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## **Tax Espresso**

Update on SVDP and issuance of PR 2/2019 "Director's Liability"

*April 2019*

# Greetings from Deloitte Malaysia Tax Services

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[Inland Revenue Board of Malaysia](#)

## Takeaways:

1. [PR 2/2019 – Director's Liability](#)
2. [Update on Special Voluntary Disclosure Programme](#)

## Upcoming events:

1. [Finding opportunities in challenging market conditions and positioning your business for China, ASEAN and Europe](#)

## Important deadlines:

Task	2019 Due Date	
	30 April	1 May
1. 2020 tax estimates for companies with May year-end		✓
2. 6 <sup>th</sup> month revision of tax estimates for companies with October year-end	✓	
3. 9 <sup>th</sup> month revision of tax estimates for companies with July year-end	✓	
4. Statutory filing of 2018 tax returns for companies with September year-end	✓	
5. Due date for 2019 CbCR notification for companies with April year-end	✓	

## **Public Ruling No. 2/2019 – Director's Liability (PR 2/2019)**

The Inland Revenue Board of Malaysia (IRBM) has published PR 2/2019 on 14 March 2019 to explain the liabilities of a company director with regard to the company's tax, i.e.:

- (a) any tax that is due and payable by the company under the Income Tax Act 1967 (the ITA); and
- (b) any debt that is due and payable by the company as an employer in relation to tax deductions from emoluments and pensions under the Monthly Tax Deduction (MTD) scheme.

Various illustrations have been provided in this PR.

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## **Update on Special Voluntary Disclosure Programme**

Further to our [Special Alert @ 15 November 2018](#) and [Tax Espresso December 2018 issue](#) on SVDP, the Ministry of Finance (MOF) had, on 7 April 2019, issued a [media release](#) informing on the extension of the Special Voluntary Disclosure Programme (SVDP) until 30 September 2019. The extended SVDP is as follows:

<b>Penalty rate</b>	<b>Voluntary disclosure period (Based on original SVDP)</b>	<b>Voluntary disclosure period (Based on extended SVDP)</b>
<b>10%</b>	3 November 2018 to 31 March 2019	3 November 2018 to 30 June 2019
<b>15%</b>	1 April 2019 to 30 June 2019	1 July 2019 to 30 September 2019

In line with the declaration made in the MOF media release, other notable updates on SVDP are:

### **1. IRBM media releases (dated [21](#) and [27](#) March 2019 respectively)**

According to the Inland Revenue Board of Malaysia (IRBM) media releases, companies with financial years ending 31 January 2018, 28 February 2018 or 31 March 2018 which:

- have failed to submit their income tax return form (ITRF) for the year of assessment (YA) 2018, or
- have submitted their ITRF for YA 2018 prior to the announcement of SVDP in the 2019 Budget (including companies which have previously applied to participate in the SVDP but were rejected by the IRBM)

are eligible to participate in the SVDP.

## 2. IBRM's [Operational Guidelines No. 1/2018](#) and the [FAQs](#) (both revised as at 29 March 2019)

The Operational Guidelines No. 1/2018 were revised to state that the penalty rates after the expiry of SVDP will be:

Categories	Penalty rate based on the previous Guidelines	Penalty rate based on the revised Guidelines
Taxpayer who fails to submit ITRF / Petroleum Return Form (PRF) / Real Property Gains Tax Return Form (RPGTRF)	Minimum rate of 80% to 300%	Minimum rate of 45%
Taxpayer who fails to report the correct income	Minimum rate of 80% to 100%	Minimum rate of 45%

The FAQs were revised to provide further details on SVDP to the taxpayers.

It is to be noted that the MOF has recapped in its abovementioned media release that the IRBM will accept each voluntary disclosure in good faith and the audit action and investigation will not be conducted against the voluntary disclosure. A letter of confirmation for each voluntary disclosure received will be issued by the IRBM.

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<http://www2.deloitte.com/my/en/services/tax.html>

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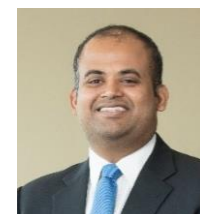


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