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Wednesday, 30 August 2017 | MYT 5:27 PM

# Customs, IRB to do joint audit on all companies



Irwan flanked by Subromaniam (left) and IRB chief executive officer Datuk Sabin Samitah. - Bernama pic

PUTRAJAYA: The Royal Malaysian Customs Department and the Inland Revenue Board (IRB) will jointly undertake an audit on all companies in the country, in an effort to effectively plug leakages in the system which has resulted in the Government being shortchanged in revenue collection.

Treasury Secretary-General Tan Sri Dr Mohd Irwan Serigar Abdullah said the audit would be conducted by officers from the Customs Department and the IRB, beginning with companies in the Klang Valley, before expanding the operations nationwide.

He said the joint programme would increase the effectiveness of the audit process by allowing the departments to share information, including those on companies which under declared their corporate income and avoided the payment of the goods and services tax (GST).

"Under the audit programme's standard operating procedure (SOP), each officer will be equipped with an authority card which will only allows them to conduct audit work and not collect any payment," Mohd Irwan Serigar told reporters after witnessing the signing of the SOP between the Customs Department and IRB to facilitate the programme in Putrajaya on Wednesday.

He said a joint audit main committee and a joint audit operations committee has been established to ensure the programme's effectiveness.

"Both committees will work together to select cases for audit and determine its scope, procedure and coordination of the teams involved," he said.

Meanwhile, on the arrest of the mastermind behind fraudulent GST claims, worth almost RM25.58mil, Customs Department director-general Datuk T. Subromaniam believed there were many others who were committing the similar crime.

"In this case, it involved many people who registered a company that did not conduct any business activity but submitted claims of input tax credit.

"The companies registered for GST in April 2015, but our system terminated the refunds after suspecting that something was amiss. When the mastermind got wind that the police were going to arrest him he quickly fled overseas for several months," he said.

Subromaniam added that the culprit was arrested when he attempted to conduct banking transactions upon his return.

He, however, could not ascertain the actual amount refunded to companies as a result of such fraudulent claims.

Subromaniam was convinced there were many other companies that were involved in similar fraud activities and that the Customs Department was investigating the companies to determine if they were directly involved or were deceived by the mastermind. - Bernama

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