



## Tax Espresso – Special Alert

### Extended MCO Period to 28 April 2020 – IRBM updated FAQs on tax matters during the MCO Period

Reference is made to our:

- (i) [Special Alert - IRBM issued FAQs on tax matters during the Movement Control Order Period \(18 to 31 March 2020\), based on the FAQs on 19 March 2020;](#)
- (ii) [Special Alert - IRBM updated FAQs on tax matters during the Movement Control Order Period \(18 to 31 March 2020\), based on the FAQs on 25 March 2020;](#) and
- (iii) [Special Alert - IRBM updated FAQs on tax matters during the Movement Control Order Period \(18 to 14 April 2020\), based on the FAQs on 3 April 2020.](#)

In light of the extended Movement Control Order (MCO) period to 28 April 2020, the Inland Revenue Board of Malaysia (IRBM) has made further changes

to the Frequently Asked Questions (FAQs). Here are the key changes reflected in the [FAQs updated on 10 April 2020](#):

1. Closure of all IRBM premises (except stamp duty counters at Branch Stamping Office and Hasil Care Line) nationwide during the period of 18 March 2020 to 28 April 2020 (“the MCO period”).
2. Extension of time (EOT) until **31 May 2020** is given for the following submissions / payments due within the MCO period:
  - (a) Submission of *Statement of Monetary and Non-Monetary Incentive Payment to an Agent, Dealer or Distributor* (Form CP58).
  - (b) Submission of Notice of Appeal against an Assessment (Form Q) where the due date falls within the MCO period. Taxpayer is required to submit Form N and state that the delay is due to the implementation of MCO.
  - (c) Submission of Irrevocable Election by a Labuan Entity under Section 3A of the Labuan Business Activity Tax Act 1990 form (Form LE 3) for a Labuan entity to be taxed under the Income Tax Act 1967 (ITA).
  - (d) Submission of Notification of Change in Accounting Period (Form CP204B).
  - (e) Submission of Form CP204, Form CP204A for the 6th and 9th month revision of tax estimates.
  - (f) Monthly instalment payments due on 15 April 2020 and 15 May 2020.
  - (g) Revision in the month of the 3rd monthly tax instalment that falls in April 2020 (i.e. for December year-end cases).

(\* The deadline for submission of revised tax estimate for November year end that was due March 2020, has been extended to **30 April 2020** as per the FAQs updated on 25 March 2020.)
  - (h) Submission of form and tax payment of a Labuan entity.
  - (i) Submission of monthly tax deduction (MTD) data and MTD / CP 38 payment for March 2020 and April 2020 remuneration, as well as MTD compound payment.
3. EOT until **31 May 2020** is given for the following submissions due between the period of 18 March 2020 and 15 May 2020:
  - (a) Submission of requisite documents for cases being audited / investigated.
  - (b) Submission of feedback to IRBM letters.
4. Late payment penalty will not be imposed if the payment (all types of income tax) due within the MCO period is made by **31 May 2020**.
5. Institution or organisation approved under Section 44(6) of the ITA is required to submit its audited financial statements to the IRBM by or on 30 April of each year. The deadline for submission of the audited financial statements due 30 April 2020 has been extended to **30 June 2020**.

6. [2020 Filing Programme \(Amendment 2/2020\)](#): 2-month grace period is extended to those with accounting period ending 31 December 2019 for submission of Return Forms (RF) and payment of balance of tax:

Form type	Grace period for submission of RF and payment of balance of tax	Extended deadline
<b>Company, Co-operative Societies, Limited Liability Partnerships, Trust Bodies and Petroleum</b>		
C, C1, PT, TA, TC, TR, TN, CPE, CPP	<b>Return for the Year of Assessment 2019</b> i. <b>2 months</b> from the due date of submission for accounting period ending: - <ul style="list-style-type: none"> <li>• 31 December 2019</li> </ul>	<ul style="list-style-type: none"> <li>• 30 September 2020</li> </ul>

Please refer to our recent alert "[March 2020 \[Special Alert - Extended RF Submission Deadline and Closure of IRBM and RMCD Premises\]](#)" for more details.

7. EOT is given for the filing of Country-by-Country Report (CbCR) by the responsible Malaysian entity and CbCR notification by the constituent entity that are due on 31 March 2020 and 30 April 2020:

	Statutory due date	Extended deadline
Filing of CbCR	31 March 2020	15 May 2020 (*)
	30 April 2020	31 May 2020
Filing of CbCR Notification	31 March 2020	31 May 2020
	30 April 2020	31 May 2020

(\*) EOT is only given until 15 May 2020 for the filing of CbCR by the responsible Malaysian entity where the filing deadline falls on 31 March 2020. As you may be aware, the IRBM has an obligation to exchange the CbCR information with other jurisdictions within 15 months after the financial year end, in adherence to the minimum standards provided by the Organisation for Economic Co-operation and Development (OECD).

8. Forms CP 21, CP22, CP22A or CP22B can be submitted beginning 29 April 2020.
9. Application for tax clearance letter (TCL) can be made via e-SPC at any time or can be delivered by hand to IRBM's premises, beginning 29 April 2020. The processing of TCL applications will be made beginning 29 April 2020.
10. EOT until **30 June 2020** for the submission of the completed application form of an approved Research and Development (R&D) project under Section 34A of ITA (Borang 1), where the submission deadlines fall on 31 March 2020 and 30 April 2020.
11. Deferment of instalment payments introduced via Economic Stimulus Package 2020 and PRIHATIN Package:
- 6 months deferment of payments for taxpayers in tourism-related industries from April 2020 to September 2020 and 3 months deferment for Small and Medium-sized Enterprises (SMEs) from April 2020 to June 2020.
  - Deferment of instalment payments will be given automatically by the IRBM to eligible taxpayers based on IRBM's records.

(c) The sources of data that will be used by the IRBM in order to determine whether the SMEs are eligible for the deferment is based on Return Form for year of assessment 2018 received by the IRBM.

(\*In our view, the same basis should be used by the IRBM in determining eligible taxpayers in tourism-related industries, however this is silent in the updated FAQs.)

(d) Businesses which have met the following two business criteria for SMEs status [as stated in FAQs Part D Payment (Item 6)], will be eligible for the deferment of instalment payment for 3 months, beginning April 2020 until June 2020:

- have a paid-up capital of less than or equal to RM2.5 million ordinary shares at the beginning of the basis period for a year of assessment; and
- have a gross business income of RM50 million and below.

Businesses are not required to fulfil additional criteria such as those provided in Paragraphs 2A and 2B of Schedule 1 of the ITA, to be eligible for the deferment.

(e) Taxpayer can choose to reject the automatic deferment of instalment payments granted by the IRBM and to continue paying instalments based on the original instalment payment scheme, without the need to inform the IRBM.

(f) The IRBM will notify taxpayers who are eligible for deferment of instalment payments by e-mail registered with IRBM in the near future. If the taxpayer is eligible to a deferment based on the business criteria for SME status [as stated in FAQs Part D Payment (Item 6)], but has yet to receive the e-mail notification, the taxpayer is not required to make payment for the instalment due on 15 April 2020.

(g) Taxpayers can appeal by letter / e-mail to the Records Management and Taxation Information Division of the IRBM if the taxpayer is eligible for the deferment of instalment payments based on the taxpayer's current situation. An e-mail notification will be issued if the appeal is approved.

12. Withholding tax payments with due date falling in the MCO period can be made from 29 April 2020 until 31 May 2020 via telegraphic transfer (TT) by submitting the complete payment information to the IRBM through facsimile number 03-6201 9637 or by email to [HelpTTpayment@hasil.gov.my](mailto:HelpTTpayment@hasil.gov.my).

Late payment penalty will not be imposed on the abovementioned withholding tax payments if payments are made by **31 May 2020**.

13. Tax refunds will be processed by IRBM as usual. However, in an ongoing audit case, taxpayers are required to submit the supporting documents as requested within the MCO period for the purpose of tax refund.

14. EOT until **31 May 2020** for submission of Real Property Gains Tax (RPGT) return and RPGT payment (payment pursuant to Section 21B of the RPGT Act 1976 and payment for notice of assessment) with deadline that falls within the period of 18 March 2020 to 31 May 2020.

15. Stamp Duty

- (a) For stamping of documents by individuals with business registered with Companies Commission of Malaysia (CCM), stamping of documents can be made online (STAMPS).
- (b) Individuals who have no business or have business not registered with CCM can only have the stamping of documents done manually at the counter. Stamping of document due within the period of 18 March 2020 to 30 May 2020 can be done at the counter by **31 May 2020**.
- (c) Penalty will be imposed on stamp duty payment made after 30 days from the date of the notice of assessment. In light of the MCO, the deadline for payment due within the MCO period has also been extended to **31 May 2020**.
- (d) IRBM offices nationwide will open Stamp Duty Counters from 3 April 2020 to cater to individual duty payers. However, the services available will be limited to the following:
  - Stamping for individuals and public who do not have STAMPS user ID; and
  - Payment of stamp duty based on notice of assessment which cannot be made online.

Operation hours based on the working days of the relevant state is from 8.00 a.m, to 12.00 p.m.

Please see [FAQs \(updated on 10 April 2020\)](#) for details and other matters addressed.

**In light of the extended MCO, further announcements / changes to the FAQs may be expected. To stay updated, please refer to this [FAQs](#) for the latest version.**



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