TaXavvy

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• IRB issued sample notification letters for Country-by-Country Reporting purposes



Sample notification letters for Country-by-Country Reporting (CbCR) purposes

The Income Tax (Country-by-Country Reporting) Rules 2016 (Rules) impose an obligation for entities within an MNC Group that are resident in Malaysia to notify the IRB as to which entity within its MNC Group is going to prepare and submit the CbCR. For this purpose, the Inland Revenue Board (IRB) has issued two sample notification letters.



 Sample letter 1 – Notification as reporting entity (Resident ultimate parent companies)

The ultimate parent company of an MNC Group which is a resident in Malaysia must notify the IRB that it is responsible to prepare and submit CbCR in Malaysia.

 Sample letter 2 – Notification as non-reporting entities (Subsidiaries and branches of non-resident ultimate parent companies)

A Malaysian tax resident entity which is part of an MNC Group which is required to prepare and submit CbCR in another country will need to notify the IRB which is the entity within the MNC Group that is responsible to prepare and submit the CbCR.

The sample letters are available on the IRB's website www.hasil.gov.my [International taxation > Automatic Exchange of Information (AEOI) > Country-by-Country Reporting (CbCR)].

Applies for financial year (FY) beginning on or after 1 January 2017. Notification is **due by end of the FY**. E.g. if the FY is from 1 January 2017 to 31 December 2017, the first notification is due by 31 December 2017 whereas if the FY is from 1 April 2017 to 31 March 2018, the first notification is due by 31 March 2018.



Sample notification letters for Country-by-Country Reporting (CbCR) purposes (cont'd)



- Identification and contact information of the reporting entity
- List of entities within the MNC Group which are either:
 - · resident in Malaysia;
 - carrying out business in Malaysia through a branch; or
 - carrying out business in Malaysia through a permanent establishment.

Penalty for incorrect notification (upon conviction by Court)

- (i) Fine of RM20,000 to RM100,000;
- (ii) Imprisonment ≤ 6 months; or
- (iii) Both (i) and (ii)



Let's talk



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