



**GUIDELINE
INLAND REVENUE BOARD OF MALAYSIA**

DISPUTE RESOLUTION PROCEEDING

1. INTRODUCTION

- 1.1 The purpose of this guideline is:
- 1.1.1 to provide information regarding the implementation of Dispute Resolution Proceeding (DRP); a mechanism to resolve dispute arising from an appeal or application for relief filed by taxpayer to the Inland Revenue Board of Malaysia (IRBM).
 - 1.1.2 to spread awareness of taxpayer's rights and responsibilities in relation to one of the mediums of settlement for appeal against an assessment and application for relief.
- 1.2 DRP is an initiative introduced by IRBM on 1st July 2013 where taxpayers are given the opportunity to be heard before their appeal or application for relief shall be forwarded to the Special Commissioners of Income Tax (SCIT).
- 1.3 In the context of the IRBM, the DRP is a platform in which an alternative means of dispute resolution is used to resolve Forms Q or application for relief whereby the Dispute Resolution Department or State Director's Office, IRBM acts as a neutral party to facilitate the negotiation process in the effort to reach an out of court settlement.
- 1.4 Taxpayer can request for a DRP for the following categories of appeal under:

- 1.4.1 section 99 of the Income Tax Act 1967 (ITA 1967) whereby taxpayer who is aggrieved by an assessment made in respect of him for any year of assessment by the Director General of Inland Revenue;
 - 1.4.2 section 97A of the ITA 1967 (non-chargeability case);
 - 1.4.3 section 109H of the ITA 1967 (withholding tax);
 - 1.4.4 section 43 of the Petroleum (Income Tax) Act 1967 (PITA 1967); and
 - 1.4.5 section 18 of the Real Property Gains Tax Act (RPGTA 1976).
- 1.5 Apart from the above appeals, taxpayer may apply for DRP for application for relief as follows:
- 1.5.1 In respect of error or mistake in a return or statement made by a taxpayer under section 131 of the ITA 1967;
 - 1.5.2 In respect of non-error or mistake under section 131A of the ITA 1967;
 - 1.5.3 In respect of error or mistake under section 66 of PITA 1967; and
 - 1.5.4 In respect of error or mistake under section 19 of RPGTA 1976.
- 1.6 For further clarification and information with regards to appeal against an assessment or application for relief, kindly refer to Public Ruling No 12/2017- Appeal against an Assessment and Application for Relief.
- 1.7 All categories of taxpayer (individual, company, co-operative society, trust body, association and all other categories) who lodge an appeal or application for relief may apply for DRP.
- 1.8 DRP has received international recognition for its independence, fairness and effectiveness in resolving disputed matters in a timely manner.

2. OBJECTIVE OF DRP

- 2.1 To give taxpayer the opportunity to clarify reasons for the appeal/ application for relief to an independent DRP Panel who was not involved in the raising of assessment.
- 2.2 As a medium right to be heard to the taxpayer.

- 2.3 To achieve an out of court settlement before the appeal/application for relief is forwarded to SCIT in the effort to save time and cost for both taxpayers and IRBM.
- 2.4 To ensure that review process is transparent and independent.

3. APPLICATION FOR DRP BY TAXPAYER

- 3.1 Request for DRP can be made:
 - 3.1.1 after the taxpayer has received a letter from IRBM confirming that notice of appeal (Form Q)/ application for relief has been accepted by the relevant branches. Example of the letter is attached in Appendix 1.
 - 3.1.2 in writing vide letter/email to the address stated in the letter of confirmation abovementioned.
- 3.2 IRBM will issue an invitation letter for DRP to taxpayer.
- 3.3 IRBM encourages taxpayer to bring all the relevant documentation during DRP to support the appeal/application for relief and settlement proposal, if any.
- 3.4 If taxpayer is represented by tax agent/lawyer/authorised person to attend the DRP, tax agent must be an authorised tax agent under section 153 of ITA 1967. Lawyer / authorised representative appointed by taxpayer shall submit to IRBM an authorization letter signed by taxpayer before the commencement of DRP.

4. HANDLING OF DRP

- 4.1 Dispute Resolution Department (DRD), IRBM will handle DRP session for taxpayer's file under the:
 - 4.1.1 Multinational Tax Branch;
 - 4.1.2 Special Industry Branch;
 - 4.1.3 Large Taxpayer Branch;

- 4.1.4 Investigation Branch;
- 4.1.5 Special Operation Department; and
- 4.1.6 Special Task Department.

4.2 Venue for the DRP session handled by DRD:

Headquarters Inland Revenue Board of Malaysia
Dispute Resolution Department
Level 6, Menara Hasil
Persiaran Rimba Permai
Cyber 8, 63000, Cyberjaya
Selangor

4.3 For taxpayer's file under the jurisdiction of branches otherwise mentioned above, the DRP session will be handled by and at the relevant State Director's Offices as listed in Appendix 2.

5. Flow chart for the implementation of the DRP is shown in Appendix 3.

6. For further information on DRP, please contact us:

Customer Care Officer
Dispute Resolution Department
Inland Revenue Board of Malaysia
Tel: 03-83138888 ext. 20610 | Fax: 03-83137864

**DISPUTE RESOLUTION DEPARTMENT
INLAND REVENUE BOARD OF MALAYSIA**

**** MAC 2019**

APPENDIX 1

LEMBAGA HASIL DALAM NEGERI MALAYSIA
NAMA CAWANGAN XXXXX
ALAMAT CAWANGAN XXXX
ALAMAT CAWANGAN XXXX
ALAMAT CAWANGAN XXXX
ALAMAT CAWANGAN XXXX

Telefon: 99-99999999
Fax: 99-99999999
Pusat Khidmat Pelanggan: 1-800-88-5436
Homepage LHDN: <http://www.hasil.gov.my>

Tarikh : DD/MM/YYYY

NAMA PC XXXXXX
ALAMAT PC XXXXXX

Tuan,

**PENGESAHAN PENERIMAAN NOTIS RAYUAN KEPADA PESURUHJAYA KHAS CUKAI
PENDAPATAN (BORANG Q)**

NO. RUJUKAN CUKAI : X XXXXXXXX-XX
JENIS TAKSIRAN : ASAL / TAMBAHAN
TAHUN TAKSIRAN : YYYY

Saya di arah merujuk kepada perkara di atas.

2. Adalah dimaklumkan Borang Q tuan bertarikh DD/MM/YYYY telah diterima pada DD/MM/YYYY. Borang Q tersebut akan disemak dan dikaji oleh Cawangan/ CSI. Sekiranya tiada persetujuan yang dicapai selepas tempoh 90 hari dari tarikh penerimaan, Borang Q tersebut akan dikemukakan untuk pertimbangan dan keputusan oleh Jabatan di bawah:

Jabatan Resolusi Pertikaian
Menara Hasil, Aras 6, Persiaran Rimba Permai
Cyber 8, Peti Surat 11833
63000 Cyberjaya, Selangor
Tel : 03 – 83138888

3. Pihak tuan boleh memohon untuk mengadakan Prosiding Resolusi Pertikaian dengan Jabatan Resolusi Pertikaian setelah Borang Q dikemukakan ke Jabatan tersebut.

4. Untuk makluman sekiranya Ketua Pengarah Hasil Dalam Negeri tidak bersetuju dengan rayuan yang dikemukakan atau tiada persetujuan boleh dicapai melalui Prosiding Resolusi Pertikaian, rayuan Borang Q akan dikemukakan kepada Persuruhjaya Khas Cukai Pendapatan dalam tempoh 12 bulan dari tarikh DD/MM/YYYY.

Sekian. Terima kasih

" BERKHIDMAT UNTUK NEGARA "

"BERSAMA MEMBANGUN NEGARA"

.....
[XXXXXXXX]
Pengurus Audit / Siasatan
Cawangan XXXXXXX
b.p. Ketua Pegawai Eksekutif/
Ketua Pengarah Hasil Dalam Negeri
Lembaga Hasil Dalam Negeri Malaysia

APPENDIX 2

State Director's Office	Operating Branch
State Director's Office Territory Kuala Lumpur	Duta Branch Non – Resident Branch Kuala Lumpur Bandar Branch
State Director's Office Territory Putrajaya	Cheras Branch Wangsa Maju Branch Bangi Branch
State Director's Office Selangor	Shah Alam Branch Klang Branch Petaling Jaya Branch
State Director's Office Johor	Johor Bahru Branch Kluang Branch Muar Branch
State Director's Office Pahang	Kuantan Branch Raub Branch Temerloh Branch
State Director's Office Perak	Ipoh Branch Branch Teluk Intan Taiping Branch
State Director's Office Pulau Pinang	Pulau Pinang Branch Bukit Mertajam Branch
State Director's Office Kedah / Perlis	Kangar Branch Alor Setar Branch Sungai Petani Branch
State Director's Office Terengganu / Kelantan	Kuala Terengganu Branch Kota Bharu Branch
State Director's Office Negeri Sembilan / Melaka	Seremban Branch Melaka Branch
State Director's Office Sarawak	Kuching Branch Miri Branch Bintulu Branch Sibu Branch
State Director's Office Sabah	Kota Kinabalu Branch Keningau Branch Tawau Branch Sandakan Branch Labuan Branch

**FLOW CHART FOR THE IMPLEMENTATION OF THE
DISPUTE RESOLUTION PROCEEDING (DRP)**

