



MEDIA RELEASE

For Immediate Release

REDUCTION OF PENALTY FOR VOLUNTARY DISCLOSURE AND WAIVER OF TAX INCREASE FOR THE SETTLEMENT OF TAX ARREARS

1. As part of the 2016 Budget Recalibrations' effort announced by The Prime Minister of Malaysia and in encouraging more tax payers to voluntarily disclose their correct income and to settle their tax arrears, The Inland Revenue Board of Malaysia (IRBM) hereby provides the following offers in support of the aforementioned initiatives:
 - i. **Reduction of Penalty** at a specific rate (Please refer to Table 1) is offered to tax payers who opt for voluntary disclosure with regards to the following cases:
 - a. Tax payers who failed to submit their Income Tax Return Forms (ITRF) or Petroleum Tax Returns (PTR) for previous years of assessment (late submissions of ITRF or PTR); and
 - b. Tax payers who wish to declare the correct income against the income declared in the ITRF submitted earlier.
 - c. Disposers who failed to report the gains obtained from the disposals of real properties within a stipulated period of time; and
 - d. Stamp duty payers who failed to present stampable instruments within a stipulated period of time.

- ii. **Waiver of Tax Increase** (Please refer to Table 1) is offered to tax payers who wished to settle in full their income tax, petroleum tax, real property gains tax or withholding tax arrears **before or on the 15th December 2016**.

2. The offers provided are effective beginning the 1st March 2016 until the 15th December 2016.

3. The eligibility for these offers depends on the merits of the tax payer's case and are subjected to the rules and regulations set forth by IRBM.

4. The guidelines for applying the offers can be found at IRBM's official website - www.hasil.gov.my .

5. For more information regarding the two offers, tax payers are advised to call the Reduction of Penalty and Waiver of Tax Increase Help Desk (*Meja Bantuan Pengurangan Penalti dan Penghapusan Kenaikan Cukai*) at 03 – 8313 8885 or Call Centre at 1-800-88-5436.

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THANK YOU



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Call Centre : 1-800-88-5436 (LHDN)

Official Portal : www.hasil.gov.my

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Table 1: The applicable laws in respect of penalty reduction and waiver of tax increase are as follows:

Tax Penalty	Tax Increase
<p>a. For tax payers that opt for voluntary disclosure in settling audit and investigation cases:</p> <p>i. Subsection 112(3) and Subsection 113(2) of Income Tax Act 1967</p> <p>ii. Subsection 51(3) and Subsection 52(2) Petroleum (Income Tax) Act 1967</p> <p>b. For late submissions of the RPGT Forms and disposers who opt to settle through voluntary disclosure:</p> <p>iii. Subsection 29(3) Real Property Gains Tax Act 1976</p> <p>c. Settlement of Late Stamping through Voluntary Disclosure:</p> <p>iv. Subsection 47A(1) Stamp Act 1949</p>	<p>a. Income Tax Arrears: Income Tax Act 1967</p> <p>i. Section 103, Subsection 107B(3), Subsection 107B(4), Subsection 107C(9) and Subsection 107C(10)</p> <p>b. Petroleum Tax Arrears: Petroleum (Income Tax) Act 1967</p> <p>i. Section 48 and Subsection 49A(11)</p> <p>c. Real Property Gains Tax Arrears: Real Property Gains Tax Act 1976</p> <p>i. Subsection 21(4) and Section 21B</p> <p>d. Withholding Tax Arrears: Income Tax Act 1967</p> <p>i. Subsection 107A(2); or</p> <p>ii. Subsection 109(2), Subsection 109B(2), Subsection 109D(3), Subsection 109E(4), Subsection 109F(2) and Subsection 109G(2)</p>