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15 March 2018

Media Statement by Hon. Dato' Sri Hasan Arifin, Chairman of the Public Accountants Committee (PAC) Regarding the Tabling of the PAC Report on the Management of Stoppage Order under the Ministry of Finance (MoF) and Inland Revenue Board Of Malaysia (IRB)

- 1) The PAC today tabled the PAC Report on the Management of Stoppage Order under the Ministry of Finance (MoF) and Inland Revenue Board Of Malaysia (IRB)
- 2) This issue was the findings by the National Audit Department (NAD) in the presentation of the 2015 Auditor-General's Report (LKAN) Series 2 tabled in Parliament on 21 November 2016.
- 3) The PAC calls for a proceeding to discuss this issue on 27 March 2017 by calling Secretary General of Treasury represented by Datuk Siti Zauyah Md Desa, Deputy Secretary General dan Datuk Sabin Samitah, IRB Chief Executive Officer to clarify issues raised by NAD.

- 4) In the proceeding, the PAC members raised these issues:
- i) Civil Legal Action Yet to be Taken;
 - ii) Temporary Release Has Been Issued Before the Initial Payment is Accepted;
 - iii) Failure to Settle the Installment for Taxpayers Whose Temporary Release are Approved; and
 - iv) The Failure of Employers to Settle the Unpaid Taxes of Their Workers Who Have Left Malaysia.

- 5) Based on the proceeding, the PAC concluded that:

In general, the PAC is satisfied with the management of stoppage order by IRB. However, the PAC thinks that the tax arrears of RM2,000 above which restricts tax payers from travelling abroad is no longer feasible in the current economic situation.

- 6) The PAC recommends the following:

- i) The Government looks into increasing the limit to RM10,000 for individuals and RM50,000 for companies.
- ii) Prior to issuing travel restrictions, IRB should first serve notices on tax arrears to the individuals and companies concerned, informing them on the total outstanding amount owed, as practised by the Public Service Department.
- iii) The IRB's information dissemination system should also be upgraded with new technologies such as SMS, WhatsApp or e-mail, in order to remind or send out notices on these arrears or travel restrictions.

- iv) The IRB and Immigration Department should ensure that their database is constantly up-to-date to avoid cases of taxpayers who have already paid up their arrears from experiencing difficulties in travelling abroad.
- 7) Those who are interested to read and scrutinise the PAC Report regarding the Management of Stoppage Order under the Ministry of Finance (MoF) and Inland Revenue Board Of Malaysia (IRB) may download the report from PAC website at www.parlimen.gov.my/pac

The Hon. Dato' Sri Hasan Arifin
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