

TECHNICAL

LHDNM ANNOUNCEMENT - FATCA IDES TESTING

We refer to our [e-CTIM TECH-DT 31/2015](#) and [e-CTIM TECH-DT 74/2015](#) dated 18 March 2015 and 30 September 2015 respectively in relation to the Foreign Account Tax Compliance Act (FATCA).

In brief, FATCA affects Financial Institutions (FIs) worldwide and aims at reducing tax evasion by United States (US) persons. It requires Financial Institutions outside the US to provide information regarding their customers who are US persons to the US Internal Revenue Service (US IRS). A 30% withholding tax is imposed on the US source income of any FI that fails to comply with this requirement.

Malaysia has been included in the US Department of Treasury's list of jurisdictions that are treated as having an Intergovernmental Agreement (IGA) in effect with the US. Under the terms of the Malaysia-US IGA (Agreement) which is still in the process of finalization, Reporting Malaysia-based Financial Institutions (MYFIs) will provide Inland Revenue Board of Malaysia (LHDNM) with the required account information of US persons. LHDNM will then exchange that information with the US IRS.

Please note that the date for submitting the 2014, 2015, 2016, 2017, 2018 and 2019 reportable information and NIL Returns under FATCA to LHDNM has been tentatively deferred to 30 June 2020. (Source: [FATCA page](#) in the LHDNM website).

LHDNM also announced in their website that the FATCA International Data Exchange Service (IDES) is opened for testing from Monday, 17 June 2019 at 8.00 a.m. EDT to Friday, 26 July 2019 at 5.00 p.m. EDT. The test session is opened to all users that have completed IDES enrolment on Thursday, 13 June 2019 at 5.00 p.m. EDT. Members may refer to the [FATCA page](#) in the LHDNM website for more information.

Members may view the announcement at the [Institute website](#) or [LHDNM website](#).

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