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Greetings from Deloitte Malaysia Tax Services

Public Ruling (PR) No. 7/2016: Basis Period for Companies under Liquidation

PR 7/2016 sets out the determination of basis period for companies under liquidation as provided in subsection 21A(3) of the ITA.

Up till October 2016, there are four Public Rulings issued by the IRB for companies, three of which are still applicable to current year:

Public Ruling No.	Description
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Quick links:

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[Inland Revenue Board](#)

Takeaways:

Public Ruling (PR) No. 7/2016: Basis Period for Companies under Liquidation

Upcoming events

Date (2016)	Venue
16 Nov	Ipoh
16 Nov	Melaka
16 Nov	Kuching
17 Nov	Kota Kinabalu

Important deadlines:

Due date for 2017 tax estimates for companies with December year-end (1 December 2016)

6th month revision of tax estimates for companies with May year-end

PR 7/2001	Basis period for business and non-business sources (companies) – [Replaced by PR 8/2014]	(30 November 2016)
PR 7/2011	Notification of change of accounting period	9th month revision of tax estimates for companies with February year-end (30 November 2016)
PR 8/2014	Basis period of a company, LLP, trust body and co-operative society	Statutory filing of 2016 tax returns for companies with April year-end (30 November 2016)
PR 7/2016	Basis period for companies under liquidation	

The key points in PR 7/2016 are as below:

A. Preparation of Liquidator's accounts

A company under liquidation (either voluntarily or by order of court) **must** from the date of appointing a liquidator prepare liquidator's accounts (i.e. Liquidator's Account of Receipts & Payments and a Statement of the Position in the Winding-up):

- for a period of 6 months; and
- thence for every subsequent period of 6 months.

Two sets of accounts for a period of 6 months each may be combined and taken to be the basis period for a YA.

B. Change of accounting period

Paragraph 5 of the PR 7/2016 provides that a company under liquidation which changes its accounting period will determine its basis period:

- From YA 2014 onwards – by applying the same principles in PR 8/2014.

- ii. Prior to YA 2014 – by applying the same principles in PR 7/2001 (before being replaced by the PR No. 8/2014), whereby the determination of the basis period is provided in subsection 21A(3) (before amendment).

In a situation where the company under liquidation has appointed a few liquidators, each time a liquidator is being appointed, there is a change of basis period to be determined based on 21A(3) of the ITA.

C. Submission of the Income Tax Return Form

A company under liquidation or winding up is required to furnish its Income Tax Return Form (ITRF) within seven months from the date following the close of the accounting period. The concerned company may report their income based on the Form 75 which have been finalised.

PR 7/2016 also sets out the documents required to be submitted to IRB for application of tax clearance letter.

We invite you to explore other tax related information at: <http://www2.deloitte.com/my/en/services/tax.html>

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