



## Tax Espresso – Special Alert Tax Amnesty program 2018/2019

Taxpayers who are anxious with the arrival of the Automatic Exchange of Information, signed by over a 100 countries, can breathe a sigh of relief. Budget 2019 has unveiled the Special Program for Voluntary Disclosure (SPVD) with attractive penalty rates.

This is the chance for all taxpayers, whether individuals, companies or employers, to recalibrate their tax affairs under the SPVD.

### How does the SPVD work?

Taxpayers who voluntarily disclose their tax shortfalls and settle their tax arrears would qualify for preferential penalty rates:

Period the voluntary disclosure is made	Penalty rate
<b>Prior to 3 November 2018 (per the Tax Audit Framework)</b>	35% (before case is selected for tax audit) / 45% (once case is selected for tax audit)
<b>From 3 November 2018 to 31 March 2019</b>	<b>10%</b>
<b>From 1 April 2019 to 30 June 2019</b>	<b>15%</b>
<b>From 1 July 2019</b>	80% to maximum allowed in prevailing legislation*

*\* The maximum penalty is 300% for failing to file tax return and 100% for incorrect tax return.*

### **What types of taxes does it cover?**

The SPVD is available for taxes and duties under the following:

- Income Tax Act, 1967
- Petroleum (Income Tax) Act, 1967
- Real Property Gains Tax Act, 1976
- Stamp Act, 1949

Therefore, taxpayers should consider the SPVD if they have:

- (i) income not previously declared / under declared, expenses over claimed / not allowed and reliefs / deductions / rebates over claimed;
- (ii) gains on disposal of assets (real properties and shares in real property companies); or
- (iii) instruments not previously stamped.

### **Who does it cover?**

- All categories of taxpayers including individuals and companies.
- The SPVD also applies to cases under tax audit and tax investigation.

### **What are the assurances?**

Inland Revenue Board of Malaysia (IRBM) will accept in good faith all voluntary disclosures made under the SPVD. No further review will be made on the reported information unless the IRBM receives third party information indicating that the taxpayer, knowingly, did not fully report the under declared income.

Information provided to IRBM would be kept confidential and used for tax purposes only.

### **What should I do now?**

Talk to us. It might be timely to carry out a health check on your tax affairs and take full advantage of the tax amnesty program during this period.

Evaluate and assess your risk areas:

- Whether a tax stance is defensible from a technical perspective
- Whether a receipt is indeed capital in nature
- Whether an income is indeed foreign sourced
- Whether sufficient documentation is available to support the expenses
- Whether you are in a position to explain your finances from all angles

Let us help you assess your approach.

If you have any questions, please feel free to contact our Tax Audit & Investigation team:



**Chow Kuo Seng**  
Audit & Investigation Tax Leader  
+603 7610 8836  
[kuchow@deloitte.com](mailto:kuchow@deloitte.com)



**Stefanie Low Geok Ping**  
Audit & Investigation Executive Director  
+603 7610 8891  
[gelow@deloitte.com](mailto:gelow@deloitte.com)



**Deloitte Tax Services Sdn Bhd**

Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
Malaysia

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

**About Deloitte in Malaysia**

In Malaysia, services are provided by Deloitte Tax Services Sdn Bhd and its affiliates.

*This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication*

© 2018 Deloitte Tax Services Sdn Bhd

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.