



Indirect Tax Alert

Extension of Time for Indirect Tax Payments

The Royal Malaysian Customs Department (RMCD) released further information today relating to the deferral of payment dates for various indirect tax returns. The deferral has been provided as a consequence of the Movement Control Order (MCO) being extended to 12 May 2020.

The RMCD has extended the payment dates for indirect tax returns for taxable periods ending 29 February 2020 and 31 March 2020 to 31 May 2020.

A remission of late-payment penalty would be granted if the tax payment with respect to the relevant indirect tax return is received by the RMCD by the new extended deadline (31 May 2020).

The extension of time is given to those who are due to lodge the following types of indirect tax returns:

- Sales Tax or Service Tax via the SST-02
- Service Tax on Imported Services via the SST-02A
- Tourism Tax via the TTx-03
- Departure Levy via the DLV-02

Although the extension of deadline is only given for payments of the above indirect tax returns, the announcement states that no action will be sought by the RMCD for late-filing of the returns that are statutorily due on 31 March or 30 April.

For more information, you may access the announcement, which is only available in the national language [here](#).

Separate to this, the RMCD released another announcement notifying taxpayers that late payment penalties would be auto-generated by its system even though an extension has been granted, but these would be remitted by RMCD as soon as possible. This announcement can be accessed [here](#).

Deloitte's comments

The announcements today appear to address the concerns raised in our earlier alert on whether late filing penalties would be imposed. Based on this new information, it appears that taxpayers are free to submit the relevant returns at any time prior to the end of May without the risk of penalties being imposed.

We are hopeful that future updates provided will be concise and clear, to reduce confusion amongst taxpayers.

We will continue to monitor the tax developments in Malaysia and keep you updated of any new information through our newsletters and alerts.

If you would like to discuss on any of the above, please reach out to your usual Deloitte indirect tax contact or to the team below.

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Best regards,

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