

TECHNICAL - DIRECT TAXATION

e-CTIM TECH-DT 40/2021

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LHDNM'S RESPONSE TO CTIM FEEDBACK AND COMMENTS ON LHDNM'S TAX AUDIT FRAMEWORK FINANCE AND INSURANCE

The Inland Revenue Board of Malaysia (LHDNM) has responded to the Institute's feedback and comments on LHDNM's Tax Audit Framework Finance and Insurance ("Framework") in a letter dated 26 March 2021.

The feedback and comments are in respect of the following paragraphs of the Framework:

2.1 (a)	Subsection 39(1A) – Deduction is not allowed if information is not provided to the Director General of Inland Revenue (DGIR) pursuant to the notice under section 81 of the ITA within the time specified.
2.1 (q)	Section 112 – Failure to furnish return or give notice of chargeability.
7.2.2 (h)	During the audit visit, the audit officer will: access, download and retrieve relevant information from any electronic media equipment; and
7.4.4	If there is a need for the collection of the taxpayer's original documents and records by the audit officer, the audit officer shall provide a list and an acknowledgement of the receipt of the documents and records and the list shall be signed by the audit officer and the taxpayer or tax agent. The taxpayer can review the documents and records and make copies of the lists (if necessary).
7.4.9	If the taxpayer fails to maintain a sufficient and complete record, the audit officer will use the best method or approach to determine whether the income has been properly reported.
8.3.1	Taxpayer must submit a letter of appointment of an approved tax agent who is representing him. Taxpayer may request the tax agent to be present during the interview session. Taxpayer is also allowed to use the services of an interpreter during an interview or discussion session if the taxpayer is not fluent in Bahasa Malaysia or English.
10.5	The penalty rates under subsection 113(2) of the ITA for voluntary disclosure cases

References

- [LHDNM's Response on CTIM Feedback and Comments on LHDNM's Tax Audit Framework Finance and Insurance dated 26 March 2021](#)
- [CTIM Feedback and Comments on LHDNM's Tax Audit Framework Finance and Insurance dated 17 December 2020](#)
- [LHDNM – Revised Tax Audit Framework Finance and Insurance](#) (see our [e-CTIM TECH-DT 83-2020](#))

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