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Deloitte Tax Challenge 2025
Individual Category – Semi Finals
Video Presentation Challenge

<u>Question</u>

Digital financial assets based on distributed ledger technology (DLT) and cryptography are commonly referred to as crypto-assets. However, there is no universally accepted definition for crypto-assets. Different countries use varying terminologies such as digital assets, DLT assets, digital currency, cryptocurrency, and virtual currency. In Malaysia, the Inland Revenue Board Malaysia (IRBM) has issued technical guidelines referencing definitions of digital financial assets provided by the Securities Commission Malaysia, including terms like digital currency and digital token.

In Southeast Asia (SEA), the cryptocurrency market is projected to generate revenues of USD 9.2 billion by 2025, with an expected compound annual growth rate (CAGR) of 8.2% between 2025 and 2026, leading to a forecasted revenue of USD 10 billion by 2026. Recently, Indonesia has increased taxes on cryptocurrency transactions, imposing higher rates on trades hosted by overseas bourses, effective from 1 August 2025, as per a new finance ministry regulation.

Within Malaysia, a principle of tax neutrality is applied, meaning both electronic commerce transactions (e-CT) and conventional transactions are subject to the same tax treatment. In alignment with the government's objective to reduce tax revenue leakage in cryptocurrency trading and enhance tax administration, the IRBM conducted a special compliance operation called "Ops Token", in collaboration with the Royal Malaysian Police (PDRM) and CyberSecurity Malaysia (CSM). This operation successfully extracted cryptocurrency trading data from mobile devices and computers, enabling authorities to identify the value of digital assets being traded and uncover significant cases of tax revenue leakage.

Required:

You are required to record a video of not more than <u>5 minutes</u> to discuss the following issues:
(i) Discuss the main challenges IRBM might encounter in taxing cryptocurrencies.
(ii) What are the potential opportunities or measures IRBM can leverage on to counter tax revenue leakages?

You will be evaluated based on the following criteria:
- *Completeness and structure of presentation;*
- *Content and depth of discussion;*
- *Commercial awareness and research analysis;*
- *Critical thinking and creativity; and*
- *Presentation skills and delivery.*

Note: Subtitles are not required for the video submission. However, kindly ensure the audio is clear and audible so that the judges are able to hear your presentation clearly.

(40 marks)

- [END OF QUESTION] -