

TECHNICAL - DIRECT TAXATION

e-CTIM TECH-DT 27/2021

26 February 2021

LHDNM TAX COLLECTION FRAMEWORK

Framework (Available in Bahasa Malaysia only)	Remarks (Please access the Framework for the full details)
<p>LHDNM Tax Collection Framework 3 February 2021</p>	<p>The LHDNM Tax Collection Framework dated 3 February 2021 ("2021 Framework") replaces the LHDNM Tax Collection Framework (Amendment 1/2016) dated 20 April 2016 ("2016 Framework"). It provides further clarity and takes into account administrative changes and amendments in the tax legislation which include the following:</p> <ul style="list-style-type: none"> • Cheque payments sent through post/courier will cease to be accepted gradually beginning from 1 January 2021 and fully beginning from 1 April 2021 except for payment for withholding tax, compound, Public Entertainer Income Tax and Real Property Gains Tax ("RPGT") (para 1.1.3 and 7.2.3); • Income tax paid by cheque for preliminary and instalment payments for tax audit and investigation cases can be made at the Kuala Lumpur Payment Centre and will cease in the future when online direct debit is introduced (para 1.1.3); • Tax estimate in CP500 is based on the amount of tax payable for the year of assessment ("YA") which precedes a particular YA [para 2.2.2 (a)]; • A non-resident company that is only subject to withholding tax under S.107A of the Income Tax Act 1967 ("ITA") [para 2.3.3 (c)] or a company/ limited liability partnership/ trust body/ co-operative society which has ceased operation/ business is also required to furnish CP204 [para 2.3.3 (d)]; • Direction for CP204 payment by the Director General of Inland Revenue under S.107C(8) of the ITA (para 2.3.7); • Notification of change of accounting period under S.21A(3A) of the ITA (para 2.3.8); • Tax increase in respect of: <ul style="list-style-type: none"> ➢ S.107C(9) of the ITA [para 2.4.1(b) and 2.4.1(c)]; ➢ S.107C(10) of the ITA [para 2.4.2(b) and 2.4.2(c)]; ➢ S.103 of the ITA (para 2.5); ➢ S.49A(11) and 49A(12) of the Petroleum (Income Tax) Act

	<p>1967 ("PITA") (para 3.4.4);</p> <ul style="list-style-type: none">➤ S.13A(2) of the Labuan Business Activity Tax Act 1990 ("LBATA") (para 5.1.5); and➤ Withholding Tax ("WHT") [para 6.3.2(b)]; and <ul style="list-style-type: none">• Updates in respect of:<ul style="list-style-type: none">➤ Notice of tax instalment payment (CP252) under PITA (para 3.2.7 and 3.2.8);➤ Retention sum under S.21B(1A) of the RPGT Act 1976;➤ Tax payment under S.12 of the LBATA (para 5.1.2);➤ Payments subject to WHT (para 6.2);➤ Refund of tax overpaid under S.103 of the ITA [para 9.1.1(d)]; and➤ Refund method [para 9.5.1(d), 9.5.5 and 9.5.6]; and➤ Chart of payment services available at LHDNM Collection Agent Premises (Attachment I).
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References

- LHDNM Tax Collection Framework dated 3 February 2021; and
- LHDNM Tax Collection Framework (Amendment 1/2016) dated 20 April 2016 (see our e-CTIM TECH-DT 61/2016).

You may write to the Institute at technical@ctim.org.my in respect of any suggestions, concern or comments you may have on the above so that we may raise them to the LHDNM.

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