

Latest Developments on Tax Audits

by

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IRBM

OFFER VOLUNTARY DISCLOSURE



10-15%
Penalty Rates

PERIOD OF VOLUNTARY DISCLOSURE
3rd NOVEMBER 2018 TO 30th JUNE 2019

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Scam Alert

MEDIA RELEASE

02 Nov 2018

MEDIA RELEASE : Special Voluntary Disclosure Programme

01 Nov 2018

KENYATAAN MEDIA : Majlis Sambutan Hari Inovasi Dan Integriti LHDNM 2018

31 Oct 2018

KENYATAAN MEDIA : Warga Pendidik Terus Disantuni Menerusi Program Tanggungjawab Sosial LHDNM

ANNOUNCEMENT

22 Oct 2018

Temporary Closure of Urban Transformation Centre (UTC) Kedah In Conjunction With Coronation of Kedah Sultan

Inland Revenue Board of Malaysia (IRBM) would like to inform that Urban Transformation Centre (UTC) Kedah will be temporary closed in conjunction with **CORONATION OF KEDAH SULTAN on 22 OCTOBER 2018 (MONDAY)** and will resume its operations on 23 October 2018 (Tuesday).

Quick Links



TAX INFO

#8

The IRB provides "m-Filing" by using mobile devices for resident individuals who do not carry out business to submit Form BE(m-BE).

VOLUNTARY DISCLOSURE PERIOD AND PENALTY RATES



Category of tax payers	Voluntary Disclosure Period and Penalty Rate	
	3/11/2018 -31/3/2019	1/4/2019 - 30/6/2019
Taxpayers who are not registered with the IRBM and have not submitted the Tax Return	10% (full tax payment must be made by or on 1/4/2019)	15% (full tax payment must be made by or on 30/6/2019)
Registered taxpayers but have not submitted Tax Return for any year of assessment		
Taxpayers who have submitted Tax Return but did not make the right declaration		
Stamp duty payers who failed to present stampable instruments within a stipulated period of time	10% or minimum RM50	15% or minimum RM100

PENALTY RATES AFTER THE SPECIAL VOLUNTARY PROGRAM



OFFENCES	RELEVANT SECTION IN THE ACT	PENALTIES
FAILURE TO SUBMIT TAX RETURN	SUBSECTION 112(3) ITA 1967/ 51(3) PITA 1967/ 29(3) RPGT 1976	80% TO 300%
INCORRECT TAX RETURN	SUBSECTION 113(2) ITA 1967 / 52(2) PITA 1967 / 30(2) RPGT 1976	80% TO 100%
FAILURE TO PRESENT STAMPABLE INSTRUMENTS	SUBSECTION 47A(1) SA 1949	20%

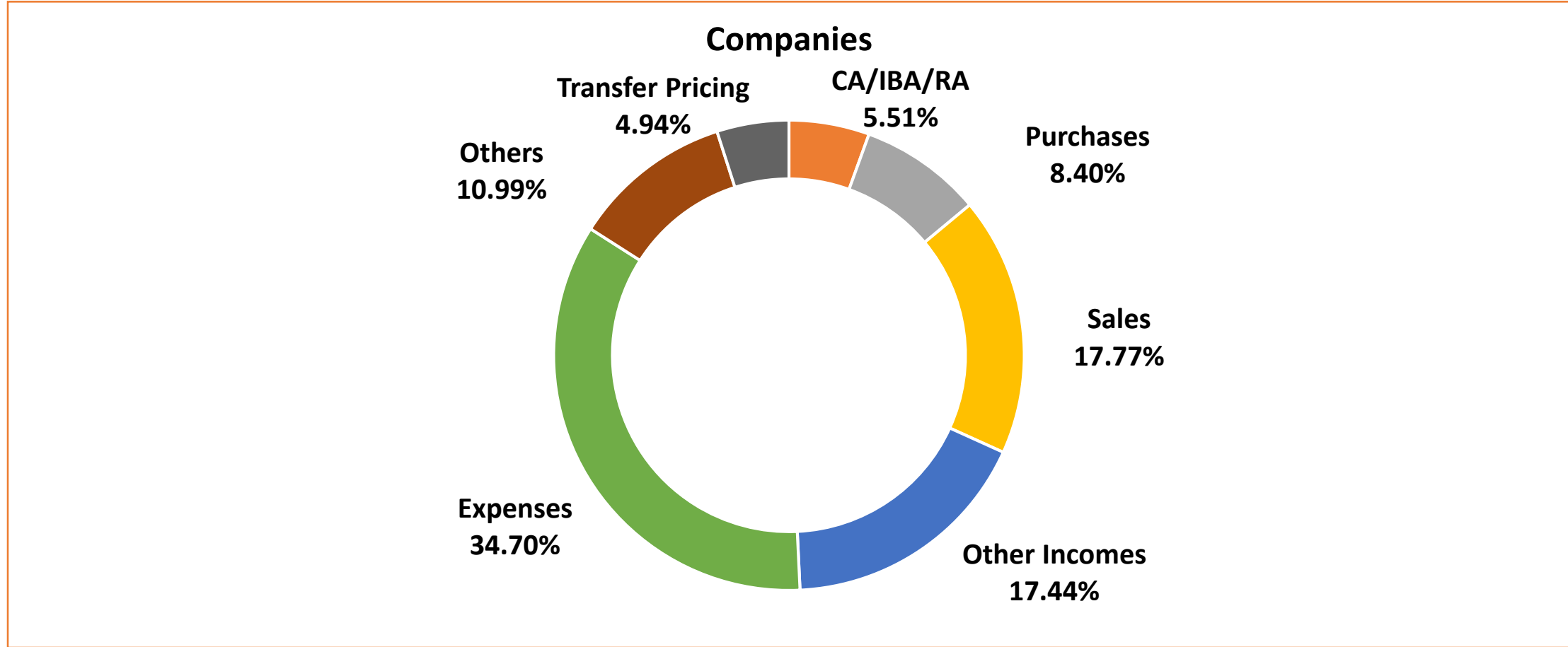
2019 BUDGET HIGHLIGHTS

ITEMS	CURRENT	PROPOSED
Tax Rates of Companies with paid-up capital RM2.5 and below for chargeable income up to RM500,000	18%	17%
Group Relief	No limitation on the number of years of current adjusted losses	3 current years adjusted losses
Unabsorbed loses (incl. pioneer status, capital allowances, reinvestment allowances & tax investment allowances	No limitation	7 years
Contribution to approved funds + life insurance	RM6,000	RM4,000 for approved funds + RM3,000 life insurance
SSPN	RM6,000	RM8,000

2019 BUDGET HIGHLIGHTS

ITEMS	CURRENT	PROPOSED
RPGT for disposal of real property > 5 years	Companies, Citizen & PR 5% Citizen & PR 0%	Companies, Citizen & PR 10% Citizen & PR 5% (exception on RM200,000 low & medium cost)
Rates of stamp duty on real property transactions		
Up to RM100,000	1%	1%
RM100,001 – RM500,000	2%	2%
RM500,000 – RM1,000,000	3%	3%
Above RM1,000,000	3%	4%
Stamp duty on purchase of 1 st house		
Up to RM300,000	Exempted on up to RM300,000	Exempted
RM300,001 – RM500,000		
RM501,000 – RM1juta		

MAIN ISSUES IN AUDIT CASES



MAIN TAXATION ISSUES FOR PROPERTY DEVELOPMENT ACTIVITIES

RECOGNITION OF INCOME

VALUE OF LAND

STOCKS OF REAL PROPERTY

GUARANTEE PERIOD

RETENTION MONEY

JOINT VENTURE

ACP OR RPGT

AUDIT ISSUES

ISSUES	ITEMS
INCOME	Compensation received
	Joint-Venture Income
	Profit from sales of land
	Unreported sales
	Income from contract works
	Insurance refund
	Gain on disposal

AUDIT ISSUES

ISSUES	ITEMS
EXPENSES	Inspection fees
	Commission
	Interest
	Maintenance
	Launching expenses
	Printing & stationery
	Capital allowances withdrawn
	Sub-contract charges
	RPGT
	Consultancy & professional fees
	Drinks & refreshment

AUDIT ISSUES



ISSUES	ITEMS
EXPENSES	Gift and donation
	Staff welfare
	Licence fees
	Premium fees
	Travelling expenses
	Advertisement & promotion
	Recruitment
	Removal fees
	Contribution
	Cost Incurred For Completed Project
	Upkeep of motor vehicle
	Entertainment

RISK ANALYSIS

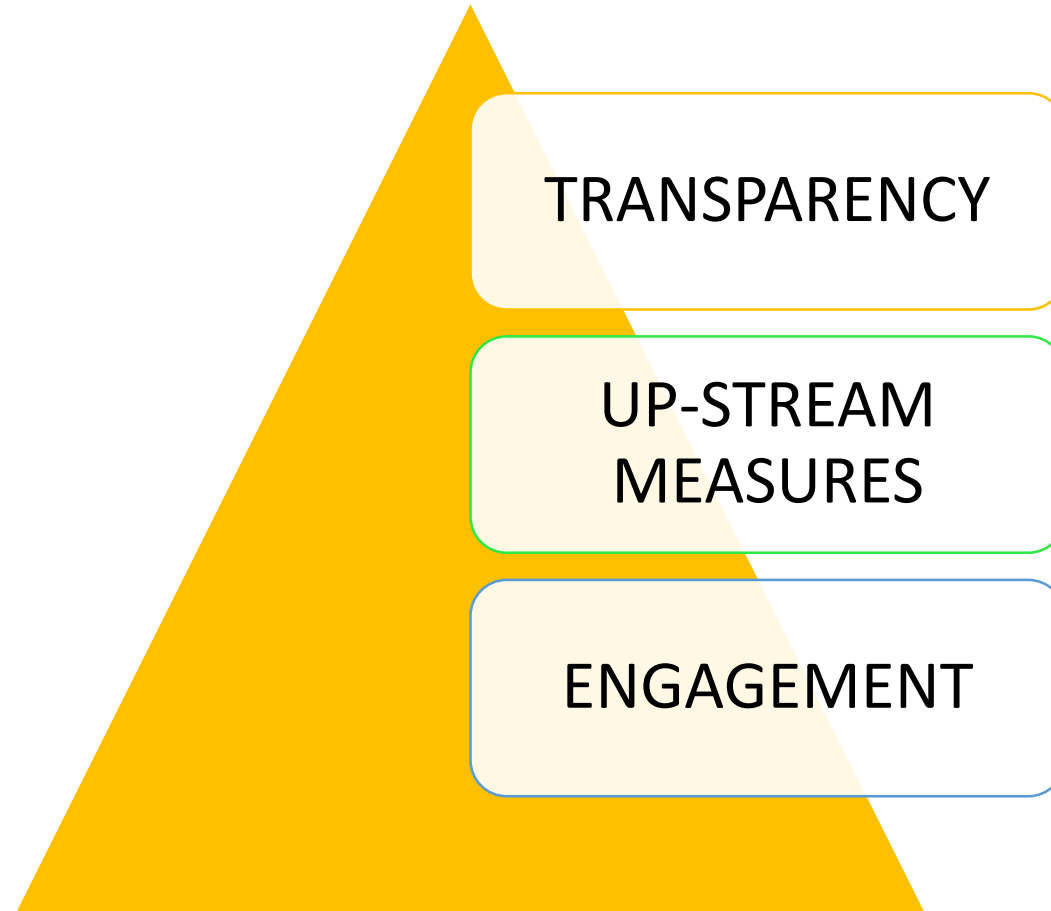
INFORMATION BY TAXPAYERS

THIRD PARTY INFORMATION

INTER-AGENCIES SHARING OF INFORMATION

EXCHANGE OF INFORMATION (EOI)

IMPROVEMENT IN COMPLIANCE



THANK YOU