

TO ALL MEMBERS

TECHNICAL

Direct Tax

[Minutes of DESIRE Meeting No.1/2016 on 19 May 2016 between the LHDNM and the Professional Bodies](#)

The Inland Revenue Board of Malaysia (LHDNM) has released the [Minutes of DESIRE Meeting No.1/2016](#) ("Minutes") held on 19 May 2016. The following compliance and operational issues were discussed at the meeting:-

A. Issues Raised by CTIM

Filing Issues

- 1) Return Form C -- YA 2015, Part A12 – Dividends
- 2) New Items in 2015 Form C – Part J, P18 & P19
- 3) Part R of Form C – Item No. R4: Transfer Pricing Documentation Prepared
- 4) Application of Company e-filing pin number by director
- 5) Form C for dormant companies - business code
- 6) Revision of tax return prior to YA 2014
- 7) Non-resident branch/permanent establishment with income partially subject to withholding tax
- 8) Proposal to furnish the Form CP204 by way of electronic submission
- 9) Submitting the Form E through e-filing
- 10) Submission of tax return based on audited accounts
- 11) The electronic Form E
- 12) Completion of Form e-C

Penalty Issues

- 13) Tax penalty issues arising from change in basis period
- 14) Penalty for not providing correct particulars
- 15) Compound fine for under deduction of MTD

Tax Payment / Refund Issues

- 16) Application of offsets and refunds when Assessment Branch is the Multinational Tax Branch
- 17) Statement of tax position
- 18) Excess tax paid - LHDNM's system not updated
- 19) Payment of balance of tax payable by instalments
- 20) Utilisation of tax credits to set-off against future tax instalments

Other Issues

- 21) Avenue to revise tax returns
- 22) Grace period for e-filing Form e-C
- 23) Verification of passport for leaver – determining residency status

- 24) Registration of tax file for expatriates
- 25) Passport verification to substantiate residency status claim
- 26) Changes in the e-filing system/prescribed forms for e-filing and other similar system changes
- 27) List of Approved Institutions under Section 44(6) ITA 1967
- 28) Late Receipt of LHDNM's Letter
- 29) Companies Trading in Properties vs RPGT
- 30) Appeal under Section 99 against Form J issued under Section 90(3)
- 31) Form E : Status of Business (Item No.4)
- 32) Closing of Companies
- 33) E-filing of individual tax returns
- 34) Confirmation/clarification sought in relation to a company which is winding up

B. Issues Raised by MIA and MICPA

- 1) Rights of the IRB officers not to accept documents submitted by taxpayers/tax agents
- 2) Tax refund delay
- 3) General guidelines to the public and private sectors: Section 107A – withholding tax legislation – non-resident contractors
- 4) Penalties imposed on transfer pricing audits
- 5) Waiver of tax increase under section 107C(10) of the ITA
- 6) Tax refund / utilisation of tax credit
- 7) IRB's letters to notify the outstanding amount of tax payable (e.g. Form CP226, CP226X)
- 8) Submission of form e-CP204 for SME corporations

C. Other Matters

Application for Extension of Time (EOT) to submit ITRFs

Please note that EOT will no longer be allowed for the following submission of the ITRFs:-

| Forms | Effective Date |
|--|--------------------------|
| Forms E, BE, B, BT, M, MT, P, TP, TJ & TF (including electronic Forms) | With effect from YA 2015 |
| Forms e-C, C1, PT, TA, TC, TR & TN | With effect from YA 2016 |

Members may view the [Minutes](#) at the website of the Institute.

Members may also write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any concern or comments you may have on the [Minutes](#).

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