

## ***Malaysia Updates: CBOS 3.0 - the quest continues...***

Following the success of the first and second phase of the Operation Blue Ocean Strategy (Ops CBOS) which was first launched by the Royal Malaysian Customs Department (RMCD) on 1<sup>st</sup> September 2016<sup>1</sup>, the third phase – the CBOS 3.0 – was launched on 21 February 2017.

The first and second phase was deemed a success as RMCD managed to collect a combined revenue of RM 1.5 billion within four months of operation. In Ops CBOS 3.0, RMCD has set a new target collection of RM 3 billion and is planning to run the operation until 31 December 2017

Approximately 200,000 out of a total 433,000 GST-registered companies have been selected randomly under CBOS 3.0. Each State Customs, again, has been given a different target to be achieved, such as the number of companies to be audited and the estimated revenue collection.

In this regard, it is important for all GST registered companies not to lose sight of customs import, export and GST compliance. The intensification of audits by RMCD, the successful collection of RM 1.5 billion last year and the experience gathered by all customs audit officers should be a wake-up call for all GST-registered businesses.

GST registered companies that import products should consider reviewing their existing customs, trade and indirect tax compliance levels and taking steps to develop plans or implement actions to reduce risks and enhance their compliance performance.

### ***Let's talk***

If you would like further advice or information in relation to the topic outlined above, please contact:

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<sup>1</sup> You can find our previous alert on this through this link <http://www.pwccustoms.com/en/recent-developments/assets/my-gst-audits-pandora-box-of-customs-risks.pdf>



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