TECHNICAL

Direct Tax

LHDNM -- Compulsory to use the Correct Business Codes in the Income Tax Return Forms (ITRF) of Companies & Individuals with Business Income

The Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has issued a letter dated 5 February 2015 regarding the compulsory use of correct business codes in the income tax return forms (ITRF) of companies and individuals with business income. The salient points of the letter are listed in the table below:

Paragraph	Salient Points
2	Effective from the year 2001, the LHDNM has made it compulsory for taxpayers to use business codes that are based on the Department of Statistics Malaysia's *Malaysian Standard Industrial Classification* (MSIC) codes.
3	Companies and individuals with business income are required to use correct and accurate business codes based on the Department of Statistics Malaysia's MSIC codes when submitting the ITRFs as required pursuant to S.77(4)(b) or S.77A(3)(b) of the Income Tax Act (ITA) 1967.
4	Failure to furnish correct and accurate information will result in the rejection of the ITRF by the LHDNM and action will be taken pursuant to S.112 of the ITA 1967.
5	To facilitate the taxpayers' search for business codes, the LHDNM has displayed the business codes icon at the LHDNM Portal for reference online and distributed brochures on the list of business codes during the *Kunjungan Mesra Hasil*.

Members may view the LHDNM letter at the Institute's website.