

When the Taxman Comes - TAX AUDIT IN ACTION & INCOME RECONSTRUCTION

by **TUAN HAJI AB. RAHIM BIN ABDULLAH, KMN, DJN**

[02 December, 2008 at The Legend Hotel, Kuala Lumpur]



Introduction

In 2001, the Government introduced the Self Assessment System. Tax audit is indeed the order of the day under the Self Assessment System and to-date, many (still not all yet) companies and individuals have received calls from Inland Revenue Board (IRB) for conducting tax audits in their business premises. Those who have been visited will testify to the famous statement that 'When the taxman comes, the bank account will sink a hole'. In most cases, the taxman will go away with additional tax plus penalties amounting from a few thousand to a few million Ringgit depending on the size of the business and how severe is the tax 'under declared'. Knowing how to manage the

tax audit will certainly help to minimise the financial implication that the tax audit may bring. One common issue in tax audit is lack of proper record keeping. Unfortunately under the tax laws, the IRB has the power to reconstruct the income of the taxpayers if the taxpayers failed to produce the necessary records and documents to prove the income declared. It is then for the taxpayers to prove that the income reconstructed by IRB is too high or otherwise. IRB has its methods of how to reconstruct the income in such circumstances.

In this one day seminar, the speaker, Tuan Haji Ab. Rahim Bin Abdullah who was with IRB for 31 years and who has

personally handled a number of tax audit cases for his clients after his retirement about 3 years ago, will share with the participants the practical issues and lessons learned in tax audit and also provide insight on how IRB reconstruct the income of taxpayers. Business owners / managers, accountants and tax agents can expect to walk away from this seminar with pointers and tips on how to prepare for the tax audit in order to minimise any potential additional tax liabilities. It may still be not too late to do a house keeping now to ensure all proper records and documents are in place to support the income declared and deductions claimed.

Workshop Outline

Section 1: Tax Audit in Action

- Tax audit framework
- Selection of cases
- Tax audit process (from start to finalisation / negotiation)
- Penalties and compounds
- Issues & lessons learned from actual cases

Section 2: Income Reconstruction

- Circumstances where IRB has power to reconstruct income
- Methods employed by IRB to reconstruct income
 - Direct method
 - Indirect method
- Taxpayers' burden of proof and defence available
- Charges and penalties

Who should attend

- Taxpayers (business owners, managers and directors)
- Company accountants and finance personnel
- Tax agents and consultants
- Lawyers and company secretaries

AGENDA

8.30 am	Registration starts
9.00 am	Section 1: Tax Audit in Action
10.30 am	20 minutes Tea break
12.30 pm	Lunch break
1.30 pm	Section 2: Income Reconstruction
3.00 pm	20 minutes Tea break
5.00 pm	Workshop ends

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Profile of speaker

Tuan Haji Ab. Rahim Bin Abdullah

[B.Econs (Hons), M. Sc (Taxation) USA, ATII (MIT), MIT Counsel member, AICMA, MACS] retired from the Inland Revenue Board service in April 2005 after spending some 31 years in various capacities. He was a Director of several IRB Branches in Peninsular Malaysia as well as Sabah and Sarawak. During his term of service with the IRB, he held several key positions which include Head of Investigation for the northern region located in Penang, Director of National Tax Academy (now Malaysian Tax Academy) and Head of Corporate Affairs Division. His last position was the State Director of Inland Revenue Board, Sarawak.

Tuan Haji Ab. Rahim holds a Master Degree in Taxation from the Golden Gate University, United States of America. He is currently a Managing Director of ARA Tax Consultant Sdn. Bhd., and tax consultants to Ex - Hasil Tax Consultant Sdn. Bhd. and Procurrence Management Sdn. Bhd. His areas of specialization are in Tax Investigation, Tax Audit and Tax Planning. He also conducts tax seminars and workshops in Tax Audit, Tax Investigation and Tax Planning nation wide on a regular basis. Among the seminar providers he usually engage in are Malaysian Institute of Taxation, Malaysian Association of Company Secretaries, Institute of Cooperatives and Management Accountants, Ex - Hasil Tax Consultant Sdn. Bhd. and some other local seminar providers.

Registration & Contact Information

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Minimising Tax Exposure Workshop

When the Taxman Comes – Tax Audit In Action & Income Reconstruction

Date: 02 December 2008

Venue: The Legend Hotel, Kuala Lumpur

Tel: 03-4042 9888

COURSE FEE			PAYMENT & OTHER TERMS
Workshop	Regular Rate	Early Bird**	Payment Details
Public/Non member	RM488.00	RM448.00	Total Amount:
Members of FPLC & MEF	RM438.00	RM398.00	Cheque No:
Smaller practitioners*	RM438.00	RM398.00	<ul style="list-style-type: none"> • Full payment is required to guarantee entry to the seminar room. You can bank in & fax bank in slip to us • Cancellation is not allowed but replacement is welcome with prior notice • Organiser reserves the right to amend or cancel the events • Certificate of attendance will be given to each participant
Group/Bulk Purchase	8% discount for 3 rd seat onward		
Seminar fee inclusive of seminar materials, one lunch and 2 coffee breaks with snacks			
* Smaller practitioners refer to CA firms with less than 10 staffs			
** Early Bird rate apply to registration received 14 days before event date			

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Note : **Certificate of Attendance** will be issued. CPE hour for members of professional bodies is subject to verification and approval of the respective bodies.

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