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BY E-MAIL

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The Director
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YBhg Dato' Adenan,

**GUIDANCE FOR TAXPAYERS ON FILING OF TAX RETURNS AND TAX PAYMENTS
DUE TO MCO 3.0**

We refer to the recent Government's announcement in relation to the imposition of the nationwide Movement Control Order (MCO 3.0) due to the rising of COVID-19 infections. The Government has decided to implement the MCO 3.0 restrictions from 12 May 2021 to 7 June 2021.

Following the MCO that was implemented in selected states from January 2021, the Government has imposed a strict standard operating procedure that no more than 30% of management staff are allowed to operate at all times for all economic sectors. In some states the cases have escalated even more, and our members have to close their offices for sanitization and quarantine as required by the Ministry of Health. Furthermore, the poor internet reception in the areas also do not allow all of their staff to do their e-filing properly.

Members of the accountancy fraternity is one of the most important economic front liners. If the Inland Revenue Board (IRB) can once again allow extension of time for the statutory lodgements of tax returns, this will enable members and staff of the accountancy fraternity to better manage their health and lifestyle, encourage them to work from home, providing them the option of voluntary self-lockdown and be confidently prepared for vaccination. It will also provide the business community with much needed breathing space as our country is entering the critical phase of fighting the Covid-19.

In the past filing period, we understand that the IRB will be providing extension of time on a case-by-case basis but also encourage the submission of tax returns within the deadline.

The Institute would like to enquire whether the IRB would consider extending the grace period for filing of tax returns for the years of assessment 2020 and 2021 as set-out in the IRB's Return Form Filing Programme for the Year 2020 and 2021 as well as deferring tax payments that are affected by the MCO 3.0

The affected filings of tax returns are as follows (in anticipation that MCO 3.0 may possibly be further extended after 7 June 2021): Submission	Financial year end	Year of Assessment	Deadline for submission
Form CP 204	1 July 2021 - 30 June 2022	2022	31 May 2021
Form CP 204A 6 th month	1 December 2020 – 30 November 2021	2021	31 May 2021
Form CP 204A 9 th month	1 September 2020 – 31 August 2021	2021	31 May 2021
Form C etc. (including all other Returns as stated in the IRB's Return Form Filing Programme for the Year 2021)	1 October 2019 - 30 September 2020	2020	31 May 2021 (with grace period)
Form B, e-B, P, e-P etc. (including for all other Returns as stated in the IRB's Return Form Filing Programme for the Year 2021)		2020	30 June 2021

Recognising the market sentiment may have longer term implications, we also request the followings in relation to tax payments:

- Deferral of CP204 and CP500 payments due in May & June (akin to MCO 1.0)
- Allow tax revisions to be made between 10th month and 12th month to cater for the uncertainty
- Published policy on full waiver of tax underestimation penalty where tax is paid in the 12th instalment month.

Digitalisation / electronic submissions:

We thank the IRB for digitalising most of the affairs. Below are the few that are still manual and require attention in the time of MCO 3.0.

We would also like to request the IRB to look into the payment of withholding tax matter, in view that the withholding tax CP form submission and payment has to be paid at the IRB counter in KL, KK & Kuching only. In the current situation, we hope that the IRB could consider making e-filing (not just e-filing) and e-payment facilities available for payment of withholding tax.

We also hope that appeals (Form Q) can be filed electronically. While any online submission platform is developed, submission via email should be accepted given that the directors and tax agents may be in different location that the IRB branch that handle the file. Updating IRB guidelines to allow Form Q to be filed via email would be timely action, and be much appreciated by the tax fraternity.

We would like to seek the IRB's guidance and directions to assist taxpayers during this situation. We look forward to the IRB's response on the above matter.

Thank you.

Yours faithfully,

CHARTERED TAX INSTITUTE OF MALAYSIA



Mohd Noor B. Abu Bakar

Chairman of CTIM Compliance and Operations Working Group