IRBM conducted a national taxation seminar at 22 selected locations nationwide. In addition, IRBM also organised a budget seminar for IRBM officers immediately following the 2011 Annual Budget tabled by the Malaysian Finance Minister in Parliament.

Visit IRBM Programme

Visits by students from institutions of higher learning (IHLs) and external agencies in Malaysia to the IRBM headquarters and branches is another tax education activity conducted all year round. The tax education programme during the visit consists of an introductory talk on IRBM and tax awareness, a briefing on careers in IRBM and a visit to IRBM service counters. Ad-hoc activities, such as the Revenue Quiz, are also held, specifically for future taxpayers from IHLs, in order to strengthen their understanding of the information obtained from the tax awareness briefings.



Tax Education Programmes

IRBM Infoline

IRBM Infoline service is another facility that helps taxpayers obtain information on taxation. The telephone number for this 24-hour service is **03-4289 3636**. More than 600 pieces of tax information is provided in bilingual (Malay/English) audio format. Users also have the option to obtain copies of the required information by fax. Calls will be charged standard rates whilst the fax service is provided free of charge within Malaysia.

IRBM INFOLINE		
Category	2010	2009
Infoline Calls Received	72,186	34,549
Callers Who Knew The Info Code	9,501	1,207
Callers Who Did Not Know The Info Code	56,127	19,151
Callers Who Chose The Fax Option (Knew The Info Code)	488	701
Callers Who Chose The List of Info Codes By Fax (Did Not Know The Info Code)	22,797	7,161

Announcements and Publicity through the Media

Announcements and publicity programmes through the media plays an important roles of increasing the level of public awareness and disseminating information on taxation to the public. IRBM continues to conduct tax awareness activities and in 2010, it secured several slots on local television and radio programmes as well as in newspapers, either free of charge or at minimal rates.

The print and communications media have greatly helped IRBM in its campaign to promote the submission of Income Tax Return Forms and the usage of IRBM's electronic services, as well as in disseminating other information on taxation. These publicity activities have also indirectly enhanced the image of IRBM's services.



Tax Education Programmes

Taxation Information on the Internet

IRBM also posts taxation information on its official website at www.hasil.gov.my. Its web service was enhanced with the introduction of a new in-house website on 1 October 2010. The new website is interactive and more user-friendly. IRBM also upgraded its Internet Complaint System for the convenience of taxpayers who wish to file complaints. In 2010, a total of 12 different electronic services were offered through this website compared to only seven in 2009. IRBM also launched its official blog, <http://blog.hasil.gov.my>, on 1 May 2010. The blog provides added value to the existing online services, at the same time using social media to reach out to taxpayers.



VISITORS TO THE IRBM WEBSITE

Visitors	2010	2009
Total	4,834,085	3,587,573

IRBM Publications

In 2010, IRBM published 13 taxation pamphlets in a simpler and more concise format. They were distributed to the public through the service counters at all IRBM branches. In addition, IRBM also published Berita Hasil, its official magazine, for internal and external agency circulation. It is published three times a year and features IRBM activities that take place throughout the year. Berita Hasil can also be accessed and downloaded from IRBM website.

IRBM also produced Video TV Hasil 2010 in April 2010. The in-house video is part of its tax education and awareness activity and is screened at all IRBM service counters. This comprehensive video contains information on IRBM's electronic services, counter services, tax info, IRBM's corporate culture and the 1Malaysia concept.



Electronic Services

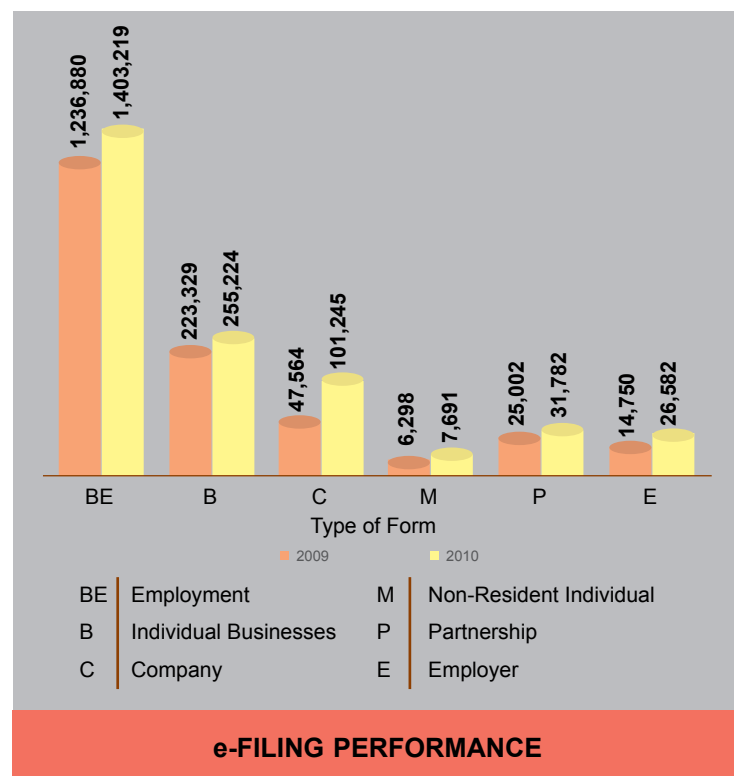
To date, IRBM has created several innovations in its tax administration system, including the utilisation of information technology to drive quality improvement in its service delivery system in line with national growth and development. IRBM's commitment to innovations and improvements through its electronic services network offered to clients and the public has proven to be fruitful in increasing revenue collections, reducing operating costs and supporting the e-Government agenda.

e-Filing

The e-Filing application was developed for taxpayers to submit their Income Tax Return Forms electronically. The application is secured using the Public Key Infrastructure. IRBM continuously updates and improves its e-Filing application to enable taxpayers to complete and submit their forms conveniently, safely and quickly.

Tax Agents e-Filing

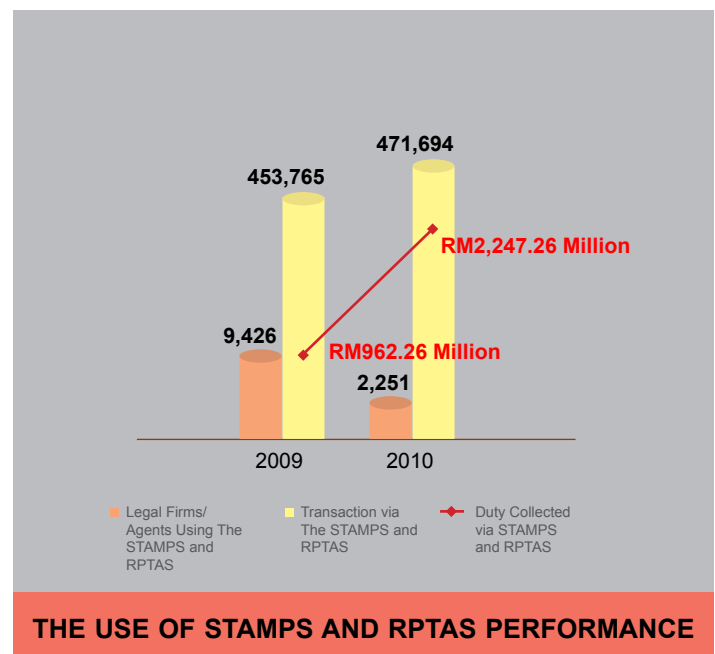
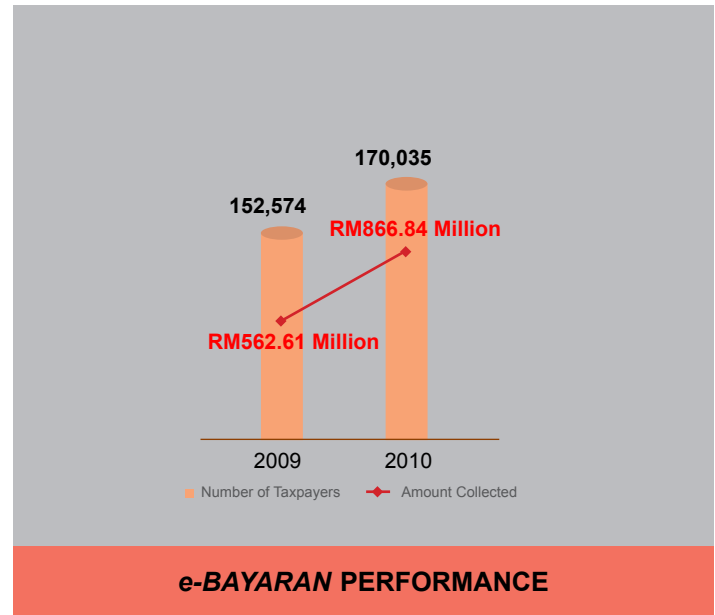
The Tax Agents e-Filing (TAeF) is an application that enables the online submission of Income Tax Return Forms by tax agents on behalf of their clients. Tax agents are required to obtain prior written authorisation from their clients by completing the Statement of e-Filing Authorisation Form (Form CP55).



Electronic Services



STAMPS has increased the amount of duties collected by 133.54% compared to the previous year. The performance of assessment transactions through STAMPS and RPTAS for real property transfer instruments is shown in the diagram.



e-Bayaran

IRBM has a facility for making online tax payments using electronic banking services. Electronic banking services are available at the appointed tax receiving agents, which are CIMB Bank Berhad, Public Bank Berhad, Maybank Berhad, Alliance Bank Berhad, EON Bank Berhad, Citibank Berhad, RHB Bank Berhad, OCBC Bank Berhad and Pos Malaysia Berhad. *e-Bayaran* has been implemented for income tax and real property gains tax, MTD payment facilities for employers and tax payment via Financial Process Exchange (FPX).

STAMPS

STAMPS (Stamp Assessment and Payment System) is a new system developed as an enhancement to the Real Property Transfer Assessment System (RPTAS). STAMPS represents the modernisation of the instruments stamping process, which is an online alternative to the existing stamping method, that allows users to generate and print stamps. Currently, STAMPS may be used to process real property transfer instruments and will be expanded to cover all types of instruments in the future.

Electronic Services

e-Daftar

e-Daftar is another IRBM electronic service innovation introduced to enable individual taxpayers, companies and employers to register their income tax files online via the internet. The total number of taxpayers who have registered their files through *e-Daftar* is given in the adjacent diagram.

SMS e-Hubung

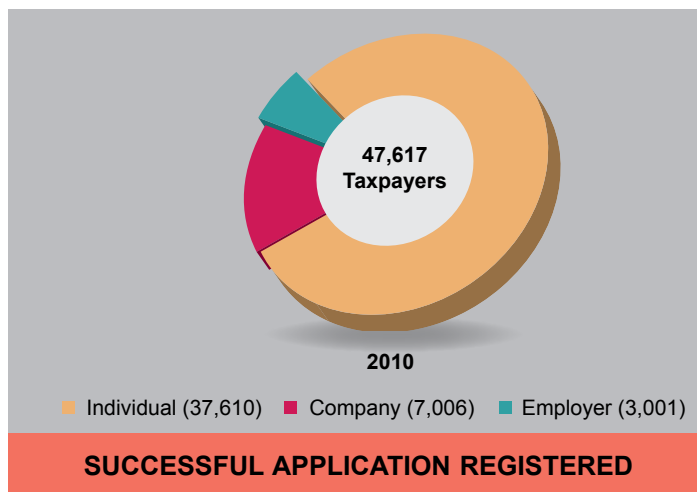
The *SMS e-Hubung* application is a group SMS facility for all government departments and agencies managed by MAMPU. Initially, IRBM only provided information on demand, which allows taxpayers to obtain the address, telephone number, and fax number of all Branches and Revenue Service Centres by sending an SMS to **15888**.

The service has since been expanded to the review of MTD amounts remitted to IRBM. Each SMS is charged RM0.35.

e-PCB

e-PCB is a monthly tax deduction system that assists employers in storing employees' information and submitting MTD payment data online to IRBM. The application was developed specifically for employers who do not have computerised payroll systems and allows them to calculate MTDs and review MTD information or additional directives for salary deductions (CP38). It was officially uploaded to IRBM website on 15 January 2010 and is available to employers who have registered with IRBM.

e-PCB users are given the option to make payments online (through the electronic banking services provided by FPX members) or at IRBM payment counters. In 2010, a total of 2,052 employers used this application.



e-Data PCB

The *e-Data PCB* is a database system developed to assist employers who have computerised payroll systems with format revision as well as to upload CP39 text files and subsequently submit MTD/CP38 data online. The application helps employers ensure that their employees' MTD data match the required specifications. Users must register with IRBM before using the application. MTD/CP38 payments may be made online (through the electronic banking services provided by FPX members) or at IRBM payment counters.

A total of 1,722 employers have used *e-Data PCB* since it was introduced on 15 January 2010. To increase the usage of *e-Data PCB* and *e-PCB* amongst employers, hands-on training programmes are provided free of charge at all IRBM branches.

e-Kemaskini

e-Kemaskini was developed to update information, such as telephone number, mailing address, residential address, business premise address (if applicable) and e-mail address. Users are required to use the e-Filing digital certificate password to gain access. In 2010, the application had a total of 7,075 users.

Kalkulator PCB

Kalkulator PCB is a support application that assists employees and employers in calculating their MTD. It calculates MTD more accurately if the employee or employer is claiming tax deductibles or rebates under the Income Tax Act 1967. The application is easier to use and quicker in calculating MTD compared to manual calculation and the MTD amount will be exactly the same or close to the actual tax amount.

e-Lejar

e-Lejar application was introduced to the public on 1 November 2010. It helps taxpayers review their personal particulars, ledger transactions and current tax balances. *e-Lejar* can only be accessed by individual taxpayers who have e-Filing identification numbers. In 2010, the application had a total of 43,507 users.

e-SPC

e-SPC enables employers to make online requests for employees' tax clearance certificates. It was first implemented on 1 August 2010. Employers use a digital certificate to access and sign the notification of employment cessation (Form CP22A/CP22B) and notification of employees' departure from the country (Form CP21). A total of 120 employers used *e-SPC* in 2010.

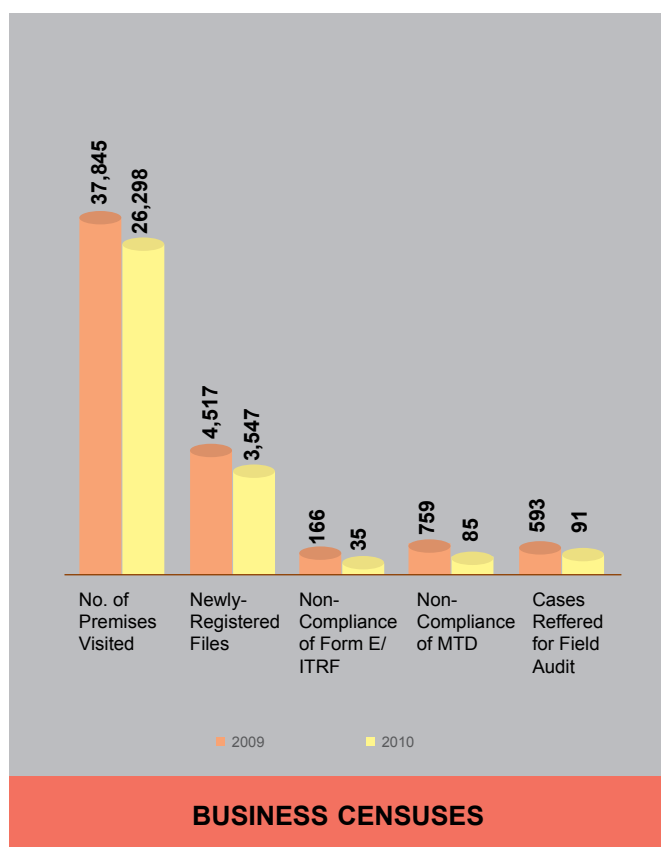


Expansion of Tax Base

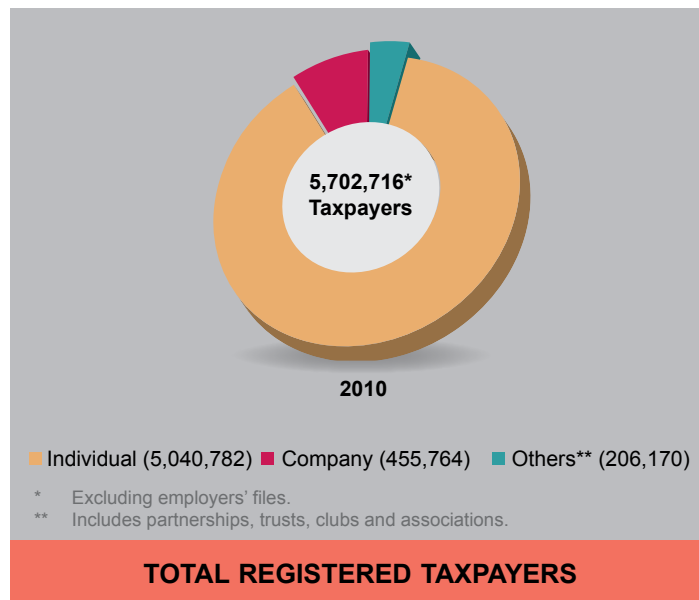
Business Censuses

Business Censuses are conducted at branch level to increase the rate of compliance and to expand the tax base. The activity, conducted at taxpayers' business premises, also supports and prepares taxpayers' basic information to be used in compliance/enforcement actions. Advisory services are also provided to taxpayers on record-keeping, applicable taxation laws and regulations as well as knowing the right tax deductions. The visits were focused on the following locations:

- New business areas;
- Old business areas that have never been visited; and
- High potential business areas.

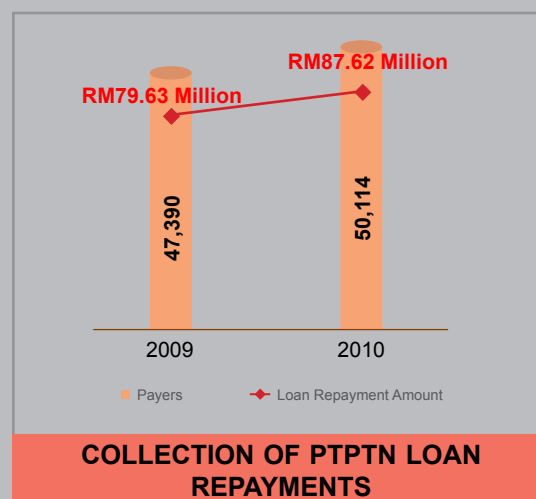


BUSINESS CENSUSES



PTPTN Collections Agent

IRBM has been appointed as the collections agent for the National Higher Education Fund Corporation (*Perbadanan Tabung Pendidikan Tinggi Nasional* or PTPTN) study loans under section 25 of the National Higher Education Fund Corporation Act, 1997 (Act 566). Overall, the continuous increase in total collections was due to the increase in the number of borrowers making voluntary loan repayments to IRBM.



Taxpayers' Rights

Tax legislation grants taxpayers the right to protest and appeal against an assessment within 30 days of the date of issue of the assessment notice.

Taxpayers who are still not satisfied with IRBM's decision may appeal to the Special Commissioner of Income Tax (SCIT) by completing Form Q, after which the Director General of Inland Revenue will forward the case to the SCIT for decision. Both parties may appeal to the High Court if they do not agree with the SCIT's decision and subsequently, to the Court of Appeal.



OFFICIAL OBJECTIONS						
Objection	Income Tax				RPGT	
	Company		Individual*			
	2010	2009	2010	2009	2010	2009
In Process (b/f)**	26	12	2	0	4	3
Filed in the Year	79	64	24	24	2	11
Total	105	76	26	24	6	14
Resolved	85	50	22	22	6	10
In Process (c/f)***	20	26	4	2	0	4

* Includes trust bodies, organisations and partnerships.

** b/f: brought forward from previous year.

*** c/f: carried forward to following year.

APPEAL TO THE SCIT, THE HIGH COURT AND THE COURT OF APPEALS						
Appeal	SCIT		High Court		Court of Appeals	
	2010	2009	2010	2009	2010	2009
In Process (b/f)*	128	89	42	47	13	11
Filed in the Year	104	74	18	16	34	13
Total	232	163	60	63	47	24
Resolved	54	35	36	21	7	11
In Process (c/f)**	178	128	24	42	40	13

* b/f: brought forward from previous year.

** c/f: carried forward to following year.

Corporate Social Responsibility

In 2010, IRBM took the proactive step of establishing a unit responsible for planning and implementing corporate social responsibility (CSR) activities as outlined in the 2009-2013 IRBM Strategic Plan. The CSR programme is not only aimed at enhancing IRBM's image and reputation, but also at promoting the well being and interests of society and the organisation.

To this end, IRBM's Chief Executive Officer agreed to hold a charity drive to raise funds through donations by IRBM's staff to be contributed to welfare homes and other beneficiaries. In addition to the implementation at the Headquarters, this year's CSR programmes were extended to the state and branch levels across the country for the benefit of local residents.

Among the successful events in 2010 was the Ramadan fundraising among IRBM officers and staff in Selangor and the Klang Valley. A total of RM19,272.50 was collected and distributed to several beneficiaries, including Rumah Titian Kaseh in Titiwangsa, Kuala Lumpur; Maahad Tahfiz Baitul Ummah in Setapak, Kuala Lumpur; as well as the orphaned and destitute pupils of Sekolah Kebangsaan Pasir Panjang in Sekinchan, Selangor.

In addition, following the flood that devastated Kedah and Perlis in the country's northern region, a total of RM32,429.15 was raised through donations by IRBM's staff nationwide. 69 IRBM staff members and 98 local residents affected by the flood received donations in cash and daily necessities. Madrasah Tarbiah Al-Islamiyah in Dehrang, Alor Setar also received RM3,000 to cover part of their losses caused by the flood.



**INTERNATIONAL
NETWORKING**

INTERNATIONAL

Double Taxation Agreement

In line with Malaysia's more prominent role in the international trade arena, IRBM, with the cooperation of the Malaysian Treasury, has taken the proactive approach of establishing and enforcing Double Taxation Agreements (DTAs) with other countries, especially those with common economic interests as Malaysia's. The DTA is an agreement made between the Malaysian Government and the governments of contracting countries to avoid double taxation on the same income. It also prevents tax and fiscal evasion on income taxes. To ensure continuity and encourage the influx of foreign investments to Malaysia, the DTA is expected to provide foreign investors with assurance of the tax treatment of income from Malaysia.

The DTA also determines the taxing rights between the contracting countries and provides tax credits or tax reliefs to eliminate double taxation on residents in both countries. This will indirectly improve tax compliance among taxpayers involved in cross-border transactions as well as prevent tax evasion and avoidance through the exchange of information on taxation between the contracting countries.

In 2010, six DTA negotiations were held with Canada, Uruguay, India, Portugal, Hong Kong and South Korea. As at 31 December 2010, the number of Malaysia's DTAs had increased from 65 to 69, after the addition of four new DTAs enforced with Brunei, Turkmenistan, Kazakhstan and San Marino. DTA negotiations will continue to take place from time to time, and currently, nine countries are in DTA negotiations with Malaysia.



International Relations And Networking



IRBM maintains active networking relationships with various international tax organisations, such as OECD, SGATAR, JICA, ATAIC, CATA, etc. Its active involvement in such organisations has indirectly enhanced the image of IRBM in particular, and of Malaysia in general, as well as expanded its international networking with tax administrators worldwide.

In 2010, Malaysia was given the honour to host two international taxation conferences, which were the Asian Tax Authorities Symposium (ATAS) from 14 to 17 June 2010, and the 1st Meeting of the UN Tax Committee Sub-Committee on Practical Aspects of Transfer Pricing from 16 to 17 June 2010. ATAS is a conference attended by top taxation executives from 17 Asia-Pacific countries and co-organised by IRBM, the International Bureau of Fiscal Documentation (IBFD), the Financing for Development Office (FfDO) of the United Nations and the Royal Norwegian Ministry of Foreign Affairs (MFA). The objective of the ATAS is to increase awareness among tax administrators and policymakers in the Asia-Pacific region on international taxation issues, in line with the global increase in economic activities.

As for the 1st Meeting of the UN Tax Committee Sub-Committee on Practical Aspects of Transfer Pricing, the inaugural conference aimed to develop a transfer pricing manual based on the United Nations Model Convention. The conference discussed several topics in order to achieve a consensus between the United Nations Committee of Experts on International Taxation and the delegates present in preparing the manual and addressing current issues on

transfer pricing. The topics discussed were:

- Introduction to Transfer Pricing;
- Establishing Transfer Pricing Capability in a Tax Administration;
- The Legal, Economic and Business Framework; and
- Transfer Pricing Methods.

The selection and success of Malaysia as the host of international conferences represents a world-class recognition of IRBM, specifically for the 1st Meeting of the UN Tax Committee Sub-Committee on Practical Aspects of Transfer Pricing, because Malaysia was selected as the first host on behalf of the United Nations.

Notes

OECD	- Organisation for Economic Co-Operation and Development
SGATAR	- Study Group on Asian Tax Administration and Research
JICA	- Japan International Cooperation Agency
ATAIC	- Association of Tax Authorities of Islamic Countries
CATA	- Commonwealth Association of Tax Administrators

HUMAN CAPITAL DEVELOPMENT

HUMAN CAPITAL
DEVELOPMENT

Human Resource Development

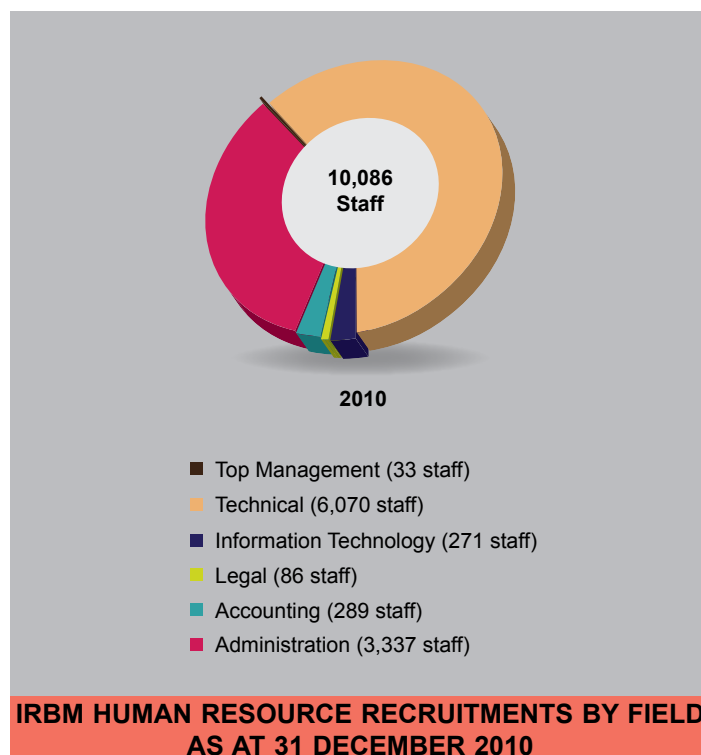
Quality human capital is an important element to any organisation as it is the main catalyst in generating, mobilising and coordinating resources to achieve the organisation's objectives. As a measure to improve IRBM's capability as a tax administrator, IRBM's management has reviewed the existing service scheme in line with current developments and has provided more career advancement opportunities to its officers.

On 1 April 2010, the Inland Revenue Board of Malaysia's Service Scheme (2010 Amendment) [IRBMSS 2010] was implemented as a revision to the previous Inland Revenue Board of Malaysia's Service Scheme (IRBMSS 1996). The revision involves the restructuring of grades, fields and salary brackets, the re-development of conditions for appointment, the implementation of the multi-skill concept of entry qualification and the re-structuring of promotions.

To strengthen IRBM's administrative driving force, recruitment programmes continued to be implemented to expand its human

resource according to current requirements. During 2010, 278 candidates were appointed to permanent positions to fill vacancies for various grade categories. In the current year, the recruitment of new candidates was done using the JobsMalaysia and *e-Kerjaya* portals to fulfil the objective of utilising information technology in administrative management.

The aspect of human resource development was given emphasis, focusing on the need for lifelong learning to ensure that IRBM officers were competitive at all times. In this age of k-Economy, a team of professionals is necessary and required in the processes of innovating and policymaking. Only quality human capital can guarantee that national development is abreast with global economic demands. IRBM provides full time and part-time educational opportunities to eligible officers at the Diploma, Bachelor's, Master's and Doctoral levels at institutions of higher learning locally or abroad.



Internal Training Programmes

The Malaysian Tax Academy (MTA) is IRBM's training and excellence centre. MTA is responsible for planning and implementing quality training programmes for officers in order to produce knowledgeable, high-performing, multi-skilled, sound, creative and innovative human resource. The scope of training covers investigation, management, audit and public relations.

In addition to internal training for IRBM officers, MTA also offers international courses to participants from developing countries as a platform for training, discussion and information sharing. MTA also organises tax learning courses open to the public to increase awareness of tax laws compliance in order to carry out the responsibility of jointly contributing to national development and prosperity. On 6 and 7 July 2010, the International Training and Tax Education Centre of MTA, with the cooperation of local taxation bodies, organised the 2010 National Tax Conference to provide a forum for tax practitioners, accountants, auditors, corporate members and academicians to meet and obtain the latest developments in the local and international taxation arenas. High calibre panel members from within the country and overseas were invited to give their inputs on current issues relating to taxation.



MTA also provides a Multimedia Learning System (MMLS) platform as a new channel for tax e-Learning. The facilities available on the MMLS include notes download, training materials download, quizzes and references to course contents. In 2010, 47 courses were registered using the MMLS, with participants totalling 2,117. As part of its improvement efforts, MTA is planning to develop a Learning Content as another dimension to the MMLS and eventually adapt the culture of online learning to the target groups. MTA is committed to continuously advance to a higher level of excellence in its training programmes in order to fulfil client expectations in line with the requirements of the MS ISO 9001:2008 Quality Management System.

Other than MTA, training is also carried out by the Human Resource Development Division (HRDD) of IRBM's Human Resource Department. The HRDD plans, coordinates and manages the participation of IRBM officers in internal training programmes as well as external training organised by the National Institute of Public Administration (*Institut Tadbir Awam Negara* or INTAN), the Malaysian Treasury, etc. The training courses offered cover the aspects of organisational relations, management, skill development and leadership. During 2010, a total of 44 in-house courses and 55 external courses were carried out, with 1,955 and 222 participants respectively.

MTA Training Programme	Total Courses Conducted	Total Number of Participants Trained
Accounts and Audit Training Centre	98	2,451
Legal Training Centre	18	720
ICT Training and Development Centre	23	913
Management Training Centre	53	3,875
Investigation Training Centre	25	597
International Training and Tax Education Centre	18	2,365
Total	235	10,921

International Training Programmes

In 2010, Malaysia established networking with foreign tax administrators through the participation of 91 IRBM officers in conferences, meetings, courses, seminars and working visits in Nigeria, Canada, Australia, Mauritius, the Bahamas, Turkey, Morocco, the Philippines, the Peoples' Republic of China, France, Vietnam, the United Kingdom, Japan, South Korea, Singapore, Switzerland and Thailand. IRBM recognises the importance of providing its officers with international exposure to keep them informed of current taxation issues. The continuous exposure is expected to enhance their expertise in performing their respective jobs.

IRBM-JICA JOINT COURSES

Topic	Date
Audit on Special Industries – Insurance, Telecommunication & Shipping	12 - 15 January
Mutual Agreement Procedure (Advance Level)	9 - 11 February
e-Commerce	23 - 26 March
Role of Criminology and Ethics in Tax Fraud Investigations	6 - 9 April
Third Country Training Programme (CLMV Countries)	20 September - 1 October
Third Country Training Programme (African Countries)	1 - 12 November

IRBM-CATA JOINT COURSES

Topic	Date
Workshop on Taxation of International Transactions	3 - 21 May

Using internal and external expertise, international taxation courses were organised by IRBM with the cooperation of international organisations, such as the Commonwealth Association of Tax Administrators (CATA), the Organisation for Economic Cooperation and Development (OECD), the International Bureau of Fiscal Documentation (IBFD), the Internal Revenue Service U.S.A (IRS), the Australian Taxation Office (ATO), the Asian Development Bank Institute (ADBI) and Japan International Cooperation Agency (JICA).

The level of excellence demonstrated by IRBM has attracted foreign tax administrators to visit Malaysia and acquire its expertise. In 2010, IRBM welcomed several study visits from overseas. Among others, the visitors came from Vietnam, India, Tanzania, Bangladesh, Fiji, Indonesia, Seychelles and the Philippines. The objective of these overseas group visits was to learn about IRBM's experience and approaches.

IRBM-OECD JOINT COURSES

Topic	Date
Practical Workshop on the Negotiation of Tax Treaties	8 - 12 March
Workshop on Transfer Pricing	15 - 17 June
Seminar on Transfer Pricing	21 - 25 June
Seminar on Advance Pricing Agreements	2 - 6 August
Taxation on Financial Markets	25 - 29 October
Workshop on International Tax Avoidance	22 - 26 November
Auditing of Multinational Enterprises	29 November - 3 December

HUMAN CAPITAL DEVELOPMENT

Cooperative Programmes

Through the Malaysian Technical Cooperation Programme (MTCP), the government fully sponsored taxation courses organised by MTA's International Training and Tax Education Centre. The purpose of this cooperation is to provide a platform for MTCP member countries to learn the best practices in Malaysia's tax administration. The courses allow participants to share their experience and views as well as to establish working relationships.



Topic	Date
Tax Enforcement	19 - 30 April
General Tax Administration Course	12 - 30 July
Tax Treaty	11 - 22 October

Administration Day with the Client



The 2010 Administration Day with the Client (ADC) is an annual activity organised by the Human Resource Department (HRD) of IRBM as a platform to evaluate clients' level of satisfaction with HRD's services. The 2010 ADC was conducted in accordance with the requirements of the MS ISO 9001:2008 Quality Management System. It will become the mechanism for corrective action and improvement measures to IRBM's service delivery. A total of 27 counters were opened to provide various services and 623 IRBM officers visited.



HIGH PERFORMANCE WORKING CULTURE

IRBM continues to strengthen its quality and effective service management to achieve the organisation's objectives. Programmes emphasising the aspect of quality continue to be improved from time to time to create a high performance working culture based on core values and ethics that would have a significant impact on clients and society.

The Implementation of IRBM's 2010 KPIs

In 2010, IRBM implemented performance measurements through IRBM's 2010 KPIs based on five strategic objectives. IRBM's 2010 KPIs consist of 10 components, two of which measure achievement in tax collections and refunds, two for compliance, one for enforcement, two for service delivery, two for staff training and competency, and one for operating costs. As at 31 December 2010, IRBM successfully achieved all 10 KPIs.

Objective	Main Process	2010 KPI	2010 Achievement/Performance
To fairly and equitably collect the amount of taxes due	Tax Collections	Gross: RM84.156 billion	Gross: RM86.499 billion
	Accounts Receivables (AR)	45% decrease in AR on 1/1/2010	51% decrease in AR on 1/1/2010
	Collections Cost Efficiency	No more than RM1.30 for every RM100 of tax collected	RM1.04 for every RM100 of tax collected
To elicit public trust in the fairness and excellence of our tax administration system	Audits (field and desk audit)	Company files (C/CS/F/FA/TC/A): 9% of active files	Company files (C/CS/F/FA/TC/A): 10.24% of active files
		Individual files (OG/D): 13% of active files	Individual files (OG/D): 17.91% of active files
		Employment files (SG): 17% of active files	Employment files (SG): 22.01% of active files
		Employers' MTDs: 8% of active files	Employers' MTDs: 8.64% of active files
	Investigations	No. of cases resolved: 665	No. of cases resolved: 763
	Refunds	70% of refund claims resolved	91.74% of refund claims resolved
To widen the tax base	All types of files	5% increase in active files	6.98% increase in active files
To modernise the systems and work procedures in accordance with current needs	IRBM's electronic services: e-Filing	55% of income tax return forms received	56.06% of income tax return forms received
To produce human capital with competence, professionalism, integrity and dedication	Training	85% of the Malaysian Tax Academy's training programmes implemented	95% of the Malaysian Tax Academy's training programmes implemented
	Competency of IRBM officers and staff	At least 30% of IRBM officers received 40 hours of training	58.61% of IRBM officers received 40 hours of training

Client Charter

Monitoring the Effectiveness of the Implementation of the Client Charter

The Client Charter provides assurance to clients that IRBM will deliver its services in accordance with the stipulated norms of time and quality standards. It is IRBM's commitment to continuously improve its service delivery system and to handle all taxation matters fairly and equitably.

IRBM continues to monitor the effectiveness of the implementation of its Client Charter through the Client Charter Achievement Report to evaluate, monitor and improve its services. The report can be

accessed through IRBM's website at www.hasil.gov.my and statistics are prepared monthly. The online report is a feedback and awareness channel on the implementation of IRBM's Client Charter.

Overall, its 2010 achievement fulfilled the determined standards with a score exceeding 70%. This indicates that IRBM succeeded in meeting its commitment and pledge to its clients in delivering services in accordance with the required quality standards.

No.	Client Charter	Fulfilled The Charter	Did Not Fulfill The Charter	Achievement Status
1.	To prepare Current Income Tax Return Forms for: a) Individual taxpayers - by the end of February b) Non-Individual taxpayers - by the end of April	100 100	- -	■ ■
2.	To provide electronic means of submitting Income Tax Return Forms	100	-	■
3.	To refund overpaid income taxes for complete and correctly-filled Income Tax Return Forms within the following time from the date of receipt: a) e-Filing - 30 working days b) By mail or hand - 90 working days	80.31 93.19	19.69 6.81	■ ■
4.	To issue tax clearance certificates within 10 working days of receipt of the completed and relevant documents	92.24	7.76	■
5.	To act on property transfer instruments for stamp duty assessments as follows: a) To submit Form PDS 15 for assessment - 8 working days b) To issue the assessment notice upon receipt of the evaluation report - 8 working days c) To endorse Form KTN 14 A upon receipt of payment - 3 working days	98.86 99.71 97.91	1.14 0.29 2.09	■ ■ ■
6.	To assess instruments other than property transfer instruments for: a) Official assessments - 5 working days b) Unofficial assessments - 1 working day limited to 30 instruments per application	99.90 -	0.10 -	■ -
7.	To resolve appeals/objections other than Form Q within 60 days provided complete information is received	85.44	14.56	■
8.	To process Form Q for submission to the Special Commissioner of Income Tax within 5 months of receipt	93.60	6.40	■

Notes

- a) Study data for charters 1(a), 2 and 3 is from March 2010.
- b) Study data for charters 1(b), 4 and 7 is from April 2010.
- c) Study data for charters 5 and 6 is from June 2010.
- d) Study data for charter 8 is from October 2010.
- e) For charter 6(b), unofficial assessments were waived pursuant to a Directive of the Stamp Act, 1949 with effect from 01.01.2009.

Legend	Achievement
■	More than 70%

Values Audit Management System



The Values Audit Management System (VAMS) helps government departments and agencies measure the level of compliance with core values in order to improve the quality of their service delivery systems to clients. VAMS was also implemented in IRBM to identify the effectiveness of the core values programme and to measure the effectiveness of its application, understanding and practice from the ideological, personal and perceptive aspects. VAMS is implemented based on client feedback, taking into account the six core values of public service, which are trustworthiness, truthfulness, wisdom, fairness, transparency and gratitude.

IRBM's VAMS was implemented in stages, as follows:

- 2008: Cheras branch (pilot project);
- 2009: Headquarters; and
- 2010: 64 State Director's offices/branches and investigation branches).

In 2010, VAMS was implemented online, covering 12 State Directors' offices, 36 branches and 17 investigation branches. It was carried out from 10 November 2010 to 17 December 2010 using long distance auditing. For this purpose, IRBM's Values Audit Team appointed the Administration Unit Head, Computer Coordinator and Branch Public Relations Officer as its representatives. With the completion of these activities in 2010, VAMS has now been implemented at all Departments/Divisions/States/Branches/Investigation Branches. IRBM's VAMS report will be prepared in 2011 to study and develop strategies to improve the level of adoption of the core values at IRBM.

HIGH PERFORMANCE WORKING CULTURE

Awards and Recognitions

As recognition of the initiatives and innovations in the public sector's delivery of services, the government introduced the Prime Minister's Innovation Award (*Anugerah Inovasi Perdana Menteri* [AIPM]) in 2010. The award was created in conjunction with Innovative Malaysia 2010, conceptualised by the Prime Minister to foster a working culture of high performance, innovation and creativity among Malaysians in order to boost the national economy to a more advanced and competitive level.

IRBM was selected as the inaugural recipient of the Prime Minister's Innovation Award, at the same time given the recognition as the most innovative public sector agency for the 2009 year of evaluation. The winner of the AIPM award is selected through a nomination process by the Selection Committee headed by the Chief Secretary to the Government, YBhg Tan Sri Mohd Sidek bin Hassan. IRBM received the AIPM trophy and a cash prize of RM1 million. The presentation ceremony, organised by the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), was held on 26 May 2010 at the Royale Chulan Hotel, Kuala Lumpur. The trophy and mock cheque were presented by the Prime Minister, YAB Dato' Sri Mohd Najib bin Tun Hj. Abdul Razak to IRBM's Chief Executive Officer, YBhg Dato' Hasmah binti Abdullah.



The award represents the recognition of IRBM's significant and impactful innovations in the application of ICT in its taxation operating systems. The submission of Income Tax Return Forms via e-Filing has accelerated the process of tax refunds, much to the delight of taxpayers. The quick refunds help eliminate taxpayers' hesitation in paying their taxes as they are assured that any overpayments will be promptly refunded.

SALAM NEGERI MALAYSIA
INOVASI PERDANA MENTERI
2009



HASIL'S DIARY



21 January 2010
Petaling Jaya

YBhg Dato' Hasmah binti Abdullah, Chief Executive Officer of the IRBM, accepting a mock key to Menara Hasil of the Petaling Jaya branch from Encik Ahmad Khalif bin Tan Sri Mustapha Kamal, the Executive Chairman of Tujuan Gemilang Sdn Bhd.

11 February 2010
Putrajaya

YAB Dato' Sri Mohd Najib bin Tun Hj. Abdul Razak shaking hands with Dato' Hasmah after officiating the My Corporate Identity (MyCoID) Launch.



31 March 2010
Seri Kembangan

The Hasil contingent during the Labour Day assembly at the Malaysia International Exhibition & Convention Centre (MIECC).

14 April 2010
Kuala Lumpur

YBhg Dato' Dr. Mohd Shukor bin Hj. Mahfar, IRBM's Deputy Director General (Tax Operations) in the show, Dialog@1 with opinion leaders.





**9 May 2010
Singapore**

IRBM's athletes posing with the athletes from the Inland Revenue Authority of Singapore (IRAS) during the 2010 Malaysia-Singapore Hasil Games in Singapore.

**26 May 2010
Kuala Lumpur**

Dato' Hasmah and Dato' Dr. Mohd Shukor accepting the 2009 Prime Minister's Innovation Award (AIPM) from the Prime Minister of Malaysia.



**7 July 2010
Kuala Lumpur**

The 2010 National Tax Conference held at the Kuala Lumpur Convention Centre (KLCC) received encouraging response from tax practitioners, accountants, academicians, lawyers and taxpayers.

**18 August 2010
Jalan Duta**

Tan Sri Hasmah with representatives of the Malaysian Communications and Multimedia Commission (MCMC) and the Royal Malaysia Police (RMP) during the IRBM-MCMC-RMP Media Conference.



Note
YBhg Tan Sri Hasmah binti Abdullah being awarded *Darjah Panglima Setia Mahkota* (P.S.M) which carries the title Tan Sri on 5 June 2010.



15 October 2010
Jalan Duta

IRBM officers at the 2011 Budget Hotline Operations Centre attending to calls from the public on taxation issues following the tabling of the 2011 Budget.

16 October 2010
Kuala Lumpur

Tan Sri Hasmah with IRBM's Deputy Director Generals during the 2011 Budget Briefing.



19 October 2010
Kuala Lumpur

YB Senator Dato' Ir. Donald Lim Siang Chai, Deputy Finance Minister, officiating the 2010 National Taxation Seminar at the Legend Hotel, Kuala Lumpur.

1 November 2010
Jalan Duta

Dato' Dr. Mohd Shukor presenting a certificate of appreciation during IRBM's 2010 Innovation Day at Headquarters level.





1 November 2010
Kuala Lumpur

Dato' Dr. Mohd Shukor explaining to YB Dato' Seri Ahmad Husni Mohamad Hanadzlah, Finance Minister II, and other VVIP guests during their visit to IRBM's counters on the 2010 Ministry of Finance's Innovation Day.

26 November 2010
Kangar

Presenting a cheque and daily necessities to the Perlis flood victims as part of IRBM's CSR programme in 2010.



10 December 2010
Jalan Duta

Tan Sri Hasmah presenting certificates of appreciation to media representatives during the Media Appreciation Ceremony, while Dato' Dr. Mohd Shukor looks on.

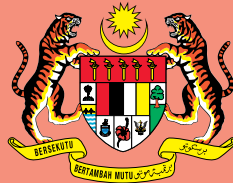
14 December 2010
Genting Highland

IRBM officers explaining and giving guidance to media representatives who participated in the 2010 e-Lejar and Electronic Fund Transfer (EFT) Workshop.





FINANCIAL STATEMENTS



**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENT OF THE
INLAND REVENUE BOARD OF MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 2010**

The Financial Statements of the Inland Revenue Board of Malaysia for the year ended 31 December 2010 have been audited by my representative. These Financial Statements are the responsibility of the management. My responsibility is to audit and to express an opinion on these Financial Statements.

The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved standards on auditing. Those standards require an audit be planned and performed to obtain reasonable assurance that the Financial Statements are free of material misstatement or omission. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessment of the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of the Financial Statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Inland Revenue Board of Malaysia as at 31 December 2010 and of the results of its operations and its cash flow for the year ended based on the approved accounting standards

(TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
28 JUNE 2011



INLAND REVENUE BOARD OF MALAYSIA
(Established According to the INLAND REVENUE BOARD OF MALAYSIA ACT 1995)

STATEMENT BY CHAIRMAN AND ONE OF THE BOARD MEMBERS


We **TAN SRI DR. WAN ABDUL AZIZ BIN WAN ABDULLAH** and **WAN SELAMAH BINTI WAN SULAIMAN** being the Chairman and one of the Board Members of the **INLAND REVENUE BOARD OF MALAYSIA** do hereby state that, in the opinion of Board Members, the Financial Statement, accompanying Balance Sheet, Income Statement, Statement Of Changes In Equity and Cash Flow Statement together with the enclosed notes to the Financial Statement, are drawn up so as to give a true and fair view of the state of affairs of the **INLAND REVENUE BOARD OF MALAYSIA** as at December 31, 2010 and of their results and changes in financial position for the year ended on that date.

On behalf of the Board,



TAN SRI DR. WAN ABDUL AZIZ BIN WAN ABDULLAH
CHAIRMAN
April 25, 2011

Kuala Lumpur



WAN SELAMAH BINTI WAN SULAIMAN
BOARD MEMBER
April 25, 2011

Kuala Lumpur

INLAND REVENUE BOARD OF MALAYSIA
(Established According to the INLAND REVENUE BOARD OF MALAYSIA ACT 1995)

**DECLARATION OF PRINCIPAL OFFICER RESPONSIBLE FOR FINANCIAL
MANAGEMENT OF INLAND REVENUE BOARD OF MALAYSIA**

I, **ZAKARIA BIN A. SAMAD**, the officer primarily responsible for the financial management and accounting records of the **INLAND REVENUE BOARD OF MALAYSIA** do solemnly and sincerely declare that the accompanying Balance Sheet, Income Statement, Statement Of Changes In Equity and Cash Flow Statement together with the enclosed notes to the Financial Statement, to the best of my knowledge and belief, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared
by the above named, Zakaria bin A. Samad
at Kuala Lumpur
April 25, 2011

)
)
)
)



ZAKARIA BIN A. SAMAD

Before me,

COMMISSIONER FOR OATHS



TEOH AI SUAN
PESURUHJAYA SUMPAH
LEMBAGA HASIL DALAM NEGERI
KUALA LUMPUR

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 RM	2009 RM
PROPERTY, PLANT AND EQUIPMENT	3	543,229,510	447,574,991
WORK IN PROGRESS	4	749,780,060	507,144,092
LOANS TO EMPLOYEES	5	955,886	729,263
		1,293,965,456	955,448,346
CURRENT ASSETS			
Loans to Employees	5	488,408	473,691
Deposit and Prepayment	6	7,379,910	3,868,316
Payment Of Advances	7	17,121,744	26,453,731
Other Debtors	8	66,242,073	31,301,487
Accrued Interest On Investment		168,099	458,341
Fixed Deposits and Short Term Investment	9	205,000,000	219,785,000
Cash and Bank Balances		3,512,849	6,062,738
TOTAL CURRENT ASSETS		299,913,083	288,403,304
CURRENT LIABILITIES			
Sundry Creditors	10	48,256,206	117,159,213
Term Loans	11	46,599,764	47,536,223
Provision For Audit Fee		80,000	80,000
Provision For Written Off		22,493	1,196
Deposit	12	6,792,589	5,441,812
TOTAL CURRENT LIABILITIES		101,751,052	170,218,444
NET CURRENT ASSETS		198,162,031	118,184,860
TOTAL NET ASSETS		1,492,127,487	1,073,633,206
FUNDED BY:			
Development Fund	13	790,855,458	520,375,644
Trust Fund	14	3,497,083	3,195,272
Other Fund	15	36,000,000	36,000,000
Asset Valuation Reserve	16	74,256,465	66,609,759
Accumulated Surplus	17	432,457,041	245,791,327
		1,337,066,047	871,972,002
LONG TERM LIABILITIES			
Term Loans	11	155,061,440	201,661,204
		1,492,127,487	1,073,633,206

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 RM	2009 RM
Revenue	18	1,187,091,082	1,264,283,236
Other Operating Income	19	59,476	454,490
Staff Cost	20	(676,608,582)	(546,379,909)
Depreciation/Impairment Loss Of Property, Plant And Equipment		(33,572,583)	(30,672,743)
Other Operating Expenditure		(278,053,876)	(615,643,540)
Surplus/(Deficit) From Operations		198,915,517	72,041,534
Finance Cost		(21,408,110)	(19,130,879)
Income From Investment And Loans		9,158,307	6,039,791
Current Surplus/(Deficit)		186,665,714	58,950,446

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	Development Fund	Trust Fund	Other Fund	Asset Valuation Reserve	Accumulated Surplus/ (Deficit)	Total
	RM	RM	RM	RM	RM	RM
Balance As At 1 January 2009	472,105,290	2,758,992	36,000,000	36,877,826	186,840,881	734,582,989
Current Surplus/(Deficit)	48,270,354	436,280	-	-	58,950,446	107,657,080
Land Valuation	-	-	-	27,810,960	-	27,810,960
Building Valuation	-	-	-	1,920,973	-	1,920,973
Balance As At 31 December 2009	520,375,644	3,195,272	36,000,000	66,609,759	245,791,327	871,972,002
Current Surplus/(Deficit)	270,479,814	301,811	-	-	186,665,714	457,447,339
Land Valuation	-	-	-	7,646,706	-	7,646,706
Building Valuation	-	-	-	-	-	-
Balance As At 31 December 2010	790,855,458	3,497,083	36,000,000	74,256,465	432,457,041	1,337,066,047

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 RM	2009 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Received From Federal Government and Other Income	21	1,104,018,820	1,144,221,343
Payment To Suppliers and Staffs	22	(1,026,151,892)	(1,140,150,885)
NET CASH FROM OPERATING ACTIVITIES		77,866,928	4,070,458
CASH FLOW FROM INVESTING ACTIVITIES			
Purchasing Of Property, Plant and Equipment		(94,081,287)	(58,824,796)
Received from Disposal Of Property, Plant and Equipment		5,268,230	128,270
Income From Investment and Loans		9,448,549	5,889,625
NET CASH USED IN INVESTING ACTIVITIES		(79,364,508)	(52,806,901)
CASH FLOW USED FROM FINANCING ACTIVITIES			
Development Fund		52,265,782	(24,433,310)
Trust Fund		584,040	449,382
Term Loans Received		-	67,785,000
Payment Of Terms Loan		(47,536,223)	(51,769,306)
Loans to Employees		(241,340)	441,484
Finance Cost Paid		(20,909,568)	(19,030,866)
NET CASH USED IN FINANCING ACTIVITIES		(15,837,309)	(26,557,616)
Net Increase / (Decrease) In Cash		(17,334,889)	(75,294,059)
Cash And Cash Equivalents At The Beginning Of The Year		225,847,738	301,141,797
Cash And Cash Equivalents At The End Of The Year		208,512,849	225,847,738

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

1. CORPORATE REVIEW

Inland Revenue Board of Malaysia (IRBM) was incorporated on 1st March 1996 under INLAND REVENUE BOARD OF MALAYSIA ACT 1995, (Act 533).

IRBM acts as an agent to the government and providing services related to the administration, assessment, collection and enforcement on the payment of income tax, tax on income from petroleum, real property gain tax, tax on income from Labuan offshore business activity, stamp duty, estate duty and others tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basic of Accounting

The accounts of IRBM have been prepared in accordance with:

- i. The historical cost; and
- ii. The approved accounting standards by Malaysian Accounting Standards Boards (MASB) which is Private Entity Reporting Standards (PERS).

The preparation of the financial statement in accordance with Private Entity Reporting Standards (PERS) required certain changes of the accounting policies. The impacts on the changes of accounting policies on the existing policies are disclosed in Note 26.

Property, Plant and Equipment and Depreciation

Started from year 2003, property, plant and equipment that financed by the Development Fund and Trust Fund were shown separately. .

Property, plant and equipment, which cost not less than RM1,000 per unit, shall be capitalised. However carpet, curtain and related items acquired irrespective of the cost shall not be capitalised.

Property, plant and equipment are accounted at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Cost of repair and maintenance should be recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment and Depreciation (Continued)

Freehold Land and Work in Progress is not depreciated. Depreciation is calculated based on a straight-line method throughout the estimated useful lives of the assets at the depreciation rates are as follows:

Land – Leasehold	Period of lease
Building	2%
Furniture and Fittings	20%
Motor Vehicles	20%
Computer	33.33%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each Balance Sheet date. At each Balance Sheet date, assets have to be assessed whether there is any indication of impairment. Revaluation on properties is made once every five (5) years, to assess for any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. Provision of impairment is made if the carrying amount exceeds the recoverable amount as stated in Notes to Impairment Of Assets below.

The depreciation rate on purchase of completed building of which the cost of land and building could not be specifically identified at the acquisition stage will follow the depreciation rate of building which is at 2% per year.

Impairment of Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An Impairment Loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An Impairment Loss is charged to the Income Statement. In respect of other assets, any subsequent increase in recoverable amount is recognised in the Income Statement unless it reverses an impairment loss on a revalued asset in which case it is taken to Revaluation Surplus.

Stock/Inventory

Stock/Inventory are stated at cost.

Investment Revenue Recognition

Interest income from saving in Conventional Banking Scheme is recognised on the accrual basis while profit from Al-Mudharabah Scheme is recognised as an income when the profit is actually received.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Profit from Insurance Syarikat Takaful Protection Scheme

Profit from Insurance Syarikat Takaful Protection Scheme is recognised as an income when the profit is actually received.

Rental of Office Space

Income from rental of office space is recognised based on the accrual basis.

Profit on Disposal of Property, Plant and Equipment

Profit on disposal of property, plant and equipment is recognised as an income when the profit is actually received.

Recognition of Received From Federal Government

i. Development Fund

Development fund provided by Federal Government for the purpose of financing the cost of development project is recognised as an income in the Income Statement (Development Fund) in the year it is incurred.

The fund which is used for capital expenditure will be recognised as a deferred income based on depreciation value of the asset for the year.

ii. Conveyance Loan Fund

Conveyance Loan Grant received or provision transferred from Received From Federal Government for the purpose of financing the conveyance loan will be credited to the Conveyance Loan Fund.

iii. Computer Loan Fund

Computer Loan Grant received or provision transferred from Received From Federal Government for the purpose of financing the computer loan will be credited to the Computer Loan Fund.

iv. Trust Fund

Trust Fund Grant received or provision transferred from Received From Federal Government for the purpose of financing the activities held by Malaysian Tax Academy will be credited to the Trust Fund.

Trust fund is recognised as an income in the Income Statement (Trust Fund) in the year it is incurred. The fund which is used for capital expenditure will be recognised as a deferred income based on depreciation value of the asset for the year.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Received From Federal Government (Continued)

v. Investment Fund

Investment Grant received or provision transferred from Received From Federal Government for investment purpose will be credited to the Investment Fund.

vi. Loans To Employees

Loans to employees are stated at cost. Bad debt is written off in the period in which they are identified. An estimate is made for doubtful debts based on review of all outstanding amounts at year-end.

Term Loans

Term loans are stated at cost.

Debtors

Debtors are stated at cost.

Creditors

Creditors are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Foreign Currency Transaction

Income Statement items in foreign currency are stated based on the transaction date exchange rate. The exchange difference is recognised in Income Statement.

Cash And Cash Equivalents

Cash and cash equivalents in the Cash Flow Statement have been prepared based on the Direct Method. Cash and cash equivalents comprised of short term investments, fixed deposits and cash.

Financial Risk Management Policies

The financial risk management policy is to be ascertaining that IRBM has sufficient financial sources for operations by the related risk management purposes. IRBM carried out the operations based on policies that have been approved by the Government and IRBM itself.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Risk Management Policies (Continued)

The major financial risks faced by IRBM and the policies related to principal operating activities are as follows:

i. Interest Rate Risk

IRBM borrows from Retirement Fund Incorporated formerly known as Pensions Trust Fund at a fixed rate to prevent the increase of interest rate and hence reducing the interest rate risk.

ii. Credit Risk

Credit risk is being controlled by a credit approval procedure, limits and observation. Internal examination on the credit will be done if the risk are material.

iii. Liquidation and Cash Flow Risk

Cautious management of liquidity risk involved in maintaining cash and sufficient fund by credit facilities. Because of the dynamic basic operation, IRBM planned to maintain its financial flexibility by maintaining existing credit facilities.

Provision For Employee Benefits/Staff Retirement Benefits

Provision For Employee Benefits/Staff Retirement Benefits are as follows:

i. Short Term Retirement Benefits

Salaries, allowances and bonuses are recognised as expenses in the Income Statement in the year the employees rendered their services to IRBM.

ii. Defined Contribution Plans

IRBM make a contribution to Employees Provident Fund for the staff under the IRBM Salary Scheme and to Government Pension Fund for those in the pension scheme. The contributions are recognised as an expense in the Income Statement in the year the employees rendered their services to IRBM.

IRBM also make a contribution to the Social Security Organisation. Such contributions are recognised as an expense in the Income Statement in the year the employees rendered their services to IRBM.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT - TOTAL

	Land RM	Building RM	Motor Vehicles RM	Furniture & Fittings RM	Computer RM	Total RM
<u>Cost</u>						
Balance As At 1 January 2010	125,319,428	296,726,064	33,505,344	56,976,481	277,649,096	790,176,413
Additions	-	-	-	589,421	465,765	1,055,186
Disposals	(5,246,162)	-	(460,235)	(1,412,428)	(6,380,148)	(13,498,973)
Adjustment	-	121,247,768	(105,409)	2,063,744	(212,370)	122,993,733
Revaluation/Impairment Loss	7,646,706	-	-	-	-	7,646,706
Balance As At 31 December 2010	127,719,972	417,973,832	32,939,700	58,217,218	271,522,343	908,373,065
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2010	2,461,846	38,863,137	22,176,850	46,757,639	232,341,950	342,601,422
Current Year Charge	424,275	7,127,876	4,776,910	5,171,292	16,072,230	33,572,583
Disposals	(336,043)	-	(460,229)	(1,409,830)	(6,376,386)	(8,582,488)
Adjustment	-	-	(81,823)	(2,142,476)	(223,663)	(2,447,962)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	2,550,078	45,991,013	26,411,708	48,376,625	241,814,131	365,143,555
<u>Net Book Value</u>						
Balance As At 31 December 2010	125,169,894	371,982,819	6,527,992	9,840,593	29,708,212	543,229,510
<u>Cost</u>						
Balance As At 1 January 2009	92,781,955	294,805,091	34,051,759	58,502,148	245,331,074	725,472,027
Additions	-	-	179,022	765,645	416,780	1,361,447
Disposals	-	-	(725,167)	(1,101,878)	(12,258,462)	(14,085,507)
Adjustment	4,726,513	-	(270)	(1,189,434)	44,159,704	47,696,513
Revaluation/Impairment Loss	27,810,960	1,920,973	-	-	-	29,731,933
Balance As At 31 December 2009	125,319,428	296,726,064	33,505,344	56,976,481	277,649,096	790,176,413
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2009	1,449,393	32,957,430	18,000,580	45,286,797	232,515,966	330,210,166
Current Year Charge	1,012,453	5,905,707	5,242,155	5,165,794	13,346,634	30,672,743
Disposals	-	-	(725,148)	(1,081,332)	(12,245,852)	(14,052,332)
Adjustment	-	-	(340,737)	(2,613,620)	(1,274,798)	(4,229,155)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2009	2,461,846	38,863,137	22,176,850	46,757,639	232,341,950	342,601,422
<u>Net Book Value</u>						
Balance As At 31 December 2009	122,857,582	257,862,927	11,328,494	10,218,842	45,307,146	447,574,991

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1. PROPERTY, PLANT AND EQUIPMENT - OPERATION FUND

	Land RM	Building RM	Motor Vehicles RM	Furniture & Fittings RM	Computer RM	Total RM
Cost						
Balance As At 1 January 2010	88,141,947	240,235,781	33,505,344	43,629,934	80,510,230	486,023,236
Additions	-	-	-	402,632	435,905	838,537
Disposals	-	-	(460,235)	(1,234,268)	(2,742,363)	(4,436,866)
Adjustment	-	99,293,023	(105,409)	1,177,229	(201,882)	100,162,961
Revaluation/Impairment Loss	7,646,706	-	-	-	-	7,646,706
Balance As At 31 December 2010	95,788,653	339,528,804	32,939,700	43,975,527	78,001,890	590,234,574
Accumulated Depreciation						
Balance As At 1 January 2010	1,316,432	33,501,873	22,176,850	36,934,175	76,689,598	170,618,928
Current Year Charge	253,338	5,632,158	4,776,910	3,286,805	1,792,641	15,741,852
Disposals	-	-	(460,229)	(1,231,676)	(2,741,590)	(4,433,495)
Adjustment	-	-	(81,823)	(2,105,764)	(200,679)	(2,388,266)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	1,569,770	39,134,031	26,411,708	36,883,540	75,539,970	179,539,019
Net Book Value						
Balance As At 31 December 2010	94,218,883	300,394,773	6,527,992	7,091,987	2,461,920	410,695,555
Cost						
Balance As At 1 January 2009	61,505,243	238,314,808	34,051,759	46,705,434	79,944,830	460,522,074
Additions	-	-	179,022	720,735	416,780	1,316,537
Disposals	-	-	(725,167)	(1,091,720)	(2,370,076)	(4,186,963)
Adjustment	187,383	-	(270)	(2,704,515)	2,518,696	1,294
Revaluation/Impairment Loss	26,449,321	1,920,973	-	-	-	28,370,294
Balance As At 31 December 2009	88,141,947	240,235,781	33,505,344	43,629,934	80,510,230	486,023,236
Accumulated Depreciation						
Balance As At 1 January 2009	429,564	28,725,972	18,000,580	36,880,071	76,324,273	160,360,460
Current Year Charge	886,868	4,775,901	5,242,155	3,700,513	2,776,566	17,382,003
Disposals	-	-	(725,148)	(1,074,989)	(2,360,154)	(4,160,291)
Adjustment	-	-	(340,737)	(2,571,420)	(51,087)	(2,963,244)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2009	1,316,432	33,501,873	22,176,850	36,934,175	76,689,598	170,618,928
Net Book Value						
Balance As At 31 December 2009	86,825,515	206,733,908	11,328,494	6,695,759	3,820,632	315,404,308

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.2. PROPERTY, PLANT AND EQUIPMENT - DEVELOPMENT FUND

	Land RM	Building RM	Motor Vehicles RM	Furniture & Fittings RM	Computer RM	Total RM
<u>Cost</u>						
Balance As At 1 January 2010	37,177,481	56,490,283	-	13,148,374	197,098,085	303,914,223
Additions	-	-	-	-	-	-
Disposals	(5,246,162)	-	-	(85,060)	(3,634,787)	(8,966,009)
Adjustment	-	21,954,745	-	886,515	(10,488)	22,830,772
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	31,931,319	78,445,028	-	13,949,829	193,452,810	317,778,986
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2010	1,145,414	5,361,264	-	9,678,551	155,611,587	171,796,816
Current Year Charge	170,937	1,495,718	-	1,852,576	14,277,253	17,796,484
Disposals	(336,043)	-	-	(85,057)	(3,631,800)	(4,052,900)
Adjustment	-	-	-	(36,712)	(22,984)	(59,696)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	980,308	6,856,982	-	11,409,358	166,234,056	185,480,704
<u>Net Book Value</u>						
Balance As At 31 December 2010	30,951,011	71,588,046	-	2,540,471	27,218,754	132,298,282
<u>Cost</u>						
Balance As At 1 January 2009	31,276,712	56,490,283	-	11,641,063	165,345,463	264,753,521
Additions	-	-	-	-	-	-
Disposals	-	-	-	(7,770)	(9,888,386)	(9,896,156)
Adjustment	4,539,130	-	-	1,515,081	41,641,008	47,695,219
Revaluation/Impairment Loss	1,361,639	-	-	-	-	1,361,639
Balance As At 31 December 2009	37,177,481	56,490,283	-	13,148,374	197,098,085	303,914,223
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2009	1,019,829	4,231,458	-	8,273,241	156,150,928	169,675,456
Current Year Charge	125,585	1,129,806	-	1,452,733	10,570,068	13,278,192
Disposals	-	-	-	(5,309)	(9,885,698)	(9,891,007)
Adjustment	-	-	-	(42,114)	(1,223,711)	(1,265,825)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2009	1,145,414	5,361,264	-	9,678,551	155,611,587	171,796,816
<u>Net Book Value</u>						
Balance As At 31 December 2009	36,032,067	51,129,019	-	3,469,823	41,486,498	132,117,407

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.3. PROPERTY, PLANT AND EQUIPMENT - TRUST FUND

	Land RM	Building RM	Motor Vehicles RM	Furniture & Fittings RM	Computer RM	Total RM
<u>Cost</u>						
Balance As At 1 January 2010	-	-	-	198,173	40,781	238,954
Additions	-	-	-	186,789	29,860	216,649
Disposals	-	-	-	(93,100)	(2,998)	(96,098)
Adjustment	-	-	-	-	-	-
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	-	-	-	291,862	67,643	359,505
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2010	-	-	-	144,913	40,765	185,678
Current Year Charge	-	-	-	31,911	2,336	34,247
Disposals	-	-	-	(93,097)	(2,996)	(96,093)
Adjustment	-	-	-	-	-	-
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2010	-	-	-	83,727	40,105	123,832
<u>Net Book Value</u>						
Balance As At 31 December 2010	-	-	-	208,135	27,538	235,673
<u>Cost</u>						
Balance As At 1 January 2009	-	-	-	155,651	40,781	196,432
Additions	-	-	-	44,910	-	44,910
Disposals	-	-	-	(2,388)	-	(2,388)
Adjustment	-	-	-	-	-	-
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2009	-	-	-	198,173	40,781	238,954
<u>Accumulated Depreciation</u>						
Balance As At 1 January 2009	-	-	-	133,485	40,765	174,250
Current Year Charge	-	-	-	12,548	-	12,548
Disposals	-	-	-	(1,034)	-	(1,034)
Adjustment	-	-	-	(86)	-	(86)
Revaluation/Impairment Loss	-	-	-	-	-	-
Balance As At 31 December 2009	-	-	-	144,913	40,765	185,678
<u>Net Book Value</u>						
Balance As At 31 December 2009	-	-	-	53,260	16	53,276

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

4. WORK IN PROGRESS

	Operation Fund RM	Development Fund RM	Total RM
Balance As At 1 January 2010	151,371,456	355,772,636	507,144,092
Additions	84,866,152	288,116,043	372,982,195
Transfer To Property, Plant and Equipment	(102,617,375)	(22,877,975)	(125,495,350)
Transfer To Development Fund	-	(1,326,432)	(1,326,432)
Adjustment	(2,104,125)	(1,420,320)	(3,524,445)
Balance As At 31 December 2010	131,516,108	618,263,952	749,780,060
Balance As At 1 January 2009	113,282,107	306,891,641	420,173,748
Additions	40,609,320	133,283,344	173,892,664
Transfer To Property, Plant and Equipment	(2,545,747)	(44,431,245)	(46,976,992)
Transfer To Development Fund	-	(75,113,310)	(75,113,310)
Adjustment	25,776	35,142,206	35,167,982
Balance As At 31 December 2009	151,371,456	355,772,636	507,144,092

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

5. LOANS TO EMPLOYEES

	Conveyance Loan RM	Computer Loan RM	Education Loan RM	Total RM
Balance As At 1 January 2009	961,022	725,430	53,686	1,740,138
Loans To Employees	190,700	311,100	56,765	558,565
	1,151,722	1,036,530	110,451	2,298,703
Less:				
Repayment Of Loans By Staff	629,142	375,957	-	1,005,099
Provision For Doubtful Debts	82,672	7,978	-	90,650
	711,814	383,935	-	1,095,749
Balance As At 31 December 2009	439,908	652,595	110,451	1,202,954
Loans To Employees	145,900	384,000	285,498	815,398
	585,808	1,036,595	395,949	2,018,352
Less:				
Repayment Of Loans By Staff	190,178	383,880	-	574,058
Provision For Doubtful Debts	-	-	-	-
	190,178	383,880	-	574,058
Balance As At 31 December 2010	395,630	652,715	395,949	1,444,294

Loans To Employees Shown In The:

	2010 RM	2009 RM
Non Current Asset	955,886	729,263
Current Asset (Total Repayment For Conveyance Loan, Computer Loan And Education Loan Within 12 Months)	488,408	473,691
	1,444,294	1,202,954

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

6. DEPOSIT AND PREPAYMENT

	2010 RM	2009 RM
Water Deposit	50,360	5,360
Electricity Deposit	808,350	269,000
Prepayment of Health Insurance Premium	5,921,227	3,557,818
Sundry Prepayment	599,973	36,138
	7,379,910	3,868,316

7. PAYMENT OF ADVANCES

	Emolument RM	Advances Staff RM	Miscellaneous RM	Total RM
Balance As At 1 January 2009	4,386	1,500	17,916,555	17,922,441
Advances	22,344	382,503	41,619,953	42,024,800
	26,730	384,003	59,536,508	59,947,241
Less:				
Repayment of Advance	22,632	370,363	1,673,815	2,066,810
Other Adjustment	-	-	31,426,700	31,426,700
	22,632	370,363	33,100,515	33,493,510
Balance As At 31 December 2009	4,098	13,640	26,435,993	26,453,731
Advances	96,551	219,037	60,136,184	60,451,772
	100,649	232,677	86,572,177	86,905,503
Less:				
Repayment of Advance	87,176	230,194	29,405,389	29,722,759
Other Adjustment	-	-	40,061,000	40,061,000
	87,176	230,194	69,466,389	69,783,759
Balance As At 31 December 2010	13,473	2,483	17,105,788	17,121,744

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

8. OTHER DEBTORS

	2010 RM	2009 RM
Emolument Debtors	6,879	21,428
Trade Debtors	235,194	12,000
Other Receivables *	66,000,000	31,268,059
	66,242,073	31,301,487

*Other Receivables is the additional amount from Federal Government due in 2010, which was received in the current year.

9. FIXED DEPOSITS AND SHORT TERM INVESTMENT

	2010 RM	2009 RM
Licensed Banks	205,000,000	219,785,000

10. SUNDRY CREDITORS

	2010 RM	2009 RM
Supply And Services	27,323,248	116,145,659
Accrued Interest On Terms Loan	1,013,554	1,013,554
Outstanding Bonus	19,919,404	-
	48,256,206	117,159,213

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

11. TERM LOANS

	2010 RM	2009 RM
Repayment Of Term Loans		
- Within 1 year	67,972,764	68,909,223
- 1 to 5 years	205,599,806	226,644,806
- After 5 years	24,514,717	71,442,481
	298,087,287	366,996,510
Less: Service Cost On Term Loans	96,426,083	117,799,083
Current Value Of The Term Loans	201,661,204	249,197,427

Term Loans Shown As:

	2010 RM	2009 RM
Current Liabilities		
(Total Repayment Of Term Loans Within 12 Months)	46,599,764	47,536,223
Long Term Liabilities	155,061,440	201,661,204
	201,661,204	249,197,427

IRBM had received loans from the Retirement Fund Incorporated formerly known as Pensions Trust Fund. The details of loan of IRBM with Retirement Fund Incorporated are as follows:

Year	Loan Amount RM	Administration Fee % / Year	Repayment Period Year	Building/Land
2008	103,800,000	6 (Fixed Rate)	8	Menara C, PJ Trade Centre, Mutiara Damansara.
2008	140,000,000	6.5 (Fixed Rate)	8	Pusat Latihan Malaysia Timur, Kuching.
2007	45,000,000	6.5 (Fixed Rate)	5	Wisma Ting Pek Khiing, Kuching, Sarawak.
2006	48,000,000	6.5 (Fixed Rate)	8	Menara Jati, Johor Bahru, Johor.
2001	89,900,000	7 (Reducing Balance)	8	Antap Plaza, Ipoh, Perak, Wisma Mercu Wawasan Tawau, Sabah, Wisma Hasil, Miri, Sarawak and Bangunan Wisma Perkeso, Kota Bharu, Kelantan and also a piece of land at Lot 2, Jalan 14/2, Seksyen 4, Bandar Baru Bangi, Selangor.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

12. DEPOSITS

	2010 RM	2009 RM
Special Deposits	5,862,843	1,982,647
Retention Money	452,676	2,916,858
Guaranteed Money	19,950	19,081
Other Deposit	457,120	523,226
	6,792,589	5,441,812

13. DEVELOPMENT FUND

Development Fund is the fund which is provided by Federal Government to finance the development project.

	2010 RM	2009 RM
Balance As At 1 January	520,375,644	472,105,290
Received Cash From Federal Government	82,094,303	50,680,000
Received Non Cash From Federal Government	235,730,365	85,986,615
	838,200,312	608,771,905
Less: Amortisation of Development Grant		
- Cash Expenditure	29,828,521	75,113,310
- Depreciation/Impairment Of Property, Plant and Equipment	17,796,484	13,278,192
Other Adjustment	(280,151)	4,759
	47,344,854	88,396,261
Balance As At 31 December	790,855,458	520,375,644

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

14. TRUST FUND

Trust Fund consists of the Malaysian Tax Academy Trust Fund and International Courses Trust Fund. Malaysian Tax Academy Trust Fund has set up to account revenue and expenses related to the welfare of course participants, training activities, research and publications of the Malaysian Tax Academy.

Meanwhile, International Courses Trust Fund has been set up to account revenue and expenses related to international courses which is managed by the Malaysia Tax Academy and with corporation of the Economic Planning Unit, Prime Minister Department under the Malaysian Technical Cooperation Programme.

	2010			2009		
	Malaysian Tax Academy	International Courses	Total	Malaysian Tax Academy	International Courses	Total
	RM	RM	RM	RM	RM	RM
Revenue						
Received From Government	-	765,340	765,340	-	702,384	702,384
Received From Internal Resources	314,585	-	314,585	289,095	6,720	295,815
Profit/(Loss) Disposal Of Property, Plant And Equipment	(5)	-	(5)	(554)	-	(554)
	314,580	765,340	1,079,920	288,541	709,104	997,645
Less: Expenditure						
Cash Expenditure	259,567	484,295	743,862	59,509	489,308	548,817
Depreciation Of Property, Plant And Equipment	34,247	-	34,247	12,548	-	12,548
	293,814	484,295	778,109	72,057	489,308	561,365
Current Surplus/(Deficit)	20,766	281,045	301,811	216,484	219,796	436,280
Accumulated Surplus/(Deficit) From Previous Year	3,195,272	-	3,195,272	1,661,306	1,097,686	2,758,992
Adjustment	247,977	(247,977)	-	1,317,482	(1,317,482)	-
Accumulated Surplus/(Deficit) Carried Forward	3,464,015	33,068	3,497,083	3,195,272	-	3,195,272

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

15. OTHER FUND

	2010 RM	2009 RM
Investment Fund	18,000,000	18,000,000
Conveyance Loan Fund	14,000,000	14,000,000
Computer Fund	3,000,000	3,000,000
Education Loan Fund	1,000,000	1,000,000
	36,000,000	36,000,000

In year 2009, the IRBM Board Meeting had agreed to set up an Education Loan Fund for staffs to finance Out Campus Education Loan Scheme according to the terms and condition. The fund is derived from the Conveyance Loan Fund.

16. ASSET VALUATION RESERVE

	Operation Fund RM	Development Fund RM	Total RM
Balance As At 1 January 2010	54,985,217	11,624,542	66,609,759
Revaluation Of IRBM Property			
Lot 2156 and 2023 Blok 9, Pandaruan Land District Limbang, Miri, Sarawak	1,595,614	-	1,595,614
PT 6, Bandar Amanjaya, Kuala Muda, Kedah	634,116	-	634,116
PT12169, Sepang, Mukim Dengkil, Selangor.	4,480,000	-	4,480,000
PT5901, Mukim Setiawan, Manjung, Perak	936,976	-	936,976
Total Amount Revaluation Of IRBM Property	7,646,706	-	7,646,706
Balance As At 31 December 2010	62,631,923	11,624,542	74,256,465
Balance As At 1 January 2009	26,614,923	10,262,903	36,877,826
Revaluation Of IRBM Property			
PT59764, Seksyen 14, Bandar Baru Bangi, Selangor	6,205,621	-	6,205,621
Lot 2, Jalan 14/2, Seksyen 14, Bandar Baru Bangi, Selangor	20,243,700	-	20,243,700
Akademi Percukaian Malaysia, Persiaran Wawasan, Bandar Baru Bangi, Selangor	1,920,973	-	1,920,973
PT 67398, Seksyen 9, Bandar Baru Bangi, Selangor	-	1,361,639	1,361,639
Total Amount Revaluation Of IRBM Property	28,370,294	1,361,639	29,731,933
Balance As At 31 December 2009	54,985,217	11,624,542	66,609,759

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

17. ACCUMULATED SURPLUS

	2010 RM	2009 RM
Revenue	1,138,968,119	1,175,325,056
Other Operating Income	59,476	459,803
Operating Expenditure	(924,370,226)	(1,086,361,322)
Depreciation/Impairment Loss Of Property, Plant And Equipment	(15,741,852)	(17,382,003)
Surplus/(Deficit) From Operations	198,915,517	72,041,534
Finance Cost	(21,408,110)	(19,130,879)
Income From Investment And Loans	9,158,307	6,039,791
Current Surplus/(Deficit)	186,665,714	58,950,446
Accumulated Surplus/(Deficit) From Previous Year	245,791,327	186,840,881
Accumulated Surplus/(Deficit) Carried Forward	432,457,041	245,791,327

18. REVENUE

IRBM's main revenue is received from Federal Government being a return on services rendered as an agent to government. The revenue also comprises of income from the following sources:

	2010 RM	2009 RM
Received From Federal Government	1,137,162,400	1,174,062,059
Amortization Of Development Grant	47,344,854	88,396,261
Amortization Of Trust Fund	778,109	561,919
Rental	765,894	808,708
Sales Of Other Printing Goods	189,190	65,708
Service and Service Payments	36	112
Profit Of Insurance Protection Scheme From Takaful Company	47,527	20,894
Penalties	11,681	17,968
Previous Year Repayment Received	706,966	-
Other Income	84,425	349,607
	1,187,091,082	1,264,283,236

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

19. OTHER OPERATING INCOME

Other operating income consists of:

	2010 RM	2009 RM
Sale of Store Items	1,852	4,044
Profit/(Loss) On Disposal Of Property, Plant and Equipment	45,077	450,283
Non-Cash Receivables (In Term Of Asset)	12,547	163
	59,476	454,490

20. STAFF COST

Staff costs consists of:

	2010 RM	2009 RM
Salary	457,522,166	414,905,297
Fixed Allowance	48,934,680	46,998,730
Statutory Contribution	96,327,534	77,646,772
Overtime Allowance	4,700,459	5,040,728
Other Financial Benefit	69,123,743	1,788,382
	676,608,582	546,379,909

In year 2010, the salary and fixed allowance of the staff had increased due to salary increment within 6% to 8% according to staff performance and also due to the changes of IRBM Services Scheme (Enactment 2010) where all the staff received an additional increment of 6%. The total of staff costs also increased due to the bonus payment at rate of two months salary.

21. RECEIVED FROM GOVERNMENT AND OTHER INCOME RECEIVED

	2010 RM	2009 RM
Total Revenue (Note 18)	1,187,091,082	1,264,283,236
Other Operating Income (Note 19)	59,476	454,490
Amortization Of Development Grant	(47,344,854)	(88,396,261)
Amortization Of Trust Grant	(778,109)	(561,919)
Non Cash Received	(12,547)	(163)
Gain/(Loss) On Disposal Of Property, Plant and Equipment	(41,093)	(437,809)
Trade Debtors	(223,194)	147,828
Other Receivables	(34,731,941)	(31,268,059)
	1,104,018,820	1,144,221,343

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

22. PAYMENT TO CREDITORS AND STAFFS

	2010 RM	2009 RM
Staff Cost (Note 20)	676,608,582	546,379,909
Other Operating Expenditure	278,053,876	615,643,540
Development and Trust Fund Cash Expenditure	(30,572,383)	(75,662,127)
Sundry Creditors	69,695,850	47,669,763
Deposit	(1,350,776)	2,302,629
Deposit and Prepayment	3,511,594	166,366
Advance Payment	30,729,013	8,531,290
Emolument Debtors	(14,549)	12,896
Provision For Written Off	(21,297)	3,448
Non Cash Expenditure	(488,018)	(4,896,829)
	1,026,151,892	1,140,150,885

23. CAPITAL COMMITMENT

	2010 RM	2009 RM
Approved and contracted	257,494,057	726,738,445

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

24. FINANCIAL INSTRUMENT

Interest Rate Risk

Interest rate risk is where financial instrument will vary due to the changes of market interest rate and the average effective interest rate is based on the financial asset and financial liability as follows:

	Total Brought Value RM'000	Within 1 Year RM'000	1 To 5 Years RM'000	After 5 Years RM'000	Effective Interest Rate %
2010					
Financial Asset					
Loans To Employees	1,444	488	956	-	4
Fixed Deposit and Short Term Investment	205,000	205,000	-	-	2.8 – 3.1
Cash and Bank Balances	3,513	3,513	-	-	-
Financial Liability					
Term Loans	201,661	46,600	155,061	-	6.0 - 7
2009					
Financial Asset					
Loans To Employees	1,203	474	729	-	4
Fixed Deposit and Short Term Investment	219,785	219,785	-	-	2.0 - 2.3
Cash and Bank Balances	6,063	6,063	-	-	-
Financial Liability					
Term Loans	249,197	47,536	153,649	48,012	6.0 - 7

Credit Risk

Maximum credit risk involving with financial asset identified as the brought value as stated in the balance sheet. IRBM does not have any specific deal towards the credit risk with any other parties.

Fair Value

The brought value for all the financial assets and financial liabilities of IRBM on the Balance Sheet date is estimated at its fair value.

25. INCOME TAX

According to section 127(3)(b) of Income Tax Act 1967, IRBM is exempted from tax in the year of assessment 1997 until subsequent years of assessment. This exemption does not include dividend income.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

26. CHANGES IN ACCOUNTING POLICIES

MASB 15 - Property, Plant and Equipment and MASB 23 - Impairment Of Assets did have impact on carrying amount property consists of land and building.

The total amount to be recognised as impairment loss is accounted as an equity over the remaining vesting period. The financial impact arising from the changes in this accounting policy is as follows:

	2010 RM	2009 RM
Increase In Carrying Amount Property Consists of Land and Building	7,646,706	29,731,933
Increase In Asset Revaluation Reserve	(7,646,706)	(29,731,933)
	-	-

27. CHANGES IN ACCOUNTING ESTIMATES

In 2009, IRBM has recalculate the depreciation expenses for leasehold land based on the actual lease term. The reclassification amount was included in the Income Statement 2009 as follows:

	2010 RM	2009 RM
Current Depreciation of Land	-	267,161
Add: Recalculation Depreciation Expenses	-	745,292
Current Depreciation of Land After Recalculation	-	1,012,453

28. COMPARATIVE FIGURES

The comparative figures have been reclassified to suit the current year presentation of Financial Statement.

29. GENERAL INFORMATION

At the end of the financial year IRBM has 10,055 staff (2009: 9,897 staff).

APPENDICES

APPENDICES

STATISTIC

FEDERAL GOVERNMENT'S REVENUE, DIRECT TAXES AND GOVERNMENT'S REVISED ESTIMATES

	2006 RM Million	2007 RM Million	2008 RM Million	2009 RM Million	2010 RM Million
Federal Government's Revenue	123,546	139,885	161,558	162,100	162,131
Gross Collection	65,738	74,703	90,651	88,402	86,499
Net Collection	61,396	69,309	82,091	81,021	79,542
Government's Revised Estimates	62,637	70,117	77,579	78,734	76,156

TAX COLLECTIONS BY CATEGORY

	2006 RM Million	2007 RM Million	2008 RM Million	2009 RM Million	2010 RM Million
Company	30,415.40	37,574.55	46,902.04	40,265.16	43,797.13
Individual	10,409.65	11,592.18	14,346.52	15,574.59	17,802.69
Petroleum	20,673.78	20,453.02	24,191.04	27,231.23	18,713.27
Stamp Duty	2,533.67	3,394.91	3,501.88	3,374.11	4,200.35
Real Property Gains Tax	223.76	277.43	110.37	42.07	302.68
Co-operative	176.24	188.99	204.65	545.55	377.59
Labuan Offshore Business Activity Tax	11.68	12.87	16.58	14.66	15.14
Withholding Tax	1,275.50	1,189.44	1,354.11	1,328.11	1,268.37
Others*	18.62	19.82	23.71	26.63	22.25
Total	65,738.28	74,703.21	90,650.90	88,402.11	86,499.47

* Others includes charges pursuant to Section 124 of the ITA 1967, estate duties, court charges, bank interests, litigation revenues, company registrations (Sarawak), service charges pursuant to Section 138B of the ITA 1967 and advance ruling charges.

TAX AUDITS

	2006	2007	2008	2009	2010
Number of Cases Resolved	6,741	279,175	1,052,939	1,399,660	1,741,113
Taxes and Penalties (RM Million)	692.68	1,410.57	1,697.16	3,054.95	2,870.62

INVESTIGATIONS

	2006	2007	2008	2009	2010
Number of Cases (Civil)	1,388	755	648	834	763
Taxes and Penalties (RM Million)	903.23	686.43	750.83	844.92	1,168.55

STAMP DUTY

CONVEYANCES, ASSIGNMENTS, TRANSFERS

Instrument	Duty Payable
Property Conveyance	For every RM 100 or part thereof of the monetary value of the consideration amount or the market value of the property, whichever is higher: <ul style="list-style-type: none"> • RM1 on the first RM100,000 • RM2 on any amount over RM100,000 but not exceeding RM500,000 • RM3 on any amount over RM500,000
Stocks, shares or marketable securities, computed on the price or value on the date of transfer, whichever is higher	RM3 for every RM1,000 or part thereof RM1,000

LEASE OR IMMOVABLE PROPERTY LEASE AGREEMENT INCLUDING RENTAL SERVICES, FACILITIES AND OTHER MATTERS RELATING TO THE LEASE

Instrument	Duty Payable		
	Lease is for period of		
	Not more than one year	More than one year but less than three years	More than three years or for any indefinite period
<p>Average rental and other consideration amounts computed for one year (without fines/premiums)</p> <ul style="list-style-type: none"> • Not exceeding RM2,400 • For every RM250 or part thereof over RM2,400 	<p>Nil</p> <p>RM1</p>	<p>Nil</p> <p>RM2</p>	<p>Nil</p> <p>RM4</p>
Consideration in a lump sum or in premiums (without rental)	The same rate of duty as that for property conveyances		
Consideration in a lump sum or in premiums or other forms (with rental reserved)	<ul style="list-style-type: none"> • The same rate of duty as that for property conveyances; and • The same rate of duty as that for average rental considerations and others 		

STAMP DUTY

CONTRACTUAL NOTES

Instrument	Duty Payable
Relating to the sale of any share, stocks or marketable securities in companies incorporated in Malaysia or elsewhere	RM1 for each RM1,000 or part thereof for the value of any limited marketable shares, stocks or securities of a maximum RM200 for each contractual note

STAMP DUTY RATES ON INSTRUMENTS

Type of Instrument	Duty Payable
Affidavits, Statutory or Written Declarations on Oath or Pledge	RM10
Agreements or Memorandums of Agreements Unsealed agreements of memorandums of agreement	RM10
Articles of Association of a Company	RM100
Insurance Policies	RM10
Powers or Letters of Attorney	RM10
Promissory Notes	
• Executed in favour of a bank, merchant bank or company	RM10
• Others	RM10
Charges or Mortgages (including those executed according to 'Syariah' law), Bonds, Covenants, Debentures (non-marketable securities) Being the principal or primary security (except under certain circumstances) in respect of:	
a. Loans to small and medium enterprises (SMEs)	
• For an amount not exceeding RM250,000 of the aggregate loan	RM0.50 for every RM1,000 or part thereof
• For every additional RM1,000 not exceeding RM1,000,000	RM2.50 for every RM1,000 or part thereof
• For every additional RM1,000 or part thereof	RM5
b. Foreign currency loans or financing under 'Syariah' laws in currencies other than ringgit	RM5 for every RM1,000 (or part thereof) up to a maximum total duty payable of RM500
c. Other cases	RM5 for every RM1,000 or part thereof

TAX RATES

INDIVIDUAL INCOME TAX RATES (EFFECTIVE FROM YEAR OF ASSESSMENT 2010)

Chargeable Income	RM	Rate (%)	Tax (RM)
On the first On the next	2,500 <u>2,500</u>	0 1	0 <u>25</u>
On the first On the next	5,000 <u>5,000</u>	3	25 <u>150</u>
On the first On the next	10,000 <u>10,000</u>	3	175 <u>300</u>
On the first On the next	20,000 <u>15,000</u>	7	475 <u>1,050</u>
On the first On the next	35,000 <u>15,000</u>	12	1,525 <u>1,800</u>
On the first On the next	50,000 <u>20,000</u>	19	3,325 <u>3,800</u>
On the first On the next	70,000 <u>30,000</u>	24	7,125 <u>7,200</u>
On the first On the next	100,000 On the next RM	26	14,325

- Effective from year of assessment 2010, income tax rate for non-resident individual is 26%.

WITHHOLDING TAX RATE FOR NON-RESIDENTS

Type of Income	Tax Rate
Royalties	10%
Services by public entertainer	15%
Interest	15%
Special classes of income - technical fee, installation fee and rental for moveable properties under section 4A of the ITA, 1967	10%
<ul style="list-style-type: none"> • Contract payment (service portion) to contractors • Contract payment (service portion) for employees' tax 	10% } w.e.f from 21.9.2002 3% } w.e.f from 21.9.2002

TAX RATES

CO-OPERATIVE INCOME TAX RATES (EFFECTIVE FROM YEAR OF ASSESSMENT 2010)

Chargeable Income	RM	Rate (%)	Tax (RM)
On the first On the next	20,000 <u>10,000</u>	0 2	0 <u>200</u>
On the first On the next	30,000 <u>10,000</u>	6	200 <u>600</u>
On the first On the next	40,000 <u>10,000</u>	9	800 <u>900</u>
On the first On the next	50,000 <u>25,000</u>	12	1,700 <u>3,000</u>
On the first On the next	75,000 <u>25,000</u>	16	4,700 <u>4,000</u>
On the first On the next	100,000 <u>50,000</u>	20	8,700 <u>10,000</u>
On the first On the next	150,000 <u>100,000</u>	23	18,700 <u>23,000</u>
On the first On the next	250,000 On the next RM	26	41,700

Effective from assessment year 2010, the income tax rates for companies residing in Malaysia are as follows:

- a) Companies with paid-up ordinary shares not exceeding RM2.5 million at the beginning of the basis period of an assessment year

Chargeable Income	RM	Income Tax Rates
For every ringgit on the first	500,000	20%
For every ringgit exceeding	500,000	25%

- b) Companies with paid-up ordinary shares exceeding RM2.5 million at the beginning of the basis period of an assessment year

Chargeable Income	Income Tax Rates
For every ringgit	25%

- Petroleum income tax rate is 38%.

STATUS OF DOUBLE TAXATION AGREEMENTS (DTAs) AS AT 31 DECEMBER 2010

DTAs In Effect			
1	Albania	35	Mongolia
2	Argentina (Limited Agreement)	36	Morocco
3	Australia	37	Myanmar
4	Austria	38	Namibia
5	Bahrain	39	Netherlands
6	Bangladesh	40	New Zealand
7	Belgium	41	Norway
8	Brunei	42	Pakistan
9	Canada	43	Papua New Guinea
10	Chile	44	Philippines
11	China	45	Poland
12	Croatia	46	Qatar
13	Czech Republic	47	Romania
14	Denmark	48	Russia
15	Egypt	49	Saudi Arabia
16	Fiji Islands	50	Seychelles
17	Finland	51	Singapore
18	France	52	South Africa
19	Germany	53	South Korea
20	Hungary	54	Spain
21	India	55	Sri Lanka
22	Indonesia	56	Sudan
23	Iran	57	Sweden
24	Ireland	58	Switzerland
25	Italy	59	Syria
26	Japan	60	Thailand
27	Jordan	61	Turkey
28	Kazakhstan	62	Turkmenistan
29	Kuwait	63	United Arab Emirates
30	Kyrgyz	64	United Kingdom
31	Lebanon	65	United States of America (Limited Agreement)
32	Luxembourg	66	Uzbekistan
33	Malta	67	Venezuela
34	Mauritius	68	Vietnam

STATUS OF DOUBLE TAXATION AGREEMENTS (DTAs) AS AT 31 DECEMBER 2010

DTAs Gazetted			
1	Australia (EOI Protocol)	8	Kuwait (EOI Protocol)
2	Belgium (Protocol)	9	Netherlands (EOI Protocol)
3	Bosnia and Herzegovina	10	Senegal
4	China (Protocol)	11	Seychelles (EOI Protocol)
5	France (EOI Protocol)	12	Turkey (EOI Protocol)
6	Germany (New Agreement)	13	Zimbabwe
7	Ireland (Protokol EOI)		

DTA Negotiation Completed (Signed)			
1	Bahrain (EOI Protocol)	3	San Marino
2	Laos	4	United Kingdom (EOI Protocol)

DTA Negotiation Completed (Not Signed)			
1	Canada (New Agreement)	5	Slovak Republic
2	Indonesia (EOI Protocol)	6	South Africa (EOI Protocol)
3	New Zealand (EOI Protocol)	7	Yemen
4	Oman		

DTAs Under Negotiation			
1	Brazil	8	Portugal
2	Cyprus	9	Russia (New Agreement)
3	Finland (New Agreement)	10	South Korea (New Agreement)
4	Hong Kong	11	Tunisia
5	India (New Agreement)	12	Uruguay
6	Mexico	13	Ukraine
7	Norway (New Agreement)		



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