

**TECHNICAL**

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**Direct Tax**

**[Minutes of DESIRE Meeting No.1/2016 on 19 May 2016 between the LHDNM and the Professional Bodies](#)**

The Inland Revenue Board of Malaysia (LHDNM) has released the [Minutes of DESIRE Meeting No.1/2016](#) ("Minutes") held on 19 May 2016. The following compliance and operational issues were discussed at the meeting:-

**A. Issues Raised by CTIM**

**Filing Issues**

- 1) Return Form C -- YA 2015, Part A12 – Dividends
- 2) New Items in 2015 Form C – Part J, P18 & P19
- 3) Part R of Form C – Item No. R4: Transfer Pricing Documentation Prepared
- 4) Application of Company e-filing pin number by director
- 5) Form C for dormant companies - business code
- 6) Revision of tax return prior to YA 2014
- 7) Non-resident branch/permanent establishment with income partially subject to withholding tax
- 8) Proposal to furnish the Form CP204 by way of electronic submission
- 9) Submitting the Form E through e-filing
- 10) Submission of tax return based on audited accounts
- 11) The electronic Form E
- 12) Completion of Form e-C

**Penalty Issues**

- 13) Tax penalty issues arising from change in basis period
- 14) Penalty for not providing correct particulars
- 15) Compound fine for under deduction of MTD

**Tax Payment / Refund Issues**

- 16) Application of offsets and refunds when Assessment Branch is the Multinational Tax Branch
- 17) Statement of tax position
- 18) Excess tax paid - LHDNM's system not updated
- 19) Payment of balance of tax payable by instalments
- 20) Utilisation of tax credits to set-off against future tax instalments

**Other Issues**

- 21) Avenue to revise tax returns
- 22) Grace period for e-filing Form e-C
- 23) Verification of passport for leaver – determining residency status

- 24) Registration of tax file for expatriates
- 25) Passport verification to substantiate residency status claim
- 26) Changes in the e-filing system/prescribed forms for e-filing and other similar system changes
- 27) List of Approved Institutions under Section 44(6) ITA 1967
- 28) Late Receipt of LHDNM's Letter
- 29) Companies Trading in Properties vs RPGT
- 30) Appeal under Section 99 against Form J issued under Section 90(3)
- 31) Form E : Status of Business (Item No.4)
- 32) Closing of Companies
- 33) E-filing of individual tax returns
- 34) Confirmation/clarification sought in relation to a company which is winding up

**B. Issues Raised by MIA and MICPA**

- 1) Rights of the IRB officers not to accept documents submitted by taxpayers/tax agents
- 2) Tax refund delay
- 3) General guidelines to the public and private sectors: Section 107A – withholding tax legislation – non-resident contractors
- 4) Penalties imposed on transfer pricing audits
- 5) Waiver of tax increase under section 107C(10) of the ITA
- 6) Tax refund / utilisation of tax credit
- 7) IRB's letters to notify the outstanding amount of tax payable (e.g. Form CP226, CP226X)
- 8) Submission of form e-CP204 for SME corporations

**C. Other Matters**

**Application for Extension of Time (EOT) to submit ITRFs**

Please note that EOT will no longer be allowed for the following submission of the ITRFs:-

| Forms  | Effective Date           |
|--|--------------------------|
| Forms E, BE, B, BT, M, MT, P, TP, TJ & TF (including electronic Forms) | With effect from YA 2015 |
| Forms e-C, C1, PT, TA, TC, TR & TN                                     | With effect from YA 2016 |

Members may view the [Minutes](#) at the website of the Institute.

Members may also write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my) in respect of any concern or comments you may have on the [Minutes](#).

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