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ideas & insights



How to Get Tax Clearance for Companies, LLPs & Labuan Entities in Malaysia

Key Takeaway

- GPO 3/2026 reinforces IRBM's focus on ensuring that tax compliance is completed before corporate entities are dissolved.

The Inland Revenue Board of Malaysia ("IRBM") issued Operational Guidelines No. 3/2026 (GPO 3/2026) on 20 October 2026, introducing updated procedures for applications for Tax Clearance Letters (Surat Penyelesaian Cukai or SPC) by companies, limited liability partnerships (LLPs) and Labuan entities.

The new Guidelines replace Operational Guidelines No. 1/2022 dated 24 May 2022 and clarify the tax compliance requirements, application procedures, supporting documentation and conditions for issuing an SPC.

An SPC serves as confirmation from IRBM that the relevant entity's tax affairs have been settled before its dissolution by the relevant registration authority.

Key Requirements Under GPO 3/2026

The Guidelines cover Malaysian companies, LLPs and 12 categories of Labuan entities, including Labuan companies, foundations, partnerships and trusts. They also address approved companies limited by guarantee and certain Labuan companies taxed under the Income Tax Act ("ITA")1967.

The principal requirements are summarised below:

Area	Requirements
Tax returns	All outstanding income tax returns and employer statements must be submitted up to the SPC year.
Tax payments	All outstanding tax liabilities must be fully settled.
MITRS	Relevant supporting tax documents must be submitted within 30 days after the tax return filing deadline, where applicable.
Tax audits	Outstanding audit and investigation matters must be resolved.
Legal matters	Outstanding compound, prosecution and civil proceedings must be settled.
Employer obligations	Outstanding monthly tax deductions (PCB), employer returns and employee notifications must be addressed.
Tax clearance	Tax ledgers must have nil outstanding balances, including income tax, real property gains tax and Labuan business activity tax, where applicable.

Dormant entities are not automatically exempt from tax filing obligations. IRBM requires dormant entities to continue submitting the relevant returns and employer statements until dissolution is completed.

Entities holding shares, real property, fixed deposits or other investments generating income are also not necessarily regarded as dormant.

IRBM's Customer Charter provides for an SPC to be issued within 14 working days from receipt of the application, provided that all required documents and information are complete and there are no outstanding tax issues.

A particularly important requirement applies to companies undergoing voluntary or court-ordered winding-up, the SPC application should be submitted before the liquidator's final accounts and statements under subsection 514(1) of the Companies Act 2016 are prepared.

Furthermore, under subsection 75(2) of the ITA 1967, a liquidator must not distribute company assets to shareholders before the relevant tax payable has been discharged.

RECOMMENDED ACTIONS

The revised Guidelines have practical implications for companies planning to wind up, strike off, restructure or convert their business structures.

We recommend you to take the following actions:

1. Undertake a tax health check:

Review outstanding tax returns, assessments, tax payments, audit matters and tax investigations before initiating dissolution.

2. Review MITRS compliance:

Ensure that all applicable supporting documents have been submitted within the prescribed 30-day period.

3. Coordinate with company secretaries and liquidators:

Align the SPC application timeline with the relevant SSM or Labuan FSA dissolution requirements.

4. Employer obligations:

Reconcile outstanding PCB, Form E, CP8D and relevant employee notifications.

5. Plan for final tax compliance:

Continue submitting the required returns even after SPC issuance until the entity is fully dissolved and its tax file is closed.

6. Prepare Labuan-specific documentation:

Ensure the relevant LE1, LE4 and LE5 declarations are submitted, where applicable.

Early tax planning, proper coordination with corporate advisers and timely resolution of outstanding tax matters are essential to minimise delays, avoid unnecessary compliance costs and facilitate an orderly dissolution process.

For more details, please refer to :
HASiL Operational Guidelines No. 3/2026, Garis Panduan Operasi Permohonan Surat Penyelesaian Cukai bagi Syarikat, Perkongisan Liabiliti Terhad dan Entiti Labuan.

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