

e-CIRCULAR TO MEMBERS



CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

CTIM No.30/2011

2 August 2011

TO ALL MEMBERS

TECHNICAL

1. Penalty on Late Filing of Tax Returns

Further to our e-CTIM No. 29/2011, the President has sent an email to the Deputy Director General (Tax Operations), Encik Mohammad Sait on 27 May 2011. Below is the full text of the email.

Dear Encik Mohammad

Thanks for your quick reply. We have noted the IRBM's response raised through Desire. Our main concerns are 2 fold:

- a) the steep increase in penalty rates and*
- b) it came also as a surprise to many tax agents and taxpayers as there was little warning or advance notice given.*

Section 112 (1)imposes a penalty even on conviction only a fine between RM 200 and RM 2,000 and in the past, we guess the rationale for the penalty under section 112(3) is based on the same range as that provided in Section 112(1). We sincerely hope IRBM will reconsider reducing the current penalty rate of 20% to 35 %, to a lower rate and to apply this rate on a prospective basis after adequate notice is given to the taxpayers. Tax agents and taxpayers have also been caught by surprise because the new penalty rates were not known to the public.

In addition, many of our members and those employed in the private sector have come under tremendous pressure from clients / employers for providing information on penalties based on the IRB's previous practice of imposing a penalty for late filing of between RM 200 and RM 2000 under Section 112(3).

We trust that you will consider the above points when reviewing our appeal above.

Regards

SM. Thanneermalai

President

The President and the Chairman of Technical and Public Practice Committee have been pursuing this matter closely and the Institute will continue to engage the authorities, taking into consideration the concern and interest of members.

Indirect Tax

2. GST Guides (Draft)

The Royal Malaysian Customs (RMC) has released the following GST Guides (draft) on the GST Portal (<http://www.gst.customs.gov.my/portal/page/portal/MYGSET>) this morning. The RMC invites the members of public to email their comments on these Guides to Tuan Mohd Hisham bin Mohd Nor at m_hisham.nor@customs.gov.my.

Draft Guides (i) may be viewed at http://www.gst.customs.gov.my/portal/page/portal/MYGSET/SubTopicDetailPage?piref2551040729_255_1040710_1040710.ora_navig=nodeld=131 and draft Guide (ii) http://www.gst.customs.gov.my/portal/page/portal/MYGSET/SubTopicDetailPage?piref2551040729_255_1040710_1040710.ora_navig=nodeld=134 :

- i) Duty Free Shop
- ii) Import.pdf

Members are requested to submit their comments to the Institute at kslim@ctim.org.my or secretariat@ctim.org.my so that a comprehensive feedback may be prepared and submitted to the Royal Malaysian Customs for consideration

MEMBERSHIP SERVICES

MEMBERSHIP RENEWAL FOR YEAR 2011

We wish to thank members who have renewed their 2011 membership subscription. For those who have yet to renew, we urge you to settle your dues as soon as possible together with the payment advice to enjoy uninterrupted membership services. If your payment is on the way, we thank you for your support and would appreciate if you could inform the Secretariat duly.

If you need assistance on your renewal, please contact Iza (ext 114) or e-mail us at membership@ctim.org.my

CTIM takes this opportunity to thank all our valued members for their continued support.

PUBLICATION

2012 Budget Commentary and Tax Information

In supporting CTIM's continuing mission to be the consultative authority on taxation as well as to provide leadership and direction to enable members to contribute effectively to the development of the nation, we would like to offer for sale to your organization, the *2012 Budget Commentary & Tax Information* booklet which is a comprehensive easy to read guide on the 2012 budget and tax information. This booklet is certainly a useful tool that no financial or taxation professional should do without.

Please click <http://www.ctim.org.my> to download the Order Form. You may call Ms Khalijah at 03-21628989 if you require assistance in placing your orders.

CHARTERED TAX INSTITUTE OF MALAYSIA IS RECRUITING AN ASSISTANT MANAGER / TECHNICAL MANAGER

The Chartered Tax Institute of Malaysia is inviting suitably qualified candidates to apply for the position in the premier body for tax professionals.

Interested applicants, please click on http://www.ctim.org.my/ectim/Advert_techmgr_Jul10.pdf for details.

For queries or feedback on the CTIM e-circular, please email secretariat@ctim.org.my.

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