

Indirect Tax Administration Efficiency of the Royal Malaysian Customs Department

Nur Azhari Mutahar¹, Nadiah Abd Hamid^{2*}

¹Faculty of Accountancy, Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia

²Faculty of Accountancy, University Teknologi MARA, 42300 Puncak Alam, Selangor, Malaysia

Authors' Email Address: ¹nurazharimutahar@yahoo.com, ^{2*}nadiah201@uitm.edu.my

Received Date: 23 October 2021

Accepted Date: 6 January 2022

Published Date: 31 January 2022

*Corresponding Author

ABSTRACT

The method used to measure indirect tax administration efficiency is crucial; hence, this study will examine indirect tax administration efficiency using the cost-revenue ratio. Malaysia had experienced several changes in its indirect tax system where the shift of Malaysia's indirect tax regime is linked to the efficiency of indirect tax administration. However, the lack of empirical research on this matter urges the current study to determine the trend of indirect tax administration efficiency level under the RMCD. In this study, secondary data were obtained from RMCD Annual Report, Ministry of Finance's Federal Government Estimated Revenue Report, Budget Report, and Treasury Annual Report to examine the trend of RMCD's tax administration efficiency level for 7 years (2013-2019). Both administration costs and total tax revenue collection were found to affect the efficiency level of the Royal Malaysian Customs Department (RMCD); however, there is no strong evidence to claim that administration costs indeed influence the total indirect tax revenue collection and vice-versa. Research findings and initial inputs from the RMCD Annual Reports are analysed to discuss and provide recommendations for future research works. The research findings provide important information for the RMCD and policymakers in improvising indirect tax administration.

Keywords: Indirect Tax Administration, RMCD, Efficiency, Cost, Revenue

INTRODUCTION

Tax revenue serves as the main source of income for governments around the world in fostering economic growth and developing social programmes and public investments. Although governments need revenue, it is challenging to choose the tax base and develop a tax enforcement framework that does not disincentivise the participation of taxpayers (The World Bank, 2018 & 2020). This is because, other than the tax rate, tax administration is also crucial. According to Bird (2010), the administration of a tax system will affect tax yield, incidence, and efficiency. Correspondingly, tax administration must respond to the challenges associated with changes in its surrounding ecosystem by implementing new technology and enforcement strategy to increase taxpayer compliance and revenue collection, but at a minimal administration cost (The World Bank 2018 & 2020). In other words, tax administration should reflect the changes in the ecosystem in which it operates and be adjusted so that it is parallel with the vast increase in digital information flows (OECD, 2017).

When a tax policy is introduced, the focus should not only be on tax revenue but also on its overall expense (Dziemianowicz, 2017). A proper review concerning tax administration costs, also known as tax collection costs, provides the prospect of an unambiguous assessment of the tax system administration efficiency. One of the common concepts of administration efficiency is that the lower the ratio of input-output or cost-revenue, the more efficient the administration becomes (Rutgers & van der Meer, 2010). For obvious reasons, the administration costs cannot be greater than the tax revenue; otherwise, the whole fiscal process on a macro scale loses its economic and social sense as the costs outweigh the revenue. An overview of total tax revenue, without taking into account those costs or expenses, does not permit an unequivocal estimation of the tax administration system performance.

In Malaysia, the government's overall revenue is generated from two primary sources: tax income and non-tax income. The Inland Revenue Board Malaysia (IRBM) and the Royal Malaysian Customs Department (RMCD) are the agencies responsible for collecting tax income. Since the 1960s, indirect tax has been the biggest contributor to government revenue (Kasipillai, 2006); however, as the economy developed along with the tax reform in Malaysia, the reliance was further placed on direct tax starting from 1999 (Taha & Loganathan, 2008). Although direct taxes contribute directly to the Malaysian government's highest revenue collection, statistics had also revealed that indirect tax contributes as one of the main income sources that finance the national budget (Cummings, Vazques, Mckee & Torgler, 2005).

LITERATURE REVIEW

Tax administration can be defined as a statutory body that administers the tax system by enforcing tax laws in collecting tax revenue and ensuring taxpayer compliance (Alink, Matthijs & Victor, 2016). While tax administrators have long been familiar with this definition or perspective of tax administration, especially those working on tax policy in developed countries (e.g., Goode, 1981; Bird, 1989; Bird & Jantscher, 1992), formal studies on this definition are usually minimal (Alm, 1999). As highlighted by Bagchi, Amaresh, Richard, & Arindam (1995), it is meaningful to see the mechanism of tax administration as a production feature only in the input-output concept in which "input" such as administrative costs are used to generate "output" such as the total tax revenue in the form of tax administration. However, the desirability of these policies or their effect on justice and healthcare is equally significant.

All countries in the world, either developed or developing, require tax collection as their key source of revenue. As proven by the International Centre for Tax and Growth, 80 per cent of government revenue is generated from taxation in more than half of the countries worldwide. For instance, about 63.9 per cent of the Malaysian government revenue comes from taxation, which comprises corporate income tax, personal income tax, indirect tax, and other taxes (Ministry of Finance, 2019). Thus, given the reliance on tax revenues to finance government expenditure, tax system administration is important because failure in tackling the issue may lead to tax administration shortfalls, which can give a detrimental effect on tax collections such as unregistered liable taxpayers, non-reporting or under-reporting of tax returns, tax evaders, and lack of consistency in tax rules and regulations (Rosley, 2020).

Indirect tax has been variously described by scholars. For instance, taxes received by one person in the supply chain and paid to the Government are defined as an indirect tax transferred to the customers at the sales price for a product or service (Kagan, 2019). Examples of indirect tax are customs duty, excise duty, digital tax, sales and service tax (SST), goods and service tax (GST), and value-added tax (VAT). The entity in the supply chain or the intermediary usually encompasses a producer, retailer, or service provider. Similar to other countries, indirect tax is also an important income source in Malaysia. As recorded by the Treasury of Malaysia, indirect tax contributed 17.5% to the revenue of Malaysia's Federal Government in 2018 (Ministry of Finance, 2019). Thus, the government must handle its indirect tax system seriously to prevent a budget deficit and other difficulties in managing expenditures.

As indicated in previous studies, five emerging market economies and low-income nations such as Cambodia, Georgia, Guyana, Liberia, and Ukraine have achieved remarkable revenue gains after successful tax reforms (OECD, 2014; Akitoby, 2018). This proves that reform policies may enable countries to increase their capacity to raise more taxes with a range of distinct characteristics, independent of their constraints. In Georgia, for example, the post-Rose Revolution of 2003 gave the new government a mandate to overhaul the economy and the policy of zero tolerance for corruption. Examples of tax-related adjustments include the tax code revised in 2004, the streamlined tax system, the decrease in tax rates, and the abolition of 14 of 21 municipal taxes. A larger tax base was also created to recover taxes from the reduced tax rates, while enforcement was further strengthened and implemented. Hence, other than tax policy reforms, a more efficient tax administration system that ensures better compliance and stricter enforcement of tax laws is likewise crucial for improving tax collection (OECD, 2014). Previous studies have also highlighted that taxation serves different purposes according to the objectives set by the governments of particular countries. Meanwhile, in Malaysia, Bantuan Rakyat 1 Malaysia (BRIM) was introduced to boost the purchasing power of those affected by the Goods and Services Tax (GST), particularly the B40 group when the GST was introduced in 2015 (Abd Hamid, Yaacob, Ibrahim, Azizan, & Rashid, 2021). The GST had broadened the tax base by bringing many entrepreneurs and individuals who were previously exempted from paying taxes into the tax net; however, since all non-exempt company transactions are included in the GST framework and resulted in an additional tax, such an indirect tax had significantly impacted SMEs such as batik manufacturers (Yaacob, Abd Hamid, Kamal, Ghazali, & Shamsudin, 2018).

Efficiency can be defined as ‘the good use of time and energy in a way that does not waste any resource’ (Cambridge International Dictionary of English, 1995). Efficiency is also described as ‘the quality of being able to successfully perform a task without wasting time or resources’ (BBC English Dictionary, 1993). According to Kelly and Oldman (1973), an effective tax administrative structure is a system that involves an effort to achieve the maximum outputs of revenue income, equity, and other tax goals with limited human and material resource inputs available to the tax gathering system. Nonetheless, the context of tax administration efficiency outlined by James and Nobes (1983) is more well-known and practical as it involves two elements that are directly connected to tax administration: administration costs and total tax revenue collected. Correspondingly, past studies such as Mansor, Tayib, & Yusof (2005), Ishi (1993), Mustafa (1996), Tayib (1998), and Vlassenko (2001) had adopted the cost-revenue ratio for measuring the tax administration efficiency level, where the cost value used in the ratio denotes the total administration costs, while the revenue denotes the total revenue collected in the particular year.

Indirect tax administration in Malaysia is administered by the Royal Malaysian Customs Department (RMCD); thus, the efficiency of indirect tax administration in this country depends on the efficiency of RMCD in collecting indirect taxes. Besides tax administration efficiency, effective taxes may also attract further investment, thereby reducing poverty and growing economic development. Meanwhile, the acceptance of an indirect tax system such as SST depends on the effectiveness of tax authorities, tax responsibility, and public confidence (Mohd. Jamel et al., 2021). This encourages the government to boost profits at lower tax rates (Rahman, 2009). However, Mansor et al. (2005) found that the RMCD was inefficient for eleven years from 1991 until 2001 and this gave a huge impact on national revenue; however, further discussion on this matter is restricted due to the lack of recent empirical studies.

METHODOLOGY

This study aims to analyse the trend of indirect tax administration efficiency level of the Royal Malaysian Customs Department (RMCD) from 2013 until 2019 by performing a trend analysis through tables and percentages. Secondary data were obtained from RMCD Annual Report, Ministry of Finance’s Federal Government Estimated Revenue Report, Budget Report, and Treasury Annual Report to examine the trend of RMCD’s tax administration efficiency level for 7 years (2013-2019). Based on Ishi (1993), Mustafa (1996), Tayib (1998), and Vlassenko (2001), the efficiency level of the indirect

tax administration system was calculated by measuring the cost-revenue ratio, where the total administration costs are relative to the total revenue. Thus, the cost-revenue ratio was used to measure the efficiency level of RMCD across three different types of indirect tax systems: SST 1.0 (2013 to 31 March 2014), GST (1 April 2014 to 31 August 2018), and SST 2.0 (1 September 2018 until present).

RESULTS AND DISCUSSION

This section presents the trend of indirect tax administration efficiency level of the Royal Malaysian Customs Department (RMCD) from 2013 until 2019. As the cost-revenue ratio was used in this study to measure the indirect tax administration efficiency level of the RMCD, it is also important to include the trend analysis of administration costs allocated by the government to the RMCD and the total indirect tax revenue for 7 years from 2013 until 2019.

As depicted in Chart 1, the trend for administration costs allocated for the RMCD is mostly upwards, except for 2015 and 2019. Meanwhile, there was a 4.11% (RM34.03 million) increase in administration costs in the transition year from 2013 to 2014 as the RMCD started to concentrate on infrastructure preparation and IT system development, especially in the MyGST Project (RMCD, 2014). Besides, IT development for indirect tax administration purposes under the RMCD was very important to cope with the challenges associated with the newly implemented Goods and Service Tax (GST) and to further transform the RMCD into a digital-friendly administrator in indirect tax collection. Moreover, the RMCD had incurred as much as RM100 million to develop a digital platform known as Taxpayer Access Point (TAP) in 2013 (Bernama, 2014), which was part of the MyGST project.

Subsequently, in 2015, there was a slight decrease with a 2.75% (RM23.66 million) allocation for the RMCD's administration costs. Although GST was implemented starting on 1 April 2015, no GST-related special operation was conducted on a big scale that year. In addition, administration costs for the IT system development, especially in the implementation of GST were mostly spent in the previous year 2014 and this could explain the slight decrease in administration costs for the year 2015. Fortunately, there was a significant increase in administration costs allocated for the RMCD with a huge increment of 17.84% (RM149.45 million) in 2016 and 10.24% (RM101.12 million) in 2017. This could be significantly associated with the special operation through Customs Blue Ocean Strategy (CBOS) initiated in 2016, which was aimed at inspecting and auditing companies registered under indirect tax law as well as increasing compliance levels primarily through education (RMCD, 2017). This upward trend continued in 2018 and recorded an increase of 19.81% (RM215.59 million), which is an all-time highest administration cost allocation for the RMCD with a total of RM1.303 billion.

Besides the other demanding expenditures to manage RMCD infrastructure including the ICT system for digitisation and initiatives such as special operation and post-audit verification, the RMCD was also supposed to implement several upgrades and improvement planning for the indirect tax system in 2018 by the then Barisan Nasional (BN) government, especially concerning GST. For example, the Barisan Nasional (BN) government intended to improvise the implementation of GST, especially the input tax credit refund because the late payment of indirect tax refund was regarded as the root of failure in the past GST implementation (Smith, 2018). One of the main planned initiatives to counter such an issue was by introducing the Malaysian GST Compliance Assurance Programme (MyGCAP) (Abas, 2018); however, this initiative requires a significant amount of administration costs, especially during the early stage of its introduction, which usually involves internal training programmes for the RMCD officers as well as engagement programmes for the stakeholders and potential participants. Nonetheless, compared to 2018, the year 2019 recorded a substantial decrease in administration costs allocated for the RMCD with 13.34% (RM173.91 million) due to the change of the indirect tax system regime from GST back to SST (known as SST 2.0), whereby the taxation scope for SST is extensively lesser than GST. In fact, under the SST law, a total of 5,443 goods had been exempted from sales tax, which is 10 times more than the total goods exempted under the former GST law. However, several business types

are required to register for SST instead of GST (Chee, 2018). Hence, the smaller scope of taxation might explain the decreased administration costs allocated for the RMCD in 2019.

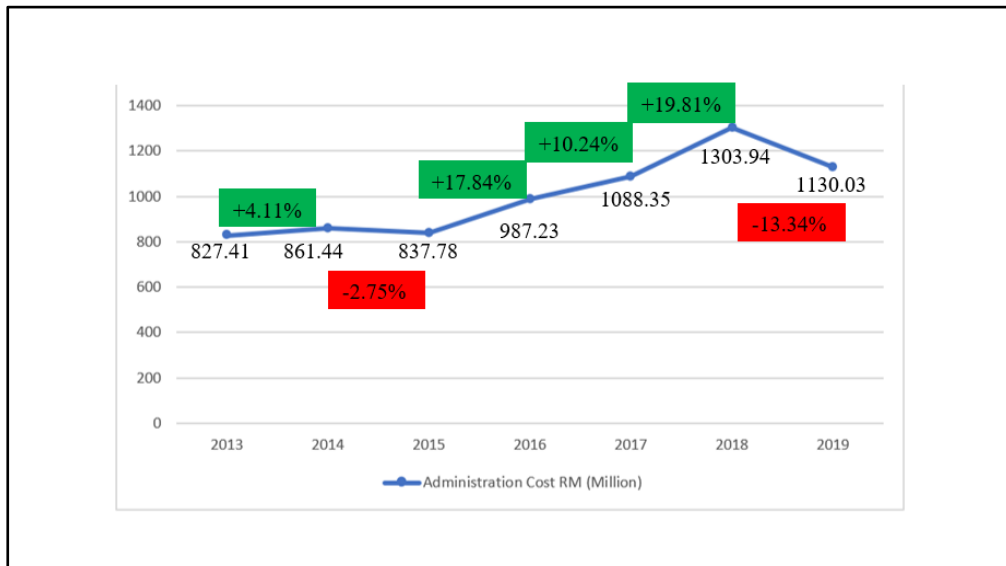


Figure 1: Administration Cost RM (Million) (2013-2019)
Source: Annual Reports, Royal Malaysian Customs Department (2013-2019)

Next, as illustrated in Chart 2, the trend of the total indirect tax revenue collection from 2013 until 2019 is upward, except for the year 2018. During the SST 1.0 era in 2014, there was a slight increase of 6.25% (RM 2.07 billion) in the total indirect tax collected by the RMCD compared to 2013 with RM33.13 billion; however, this is not considered a huge increment because the same type of indirect tax system was still being used. Nonetheless, starting from the year 2015 until 2017, the total indirect tax revenue collection increased significantly from year to year. Compared to 2014, the total indirect tax revenue collection in 2015 based on the RMCD Annual Report recorded a massive increase of 75.99% (RM 26.75 billion) due to the introduction of GST on 1 April 2015, replacing the old SST 1.0 indirect tax regime. This shows the effectiveness of GST in increasing revenue collection compared to SST although its implementation took place in April 2015 and not throughout the year.

Fortunately, this trend continued in 2016 as the GST system was fully in force for the first time throughout the year, resulting in another significant increase of 24.17% (RM 14.97 billion) and rose slightly by 6.76% (RM 5.2 billion) in 2017. However, the extent to which the indirect tax revenue collection of RM 82.12 billion was the optimum achievable revenue collected by the RMCD after GST implementation could not be confirmed as the GST system was repealed in 2018. As a result of the GST holiday from 1 June 2018 until 31 August 2018, the total indirect tax revenue collection had dropped drastically in 2018 and resulted in a massive amount of RM21 billion indirect tax revenue loss (Ying, 2018), in addition to GST replacement with SST 2.0 in the same year. Although there was a slight increase of 2.17% (RM 0.9 billion) in 2019 compared to the expected indirect tax revenue drop of 49.53% (RM40.67 billion), this shows the ineffectiveness of SST in collecting more indirect tax revenue for the country compared to GST. However, it was reported that SST 2.0 collected more indirect tax revenue in 2018 and 2019 with RM41.45 billion and RM42.35 billion, respectively, compared to the previous SST 1.0 with RM33.13 billion and RM35.20 billion in 2013 and 2014.

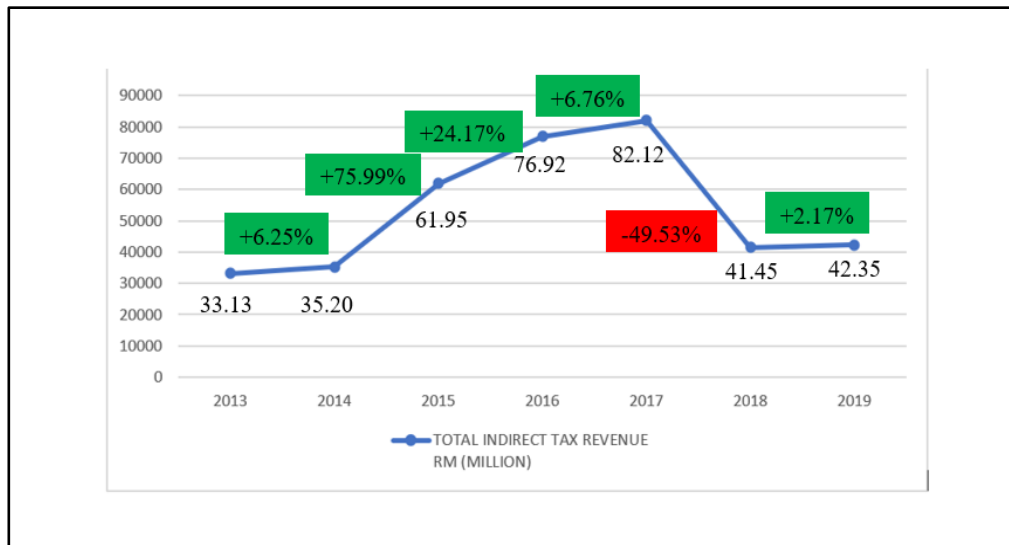


Figure 2: Total Indirect Tax Revenue RM (Billion) (2013-2019)
Source: Annual Reports, Royal Malaysian Customs Department (2013-2019)

Finally, based on the trend analysis using the cost-revenue ratio analysis depicted in Chart 3, the RMCD's efficiency level was higher during the GST era compared to SST 1.0 and SST 2.0. This measurement indicates that the lower the ratio, the higher the efficiency level (Rutgers & van der Meer, 2010). In 2014, there was a slight increase of 2% in the indirect tax administration efficiency level of the RMCD compared to 2013; however, the increase in administration costs in 2014 was covered by the slightly higher indirect tax revenue collection rate, which resulted in a positive or higher efficiency level. Furthermore, upon the implementation of GST starting from 1 April 2015, the RMCD's efficiency level in 2015 showed the highest improvement as it recorded a staggering 44.90% increase and this is supported by the slightly lower administration costs incurred in the same year; however, the indirect tax revenue was higher in 2015 compared to the previous year. This trend continued in 2016 but within a smaller efficiency level increment margin (5.19%) because the increment rate was lower than the administration cost increment as the special operation through CBOS started to take place in 2016. In this regard, although the Customs Blue Ocean Strategy as Customs Blue Ocean Strategy 2.0 and Customs Blue Ocean Strategy 3.0 (The Malay Mail, 2017) is considered successful in terms of their contribution to indirect tax revenue collections of RM 1.5 billion and RM 3.2 billion, respectively, the administration costs incurred somehow showed a significant increase.

Despite the increased efficiency level of the RMCD through GST, the data showed a minor downward trend (3.9%) in 2017 due to the increase in administration costs incurred compared to the indirect tax revenue collection rate. Besides, as expected, the RMCD's efficiency level in 2018 was the worst with a 136.84% drop as the indirect tax revenue collection drastically decreased throughout the year. This situation was further worsened by the fact that, from 2013 until 2019, the administration costs allocated to the RMCD were the highest in 2018; however, in 2019, the RMCD's efficiency level had increased by 14.60%. Although the indirect tax revenue collection in 2019 under the SST 2.0 indirect tax system was relatively lower than the GST system, the administration costs did not drop drastically and fell within the range of the allocated budget as the administration costs during the GST era.

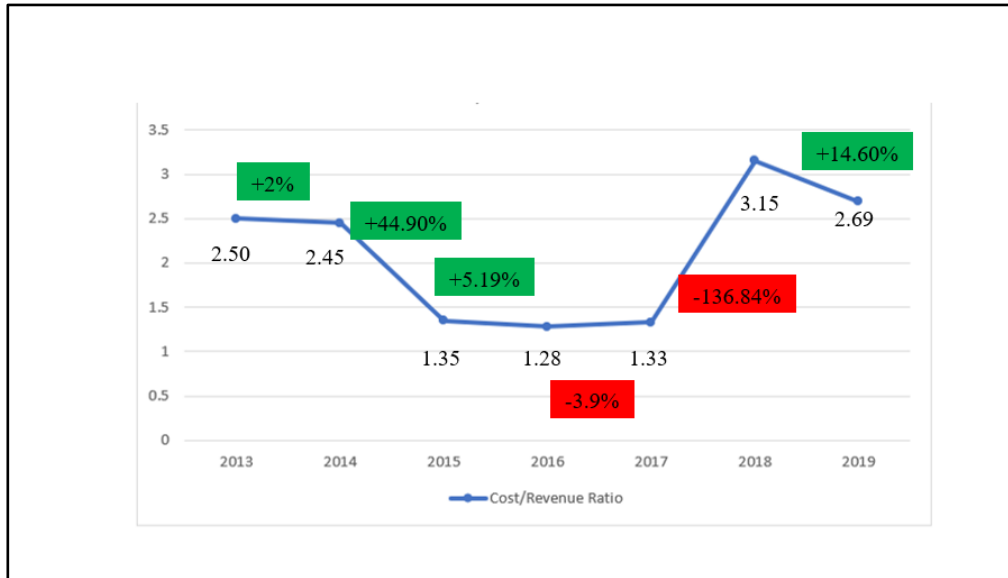


Figure 3: RMCD's Efficiency (Cost/Revenue Ratio) (2013-2019)
Source: Annual Reports, Royal Malaysian Customs Department (2013-2019)

In summary, as shown in Table 1, the ratio of cost over revenue collections showed a declining trend following the tax reform in Malaysia upon the implementation of GST starting on 1 April 2015. Overall, the trend highlighted a high ratio in the year 2013 with 2.5 but recorded a slight decrease with 2.45 in 2014. Subsequently, the trend drastically decreased to 1.35 in 2015 and further down to 1.28 in 2016, but it slightly increased to 1.33 in 2017. Nonetheless, in 2018 and 2019, the ratio recorded a staggering increase to 3.15 and 2.69, respectively. Although tax reform is not the focus of this study, one of the problems hindering the efficiency of indirect tax administration is the lack of digitisation (Mansor & Ilias, 2013; Pantamee & Mansor, 2016). As evidenced in past studies, digitisation plays a crucial role in the successful implementation of GST (Pantamee & Mansor, 2016; Rani, et. al., 2017). Accordingly, the interest in digitalisation has risen more quickly in recent years (Bughin & Manyika, 2019). Even though the idea is rather vague, this would transform the whole landscape of both businesses and tax administrators. Thus, companies must provide the necessary conditions to function and compete to remain competitive. The emerging digital world would not only require organisations to reassess the expertise to be expected in the enterprise but also how competencies can be administered (Wahlund, 2018). As such, in the current context, the digitisation of indirect tax administration will not only affect large taxpayers or big corporations but also individual taxpayers.

Table 1: Total Administrative Costs and Total Indirect Tax Revenue (2013 – 2019)

Year	Administration Cost RM (Million)	Total Indirect Tax Revenue RM (Million)	Cost/Revenue Ratio (%)
2013	827.41	33126.72	2.50
2014	861.44	35196.00	2.45
2015	837.78	61949.00	1.35
2016	987.23	76917.00	1.28
2017	1088.35	82120.60	1.33
2018	1303.94	41450.00	3.15
2019	1130.03	42347.00	2.69

Source: Annual Reports, Royal Malaysian Customs Department (2013-2019)

CONCLUSION

Given their interrelations in the measurement of indirect tax administration efficiency, both administration costs and total tax revenue collection have been found to affect the efficiency level of the Royal Malaysian Customs Department (RMCD); however, there is no strong evidence to claim that administration costs indeed influence the total indirect tax revenue collection and vice-versa. Additionally, the trend analysis also showed that neither the lowest administration costs nor the highest total indirect tax revenue collection guarantees the RMCD's most efficient level of the year and this could be attributed to some other factors and circumstances as discussed in this study. Besides, the findings of this study may not be generalisable to a wider scope since it is only focused on a specified method of efficiency measurement and specific years. Thus, future research could be conducted using other efficiency measurement methods with longer periods.

ACKNOWLEDGEMENTS

The authors are grateful for the encouragement and financial support provided by Universiti Teknologi MARA through the FRGS grant ref no:600-IRMI/FRGS 5/3 (348/2019).

REFERENCES

- Abas, A. (2018, January 25). *GST-registered companies to enjoy fast tax refunds*. New Straits Times. <https://www.nst.com.my/news/nation/2018/01/328458/gst-registered-companies-enjoy-fast-tax-refunds>
- Abd Hamid, N., Yaacob, Z., Ibrahim, Z., Azizan, S. & Rashid, N. N. (2021). Socio-Economic Perspective of B40 Household Budgets in Malaysia. *Journal of Contemporary Issues in Business and Government*, Vol 27(2).
- Akitoby, B. (2018). Raising Revenue: Five country cases illustrate how best to improve tax collection. *IMF Finance & Development*, VOL. 55, NO.1.
- Alink, Matthijs., & Victor V. K. (2016). Handbook on tax administration (Second Revised Edition). *Amsterdam: IBFD*.
- Bagchi, Amaresh, Richard M., and Arindam D., (1995). An Economic Approach to Tax Administration Reform. *Discussion Paper No. 3, International Centre for Tax Studies, University of Toronto*.
- BBC English Dictionary, (1993). London: Harper Collins Publishers.
- Bernama, (2014, January 1). *Kastam perkenal perisian komputer kepada peniaga berdaftar untuk pantau GST*. Bernama. <https://www.astroawani.com/berita-malaysia/kastam-perkenal-perisian-komputer-kepada-peniaga-berdaftar-untuk-pantau-gst-27702>
- Bird, R. M. (1989). The Administrative Dimension of Tax Reform in Developing Countries, in: Gillis, M. (ed.), Tax Reform in Developing Countries. *Durham: Duke University Press*.
- Bird, R & Jantscher, M. C. (1992). 9 Assisting Taxpayers in Meeting Their Obligations Under the Law in Improving Tax Administration in Developing Countries. *USA: International Monetary Fund*. <https://doi.org/10.5089/9781557753175.071>
- Bird, R. (2010). Taxation and Development. *World Bank - Economic Premise*. 1-5.
- Bughin, J. & Manyika, J. (2019). Twenty-five years of digitization: Ten insights into how to play it right. *Digital Enterprise Show 21–23 May, Madrid May 2019. McKinsey Global Institute*.
- Cambridge International Dictionary of English, (1995). Cambridge: *Cambridge University Press*.
- Chee, J. (2018, December 5). *Malaysia introduces Sales and Service Tax (SST): What you need to know*. TMF Group. <https://www.tmf-group.com/en/news-insights/articles/2018/december/malaysia-introduces-sst/>
- Cummings, R., Vazquez, J., Mckee, M. & Torgler, B. (2005). Effects of Tax Morale on Tax Compliance: Experimental and Survey Evidence. RePEc wpaper. *Center for Research in Economics, Management and the Arts (CREMA), Basel*. CREMA Working Paper, No. 2005-29.

- Dziemianowicz, R. (2017). Tax administrative costs as a component of tax transaction costs in Poland and other OECD countries. *Ekonomia i Prawo. Economics and Law*, 16(2): 123–140
- Goode, R. (1981). Tax advice to developing countries: An historical survey. *World Development Volume 21, Issue 1*, Pages 37-53
- Ishi, H. (1993). *The Japanese Tax System*. Oxford: Clarendon Press.
- James, S. & Nobes, C. (1983). *The Economics of Taxation*. New Delhi: Heritage Publishers.
- Kagan, J. (2019). *Indirect Tax*. In Investopedia. <https://www.investopedia.com/terms/i/indirecttax.asp>
- Kaplanoglou, G. & Newbery, D. (2003). Indirect Taxation in Greece: Evaluation and Possible Reform. *International Tax and Public Finance*. 10. 511-533.
- Kasipillai, J. (2006). *A Comprehensive Guide to Malaysian Taxation-Under Self-Assessment*. Second Edition. McGraw-Hill, Kuala Lumpur.
- Kelly, P. L. & Oldman, O. (1973). *Readings on Income Tax Administration*. New York: The Foundation Press Inc.
- Mansor, M., Tayib, M., & Yusof, R. (2005). Malaysian Indirect Tax Administration System: An Analysis of Efficiency and Taxpayers' Perceptions. *International Journal of Management Studies*, 12(2), 19-40.
- Mansor, N. F & Ilias, A. (2013). Goods and Services Tax (GST): A New Tax Reform in Malaysia. *International Journal of Economics Business and Management Studies*, 2(1), 12-19.
- Ministry of Finance, (2019). *2020 Fiscal Outlook and Federal Government Revenue Estimates*. Putrajaya.
- Ministry of Finance, (2019). *The 2020 Budget Speech*. Treasury. <https://www.treasury.gov.my/index.php/en/archives/2020/budget-speech-2020>
- Mohd. Jamel, N. E. S., Abd Hamid, N., Mohd Zawawi, S. N. H., Othman, R. D. & Sulaiman, S. (2021). The Role of Tax Authorities in Public Acceptance of Indirect Tax in Malaysia. *Jurnal Intelek*, Vol 16(1) p1-11.
- Mustafa, H. M. H. (1996). An Evaluation of the Malaysian Tax Administrative System, and Taxpayers' Perceptions Towards Assessment Systems, Tax Law Fairness, and Tax Law Complexity. *Ph.D. Dissertation*, Universiti Utara Malaysia, Malaysia.
- OECD, (2014). *Addressing the Tax Challenges of the Digital Economy*. OECD Publishing, Paris. <https://www.oecd.org/tax/beps/public-consultation-document-addressing-the-tax-challenges-of-the-digitalisation-of-the-economy.pdf>
- OECD, (2017). *International VAT/GST Guidelines*. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264271401-en>
- Pantamee, A. A. & Mansor, M. (2016). A Modernize Tax Administration Model for Revenue Generation. *International Journal of Economics and Financial Issues*, 2016, 6(S7) 192-196.
- Rahman, A. (2009). *Investment climate in practice: Tackling corruption through tax administration reform*. World Bank. <https://openknowledge.worldbank.org/bitstream/handle/10986/1056>, 4.
- Rani, Kiran & Shayna, Kiran & Dhawan, Ashish. (2017). Making Sense of Prospects of Digital Education. *Scholarly Research Journal for Interdisciplinary Studies*, Vol-4/31.
- RMCD, (2014). *2013 Royal Malaysian Customs Department Annual Report*. Putrajaya.
- RMC, (2017, February 2). *Pelancaran Operasi CBOS 3.0 di JKDM WPKL*. Portal rasmi Jabatan Kastam Diraja Malaysia. 20.2.2017_Pelancaran Operasi CBOS 3.0 di JKDM WPKL - Default (customs.gov.my)
- Rosley, F. (2020). *Simplifying tax administration and compliance can lead to higher collections*. The Star Online. <https://www.thestar.com.my/business/business-news/2020/10/29/simplifying-tax-administration-and-compliance-can-lead-to-higher-collections>
- Rutgers, M. R., and van der Meer, H. (2010). The origins and restriction of efficiency in public administration: Regaining efficiency as the core value of public administration. *Administration & Society*, 42, 755-779.
- Smith, J. S. (2018, July 12). *What can Malaysia new SST learn from GST?* *International Tax Review*. ITR. <http://www.internationaltaxreview.com/Article/3813859/>
- Taha, R. & Loganathan, N. (2008). Causality Between Tax Revenue and Government Spending in Malaysia. *The International Journal of Business and Finance Research, The Institute for Business and Finance Research*, vol. 2(2), pages 63-73.

- Tayib, M. (1998). The Determinants of Assessment Tax Collection: The Malaysian Local Authority Experience, *Ph.D. Dissertation*, University of Glamorgan, U.K.
- The Malay Mail. (2017, February 20). *Customs Dept targets RM3b GST collection through CBOS this year*. The Malay Mail. <https://www.malaymail.com/news/money/2017/02/20/customs-dept-targets-rm3b-gst-collection-through-cbos-this-year/1319379>
- The World Bank, (2018). *Taxes & Government Revenue*. The World Bank. <https://www.worldbank.org/en/topic/taxes-and-government-revenue>
- The World Bank, (2020). *2nd World Bank Tax Conference: Taxing Personal Income and Wealth in Developing Countries*. The World Bank. <https://www.worldbank.org/en/events/2020/01/23/taxing-personal-income-and-wealth-in-developing-countries>
- Vlassenko, I. (2001). Evaluation of the Efficiency and Fairness of British, French and Swedish Property Tax Systems. *Property Management (Bradford)*, 19(5), 384.
- Wahlund, F. & Wahlberg V. (2017). Digitalization & Competence Management: A study of digitalization and competence management within the telecommunications industry. *Master of Science Thesis in the Quality and Operations Management Program*, Chalmers University of Technology.
- Yaacob, Z., Abd Hamid, N., Kamal, N. F. S., Ghazali, N. & Shamsudin, R. (2018). Exploring the Challenges of Goods and Services Tax on Batik Manufacturers. *International Journal on Engineering & Technology*, Vol 7 (4), p.510-513
- Ying, T.S. (2018). *Economic Report 2019: Direct tax collection up 15%, but indirect tax down one-third*. <https://www.edgeprop.my/content/1440957/economic-report-2019-direct-tax-collection-15-indirect-tax-down-one-third>