

TECHNICAL

Joint Memorandum on Issues for Post 2012 Budget Dialogue - Response by IRB

Please be informed that the Inland Revenue Board (IRB) has provided a written response to the Joint Memorandum which was submitted to the Inland Revenue Board. This is in connection with, and follows from, a meeting with the IRB on 2 April 2012.

Some of the salient points (extracted from the minutes) regarding Form CP58, which may be of interest to members, are as follows:-

- 1) *Concession is given whereby CP58 does not have to be issued by payer company for the year 2011 (January 2011 – December 2011) if the payer company has issued annual statements or any other statements to the agents, dealers or distributors where value of both monetary and non-monetary incentives for that year have been stated. With regard to the Companies which do not issue annual statements to the agents, IRBM agree to extend the **concession** to file Form CP58 for **one month from the date these minutes are published to the public**.*
- 2) *It is compulsory for the payer company to provide the registration number, identity card number, police number, army number or passport number of the recipients as well as the identity card number and signature of the designated officer.*
- 3) *Monetary and non-monetary incentives received by an agent, dealer or distributor are considered as business source income. That agent, dealer or distributor should file in Form B if he receives such income. He may submit appeal (No need to file amended ITRF) on penalty for late submission to the relevant LHDNM branch if he has declared the income in Form BE after 30 April 2012 but before 30 June 2012. **Penalty will be imposed on submission after 30/6/2012.***
- 4) *CP58 is a prescribed form. The payer company is not allowed to –
 - i. provide stamped signature on the Form CP58, or
 - ii. generate the Form CP58 by computer (i.e. PDF or Excel), without signature or stamp, or
 - iii. generate Form CP58 with digital signature or electronic stamp of the company;
 - iv. modify the Form CP58, for example changing the alignment, insert a line, etc.*
- 5) *Effective from year ended 31/12/2012, Form CP58 only needs to be prepared and issued by the payer company to agents, dealers or distributors if the total value of monetary and non-monetary incentives for the calendar year is more than **RM5,000**.*

Members may view the contents of IRB's response to the [Joint Memorandum on Issues for Post 2012 Budget Dialogue](#) on the CTIM website and IRB website.

Disclaimer

This document is only meant for members of the Chartered Tax Institute of Malaysia (CTIM) only. Although the CTIM has taken all reasonable care in the preparation and compilation of the information contained in the CTIM e-circular, the Institute / each party providing the material displayed herein expressly disclaim all and any liability or responsibility to any person(s) for any errors or omissions in the contents of the CTIM e-circular or for anything done or omitted to be done by any such person in reliance whether wholly or partially, upon the whole or any part of the contents of the CTIM e-circular.