

TECHNICAL

Direct Taxation

CLARIFICATION OBTAINED FROM LHDNM ON PENALTY IMPOSED ON FILING OF 31 JULY 2019 YEAR END COMPANIES AND EOT FOR 31 AUGUST 2019 YEAR END COMPANIES

The Institute has sought clarification in its letter dated 29 May 2020 to the Inland Revenue Board of Malaysia ("LHDNM") in relation to the penalty imposed on filing of 31 July 2019 year end companies and extension of time ("EOT") for 31 August 2019 year end companies.

The LHDNM has provided its response via email dated 12 June 2020 to the Institute as follows:

| No. | Issues | LHDNM feedback |
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| 1. | <p>Penalty imposed on filing of 31 July 2019 year-end companies</p> <p>Note: The Institute had been informed by members recently that the LHDNM has issued Form J and imposed a late submission penalty of RM200 pursuant to Section 112(3) of the Income Tax Act (ITA) 1967 on several companies with 31 July 2019 year-end even though the income tax return forms (ITRF) were submitted within the grace period allowed by the LHDNM (i.e. the deadline is 30 April 2020).</p> <p>Please refer to CTIM's letter dated 29 May 2020 for further details.</p> | <p>An internal circular has been issued to all LHDNM branches to zeroise the penalty for late submission of ITRF under Section 112(3) of the ITA 1967. Companies may contact the respective LHDNM branches for the latest update.</p> |
| 2. | <p>EOT for 31 August 2019 year-end companies, especially companies in Sarawak</p> <p>Note: According to the LHDNM's Return Form Filing Program for the year 2020 (Amendment 3/2020), companies with 31 August 2019 year-end would need to file their ITRF for YA 2019 by 31 May 2020 (2 months grace period is allowed by LHDNM). The Institute had requested for further EOT of 1 month for filing of return for</p> | <p>Companies may apply in writing to the LHDNM branch which handles the income tax number for further EOT. Approval for EOT will be given based on case-by-case basis.</p> |

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| | <p>companies with 31 August 2019 year-end, especially companies in Sarawak due to the implementation of Conditional Movement Control Order for Sarawak which only commenced on 12 May 2020 instead of 4 May 2020 and less working days in May 2020 in Sarawak compared to other States.</p> <p>Please refer to CTIM's letter dated 29 May 2020 for further details.</p> | |
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Members may read the [Institute's letter dated 29 May 2020](#) for more details on the above-mentioned issues and the [LHDNM's email dated 12 June 2020](#) in full at the Institute's website.

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