

TECHNICAL

Direct Taxation

LHDNM'S RESPONSE TO CTIM'S REQUEST FOR CONSIDERATION TO APPROVE THE APPLICATION FOR EOT TO SUBMIT ITRFs UNDER SECTION 77A FOR THOSE WITH FINANCIAL YEAR END 31 DECEMBER 2019 AND 31 JANUARY 2020 INCLUDING BALANCE OF TAX PAYABLE

CTIM's request for consideration to approve application for EOT

As reported in our [e-CTIM TECH-DT 70/2020](#) dated 20 October 2020, the Inland Revenue Board of Malaysia (LHDNM) had informed the Institute in its [email response dated 16 October 2020](#) to the Institute's [letter dated 13 October 2020](#) that taxpayers / tax practitioners are allowed to apply in writing for extension of time (EOT), to submit Income Tax Return Forms (ITRF) under Section 77A for those with financial year end 31 December 2019 and 31 January 2020 including balance of tax payable, to the respective LHDNM branch where the tax file is maintained and the approval will be subject to the merits of each application.

In view that many members have encountered difficulties in obtaining approval for EOT from various LHDNM branches, the Institute has submitted a [letter dated 27 October 2020](#) to the LHDNM to request for consideration to allow for all cases to be approved when reviewing applications for EOT and provide some room in terms of additional time to file the tax returns for taxpayers during this challenging time.

LHDNM's response is to maintain the tax filing deadline and application for EOT procedure but agreed to give flexible conditions to facilitate applications for EOT

The LHDNM has provided its response via [letter dated 28 October 2020](#) to the Institute that the LHDNM's response in their [email dated 16 October 2020](#) is maintained. Nevertheless, after taking into account the implementation of the Conditional Movement Control Order in several areas, LHDNM has agreed to give flexible conditions to facilitate applications for EOT as follows:

- a) Applications for EOT can be submitted within 30 days before the deadline of ITRF submission (including the grace period); and
- b) Applications on a group basis (*en bloc*) are allowed.

The LHDNM Headquarters has informed the LHDNM branches to apply the above conditions to standardize the processing of applications for EOT. The LHDNM has also discussed this matter with their State Directors' Offices (PPN) so that the approval of the EOT is given based on merit as well as a valid and reasonable reasons. If the application of EOT has been rejected before, the taxpayers can submit new applications for EOT to the PPN at the respective LHDNM branches where the tax file is maintained for reconsideration. Applications that are being processed will be considered accordingly based on the flexible conditions above.

Members may read the [Institute's letter dated 27 October 2020](#), the [LHDNM's letter dated 28 October 2020](#) in full at the Institute's website – Members Login section.

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