BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The 2nd Conference of Belt and Road Initiative Tax Administration Cooperation Forum

——Digitalization of Tax Administration

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Moving Forward with AI

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IRBM's DIGITAL TRANSFORMATION
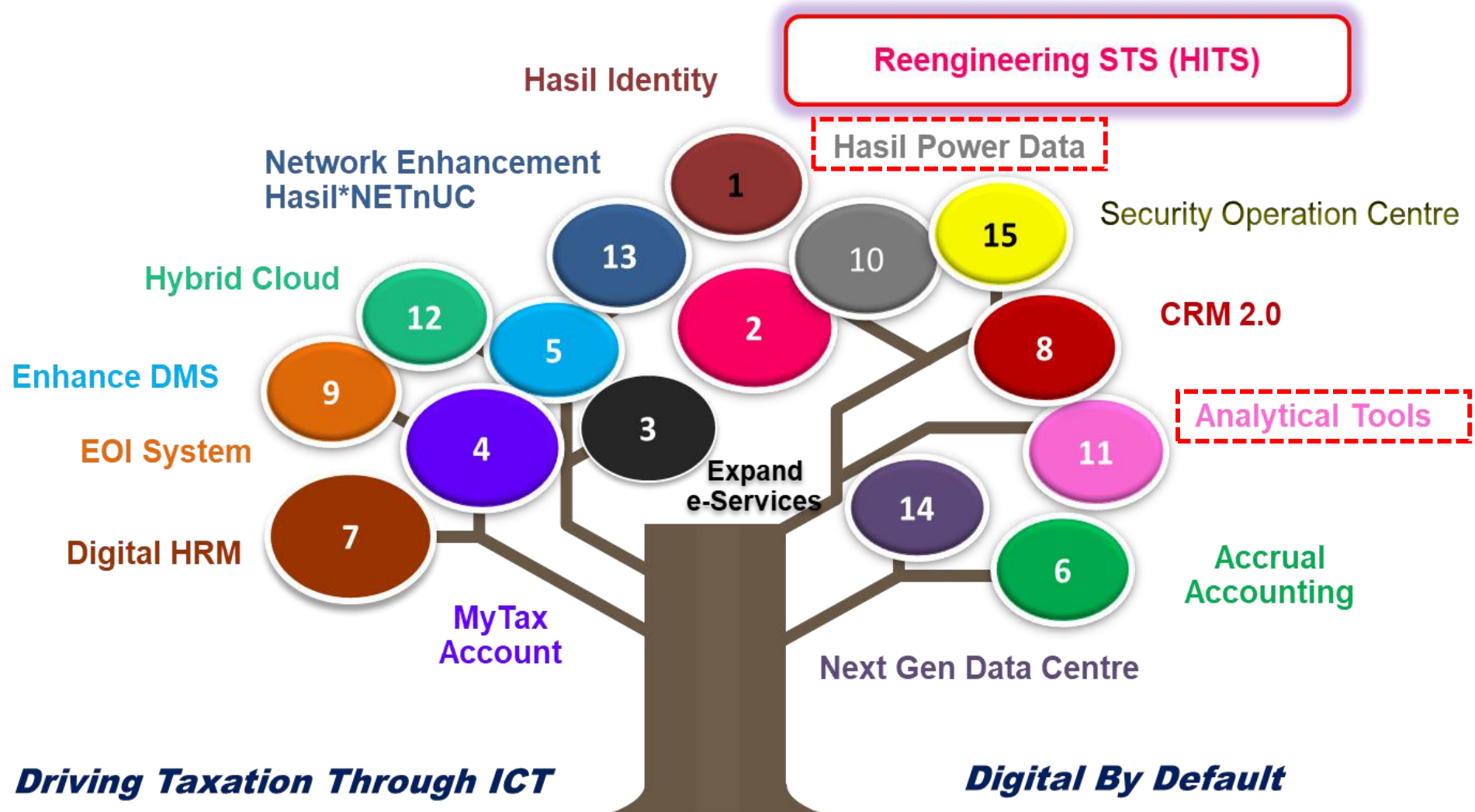
Advantages of the Digital Transformation in IRBM

01 Managing technology complexities in a fast changing environment

02 Providing a better customer experience and effectively reducing administration costs (Digital-by-default)
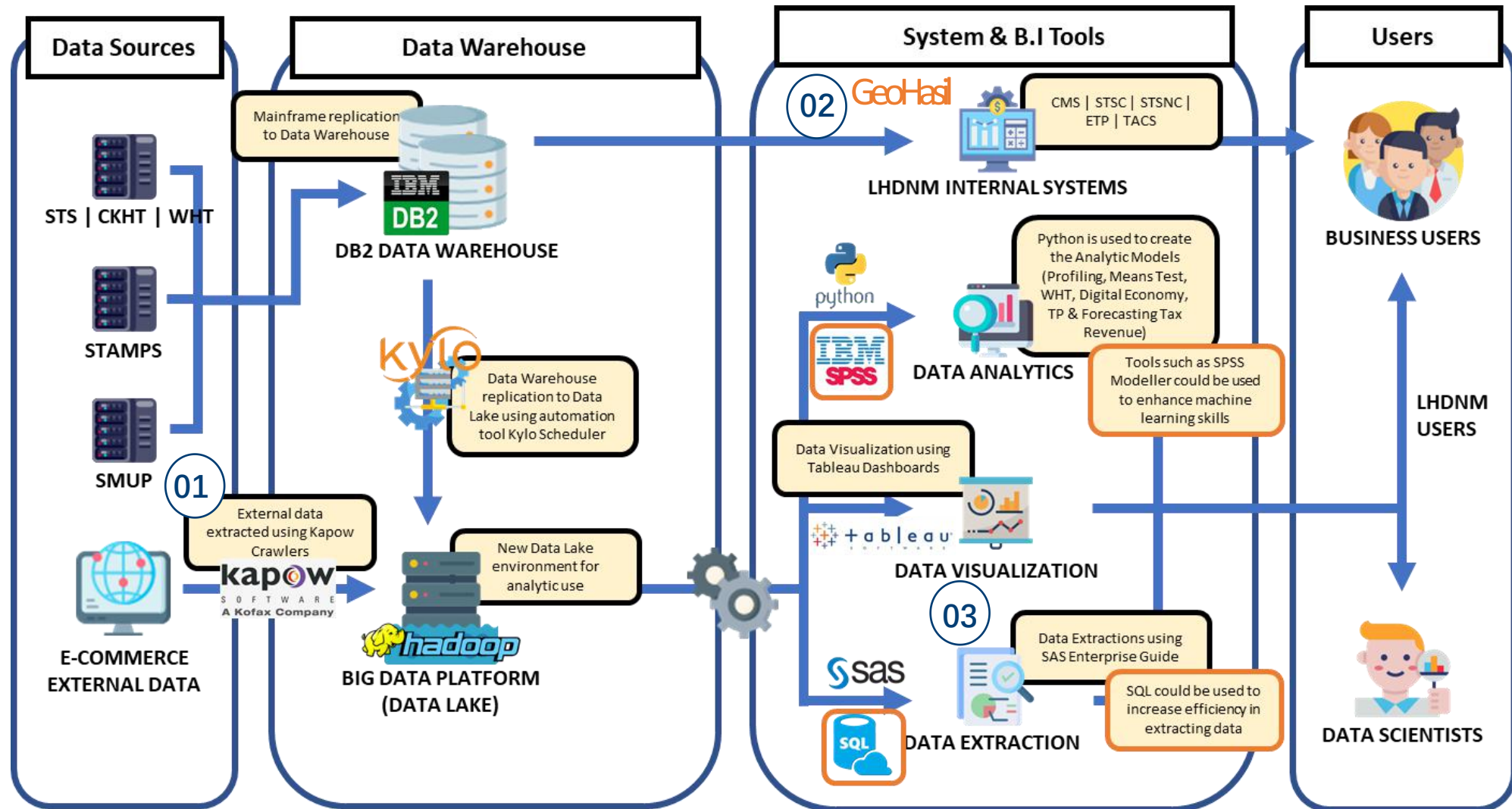
03 Studying the behaviour of Malaysian taxpayers

04 Improving compliance activities by undertaking real-time risking
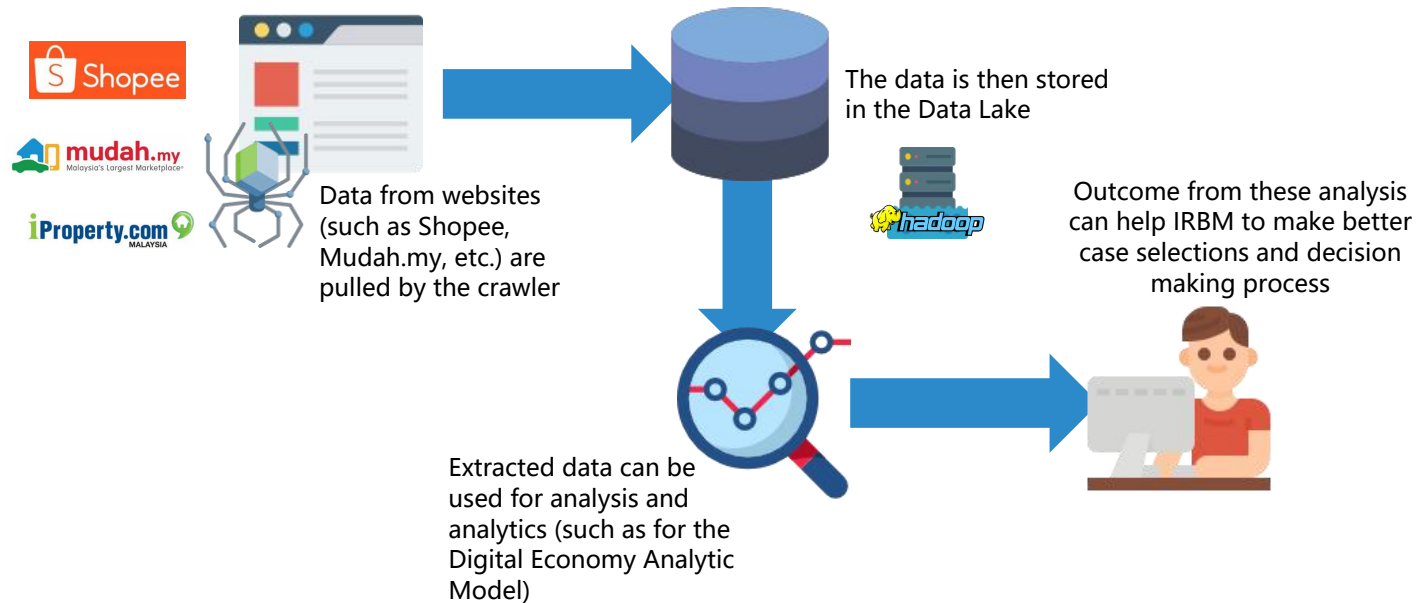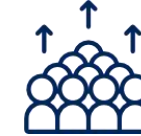
INTERNAL DIGITALISATION PLATFORM

Kapow is an intelligent software robot that automatically interact with and pull data from disparate websites and portals—and then deliver it in near-real time, constantly updating and integrating the data with IRBM systems for analysis and analytics.

Data from websites (such as Shopee, Mudah.my, etc.) are pulled by the crawler

The data is then stored in the Data Lake

Extracted data can be used for analysis and analytics (such as for the Digital Economy Analytic Model)

Outcome from these analysis can help IRBM to make better case selections and decision making process

Business Benefits

Increase tax base by identification of digital economy taxpayers

More informed decision making through data and analysis

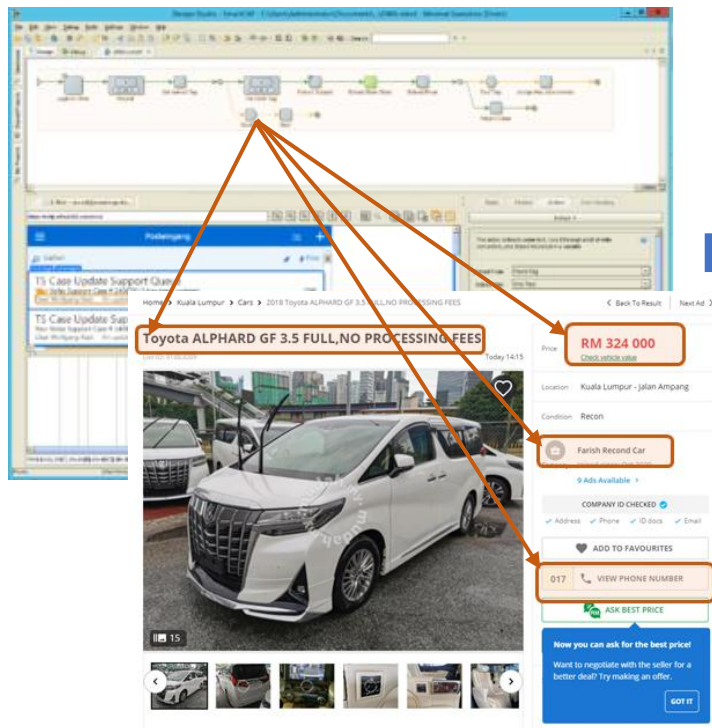Reducing manual effort to identify digital economy taxpayers
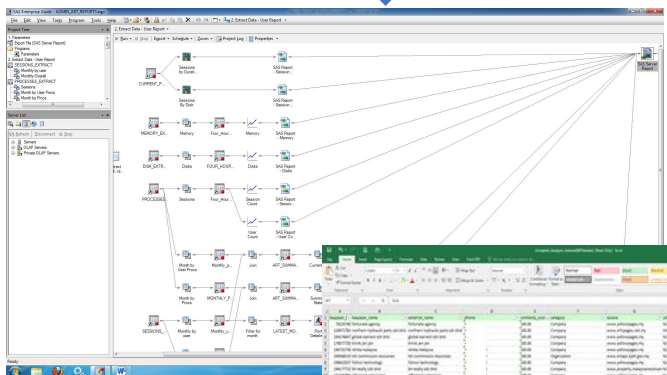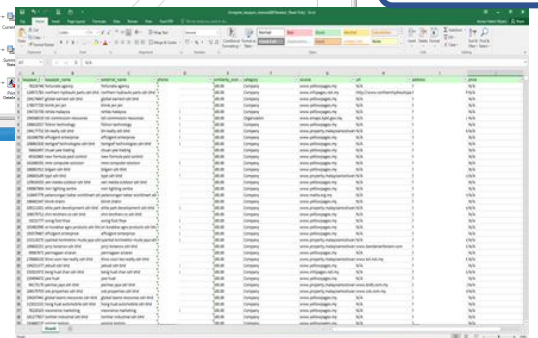
Increase revenue collection

ROBOTIC PROCESS AUTOMATION FOR WEB DATA EXTRACTION

Registration Tax

2 All the data is then stored in the Data Lake for further analysis

4 Widening Tax Base (Register new Taxpayer based on analytics)

Identify Underreporting of Income (Raise additional Tax)

3 Matching process to detect unregistered taxpayers or under reporting of income

1 Determine the fields of data to be crawled (name of product, price, seller details, etc.)

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GEOHASIL: ONE STOP DASHBOARD BASED ON LOCATION DATA

Data Flow for Surveillance and Economic Zone
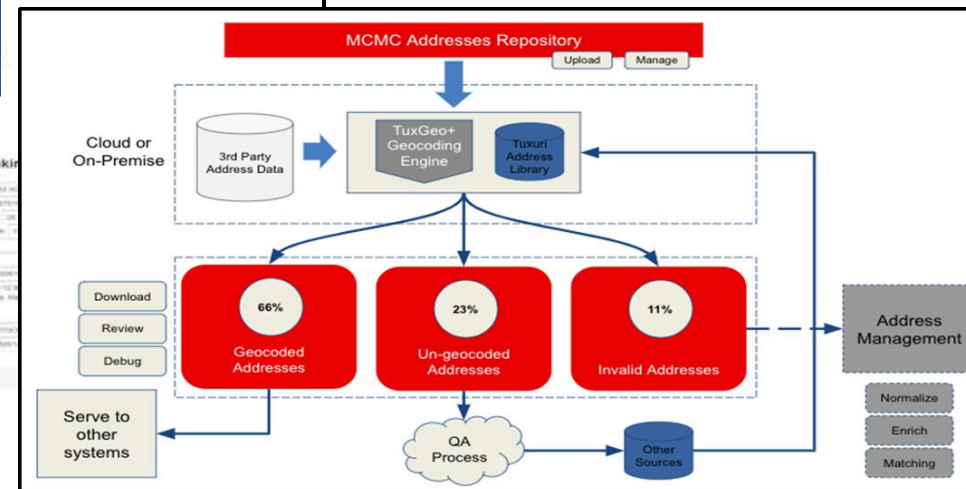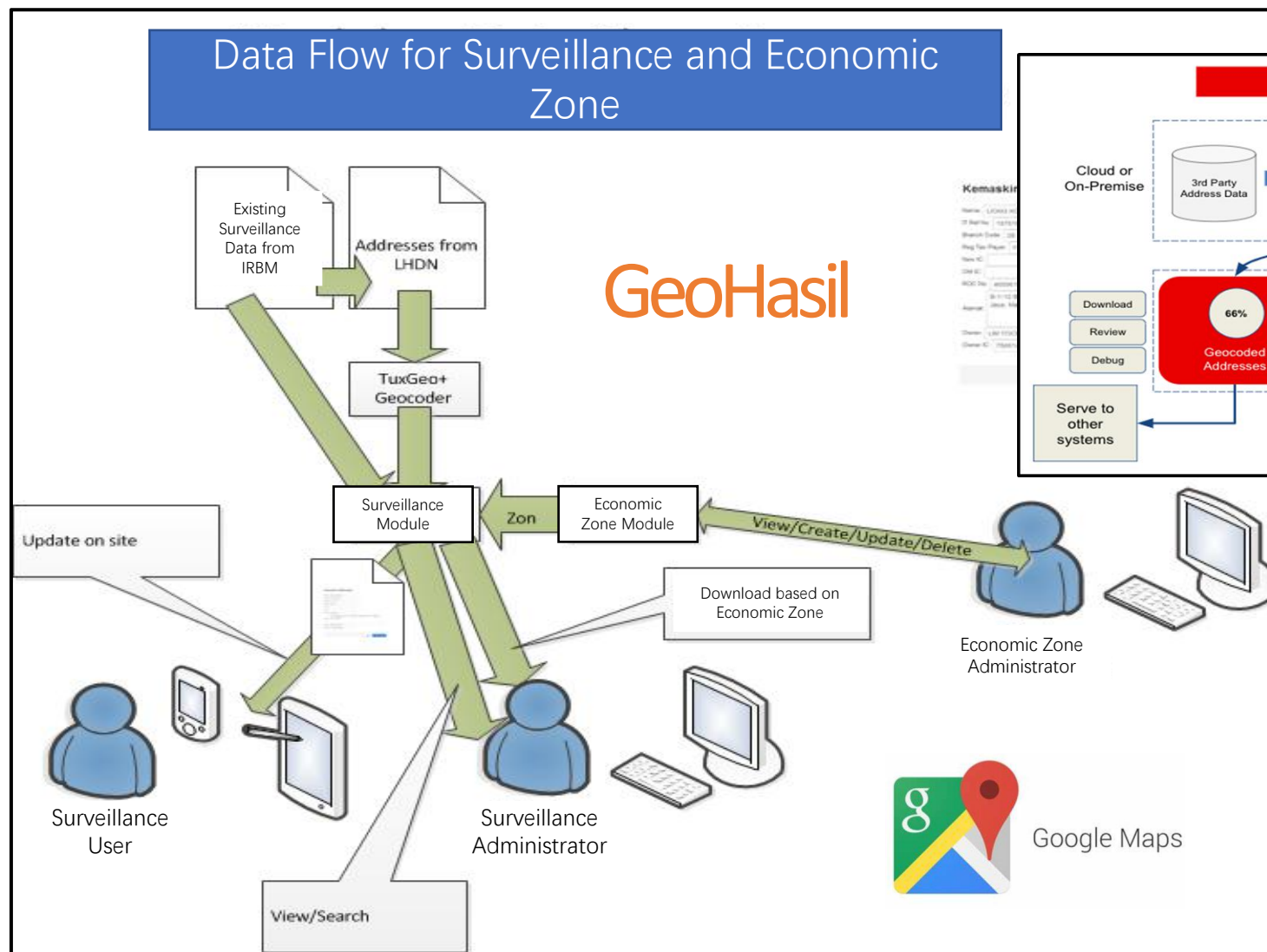
1 **Profiling**

2 **Taxpayer Segmentation**

3 **Tax Compliance**

4 Upload Data to Datawarehouse / Datalake

1 Data Extraction and Geocoding Taxpayer Information

5 Data used for Analytics and Compliance activities

3 Gather Information based on Surveillance Activity

Existing Taxpayer Information:
- **Address**
- **Return Form Information**
- **Tax Balance Information**

2 Taxpayer Profiling and Segmentation for g Surveillance Activity Planning

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DATA ANALTICS AND DATA VISUALISATION

Data Analytics

1 **Growing use of behavioural insights**
(Taxpayer segmentation using Machine Learning / Build Analytics Model based on specific indicators)

2 **Compliance Risk Management**
(DMAS, TACS, Risk Scoring Model using Machine Learning)

3 **Compliance by design**
(Prefilled of tax returns, auto assessment)

Data Visualisation

1 **Real-time Statistic Platform**
(Tax operations statistics in near real-time and real-time basis)

2 **Interactive Monitoring Dashboard**
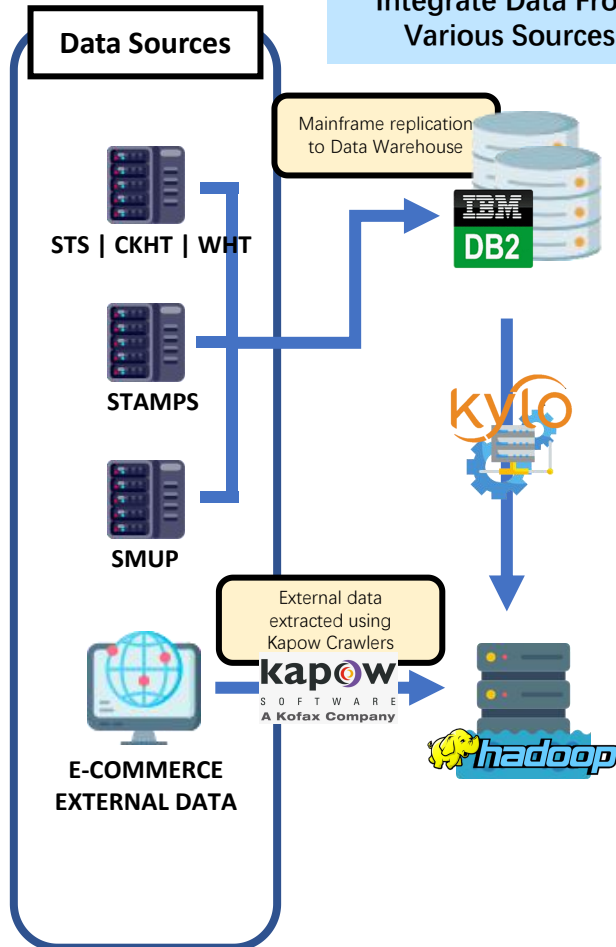(Easy to interpret insightful data)

3 **Provide information for Decision Making Process**

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DATA ANALTICS AND DATA VISUALISATION (MEANS TEST MODEL)

01

Data Sources

STS | CKHT | WHT

STAMPS

SMUP

E-COMMERCE
EXTERNAL DATA

Mainframe replication
to Data Warehouse

External data
extracted using
Kapow Crawlers

**Integrate Data From
Various Sources**

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02 SAS — THE POWER TO KNOW. / SQL

Calculate Risk Factor using Analytical Tools:

i. Computing Taxpayer Means (Analyse taxpayer and spouse assets and income)
ii. Identify Non-Compliant Taxpayer

Analyse Taxpayer and Spouse Information for the Means Test Dashboard:

i. Risk Indicator
ii. Unreported Income Summary
iii. Taxpayer and Spouse Assets Income
iv. Taxpayer and Spouse Vehicle Information
v. Taxpayer and Spouse Property Information
vi. Taxpayer and Spouse Share Information

RISK INDICATOR DASHBOARD

Taxpayer It Ref No		%Year 7	%Year 6	6 Year 5
xxxxx		653%	529%	1,366%

TaxPayer

name	Taxpayer It Ref No	TaxPayer % Year 7	TaxPayer % Year 6	TaxPayer % Year 5
LIM HOCK EAN	xxxxx	616%	696%	1,152%

**High Risk Indicator %:
Assets > Income Reported**

TaxPayer's Spouse

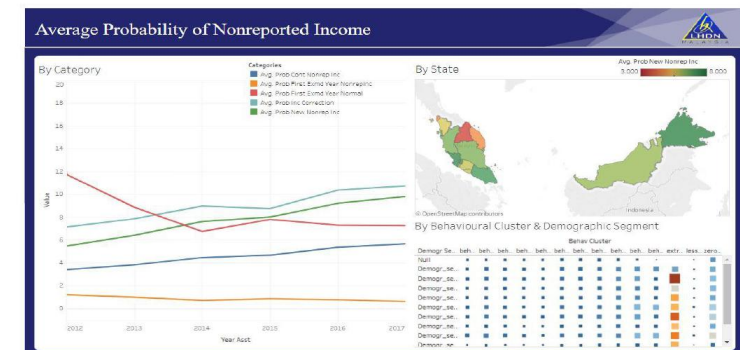| Taxpayer It Ref No		Spouse % Year 7	Spouse % Year 6	Spouse % Year 5
2519750090		706%	319%	1,522%

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03 tableau SOFTWARE

**Visualise Interactive
Findings**

View Estimated Finding Amount Dashboard
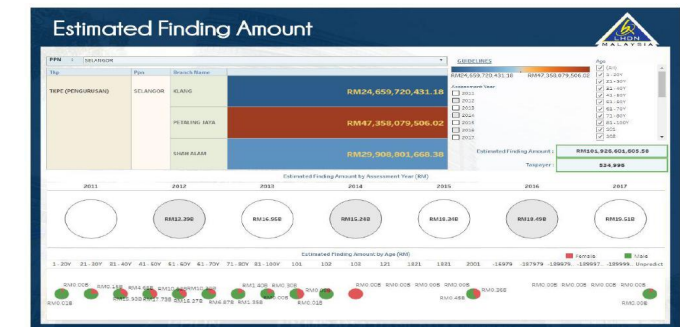
Visualising Average Probability of Non-Reported

THANKS

Click to add subtitle