



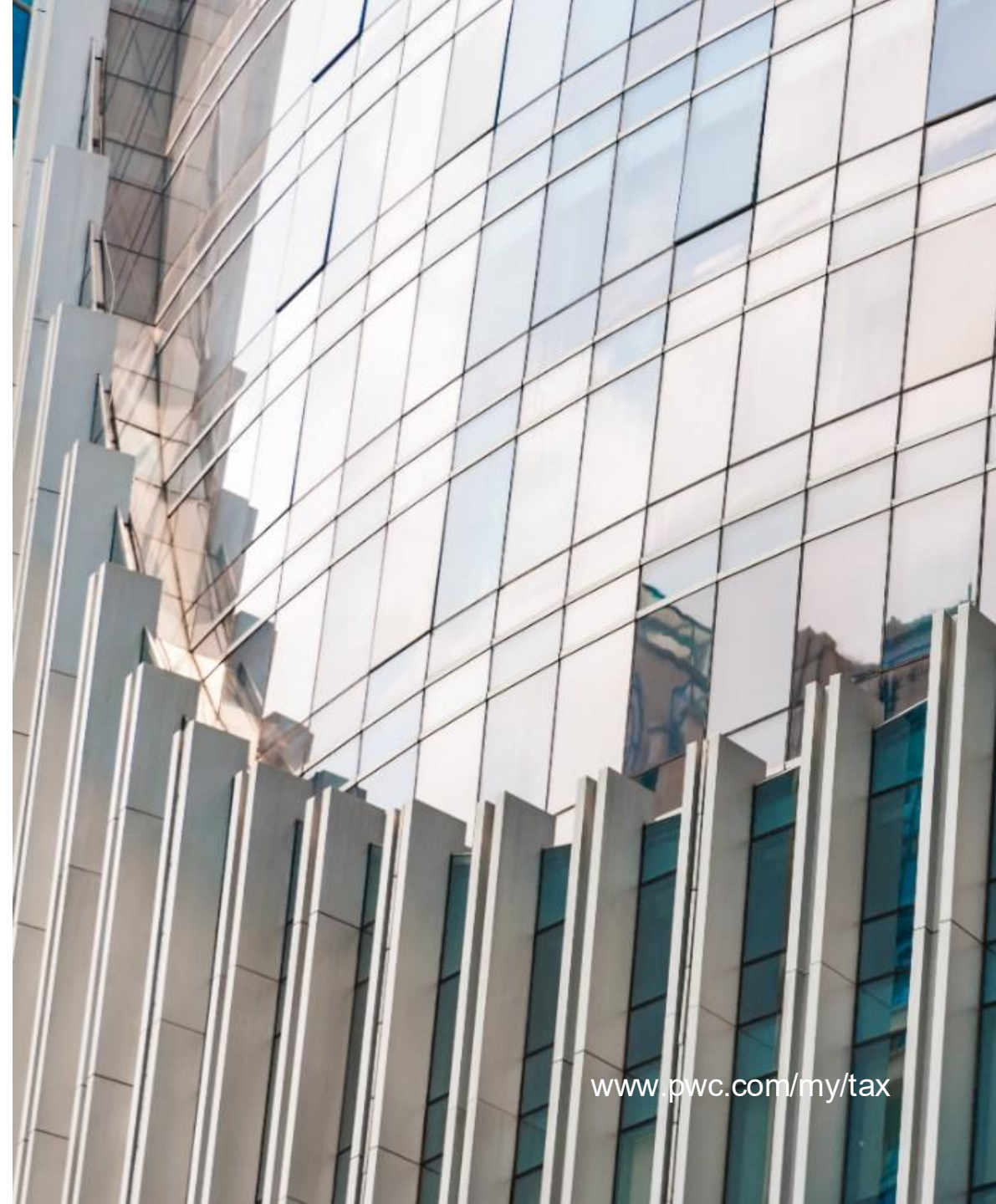
TaXavvy

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In this issue

- Updated filing programme and FAQs on MITRS
- New e-Invoice FAQs for donations or contributions
- Updated general FAQs on implementation of e-Invoice
- Updated Guidelines on CGT for Unlisted Shares
- Public Ruling 2/2025 – Group Relief for Companies
- Surcharge on transfer pricing adjustments

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Updated filing programme and FAQs on the Malaysian Income Tax Reporting System (MITRS)

The Inland Revenue Board (IRB) has recently updated the Filing Programme for Documents Specified under Section 82B through MITRS and issued new FAQs for MITRS.

The filing programme and FAQs are available on IRB’s website www.hasil.gov.my (Forms > Filing Programme for Documents Specified under Section 82B through MITRS).



Details on the MITRS filing programme have been previously summarised in [TaXavvy 33/2024](#).

Salient changes are as follows:

Submission due date for specified documents

- Specified documents must be submitted within 30 days after the Return Form (RF) submission *due date*. The *due date* will include any extended grace period from the RF filing programme (e.g. one-month grace period) or other extension of time that is granted by the IRB.
- Based on the above, please find below an illustrated submission due date for MITRS purposes for a company with a financial year ending 31 May 2025:

Scenario	Submission due date for MITRS
Statutory filing due date: 31 December 2025	30 January 2026
One-month grace period: 31 January 2026	2 March 2026
Extension of time (if any): Granted until 28 February 2026	30 March 2026

Specified documents for MITRS purposes

- Financial statements (FS) that form the basis for tax computation must be uploaded to MITRS as follows:
 - Complete audited FS, including the directors’ report and detailed income statement
 - Unaudited FS, for private companies qualifying for audit exemption
 - Settlement Account or Form 75 – Liquidator’s Account of Receipt and Payments, and a Statement of the Position in the Winding Up, for companies in the process of dissolution or winding up

Specified documents for MITRS purposes (cont'd)

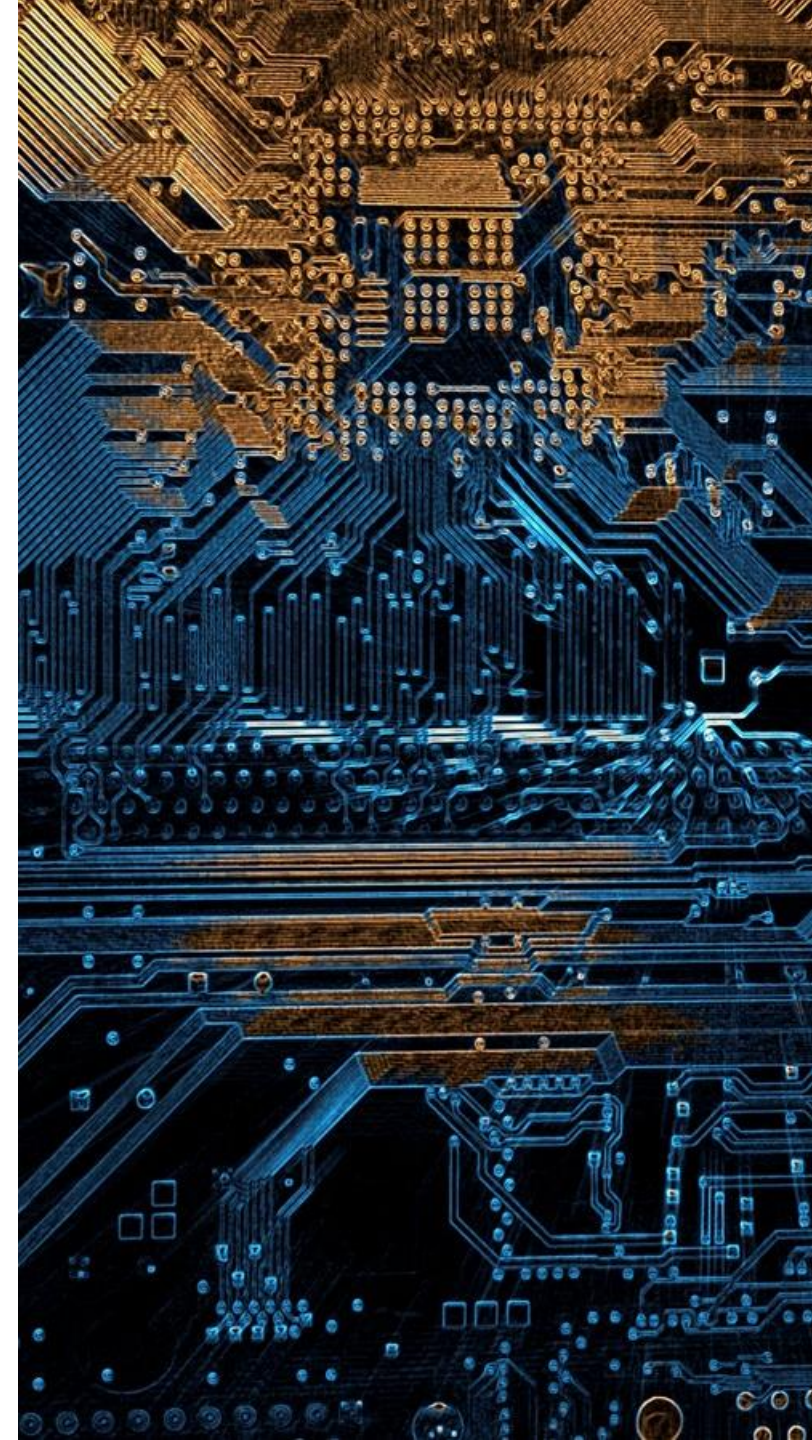
- For companies listed on Bursa Malaysia, taxpayers are advised to submit only the audited FS, including the directors' report and detailed income statement, rather than the complete Annual Report.
- Separate files for computations of capital allowance and incentive are still required to be uploaded, notwithstanding their inclusion in the income tax computation file.
- Taxpayers which need to upload files exceeding the total permitted file size of 20MB for each year of assessment is required to contact HASiL Contact Centre.

Amendment to specified documents

- Taxpayers are not required to upload the specified documents via MITRS for an amended RF under section 77B of the Income Tax Act 1967 (ITA 1967) (e.g. involving under-reported income, overclaimed expenses, or overclaimed incentives). Submission of or amendment to specified documents through MITRS shall only pertain to the original RF under sections 77 or 77A of the ITA 1967.

MITRS access roles and permission

- MITRS can be accessed using the Director, Director Representative or Tax Agent roles.



New e-Invoice FAQs for donations or contributions

The IRB has issued the new e-Invoice FAQs for Donations or Contributions dated 7 July 2025.

The e-Invoice Guideline (now version 4.5) and e-Invoice Specific Guideline (now version 4.3) have also been updated with relevant references to the FAQs above.

The FAQs are available on IRB's website www.hasil.gov.my (Homepage > Top Pages > e-Invoice).

The following are the salient points to note from the FAQs:

General treatment for donations

- 1) Unless specifically exempted, issuance of e-Invoice (individual or consolidated) is required for donations or contributions (hereinafter referred to collectively as "donation") received.
- 2) Any person (which is not a religious institution or organisation (item 4 below) receiving donations which is not tax exempt under the ITA 1967 is not required to issue e-Invoice.
- 3) Issuance of e-Invoice is not required for donations received in-kind (other than in monetary form).

Religious institutions or organisations

- 4) Religious institutions or organisations established exclusively for the purpose of religious worship or the advancement of religion:
 - Exempted from issuing e-Invoice for donations (see Note below)
 - e-Invoice is to be issued for other activities (e.g. for goods sold or services rendered)
 - Self-billed e-Invoice is required for goods imported from outside Malaysia or services acquired from foreign suppliers

Note: The e-invoice exemption on donations is not applicable if the religious institution or organisation is:

- *an institution, organisation or fund (IOF) approved under the ITA 1967, including approval under sections 44(6), 44(6B), 44(11B), 44(11C) and 44(11D); or*
- *managing a charity or community project approved under section 34(6)(h) of the ITA 1967.*



Donors

- 5) Donors are not required to issue self-billed e-Invoice for their donations to charitable organisations not approved for tax exemption under the ITA 1967.
- 6) Where the donor does not request for an e-Invoice (for those who are required to issue e-Invoice), the recipient is required to issue a consolidated e-Invoice within 7 calendar days after the end of the month.

Registration

- 7) For TIN registration and e-Invoice purposes, non-registered bodies (i.e. those which is not registered with Registrar of Societies, Companies Commission of Malaysia, etc.) shall use the stamp certificate number, not the adjudication number, of their governing document (e.g. constitution or charter) as the business registration number (BRN).
- 8) Branches of a registered National Religious Body can use their head office's TIN and BRN for e-Invoicing without needing a separate TIN. Independently operating branches can register for a TIN using the stamp certificate number, not the adjudication number, of their governing document (e.g. constitution or charter) as their BRN.

IOFs approved under the ITA 1967 (e.g. IOF approved under section 44(6))

- 9) Approved IOFs shall issue an e-Invoice upon request, eliminating the need for pre-printed official receipts. The e-Invoice can substantiate donations made for tax purposes.
- 10) Approved IOFs shall issue a pre-printed official receipt according to current practices where an e-Invoice is not requested. Consolidated e-Invoice shall be issued within seven calendar days after the month end for donations received without individual e-Invoices.
- 11) Approved IOFs may adopt other electronic receipt format provided separate and prior approval from the IRB is obtained. However, consolidated e-Invoice will still be required to be issued.



Updated general FAQs on implementation of e-Invoice

The IRB has issued the updated General FAQs on Implementation of e-Invoice (dated 9 July 2025).

The FAQ is available on IRB's e-Invoice microsite www.hasil.gov.my/en/e-invoice (Reference for the Implementation of e-Invoice > Frequently Asked Questions).

The FAQ was updated to include the following:

- General TIN “EI00000000040” and BRN “NA” is to be used for issuance of e-Invoice / self-billed e-Invoice to government, state government and state authority, government entity, local authority, statutory authority and statutory body.
- The non-application of the exemption for micro, small, and medium enterprises in relation to issuance of e-Invoices, particularly involving “related company” as specified in FAQ No. 90(c), has “related company” defined according to section 2 of the Promotion of Investments Act 1986 (PIA 1986).

Note: Under section 2 of the PIA 1986, related company means a company—

(a) the operations of which are or can be controlled, either directly or indirectly, by the first-mentioned company;

(b) which controls or can control, either directly or indirectly, the operations of the first-mentioned company; or

(c) the operations of which are or can be controlled, either directly or indirectly, by a person or persons who control or can control, either directly or indirectly, the operations of the first-mentioned company:

Provided that a company shall be deemed to be a related company of another company if—

(i) at least twenty per cent of its issued share capital is beneficially owned, either directly or indirectly, by that other company; or

(ii) at least twenty per cent of the issued share capital of that other company is beneficially owned, either directly or indirectly, by the first-mentioned company;



Updated Guidelines on CGT for Unlisted Shares

The IRB has issued the updated Guidelines on Capital Gains Tax (CGT) for Unlisted Shares (“the CGT Guidelines”) dated 21 July 2025 which replaces the version dated 1 March 2024.

The CGT Guidelines is available on IRB’s website www.hasil.gov.my (Legislation > Guidelines > Technical Guidelines).

The following are the salient points to note:

Application of Chapter 9 – Gains or profits from the disposal of capital assets, ITA 1967

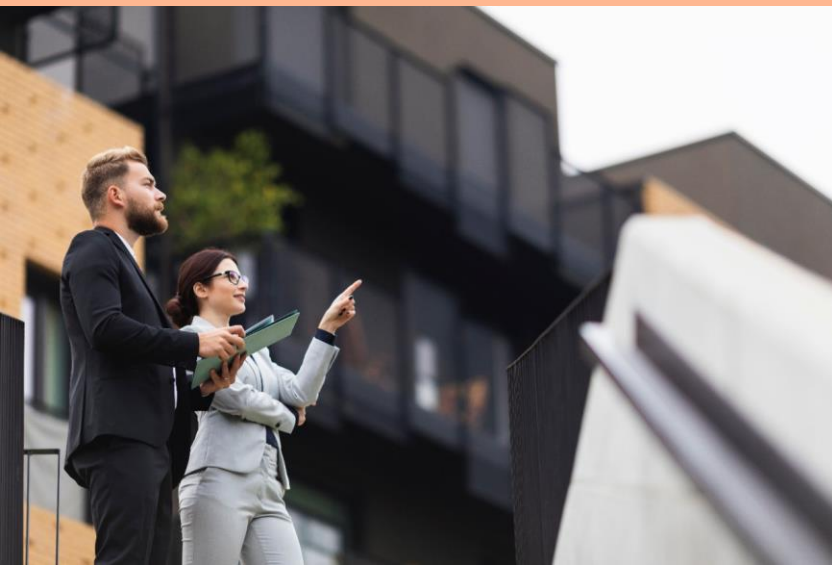
The CGT Guidelines now states that Chapter 9 of the ITA 1967 does not apply to capital gains from disposal of foreign capital assets received in Malaysia. This is consistent with the prevailing position taken by the IRB.

Utilisation of unabsorbed CGT losses

A new Example 9 has been inserted to illustrate that CGT losses are to be utilized on a first-in-first-out basis. This treatment is consistent with the treatment provided in Public Ruling 1/2022 - Time Limit for Unabsorbed Adjusted Business Losses Carried Forward.

New example 11 illustrating acquisition tests under sections 15C(2) and 15C(3) in relation to the derivation of gains or profits from the disposal of capital assets deriving value from real property in Malaysia

- When a shareholder of a foreign controlled company acquires shares in the foreign controlled company (“initial acquisition”), the status of that foreign controlled company based on the date when that foreign controlled company last acquired a real property is adopted.
- If the foreign controlled company does not meet the respective 75% threshold test on the initial acquisition date, the shareholding in that foreign controlled company shall be deemed to be a section 15C shareholding if the foreign controlled company subsequently acquires (“subsequent acquisition”) real property and / or shares in another controlled company and that foreign controlled company meets the 75% threshold test on that subsequent acquisition date.
- The 75% threshold test on the subsequent acquisition date is based on the defined value of both shares and real property owned by the foreign controlled company at the date of subsequent acquisition. In the example, a revalued price of the real property (land in Forest City) on the date of subsequent acquisition is adopted in the 75% threshold test.
- Example 11 is summarised in the next page.

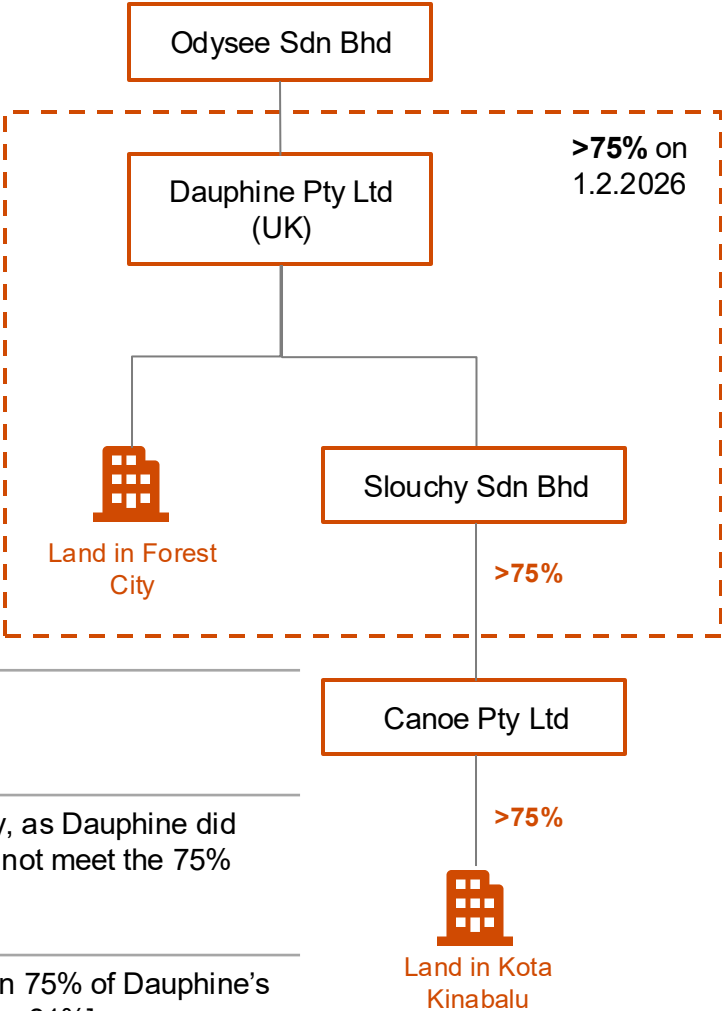


Determination of shareholding of a relevant company - *Example 11 of the CGT Guidelines*

Example 11 of the CGT Guideline, which illustrates the timing to perform the 75% threshold test in determining whether the shares of relevant company constitute section 15C shares, is reproduced for easy reference.

Key facts:

The real property or shares acquired	Acquirer	Date of acquisition / revaluation	Consideration of asset acquired / revalued	TTA
Land in Forest City	Dauphine Pty Ltd	21.9.2021	RM2m	RM3.5m
		Revaluation 1.2.2026	RM3.8m	RM8.1m
Shares in Dauphine Pty Ltd	Odyssee Sdn Bhd	1.5.2024	GBP100,000	
Shares in Slouchy Sdn Bhd	Dauphine Pty Ltd	1.2.2026	RM2.8m	



Determination of section 15C shares status of Dauphine Pty Ltd (Dauphine):

On 21.9.2021 (Acquisition of land in Forest City)	<ul style="list-style-type: none">The defined value of real property owned by Dauphine is less than 75% of its TTA. [RM2m ÷ RM3.5m × 100% = 57%]
On 1.5.2024 [Acquisition by Odyssee Sdn Bhd - Section 15C(2) test]	<ul style="list-style-type: none">Odyssee Sdn Bhd (Odyssee) is not treated to have acquired shares in a section 15C company, as Dauphine did not acquire real property or shares in another controlled company after 21.9.2021 (when it did not meet the 75% threshold test)
On 1.2.2026 [Acquisition of shares in Slouchy Sdn Bhd, another controlled company - Section 15C(3) test]	<ul style="list-style-type: none">The defined value of land in Forest City and shares of Slouchy Sdn Bhd (Slouchy) is more than 75% of Dauphine's TTA. Shares of Dauphine are section 15C shares. [(RM3.8m + RM2.8m) ÷ RM8.1m × 100% = 81%] <p><i>Odyssee would be treated to have acquired section 15C shares if at the date Dauphine acquires shares in Slouchy, Dauphine meets the 75% threshold test. In Example 11, the 75% threshold test is determined based on defined value on the date Dauphine acquires the shares in Slouchy and therefore the revalued price of the land in Forest City on 1.2.2026 is adopted in computing the 75% threshold test.</i></p>

Public Ruling 2/2025 – Group Relief for Companies

The IRB has issued Public Ruling 2/2025 – Group Relief for Companies (“PR 2/2025”) which replaces Public Ruling 6/2016 of the same title.



The key updates in PR 2/2025 are:

1. To bring the public ruling up to date with legislative changes, which are:
 - a) The time limit on surrendering group relief to the claimant company which is restricted up to a maximum of three consecutive years of assessment (YA), with effect from YA 2019. Examples 1 and 2 illustrates the how the permitted period for utilisation of group relief is determined.
 - b) A new example 21 is inserted to illustrate the non-eligibility for group relief if there are unutilised Investment Tax Allowance (ITA) or unabsorbed pioneer loss after the incentive period has ended for the surrenderer or claimant in line with the change in legislation with effect from YA 2019.
2. The three consecutive YA is computed from the YA when the surrendering company first commences "operations". The definition of "operations", which is based on the definition adopted for the purposes of determining the basis period for a company, limited liability partnership, trust body or co-operative society, has now been inserted into the public ruling for group relief purposes. This is consistent with the position that IRB has adopted. PR 2/2025 specifies that "operations" in relation to a company, limited liability partnership, trust body or co-operative society means:
 - a) an activity which consists of the carrying on of a business;
 - b) an activity which consists wholly in the making of investments;
 - c) an activity which consists of both the carrying on of a business and the making of investments; or
 - d) an activity which consists of the making of investments prior to the commencement of a business or after the cessation of a business.

PR 2/2025 is available on IRB's website www.hasil.gov.my (Legislation > Public Rulings).

Surcharge on transfer pricing adjustments

The IRB has issued the following:

- FAQ on Matters Arising from section 140A(3C) of the ITA 1967, as at 31 July 2025
- Updated Transfer Pricing Tax Audit Framework dated 31 July 2025

The main update is in relation to the surcharge for transfer pricing adjustments.

The IRB has reassessed their policy relating to the imposition of the surcharge (where it was imposed based on transfer pricing audit cases which commences from 1 January 2021) and have decided to impose the surcharge of 5% only on transfer pricing adjustments for basis periods that commences on or after 1 January 2021.

Transfer pricing adjustment for basis periods that commences before 1 January 2021 will be subject to penalty for incorrect returns under section 113(2) of the ITA 1967 on the tax undercharged.

The FAQ and Transfer Pricing Tax Audit Framework are available on IRB's website www.hasil.gov.my (International > Transfer Pricing, and Legislation > Framework > Tax Audit Framework).



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