



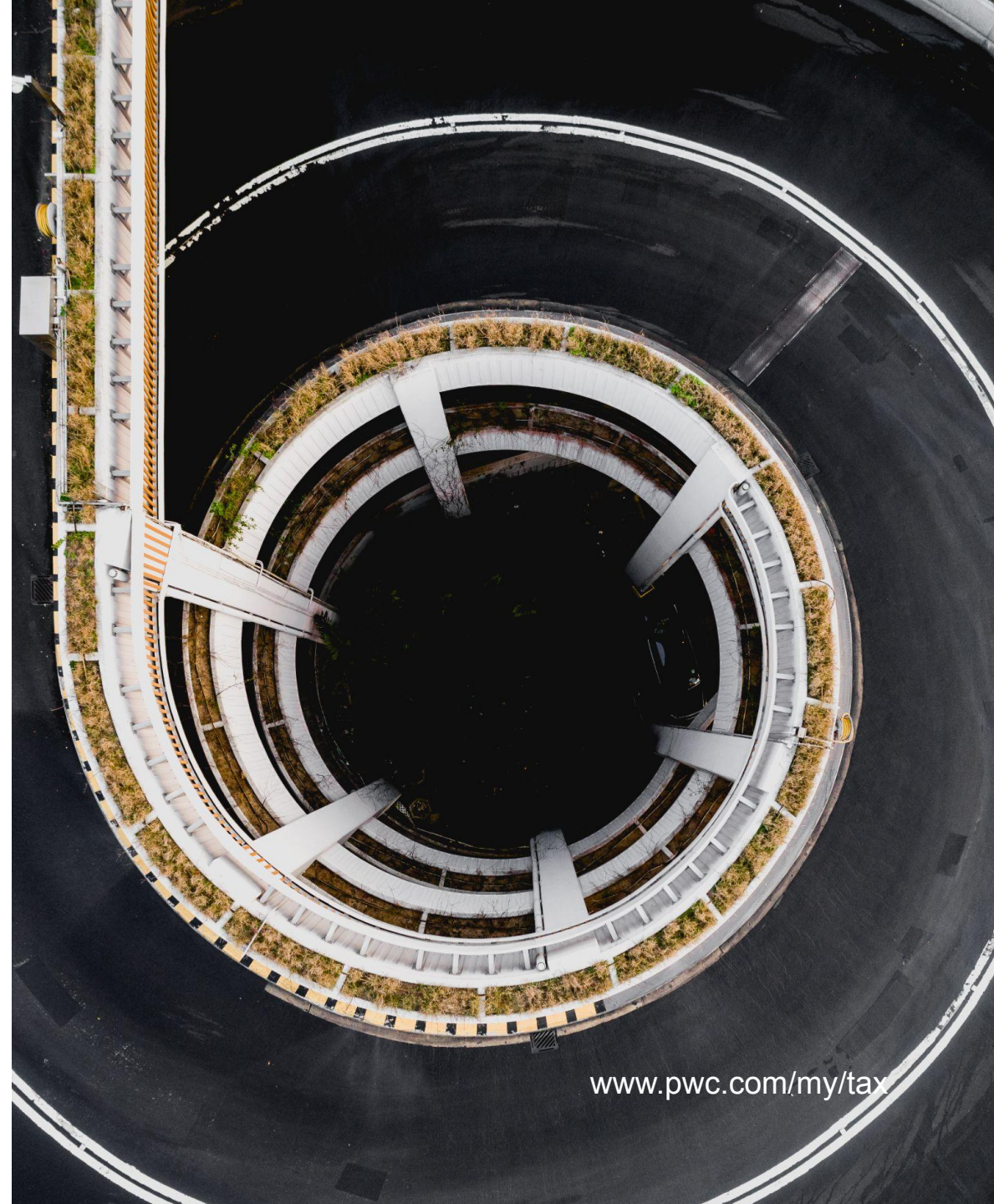
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In this issue

- Instalment Payments for Outstanding Taxes for Prior Years and Temporary Release from Travel Restriction
- Further Extension of Time for Filing of Labuan Tax Returns
- Malaysia Digital Tax Incentive – Updates

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Instalment Payments for Outstanding Taxes for Prior Years and Temporary Release from Travel Restriction

The Inland Revenue Board (IRB) has issued a media release on application for instalment payments for outstanding taxes for prior years and temporary release from travel restriction.

The IRB has in their media statement dated 26 July 2023 informed that taxpayers can apply to make instalment payments for outstanding income tax and real property gains tax for prior years without a tax increase being charged.

Applications are to be made from 6 June 2023 to 31 May 2024, which is throughout the Special Voluntary Disclosure Programme (SVDP) 2.0 period. They are to be submitted in writing to the nearest IRB branch or the branch that handles the taxpayer's income tax file, or through MyTax portal. No supporting documents need to be furnished provided that the amounts are settled within the SVDP 2.0 period.

Taxpayers will be given a temporary release from travel restriction under section 104 of the Income Tax Act 1967 (ITA 1967) where instalment payments for outstanding taxes are made consistently and in accordance with the payment schedule set by the IRB. Failure to comply with the payment terms may result in increase in tax.

The IRB's media statement is available on IRB's website www.hasil.gov.my (Media Release).



Further Extension of Time for Filing of Labuan Tax Returns

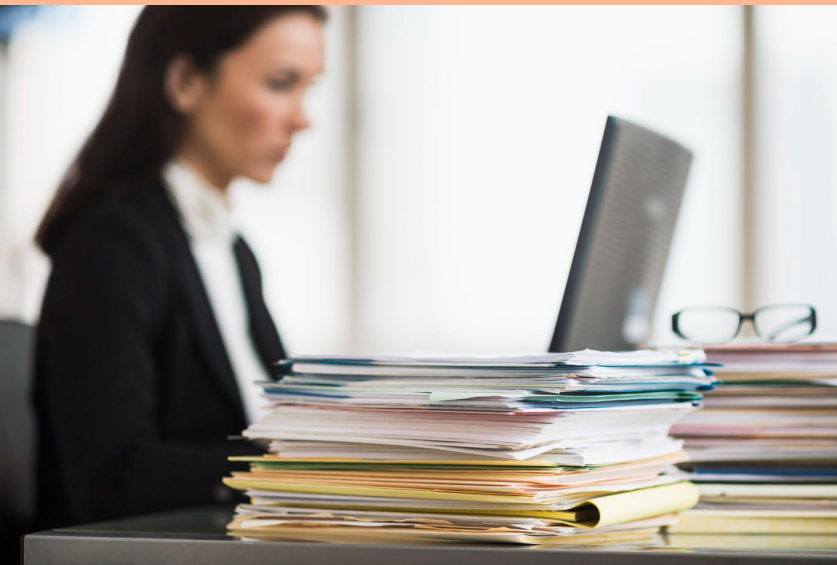
The deadline for submission of tax return forms under the Labuan Business Activity Tax Act 1990 (LBATA 1990) for YA 2023 has been further extended to 30 October 2023.

The IRB had previously granted an extension of time (EOT) to 31 July 2023 for submission of tax return forms under sections 5 and 10 of LBATA 1990 for YA 2023.

The IRB has in its recent letter to the Association of Labuan Trust Companies dated 26 July 2023 granted a further EOT until 30 October 2023 for the submission of tax return forms under sections 5 and 10 of LBATA 1990 for YA 2023.

The IRB recapitulated that it requires Labuan entities to submit scanned copies (together with hard copies) of the following relevant documents to the IRB’s Labuan International Section from YA 2023 onwards to facilitate the digitalisation process of the LBATA tax filing:

Income Tax Return Form	Tax Clearance Application	LE File Registration	Others
<ul style="list-style-type: none">• Cover letter• LE1 - Return of profits by a Labuan entity• LE3 - Irrevocable election by a Labuan entity to be charged under ITA 1967• LE4 - Statutory declaration (Labuan trading)• LE5 - Statutory declaration (Labuan non-trading)• Audited accounts / Management accounts• Payment slip	<ul style="list-style-type: none">• CP7LE - Application of tax clearance letter for Labuan entity• Supporting documents as stipulated in Operational Guideline No. 1/2022 - Application of Tax Clearance Letter for Company, Limited Liability Partnership and Labuan Entity	<ul style="list-style-type: none">• CP600LE - Income tax number registration form for Labuan entity• Certificate of registration• Form 25, Form 27, Form 13, Form 7• Memorandum of Articles of Association / Charter of the Labuan Foundation / Deed of Trust• Declaration by a Labuan trust company as trustee• Other related document	<ul style="list-style-type: none">• Other related documents such as change of Labuan Entity name, changes of director



Malaysia Digital Tax Incentive – Updates

The Malaysia Digital Economy Corporation Sdn Bhd (MDEC) has recently published an announcement pertaining to the Malaysia Digital (MD) tax incentive.

Early this year, MDEC has announced that the tax incentive for MD Status companies offered under the MD Bill of Guarantees (refer to [TaXavvy 14-2022](#)) will be revised for further improvement and enhancement.

Following that, MDEC has recently published an announcement dated 28 June 2023 that the new MD tax incentive is currently being reviewed and is expected to be finalised by this year. The upcoming MD tax incentive will be offered to eligible MD Status companies that undertake qualifying activities by utilising MD promoted tech enablers.

Benefits offered to qualified MD Status companies under the upcoming MD tax incentive include:

- Reduced tax rate on qualifying intellectual property (IP) income and non-IP income for up to 10 years; or
- Investment tax allowance for 5 years.

The announcement is available on MDEC's website www.mdec.my (About Us > Related Reads > Malaysia Digital > Get Started > Malaysia Digital Highlights > Announcement).



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