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Movement Control Order - Updates on 23 March 2020

The Inland Revenue Board (IRB) has provided the following information in relation to tax matters during the Movement Control Order period (MCO).

1. Updates to IRB's FAQs on MCO as at 3pm of 23 March 2020

Extension of time for submission of irrevocable election to be taxed under the Income Tax Act 1967 for Labuan Entities - New item C8 in the IRB's FAQs

Labuan Entities are given an extension of time until 30 April 2020 (1 month from the statutory due date of 31 March 2020 for accounting period/basis period of 1 January 2020 to 31 December 2020) to submit the irrevocable election via Form LE3 to be taxed under the Income Tax Act 1967.

If the application for Certificate of Residence via e-Residence is not workable due to the requirement to submit supporting documents, is there any alternative method? - Updated item C6 in the IRB's FAQs

The IRB has initially (up to FAQs dated 19 March 2020) stated that application is to be submitted manually from 1 April 2020. The IRB has now stated that applications for urgent cases which cannot be delayed can be sent to the following e-mail address: lhdn_int@hasil.gov.my. The IRB has also provided this [link](#) for further information.

Will an extension of time be given if taxpayers are required to provide feedback to IRB's letters during the MCO? - New item A3 in the IRB's FAQs

Extension of time will be given until 30 April 2020. Note: This is inline with the extension of time given to taxpayers to submit documents for audit or investigation during the MCO.

The IRB's FAQ can be downloaded from the IRB's website www.hasil.gov.my (Homepage > Announcement).

2. Revised 2020 Filing Programme updated as at 21 March 2020

2 months grace period for filing of tax returns and payment of balance of tax payable for Companies, co-operative societies, limited liability partnerships, trust bodies, unit trusts / property trusts, real estate investment trusts / property trust funds, business trusts and Petroleum Income Tax cases - Clarification to qualifying accounting periods

The IRB had in the previous Revised 2020 Filing Programme (as reported in TaXavvy Issues 10-2020 and 11-2020) specified that the 2 months grace period applies only for the following accounting year ends: 31 July 2019, 31 August 2019, 30 September 2019, 31 October 2019 and 30 November 2019. This has raised questions as to whether an accounting period end date which falls outside those specific dates qualifies for the grace period. The IRB has now indicated in the Revised Filing Programme (as amended on 21 March 2020) that the two months grace period applies to accounting periods ending within the

period between 31 July 2019 and 30 November 2019. So in respect of companies with moving financial year-ends, e.g. a company with a basis period for the year of assessment 2019 of 31 August 2018 to 29 August 2019, the two months grace period would apply.

The Revised 2020 Filing Programme can be downloaded from the IRB's website www.hasil.gov.my (Homepage > Forms).

3. Other matters

Extension of time to submit notice of change in accounting period (Form CP 204B)

Submission of Forms CP 204B which fall due during the MCO period will be granted an extension of time until 30 April 2020. We expect the IRB's MCO to be updated to include this in due course.

Application for deferment of tax instalment payments for tourism industry under the 2020 Economic Stimulus Package (ESP)

The IRB has issued the application form for the above ESP measure prior to the MCO (see TaXavvy Issue 9-2020 on details and mechanism of the ESP measure). To recap, this ESP measure allows successful applicants to defer tax instalments up to a maximum of 6 monthly instalments. Specifically, only for instalments which fall due in the months of April 2020 to September 2020 ("qualifying instalments"). The application which is subject to the IRB's approval can be submitted beginning from March 2020.

Whilst the IRB did not state a deadline for submission of the application, applicants which wish to have their instalment which falls due in the month of April 2020 (i.e. on 15 April 2020) to be deferred under this ESP measure must submit the application and secure the IRB's approval on or before 15 April 2020. Until and unless approval is secured, obligations to comply with its existing tax instalment payment schedule remains.

All our offices across Malaysia will be closed from 18 to 31 March 2020 in line with the Movement Control Order announced by the Government. During this period, we will operate fully on a work-from-home basis to deliver our work to the best of our abilities. If you have any questions or concerns, please write to us: pwcmsia.info@my.pwc.com.

Have questions? [Write to us.](#)

