

Anwar urges IRB to boost efficiency, prevent tax leakage due to corruption

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Prime Minister Anwar Ibrahim wants the Inland Revenue Board (IRB) to increase efficiency and eliminate corrupt practices that result in tax revenue leakage.

When opening the National Tax Conference 2024 in Kuala Lumpur today, he said the IRB must ensure that no corrupt activities occur among its members and to take firm action if such elements are found.

Acknowledging that tax collection is very challenging and faces risks such as threats from certain groups, Anwar said he would continue to support IRB staff in carrying out their duties.

“These wealthy individuals sometimes keep to their old ways, which is why I say corruption has become systemic, meaning it spreads and they (the wealthy) are accustomed to it. A tax of RM2 million after negotiation becomes RM500,000, leading to leakages here and there.

“If the tax is supposed to be RM2 million, then pay RM2 million. But if they

provide reasonable excuses and it is reduced slightly, that is acceptable. That is not my business, but I trust in the expertise and honesty of the IRB to handle it,” he said.

Anwar also expressed hope that the IRB can exceed this year’s tax collection projections.

“I want to see every sen, every ringgit that should be paid is paid without exception. But I also want to see that these taxes do not burden the people or companies beyond the set limits,” he said.

The prime minister said the IRB plays a major role in ensuring the continuity of national development as the country’s tax base is very small and low revenue collection can lead to problems.

Anwar also recalled his experience visiting the IRB when it was still a department during his tenure as finance minister in the 1990s.

He said he was briefed about the department, which among other things, informed him about 10 Malaysian billionaires who were reluctant to pay taxes.

“So I mentioned it to the media, reminding all 10 billionaires to pay their taxes on time, otherwise the Inland Revenue Department would have to take action.

“It was not an easy matter. That statement led to problems and pressure, but I did it because I thought it was the best course of action. After all, if the minister is weak, the department would not dare to act,” he said.

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