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Tax Audits, Investigations To Educate, Not Intimidate Taxpayers - Hasil

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KUALA LUMPUR, Oct 31 (Bernama) -- Tax audits and investigations carried out by the Inland Revenue Board (HASiL) are not meant to intimidate taxpayers but form part of its education, awareness, and voluntary compliance strategy in line with the Malaysia MADANI principles.

HASiL's Tax Audit Policy and Quality Division (Tax Compliance Sector) director Jema'ah Sedek said the new approach emphasised elements of Awareness, Education and Services (AES), with officers conducting field visits not only to review documents but also to provide guidance and advice to taxpayers.

"The audit and investigation process is not a 'punishment' or a 'one-sided action', but a fair and balanced procedure. In other words, HASiL as the tax administrator not only requires taxpayers to fulfil their obligations but also ensures their rights are protected," she said on Bernama TV's Ruang Bicara programme.





She explained that HASiL employed a risk analysis system and various sources of information to identify audit and investigation cases, including third-party reports, public complaints and monitoring of lifestyle patterns compared to declared income.

If audits focused on compliance checks, she said investigations targeted high-risk cases involving tax evasion or avoidance, including offences under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA).

“HASiL now collaborates closely with agencies such as Bank Negara Malaysia, the Malaysian Anti-Corruption Commission (MACC) and the Royal Malaysia Police (PDRM) to strengthen intelligence on suspicious financial activities, including cross-border transactions,” she said.

Jema’ah added that taxpayers had clear rights during the audit and investigation process, including the right to identify officers, appoint licensed tax agents, and access documents taken for review.

At the same time, she reminded taxpayers not to offer gifts or payments to officers to avoid conflicts of interest.

“Do not panic or assume that being selected for an audit means you’ve done something wrong. Audits and investigations are simply part of HASiL’s standard review process to ensure accuracy in tax reporting. If everything is declared properly, there’s nothing to worry about,” she said.

She also advised taxpayers to maintain proper financial records, update contact information, and communicate directly with HASiL for guidance when needed.

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