

SUMMARY OF DIFFERENCES BETWEEN THE TAX AUDIT FRAMEWORK 2015 & THE TAX AUDIT FRAMEWORK 2013

(Prepared by CTIM Technical Department)

Item (Page No.)	Title	Differences in the TAF 2015 compared with the TAF 2013
2.1 (Page 1)	Statutory Provisions	By inserting the new wording: 2.1.1 Subsection 39(1A) : Failure to give information within the specified time
7.4.9 (Page 8)	Examination of Records	By inserting the new wording in bold: <i>Failure to comply with paragraphs 82(3)(a), 82(3)(b) and subsection 82(5) of the ITA to keep sufficient records is an offence under section 119(A) of the ITA. In relation to this, the audit officer may apply alternative approaches or indirect methods for the purpose of ascertaining whether the appropriate amount of income has been reported.</i>
7.6.9 (Page 10)	Settlement of Audit	By replacing the original wording and inserting the new wording in bold: <i>The time frame for settlement of a tax audit should be 3 months 4 months (120 calendar days) from the commencement of the audit. IRBM will inform the taxpayers on the progress of the audit in the event that the case needs more than 3 4 months to settle.</i>
7.7 (Page 10)	MDTD Programme	This is a new item which is not found in the TAF 2013.
10.1 (Page 15)	Offences and Penalties	By replacing the original wording and inserting the new wording in bold: <i>If it is discovered after the commencement an audit following an audit finding that there has been an understatement or omission of income, a penalty will be imposed under subsection 113(2) or paragraph 44B(7)(b)* of the ITA in which the penalty rate is equal to the amount of tax undercharged (100%) accordingly. However, the DGIR in exercising his discretionary powers may consider under subsection 124(3) may impose a lower penalty 45% to be imposed on the tax undercharged.</i>

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Item & Page of the TAF 2015	Title	Differences in the TAF 2015 compared with the TAF 2013
10.4, Table II (Page 17)	Offences and Penalties (Desk Audit in Table II)	<p>By replacing the original wording and inserting the new wording in bold:</p> <p><u>Desk Audit</u></p> <p>Voluntary disclosure after letter of request for documents is issued to taxpayer but before the commencement of examination of documents submitted and within 21 days taxpayer has taken the following action:</p> <ul style="list-style-type: none"> i. Voluntarily disclose that the income, claim, relieve and rebate which have been declared are false and furnish the true documents for evidence; and ii. Voluntary disclosure is made either in writing, via the electronic media or from the interview notes at the office.
10.5 (Page 17)	Offences and Penalties (For MDTD cases)	This is a new item which is not found in the TAF 2013.