

The TaxSnaps logo, which includes a solid yellow square to the left of the text "TaxSnaps" in white, with a yellow underline beneath the "s".

TaxSnaps

TAX CORPORATE GOVERNANCE FRAMEWORK

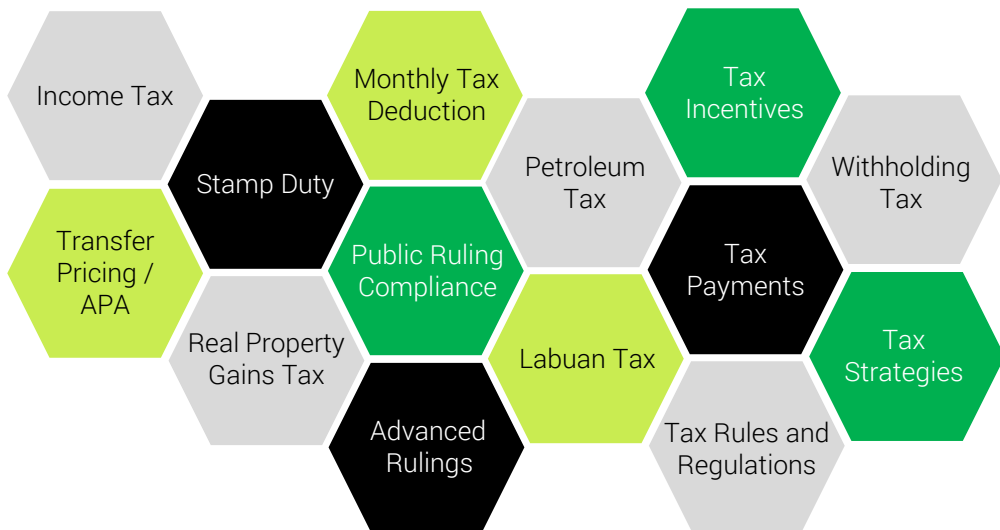
The Inland Revenue Board Malaysia (“IRBM”) had recently introduced their Tax Corporate Governance Framework (TCGF) in the “HASiL-CTIM Tax Forum 2022” webinar. According to the IRBM, TCGF is a subset of a wider Corporate Governance initiative for large taxpayers covering their tax compliance obligations.

Based on the milestones given, the TCGF is expected to be fully implemented in the year 2024, with a “Pilot Project” to commence in June 2022.

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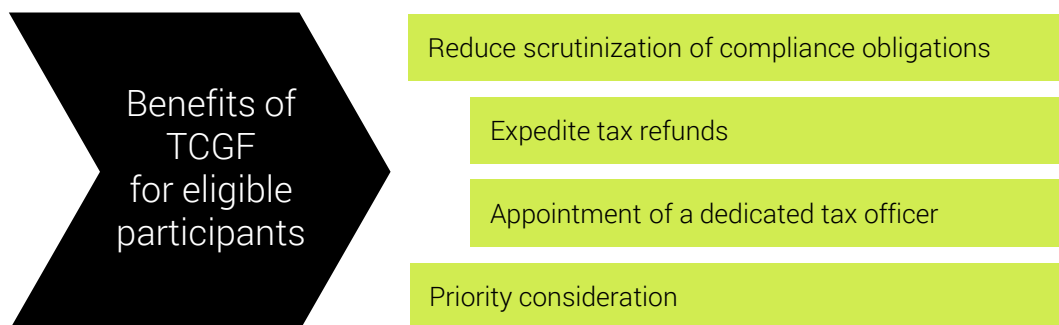
What is TCGF...

TCGF is an arrangement between the IRBM and the taxpayers. It establishes a platform to encourage on going discussions on tax risk management matters between IRBM and participating organisations. Organisations are encouraged to develop TCGF in relation to the following :-



Who should participate...

All interested taxpayers especially **Large Taxpayers** (including Public Listed Companies) are encouraged to participate in the TCGF Programme. The TCGF Programme is a voluntary compliance initiative. It is anticipated to enhance or complement the organisation's existing corporate governance. Below are the benefits of participation in the TCGF Programme:-



Having said that, taxpayers need to be mindful of the issues that arise with such Programmes. As much as there are benefits to being a participant, it also necessitates readiness to meet the challenges of the TCGF. It also sends a signal to taxpayers who are either not ready to meet the requirements of the Programme, or to taxpayers who are finding issues generally with tax compliance obligations. The TCGF will provide insights on what needs to be considered as 'meeting the mark' as a taxpayer with good governance.



“what is encouraged as good practice today becomes the expectation of tomorrow.....”

How can we assist...

In order to participate in the TCGF programme, the participant has to go through an **application process** with a proposed timeframe of 8 to 12 months. Prior to the submission of the application to the IRBM, it requires a review by an independent reviewer. In this connection, do contact our team of tax experts to assist you on your organisation's participation in the TCGF programme.

Following on from our comments earlier, we also will be able to guide taxpayers generally on the principles of tax governance and what improvements can be instituted to avoid or mitigate tax risks that would erode shareholder value and confidence. We encourage SME's and all companies to gear themselves up for the future to avoid the pitfalls of costly tax audits and investigations by being tax ready and tax savvy.

Again, reach out to us for a complimentary and 'no-obligation' discussion.

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