

Tax Whiz

Tax highlights from your advisers

27 March 2020

Malaysian Inland Revenue Board's Frequently Asked Questions ("FAQs") on Taxation Matters During the Movement Control Order ("MCO") Period (Updated on 26 March 2020)

On 18 March 2020, the Malaysian Inland Revenue Board ("MIRB") has released a list of FAQs in relation to the administration of taxation matters during the MCO period from 18 March 2020 to 31 March 2020. Following the extension of the MCO period from 1 April 2020 to 14 April 2020, the MIRB has further updated the FAQs on 26 March 2020. The taxation matters address in the FAQs include extension of time for submission of documents/returns/forms/notifications, tax payments and applications to the MIRB during the MCO period i.e. from 18 March 2020 to 14 April 2020. The key points in the latest updated FAQs are set out in the table below [highlighted in yellow].

No.	Topic	Subject Matter	MIRB's Response
1.	Tax audit / investigation	Submission of requested documents within the period of 18 March 2020 until 29 April 2020	Extended to 30 April 2020.
2.	Tax estimates / revised tax estimates	<ul style="list-style-type: none"> Submission of initial tax estimate (Form CP204) which falls in the MCO period Revision of revised tax estimate (Form CP204A) which should be submitted by 31 March 2020 	Extended to 30 April 2020.

No.	Topic	Subject Matter	MIRB's Response
	Tax estimates / revised tax estimates (cont'd)	Submission of revision and payment of estimated tax payable in the 3rd month of instalment payment under the Economic Stimulus Package which falls in the month of March 2020	Extended to 30 April 2020. <i>Note: The MIRB has clarified that the extension refers to companies with accounting period ending 31 December 2020.</i>
		Deferment of tax instalment payments	A company may make an application either to: <ul style="list-style-type: none"> • defer its monthly tax instalment payments (applicable to businesses in the tourism industry only); or • revise its estimated tax payable in the month of 3rd instalment payment which falls in the month of March 2020.
		First instalment payment under the Notice of Instalment Payment (CP500) which is due on 31 March 2020	Extended to 30 April 2020.
3.	Tax appeal	Submission of Notice of Appeal to the Special Commissioners of Income Tax (Form Q) where the due date falls within the MCO period	Extended to 30 April 2020. The exemption of the requirement to submit Form N has been removed now.
4.	Country-by-Country Reporting (CbCR)	Submission of CbCR or notification by a constituent entity for CbCR which is due on 31 March 2020 and 30 April 2020	Extended to 15 May 2020. Previously extended to 30 April 2020 for submission due on 31 March 2020 only.
5.	Employer's obligation	Submission of the following: <ul style="list-style-type: none"> • Form CP21 (Notification by Employer of Departure from the Country of an Employee) • Form CP22 (Notification of New Employee) • Tax Clearance Form for Cessation of Employment <ul style="list-style-type: none"> ○ CP22A – Private Sector Employees; or ○ CP22B – Public Sector Employees 	From 15 April 2020 (previously 1 April 2020) onwards.

No.	Topic	Subject Matter	MIRB's Response
6.	Labuan entities	Submission of return forms and payment of taxes	Extended to 30 April 2020. <i>Note: However, the MIRB has previously granted an extension of time until 29 July 2020 (automatic extension) or 28 October 2020 (upon application) to file the Year of Assessment 2020 tax returns.</i>
		Submission of irrevocable election form to be taxed under Income Tax Act 1967(Form LE3)	Extended to 30 April 2020 for YA 2020.
7.	Real Property Gains Tax ("RPGT")	Submission of RPGT forms and payment of RPGT including the acquirer's retention sum where the due date falls within 18 March 2020 to 30 April 2020	Extended to 30 April 2020.
8.	Tax penalties and compounds	Late payment of taxes	No penalties will be imposed provided the payment is made by 30 April 2020.
		Monthly Tax Deduction ("MTD") compounds	MTD compounds can be made before 30 April 2020.
9.	Withholding tax ("WHT")	Payment of WHT	Payment can be made between 15 April 2020 (previously 1 April 2020) and 30 April 2020. Payment can also be made via Telegraphic Transfer and the transaction details have to be submitted to the MIRB via fax (03-62019637) or email to HelpTTpayment@hasil.gov.my.
		Late payment penalties	No penalties will be imposed so long as the payment of WHT is made between 1 April 2020 and 30 April 2020.
10.	Stamp Duty	Sistem Taksiran dan Pembayaran Duti Setem Secara Dalam Talian (STAMPS)	<ul style="list-style-type: none"> STAMPS is an online system which enables application for stamp duty assessment and payment of stamp duty. It can be used by all law firms, companies, partnerships, businesses, financial institutions, authorised agents who are registered with the Companies Commission of Malaysia ("CCM"). It also can be used by an individual with a business that is registered with the CCM. For an individual with a business that is not registered with the CCM, the manual stamping of documents has to be made at the counter of the Stamp Office / Pusat Khidmat Hasil / UTC Johor Bharu after 14 April 2020 (previously 31 March 2020). Extension of time for such a case will be granted until 30 April 2020 and no penalty will be imposed.

No.	Topic	Subject Matter	MIRB's Response
	Stamp Duty (cont'd)	Stamping of Sale and Purchase Agreement ("SPA") for houses	The taxpayer can: <ul style="list-style-type: none"> • Purchase revenue stamps at the post office; • Attach a stamp with a value of RM10 on the SPA; • Cross out the revenue stamp and write down the current date on the revenue stamp <u>in black ink</u>. This method of cancelling the revenue stamp is only applicable to documents subject to a fixed stamp duty under Item 4, Schedule 1 of the Stamp Act 1949.
		Online payment	Payment modes under STAMPS are FPX, CIMB Bizz Channel and Public Bank. The stamp certificate should be printed and is to be attached to the respective instrument.
		Late payment penalties	If payment for notice of assessment falls in the period of 18 March 2020 to 14 April 2020, no penalty will be imposed so long as the payment is made by 30 April 2020.
		Stamp certificate verification	Verification can be made via https://stamps.hasil.gov.my/stamps/ or Semakan Ketulenan Sijil mobile application (ANDROID / iOS).
11.	Others	Any queries regarding taxation matters	Can be raised via MIRB's Customer feedback Platform at its Official Portal.
		Submission of manual or electronic return forms	As per the Return Form Filing Programme for the Year 2020 (Amendment 1/2020) .
		Submission of Form CP58 – Statement of Monetary and Non-Monetary Incentive Payment to An Agent, Dealer or Distributor	Extended to 30 April 2020.
		Application of Certificate of Residence via e-Residence is not workable due to the requirement in submitting supporting documents	Application can be submitted on 15 April 2020 (previously 1 April 2020) . For urgent cases, the taxpayer can email the MIRB at lhdn_int@hasil.gov.my .
		Tax Clearance Letter ("TCL")	The application for a TCL can be made via e-SPC at any time. Alternatively, taxpayer may visit the MIRB office from 15 April 2020 (previously 1 April 2020) onwards to make the application. The application will only be processed from 15 April 2020 (previously 1 April 2020) .
		Tax payments for amount exceeds the threshold allowed for internet banking	Payment of tax exceeding RM1 million can be made via Telegraphic Transfer and the transaction details have to be submitted to the MIRB via fax (03-62019637) or email to HelpTTPayment@hasil.gov.my .
		Tax refunds	To be processed as usual.

No.	Topic	Subject Matter	MIRB's Response
	Others (cont'd)	ezHASiL	<ul style="list-style-type: none"> • e-Filing PIN number can be applied through the Customer Feedback Platform at its Official Portal. • Income tax number can be made online through the e-Daftar application. • e-Filing password can be reset: <ul style="list-style-type: none"> ○ Using "Forgot Password Menu" at ezHASiL, if the taxpayer has registered email address / mobile phone number with the MIRB; or ○ By updating the email address or mobile phone number at Customer Feedback Platform or by contacting Hasil Care Line ("HCL") at 03-89111000 or 603-89111100 (for overseas) [HCL will be closed from 26 March 2020 until the end of the MCO period] for further information, if the taxpayer has not registered email address / mobile phone number with the MIRB or wishes to update the existing information.
		Feedback to letters from the MIRB within the period of 18 March 2020 until 29 April 2020	<ul style="list-style-type: none"> • Extended to 30 April 2020.
		Submission of Notification of Change in Accounting Period (Form CP204B) within the period of 18 March 2020 until 29 April 2020	<ul style="list-style-type: none"> • Extended to 30 April 2020.
		Submission of data and payment of MTD / CP38 on remuneration from employment for the month of March 2020 [New]	<ul style="list-style-type: none"> • Extended to 30 April 2020.
		Donation to the Covid-19 Fund [New]	Allow for tax deduction, subject to the stipulated conditions as summarised on next page.

Recipient of Donation	Accepted Forms of Donation	Is Approval Required for Claiming a Tax Deduction?	
		Cash	Gift in Kind
COVID-19 Fund (Ministry of Health Malaysia)	Cash and gift in kind	No	Yes. The application is to be submitted to the Tax Division of the Ministry of Finance ("MOF") together with a letter acknowledging the receipt of the donation which has been stamped with the official stamp in accordance with the format to be issued by the MOF.
COVID-19 Fund (Management of Natural Disaster, Prime Minister's Department)	Cash only	No	-
Donations to an institution/organisation which has been approved under subsection 44(6) of the Income Tax Act, 1967	Cash only	No	-

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