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# *TaXavvy*

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Tax amnesty for voluntary disclosures and settlement of taxes in arrears

Submission of employer's return form (Form E) for companies and non-companies



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## ***Tax amnesty for voluntary disclosures and settlement of taxes in arrears***

The Inland Revenue Board (IRB) has released a press statement dated 24 April 2015 on a tax amnesty programme (applicable from 1 May 2015 to 30 November 2015) for the following:

- 1) Reduction in tax penalties for voluntary disclosure by:
  - a) taxpayers who have not submitted tax returns for backlog years of assessment, and
  - b) taxpayers who have submitted incorrect tax returns,
- 2) Waiver of increased taxes for taxpayers who settle income taxes, real property gains taxes or withholding taxes in arrears, on or before 30 November 2015.

The table below sets out the relevant tax provisions covered:

Penalties	Relevant provisions
<b>Failure to furnish returns and incorrect returns</b>	Income Tax Act 1967: <ul style="list-style-type: none"> <li>• Section 112(3), and</li> <li>• Section 113(2)</li> </ul>
<b>Increased taxes</b>	<p>Income taxes in arrears under the Income Tax Act 1967:</p> <ul style="list-style-type: none"> <li>• Section 103,</li> <li>• Section 107C(9), and</li> <li>• Section 107B(3)</li> </ul> <p>Real property gains taxes in arrears under the Real Property Gains Tax Act 1976:</p> <ul style="list-style-type: none"> <li>• Section 21(4), and</li> <li>• Section 21B</li> </ul> <p>Withholding taxes in arrears under the Income Tax Act 1967:</p> <ol style="list-style-type: none"> <li>i. Section 107A(2), or</li> <li>ii. Sections 109(2), 109B(2), 109D(3), 109E(4), 109F(2) and 109G(2).</li> </ol>

Each case will be reviewed based on its merits and IRB's conditions (the conditions have not been specified).

The tax amnesty is not applicable to tax files under the jurisdiction of the Multinational Tax Branch and Petroleum Branch.

A copy of the press statement can be obtained from the IRB website ([www.hasil.gov.my](http://www.hasil.gov.my)).

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### ***Submission of employer's return form (Form E) for companies and non-companies***

The IRB has recently clarified to the Chartered Tax Institute of Malaysia (CTIM) pertaining to the requirement for submission of employer's return (Form E) for companies and non-companies.

#### Companies

- All companies (i.e. those with a C reference file number) are required to submit Form E regardless of whether they are dormant or active, and with or without employees.

#### Non-companies (include sole proprietors, partnerships, limited liability partnerships (LLP), trust bodies and co-operative societies)

- Such entities which do not employ any employees are not required to register for an employer's file (i.e. E reference file number) or submit Form E.
- However, for those entities which already have File E but do not employ any employees, they are still required to submit a Form E to inform that they do not have employees.
- In addition, LLP, trust bodies and co-operative societies which are dormant but have employees, must register for File E and consequently submit Form E to the IRB

## Let's talk

Our offices	Name	Email	Telephone
<b>Kuala Lumpur</b>	Jagdev Singh	jagdev.singh@my.pwc.com	+60(3) 2173 1469
<b>Penang / Ipoh</b>	Tony Chua	tony.chua@my.pwc.com	+60(4) 238 9118
<b>Johor Bahru</b>	Benedict Francis	benedict.francis@my.pwc.com	+60(7) 222 4448
<b>Melaka</b>	Teh Wee Hong Au Yong	wee.hong.teh@my.pwc.com paik.hup.au@my.pwc.com	+60(3) 2173 1595 +60(6) 283 6169
<b>Labuan</b>	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828

Our services	Name	Email	Telephone
<b>Corporate Tax Compliance &amp; Planning</b>			
▪ Consumer & Industrial Product Services	Theresa Lim Margaret Lee	theresa.lim@my.pwc.com margaret.lee.seet.cheng@my.pwc.com	+60(3) 2173 1583 +60(3) 2173 1501
▪ Emerging Markets	Fung Mei Lin	mei.lin.fung@my.pwc.com	+60(3) 2173 1505
▪ Energy, Utilities & Mining	Lavindran Sandragasu	lavindran.sandragasu@my.pwc.com	+60(3) 2173 1494
▪ Financial Services	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828
▪ Technology, InfoComm & Entertainment	Heather Khoo	heather.khoo@my.pwc.com	+60(3) 2173 1636
<b>GST / Indirect Tax</b>	Wan Heng Choon	heng.choon.wan@my.pwc.com	+60(3) 2173 1488
<b>International Tax Services / Mergers and Acquisition</b>	Frances Po	frances.po@my.pwc.com	+60(3) 2173 1618
<b>Transfer Pricing, Tax Audits &amp; Investigations</b>	Jagdev Singh	jagdev.singh@my.pwc.com	+60(3) 2173 1469
<b>International Assignment Services</b>	Sakaya Johns Rani	sakaya.johns.rani@my.pwc.com	+60(3) 2173 1553
<b>Corporate Services</b>	Lee Shuk Yee	shuk.yee.lee@my.pwc.com	+60(3) 2173 1626
<b>Japanese Business Consulting</b>	Junichi Fujii	junichi.fujii@my.pwc.com	+60(3) 2173 1480

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