

TECHNICAL

Direct Tax

UPDATES ON FORM E FOR YEAR OF REMUNERATION 2016

We refer to the [Form E for year of remuneration 2016](#) regarding the requirement in the Form C.P.8D-Pin.2016 which differs from the requirement in the Form C.P.8D-Pin.2015 for the year of remuneration 2015 as follows:

| Year of Remuneration 2016<br>( <a href="#">Form C.P.8D-Pin.2016</a> )   | Year of Remuneration 2015<br>( <a href="#">Form C.P.8D-Pin.2015</a> )  |
|---|--|
| <i>An employer is required to complete this statement on all employees for the year 2016."</i>  | <i>An employer is required to fill in this section if there is any employee whose annual gross remuneration is <b>RM34,000 and above</b> OR for any employee whose annual gross remuneration is less than RM34,000 but the monthly gross remuneration is <b>RM2,800 and above</b> (inclusive of bonus <b>but excluding</b> remuneration in arrears in respect of preceding years) for whichever month in the year 2015</i> |
| <p><b>Note:</b></p> <p>As a concession, the Inland Revenue Board of Malaysia (LHDNM) has allowed the Form C.P.8D-Pin.2015 to be used for the year of remuneration 2016. (Our <a href="#">e-CTIM TECH-DT 4/2017 dated 17 January 2017</a> refers.)</p> |  |

The Institute had written a [letter dated 21 February 2017](#) to the Inland Revenue Board of Malaysia (LHDNM) to seek clarification / confirmation on matters related to the reporting requirement as above.

In the LHDNM's response [letter dated 3 March 2017](#) and [email dated 8 March 2017](#), the LHDNM has clarified / confirmed the following:

- The rationale for the requirement to complete the Form C.P.8D-Pin.2016 on all employees for the year of remuneration 2016 is for the purpose of compiling information regardless of whether the employees' remuneration is subjected to monthly tax deduction (PCB) or not.
- The concession given by the LHDNM to use the Form C.P.8D-Pin.2015 (old version) for the year of remuneration 2016 does not mean that particulars of any employee whose gross remuneration is below the specified thresholds are not required to be included in the Form

C.P.8D–Pin.2015 which is used for the year of remuneration 2016. The Form C.P.8D–Pin.2015 which is used for the year of remuneration 2016 is required to be completed for all employees.

In addition to the above, the LHDNM has also sent a notice to the Institute via [email dated 10 March 2017](#) on e-Filing of Form E by a third party.

Members can read the Institute's [letter dated 21 February 2017](#) and the LHDNM's [letter dated 3 March 2017](#), [email dated 8 March 2017](#) and [email dated 10 March 2017](#) in full on the Institute's website.

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