

'PURSUE TAX EVADERS REGARDLESS OF RANK'

No firm or individual should feel exempt from paying tax and fulfilling their duties, PM tells IRB

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PRIME Minister Datuk Seri Anwar Ibrahim wants the Inland Revenue Board (IRB) to carry out tax collection duties with greater firmness, regardless of the position of any company or status of individuals.

He said he did not want any company or individual to feel that their position and influence would exempt them from their responsibilities.

"We cannot give the impression that the wealthiest are exempt from action. There must be sincerity and courage from all of you, regardless of your connections and positions.

"Whether he is Ahmad or Ah Seng, Tan Sri or Tun, what matters is whether they pay taxes or not," Anwar said during an officiating speech on 2024 IRB Day.

Present were Finance Minister II Datuk Seri Amir Hamzah Azizan and Deputy Finance Minister Lim Hui Ying.

Reflecting on the history of the IRB's transformation from a department to a statutory body on March X, 1996, Anwar, who was finance minister at the time, revealed that the government then was also receiving reports that stated the difficulties faced in collecting taxes from giant corporations and renowned entities.

"Some pay half, while others, due to their enormity, are like giants or dragons. Who dares to challenge them?" he said.

Anwar said the country still had a low tax base, around 11.2 per cent of gross domestic product (GDP), compared with neighbouring countries like Singapore (12.6) and Thailand (16.4).

"The number of companies paying taxes is low, about 435,000 compared with 1.5 million registered companies in Malaysia, with less than 29 per cent of registered companies paying taxes.



Prime Minister Datuk Seri Anwar Ibrahim launching the 2024 IRB Day in Cyberjaya yesterday. With him are Finance Minister II Datuk Seri Amir Hamzah Azizan and Deputy Finance Minister Lim Hui Ying, Treasury secretary-general Datuk Johan Mahmood Merican (second from right) and IRB chief executive officer Datuk Dr Abu Tariq Jamaluddin. PIC BY HAIRUL ANUAR RAHIM

"Up to Dec 31, 2023, the number of individual taxpayers was 5.7 million, with a collection of RM40.96 billion, and for companies, there were 539,113 taxpayers with a collection of RM98.77 billion," he said.

In another development, Anwar said if the country continued to turn a blind eye to its deficit, it would result in severe repercussions for future generations.

He said that despite efforts by treasury officials to decrease it by five per cent, the country was still grappling with high levels of debt and growing deficits.

"Regardless of the amount of revenue we generate, the culture of extravagance and wastefulness persists. We are faced with leadership that persists in lavish spending and we cannot maintain this system any longer."

Anwar said he wanted efforts to reduce the country's fiscal deficit to continue so that future generations would not be burdened.

He said continuous efforts and initiatives were important for the country to achieve a lower fiscal deficit target, while at the same time, continuing to restore the confidence of domestic and foreign investors to invest in the country. Up to the end of December, government debt was RM1.17 trillion or 64.3 per cent of the GDP.

Debt growth last year was 8.6 per cent — lower versus 10.2 per cent recorded in 2022.

"Investments in the country was at a record high due to the confidence of domestic and foreign investors. Our inflation is also at a low level and the unemployment rate is also getting lower," he said as quoted by Bernama.

Malaysia was previously reported to have recorded RM329.5 billion in approved investments last year, or 23 per cent higher than in 2022, making it the highest in the country's history.

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz had said the country's investment prospects were expected to remain bright this year, with a minimum of eight to 10 per cent growth.

Anwar said although the country was facing challenges of a weak ringgit, he had asked Bank Negara Malaysia to take appropriate measures to curb the local currency from a free-fall via the Monetary Policy Committee.

"But it is inappropriate to link the (low) ringgit when our inflation is also at a low level.

"During the 1998 Asian Financial Crisis, the value of the ringgit plummeted and inflation soared, investments did not come in, unemployment rose and the companies going bankrupt reached hundreds of thousands.

"This is not happening at the moment, so we have to look at the whole picture," he said.