



Movement Control Order Updates to the Inland Revenue Board's Announcements (dated 10 April 2020)

Key Takeaway



- ❖ General
- ❖ Forms
- ❖ Payment
- ❖ Real Property Gain Tax (RPGT)

Our Prime Minister Tan Sri Muhyiddin Yassin had announced on 10 April, 2020 that the Movement Control Order (MCO) will be extended by another two weeks, from April 15 to April 28, to curb the spread of Covid-19.

In response to the extension of the MCO, the Inland Revenue Board of Malaysia (IRBM) has updated their **'Frequently Asked Questions (FAQ) On Tax Matters During The Movement Control Order Period'** (Updated on 10 April 2020) to cover the period extended under the MCO.

This alert highlights the changes to the FAQ as compared to the earlier FAQ which was updated by the IRBM on 3 April 2020.

All updates are highlighted in red.



	Question	Remarks by the IRB
1.	General	
(a)	Extension of time to submit documents for audit or investigation within the period of 18 March 2020 until 15 May 2020 .	Extension of time will be given until 31 May 2020 .
(b)	Extension of time to provide feedback to IRB letters within the period of 18 March 2020 until 15 May 2020 .	Extension of time will be given until 31 May 2020 .
(c)	Extension of time for submission of audited accounts by the institution or organisation approved under section 44(6) of the ITA 1967.	Extension of time will be given until 30 June 2020 .
2.	Forms	
(a)	Extension of time for the submission of return forms either manually or e-Filing.	<p>The last day to file the various income tax return forms has been extended by up to two months from the original deadline.</p> <p>Please refer to the 2020 Return Form Filing Programme (Amendment 2 / 2020) as per link below:</p> <p>http://lampiran1.hasil.gov.my/pdf/pdfam/ProgramMemfailBN_2020_Pin.2_1.pdf</p>
(b)	Extension of time for the submission of Form CP58.	Extension of time will be given until 31 May 2020 .
(c)	Extension of time for submission of Form Q.	Extension of time will be given until 31 May 2020 . However as provided under Section 100 of Income Tax Act (ITA) 1967, taxpayer is required to file Form N and state that the delay is due to the implementation of MCO.



	Question	Remarks by the IRB
(d)	Submission of Country-by-Country Reporting (CbCR).	<p>a) Entities in Malaysia responsible for the filing of the CbCR report will be given an extension of time as follows:-</p> <ul style="list-style-type: none"> i. CbCR report for submission due on 31 March 2020. Extension of time until 15 May 2020. ii. CbCR report for submission due on 30 April 2020. Extension of time until 31 May 2020. <p>b) Constituent entities in Malaysia responsible for the submission of CbCR notification will be given an extension of time as follows:-</p> <ul style="list-style-type: none"> i. CbCR notification for submission due on 31 March 2020. Extension of time until 31 May 2020. ii. CbCR notification for submission due on 30 April 2020. Extension of time until 31 May 2020.
(e)	Submission of Forms CP21, CP22, CP22A or CP22B within the MCO period.	Forms can be submitted beginning 29 April 2020 .
(f)	Extension of time to Labuan entities for the submission of irrevocable election form to be taxed under the Income Tax Act 1967 (Form LE3) where the due date is during this period.	<p>Example of scenario: Accounting period / basis period for a Labuan entity is 01/01/2020 – 31/12/2020. The due date for submission of Form LE3 for Year of Assessment 2020 is on 31/03/2020.</p> <p>Extension of time will be given until 31 May 2020 for the submission of Form LE3 for Year of Assessment 2020.</p>



	Question	Remarks by the IRB
(g)	Extension of time for the submission of Application Form of an Approved Research and Development (R&D) Project under section 34A ITA 1967 Borang 1.	<p>a) Due date for submission of completed Borang 1 (New Project/Extension Project) which ends on 31 March 2020. Extension of time will be given until 30 June 2020.</p> <p>b) Due date for submission of completed Borang 1 (New Project/Extension Project) which ends on 30 April 2020. Extension of time will be given until 30 June 2020.</p>
3.	Payment	
(a)	Extension of time to submit all types of tax estimate which are due within the MCO period.	Extension of time will be given until 31 May 2020 .
(b)	Extension of time for tax estimate payments which are due on 15 April 2020 and 15 May 2020 .	Extension of time will be given until 31 May 2020 .
(c)	Deadline for the submission of the revised of tax estimate in the 3rd month of instalment in 2020 under the Economic Stimulus Package.	Extension of time will be given until 31 May 2020 for revision in the 3 rd month of instalment that falls in April 2020 .
(d)	Sources of data that will be used by the IRBM in order to determine whether the SMEs qualify for the deferment of estimated tax payment.	YA 2018 Return Form received by the IRBM.
(e)	Will a tax increase be imposed if there is a delay in making payment during this period?.	Extension of time for tax payments will be given until 31 May 2020 . Therefore payments received during this period will not be subjected to tax increase.

	Question	Remarks by the IRB
(f)	Whether I can choose to reject the automatic deferment of tax estimates payment and continue payments based on the original payment schedule? If so, do I need to notify the IRBM?	Taxpayer can reject and continue paying tax estimates based on the original payment schedule without having to inform the IRBM.
(g)	Will the IRBM issue a notification to the taxpayers who are entitled for deferment of tax estimates payment?	The IRBM will notify taxpayers who are entitled for deferment of tax estimates payment by e-mail registered with IRBM. If taxpayer entitle for deferment of but has not yet received the e-mail, the taxpayer will not have to make a payment for the instalment which is due on 15 April 2020.
(h)	How to appeal for deferment of tax estimate ?	To submit appeal letter / e-mail to the Records Management and Taxation Information Division. A notification e-mail will be issued if the appeal is approved.
(i)	Submission of forms and payment of tax for Labuan entities during this period.	Extension of time of up to 31 May 2020 will be given to submit forms and make tax payments.
(j)	How to make withholding tax payment during this period?	<p>Payment of withholding tax which falls between 18 March 2020 to 28 April 2020 can be made beginning 1 April 2020 up to 31 May 2020.</p> <p>Payment can also be made through telegraphic transfer (TT) by furnishing complete payment details to IRBM through fax at 03-6201 9637 or through e-mail at:</p> <p>HelpTTpayment@hasil.gov.my</p>
(k)	Will penalty be imposed on withholding tax payments which should be made during this period?	No penalty will be imposed on late payment during that period.

	Question	Remarks by the IRB
(l)	Will there be extension of time to submit MTD data and make MTD / CP38 payment for March and April 2020 remuneration?	Extension of time will be given until 31 May 2020 .
(m)	Will compound payment for Monthly Tax Deduction (MTD) which should be paid during this period be deferred?	Payment can be made before 31 May 2020 .
(n)	Will IRBM defer the tax refund process?	Tax refunds will be processed as usual. For an ongoing audit case, taxpayers are required to submit the supporting documents as requested within the MCO period for the purpose of tax refund.
4.	Real Property Gains Tax (RPGT)	
(a)	Is extension of time provided for the submission of RPGT return forms and payment?.	For the submission of RPGT return forms and payment of RPGT (section 21B or payment of notice of assessment) where the due date falls within 18 March to 31 May 2020 , the deadline for filing of the forms and payment is 31 May 2020 .



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