

Issue

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theLINK

Common Reporting Standard (CRS)

通用报告准则 (Common Reporting Standard - CRS)

The Challenges of Malaysian SME's


马来西亚（大马）中小型企业所面临的挑战

Global Expertise with Local Faces






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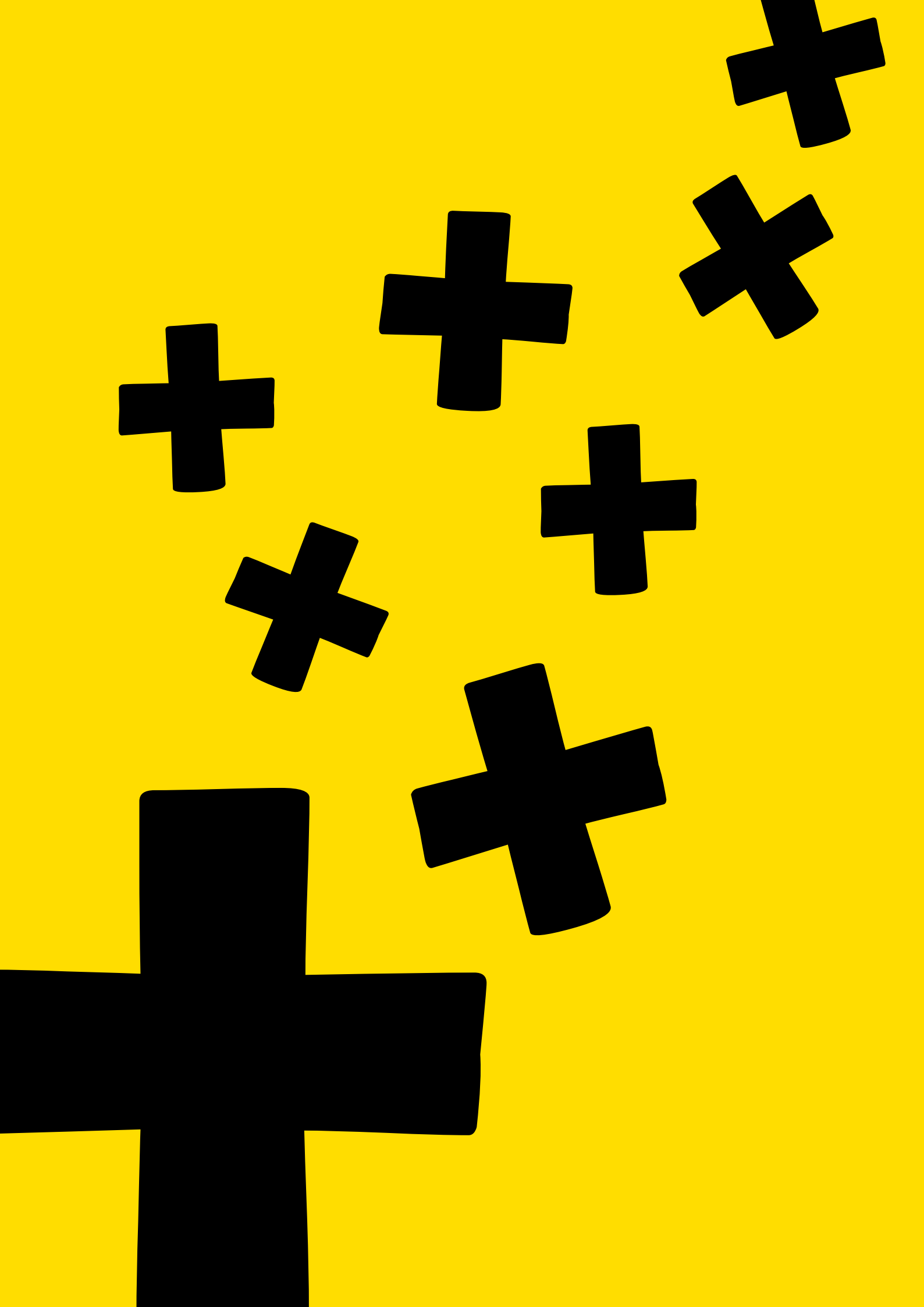
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The Challenges of Malaysian SME's

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Common Reporting Standard (CRS)

The Common Reporting Standard (CRS) is an information standard for the automatic exchange of tax and financial information on a global level, which the Organisation for Economic Co-operation and Development (OECD) developed in the year 2014. Its purpose is to combat tax evasion.

On 27 January 2017, Malaysia had joined the inclusive framework for the global implementation of the Base Erosion and Profit Shifting (BEPS) Project. (BEPS) refers to tax planning strategies which exploit gaps or mismatches in tax rules of different tax jurisdictions (e.g.: home and host countries' tax jurisdictions) in order to shift profits to tax jurisdictions where the taxes are low, resulting in little or no corporate taxes.

1) The Income Tax (Country-by Country Reporting) Rules 2016 were issued on 23 December 2016 to provide guidelines on the Country-by-Country Reporting (CbCR) under Action 13 of the Base Erosion and Profit Shifting (BEPS) project.

The above mentioned Rules which came into operation on 1 January 2017 set out the conditions and details that require a multinational corporation group to perform Country-by-Country (CbCR), filing, obligations, time for filing as well as use and confidentiality of the Country-by-Country (CbCR) information. The Rules also include the list of information that should be reported in the Country-by-Country (CbCR) report.

The Rules came into effect on 1 January 2017, and the Country-by-Country (CbCR) report must be submitted within 12 months from the last day of the reporting financial year.

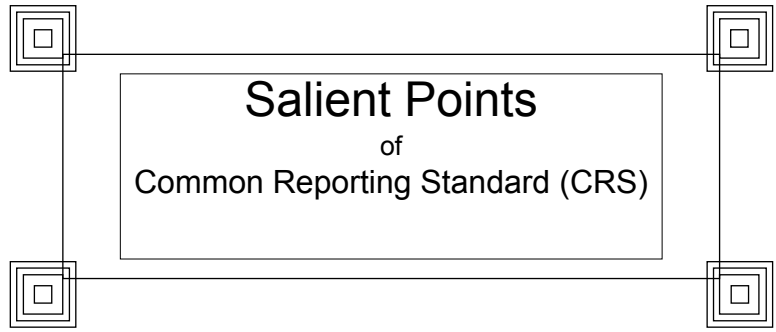
2) The Income Tax (Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports) Order 2016. The Order Multilateral Competent Authority Agreement (MCAA) sets out the arrangements made by the Malaysian Government and the government which has signed the Multilateral Competent Authority Agreement (MCAA) on the Exchange of Country-by-Country (CbCR) Reports in order to facilitate the automatic exchange of Country-by-Country (CbCR) Reports between the Competent Authorities.

3) The Income Tax (Convention on Mutual Administrative Assistance in Tax Matters) Order 2016. The Order sets out the arrangements made by the Malaysian Government and the governments which have signed the Convention on Mutual Administrative Assistance in Tax Matters in order to foster all forms of administrative assistance in matters concerning taxes of any kind.

4) The Income Tax (Automatic Exchange of Financial Account Information) Rules 2016. The Rules are in respect of the implementation of the Common Reporting Standard (CRS) developed by the Organisation for Economic Co-operation and Development (OECD) for the purpose of giving effect to the Convention on Mutual Administrative Assistance in Tax Matters, the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Financial Account Information and any arrangements with participating jurisdictions to improve international tax compliance as specified therein.

5) The Income Tax (Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information) Order 2016. The Order sets out the arrangements made by the Malaysian Government and the government which has signed the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Financial Account Information with a view of exchanging information that is foreseeably relevant in relation to taxation.

* Gazetted by Malaysian Government



Salient Points of Common Reporting Standard (CRS)

Due diligence procedures

Malaysian Financial Institutions are required to identify and document or maintain a record of an Account Holder either individual or entity including a Controlling Person of all jurisdictions regardless of whether Malaysia has a Common Reporting Standard (CRS) agreement with that jurisdiction.

EPF-MIS accounts are out of scope

The Malaysian Employees Provident Fund (EPF) approved Members Investment Schemes (MIS) are out of scope under the Common Reporting Standard (CRS) Rules and Regulations.

Passive Income

Paragraph 7.3 of the Common Reporting Standard (CRS) Guidance Notes provides clarity on what constitutes passive income and certain exclusion to be taken into consideration.

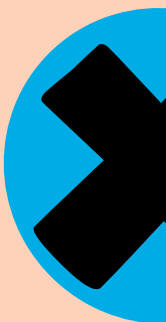
Implementation Timeline

Subject	Timeline
Pre-existing Accounts cut-off date	30 June 2017
New Accounts	Opened on or after 1 July 2017
Determination date whether Pre-existing Individual Accounts meet the high value threshold (exceeds USD 1,000,000)	30 June 2017, 31 December 2017 and 31 December of subsequent calendar years
Determination date whether Pre-existing Entity Accounts meet the threshold for review (exceeds USD 250,000)	30 June 2017, 31 December 2017 and 31 December of subsequent calendar years
Review of Pre-existing High Value Individual Accounts must be completed by	30 June 2018
Review of Pre-existing Lower Value Individual Accounts must be completed by	30 June 2019
Review of Pre-existing Entity Accounts must be completed by	30 June 2019
Reporting to IRBM	30 June 2018 and 30 June of subsequent years 31 July 2018 * 31 July 2019 * * Reporting for 2018 and 2019 for all accounts extended to 31 July to be in line with the special provision for Pre-existing Individual Accounts reporting requirement.

Currency Translation Rule

The following conversion rates are allowed to be used to determine the threshold for pre-existing accounts:

- I) Kuala Lumpur USD/MYR reference rate published by BNM; and
- II) Other currencies - acceptable published spot rate such as by 'Reuters' or 'Bloomberg' as at 5 P.M. MY (Malaysia) time.



Penalty

for Failure to Comply with Common Reporting Standard (CRS)

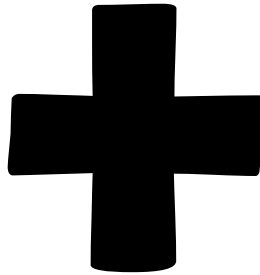
The Inland Revenue Board has provided the following at their website (Common Reporting Standard - CRS):

- I) CRS Rules and Regulations
- II) CRS User Guide
- III) CRS Guidance Notes
- IV) CRS Data Preparation Guide
- V) CRS XML File Sample and XML Scheme
- VI) CRS FAQ

If failure to file the Common Reporting Standard (CRS) return on time, or filing of false information, or failure to comply with the obligations under the Common Reporting Standard (CRS) Regulations, there may be a fine of up to RM one (1) million, OR imprisonment for a term not exceeding two (2) years, OR both. ●

Note:

In the event of discrepancies between the English version and its translation (Mandarin) version, the English version shall prevail.



通用报告准则

(Common Reporting Standard - CRS)

通用报告准则 (CRS)是由经济合作与发展组织 (OECD) 推出用于指导参与司法管辖区定期对税收居民金融账户信息进行交换的准则。

2017年1月27日，马来西亚（以下简称大马）加入全球正在折行的税基侵蚀和利润转移 (Base Erosion and Profit Shifting - BEPS) 项目。BEPS是指利用不同税收管辖区税收制度的差距或失调进行税务筹划策略（如本土及外国的税收制度），以达到转移利润到低或零税务的管辖区。

税基侵蚀和利润转移 (BEPS), 通用报告准则 (CRS) 和信息交换的规则和条例:

2016年12月23日, (BEPS) 第13项行动计划提供国别报告 (CbCR) 指南 (2016国别报告所得税条例)。

1)

此条例在2017年1月1日生效并列出跨国公司所履需行国别报告 (CbCR) 的条件和细节, 申报义务, 申报时间和国别报告资料的保密性。此条例也包括国别报告应该涵盖的资料。



此国别报告必须在财政年度结束之日起的12个月内呈报。

2)

2016年税收法令 (国别报告信息交换的多边主管税务机关协议) (MCAA)。这个法令列明大马政府和其他签署多边主管当局协议 (MCAA) 的国家政府如何安排以达到多边主管机关自动交换国别报告。

3)

2016年税收法令 (税收事务行政互助多边公约)。这个法令列明大马和已签署公约的多国政府, 需全方面提供有关各国税务的行政协助。

4)

2016年税收法令 (自动交换金融账户信息)。此法令是为了执行由OECD制定的通用报告准则, 让税收事务行政互助多边公约和多边主管机关协议下的自动交换金融账户信息起作用, 以及与参与税收管辖区达成改善参与国际税务合规的任何安排。



5)

2016年税收法令 (多边主管当局的金融账户信息自动交换)。此条例说明大马将预料于签署国自动交换税务方面的信息。

通用报告准则 (CRS) 的重点

尽职调查程序

无论大马有无与哪个税收管辖区签署通用报告准则协议，大马金融机构必须认证和建立或保持户口持有人包括个人或经济实体的档案和记录，包括管辖权的管制人员。

被动收入

通用报告准则的第7.3提供和说明何谓被动收入和可考虑被排除的收入。

雇员公积金 - 相关会员投资计划不在通用报告准则范围

雇员公积金和批准的会员投资计划不在通用报告准则的条例和规定内。



执行进度表

Subject	Timeline
现有户口截止日期	2017年6月30日
新户口	2017年7月1日或之后所开的户口
裁定日期确定现有个人户口是否超过 USD 1,000,000的高额门槛	2017年6月30日，2017年12月31日及随后每年的12月31日
裁定日期确定经济实体户口是否达到超过 USD 250,000的检阅门槛	2017年6月30日，2017年12月31日及随后每年的12月31日
检阅现有高额个人户口日期	2018年6月30日
检阅现有低额个人户口日期	2019年6月30日
检阅现有经济实体户口	2019年6月30日
汇报大马关税局	2018年6月30日和随后每年的6月30日 2018年7月31日 * 2019年7月31日 *

* 所有延长2018和2019年7月31日汇报的现有个人户口必须符合特殊规定

货币换算条例

以下是被允许以决定现有户口门槛的货币换算率：

- I) 吉隆坡国家银行发布的美金/零吉参考率；及
- II) 其它货币 - 在大马时间5点，例如由路透社和彭博发布的可接受即期汇率。

未能遵守通用报告准则的刑罚

如果未能遵守准时申报通用报告，申报虚假信息，或未能履行通用报告规定的义务，可罚款高达 RM 1,000,000，或不超过2年刑牢，或两者兼施。

大马税收局的网站提供以下有关通用报告准则资料：

- 通用报告准则法令和条例
- 通用报告准则 - 指南
- 通用报告准则 - 指南说明
- 通用报告准则 - 预备资料指南
- 通用报告准则 - 档案范本和XML示意图
- 通用报告准则 - 常见问题 ●

注意：

以上所有中文翻译是参考中国税务总局中文版本，不是 OECD 的官方译本。原文和译文如有分歧，以英文为准。

The Challenges of

In the year 2005, Malaysian National SME Development Council (NSDC) has endorsed an official definition of Small and Medium Enterprises (SME's) as follows:

- For Manufacturing Sector: A company with Annual Sales Turnover not exceeding RM 50 million OR with Number of Full-time Employees not exceeding 200 employees, whichever is lower; and,
- For Services and Other Sectors: A company with Annual Sales Turnover not exceeding RM 20 million OR with Number of Full-time Employees not exceeding 75 employees, whichever is lower.

As 98.5% of businesses in Malaysia are made up of SME's, SME's as a whole acts as the backbone of Malaysian economy. SME's also contribute significantly to Malaysian economy in terms of Gross Domestic Product (GDP), export and employment as on the table chart below:

Gross Domestic Product	Export Rate	Employment Rate
36.6%	18.6%	65.3%

(Source: Statistics by SME Corporation Malaysia in Year 2016)

f Malaysian SME's

Challenges faced by SME's

Human Capital Management

Malaysia's SME's faces inevitable obstacles in both recruiting and retaining highly talented workforce. A large share of the talent pool has been attracted into the gigantic Multinational Companies (MNC's) due to their relatively better reputations, remuneration packages and employee's benefits, as compared to those of SME's. Such "Winner takes all" effect forces SME's to recruit mediocre workforce remaining in the job market.

Alas, mediocre workforce often leads to average results and eventually the decline of the company.

Technology

Technological advancement is oftentimes the most catastrophic weakness of Malaysian SME's. Limited cash flow and inadequate knowledge in technology domains prevent SME's from adopting new technology or even conducting research for it.

Leading technology companies from Western countries have expressed their regrets on the difficulties in securing competent partner companies in Malaysia to transfer new technologies.

The technological shortcoming of Malaysian SME's is further worsening when the depreciation of Malaysian Ringgit currency marginalizes the profits and cash flow of Malaysian SME's.

Finance

Budget constraints is one of the biggest limitations of Malaysian SME's. The leaders of SME's always need to seek for financing and investments in order to sustain their business expansion plans or even daily operations.

However, it is reported that the approval rate of financing applications by Malaysian SME's is extremely low due to the stringent requirements imposed by Malaysian financial institutions. Lacking of credible collateral is one of the reasons that SME's failed in financing applications.

The repercussion of such dilemma is that SME's place little or almost none of their funds into the area of Research and Development (R&D). This prevents the improvements of their products and services and it further leads to business decline.

External Threats from Markets and Environment

Aside from the conventional competition from local competitors, the globalization movement and increased connectivity have led to the rising of international competitors manufacturing in low cost countries such as Vietnam, Cambodia, China and India. Their low operational costs enable them to offer extremely cheap products and this causes sales decline for Malaysian SME's.

Meanwhile, complex issues in Malaysian economy such as depreciation of Malaysian Ringgit, continuous inflation and the reduction of purchasing power of public have further threaten the profit margins of SME's. This is especially evident by the significant drop of purchasing power of fellow Malaysians during festive seasons.

In addition, the arrival of E-Commerce and Online Shopping have also influenced Malaysians' shopping behaviors. E-Commerce giants such as 'LAZADA' and 'Shopee' have threatened the sales of SME's, which rely heavily on the conventional 'brick and mortar' shops. There are more people preferring shopping online and this result in significant decline of visitors in retail shops.

Future

As grim as the various challenges sound, Malaysian SME's still possess huge potential to grow and breakthrough with the aid of a key player in the market: the Malaysian government.

- Grants
- Soft loan with low interest rate
- Networking platforms and associations that allow SME's to build network with overseas potential buyers, for example: MARTRADE.
- Free advisory services for SME's through agencies and bodies such as SME's Corporation.

Proper and timely capitalisation of assistance above will elevate SME's from the problem zone to the growth zone. ●

Note:

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马来西亚(大马)中小型企业所面对的挑战

国家中小型企业发展委员会(National SME Development Council - NSDC)于2005年将“中小型企业”的定义统一为如下:

- 制造业: 拥有营业额不超过 RM 50,000,000 或全职员工不超过 200 人的企业;
- 服务业以及其它行业: 拥有营业额不超过 RM 20,000,000 或全职员工不超过 75 人的企业。

在马来西亚, 中小型企业占了所有企业的 98.5%。因此, 中小型企业被公认为马来西亚经济的灵魂与支柱。此外, 中小型企业也对大马经济的生产总值 (GDP), 出口和就业机会做出非常重要的贡献, 如下:

国内生产总值 (GDP)	出口率	雇用率 (制造的就业机会)
36.6%	18.6%	65.3%

(资料来源: 2016年马来西亚中小型企业机构统计)

挑战

人才管理

中小型企业面对严重人才短缺的挑战。鉴于薪金，福利和职业未来规划的考量，大部分的顶级人才皆偏好就职于大企业或跨国集团。因此，能力与财力有限的中小型企业只能招聘次级的员工。人才短缺造就中小型企业无法创新和发展，长期以来间接导致企业的衰退。

融资

中小型企业面对有限的预算，往往需要向金融机构申请融资，以确保企业得以继续运行。但是，金融机构要求的条件往往高于中小型企业的能力，导致中小型企业申请融资的成功率普遍偏低。其中，缺少融资抵押是中小型企业申请融资失败的主要原因。

融资的失败导致中小型企业无法投入资金在研究及发展项目。这造成中小型企业产品与服务的品质停滞不前，更进一步加深了中小型企业的生存危机。

科技

科技往往是中小型企业的一大死穴。由于缺乏流动资金和科技方面的知识，大部分中小型企业仍在使用缓慢的系统与技术，也无法抽出冗余的时间和资金进行任何科技的研究。有几家走在世界最前端的欧美科技公司曾经尝试在大马寻找合适的商业伙伴，以转让最新的科技技术，但皆无功而返。

大环境影响

全球化的趋势让中小型企业不止面对国内同行竞争，也造就了竞争者于生产成本偏低的国家开发企业，如：越南，中国，印度和柬埔寨等地。由于成本偏低，这些国际竞争者能生产价廉物美的产品与服务，这严重威胁了大马中小型企业的营业额与销量。

此外，中小型企业的利润也被大马经济问题如通货膨胀，成本提高，马币疲弱等削弱。消费者于佳节期间的购买能力一年不如一年以是最好的证明。

另外，网络商店的崛起和其提供的便利也造就了消费者购买行为的变化，导致消费者更倾向于网络购物以取代商场购物。网络商店如 LAZADA 和 Shopee 的崛起威胁了靠典型商店营运的中小型企业。

未来

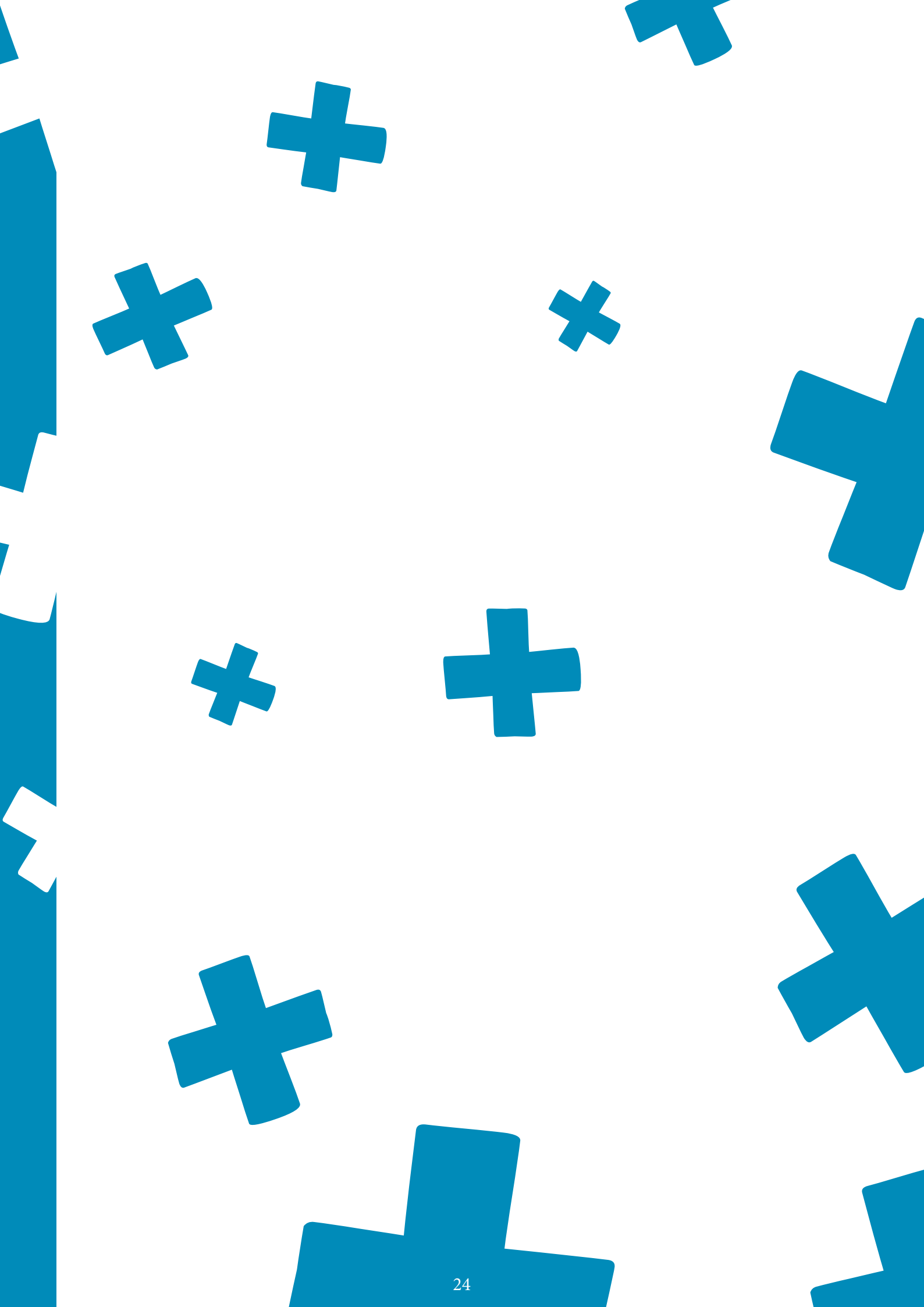
虽然大马中小型企业的前景看似困难重重，但企业家们仍然拥有许多机会在困难中改变，创新于突破，原因在于马来西亚政府所扮演的角色。

有鉴于中小型企业在大马经济中举重若轻，大马政府一直提供多种福利，计划与协助以促进中小型企业发展，例如：底利率融资，资金，免费供应商/顾客见面平台 (MARTRADE)，中小型企业机构 (SME Corporation) 免费咨询服务等等。

倘若企业家们能在对的时机妥善利用大马政府所提供的协助，大马中小型企业将能化危机为转机，转亏为盈，转守为攻。●

注意：

若英文版本与翻译版本出现差异，一切将以英文版本为准。



Ecovis AHL PLT's Photo Album

2018

Osaka Company Trip





2018

Ramadhan Buffet Dinner





Our Services:

Assurance Services

- Financial statement audit
- IFRS reporting
- Accounting compliance and reporting
- Financial accounting advisory services
- Fraud investigation and dispute services
- Technical advisory services
- Review of accounting systems and internal controls
- Reporting accountants

Corporate Recovery and Insolvency

- Receivership
- Liquidation advisory
- Business performance improvement
- Due diligence
- Capital market advisory
- Investigative reviews and monitoring
- Member's voluntary winding up

Tax Services

- Corporate tax compliance
- Personal tax compliance
- International tax planning
- Tax audits and investigations
- Tax advisory on corporate exercises
- Transfer pricing advisory and review
- Indirect tax

Business Process Outsourcing

- Preparation of financial and management accounts
- Guidance on accounting softwares
- Provision of payroll services
- Documents warehousing services
- Standard operating procedures development services
- Business process audit and improvement review
- Monitoring accountant
- Reporting package

Business Advisory and Consultancy

- Merger and acquisition supports
- Company and business valuation
- Business feasibility studies
- Executive recruitment
- Internal control advisory
- Industry analysis
- Strategic investment advisory and review
- Human resource advisory/planning
- Internal audit

Transaction Advisory Services

- Operation transaction services
- Transaction support
- Transaction tax
- Valuation and business modeling

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