

PayMate™ e-Vault: Lembaga Hasil Dalam Negeri. (LHDN)

The Inland Revenue Malaysia (LHDN) is one of the main revenue collecting agencies of the Ministry of Finance. One of its main objectives is to collect taxes without imposing excessive burden on the public while incurring minimal cost to the government

Location : Malaysia

Industry : Government

Customer Background

The Inland Revenue Malaysia is one of the main revenue collecting agencies of the Ministry of Finance.

The Department of Inland Revenue Malaysia became a board on March 1, 1996, and is now formally known as THE INLAND REVENUE BOARD OF MALAYSIA. The Inland Revenue Board was established in accordance with the Inland Revenue Board of Malaysia Act 1995 to give it more autonomy especially in financial and personnel management; to improve the quality and effectiveness of tax administration.

The agency is responsible for the overall administration of direct taxes under the following acts :

- Income Tax Act 1967
- Petroleum (Income Tax) Act 1967
- Real Property Gains Tax Act 1976
- Promotion of Investment Act 1986
- Stamp Act 1949
- Labuan Offshore Business Activity Tax Act 1990

Business Need

LHDN have more than 38 Branches throughout Malaysia. Each one of the branches sends data from various applications to the Data center at the Pusat Bansar Damansara at a regular basis. Some of the challengers LHDN is facing are the regular changes of data requirement, data security and application support. The solution LHDN required must be easy to deploy and manage centrally as the branches are spread across the country.

Solution

LHDN chose to use PayMate™ e-Vault to solve some of challengers for branches to upload data to the data center. PayMate™ a comprehensive security and authentication of data/documents will ensure that all data/documents which are send by the branches are secure and accurate.

PayMate™ also includes the dynamic user interface for easy and faster data entry. PayMate™ performs data validation. This will ensure that the data submitted to LHDN Data center is accurate. PayMate™ provides flexible user interface for data entry ensure that LHDN could use the system for different reports submissions.

The one of the unique feature of the PayMate™ e-Vault is that there will be no software installation required at the Branch. Any workstation with a web browser could be used to access the system. This means there is practically no need to have software support for the system. Any changes, including changes in data structure does not require any update to the Branch workstation.

The data entered or file uploaded would be fingerprinted (SHA256) and encrypted before uploading to the PayMate™ server. The data/file would be secured at the user workstation before transmitting to the server. This will provide LHDN an End-to-End (Workstation to Server) data security. On the server, the file would be decrypted and checked for file integrity (SHA256). If successfully file would be processed accordingly.

Benefits of the Solution

PayMate™ solves many of the LHDN data upload issues by:

- Enhancing security by being able to encrypt data at user workstation; this will ensure data privacy.
- Reducing human error by providing user interface and data validation function.
- Automating data processing/transmission.
- Minimizing user/software supports as no client installation is required
- Providing full audit trail. All transaction is recorded in an audit log.
- Providing real time notification of errors or abuse.

Besides easing some of the issue faced by LHDN; PayMate™ has also created new opportunity for LHDN by providing a service to its large corporate to upload collection or payment data.