



## Indirect Tax Alert

# Voluntary Disclosure Program by the Royal Malaysian Customs Department

Greetings from Deloitte Malaysia Tax Services.

On 2 June 2023, the Royal Malaysian Customs Department (RMCD) announced the commencement of the Voluntary Disclosure Program (VDP) effective from 6 June 2023 to 31 May 2024. Alongside the announcement, the RMCD has issued Guidelines on Voluntary Disclosure Program and its Frequently Asked Questions (FAQs) on its website, which can be found [here](#). The key highlights of the VDP can be found in our Indirect Tax Alert [here](#).

### Benefits under VDP

- Covers Sales Tax, Service Tax, GST and Tourism Tax;
- 100% penalty remission, granted with blanket approval on taxes that are liable up to 28 February 2023, and are fully paid within the VDP period;
- Instalment scheme is also available;
- The RMCD will accept the voluntary disclosure as a declaration made in good faith and the taxable period declared will not be audited by the RMCD's Compliance Division at the zone / state level;
- No compounds will be imposed under this VDP;
- Open for businesses where Customs audit have not commenced.

Note: For businesses where Bills of Demand (BOD) for duty/tax have been issued for a taxable period ending on or before 31 December 2022, you may participate in the Penalty and Surcharge Remission Program by the RMCD

which is effective from 1 February 2023 to 30 September 2023. The key highlights of this program can be found in our Indirect Tax Alert [here](#).

### What should businesses do?

From our experience, even the most organised enterprises may have potential errors and non-compliance from a Customs perspective which may be undiscovered due to a variety of reasons. Under the VDP, we encourage businesses to use the opportunity to perform a self-review and take advantage of the VDP's benefits if any inadvertent non-compliance is found.

### How can Deloitte help?

Deloitte Malaysia offers a wide range of services in relation to the VDP, including:

- Assistance in undertaking customised health checks and reviews targeted towards identifying materials that are non-compliant with RMCD-related laws and regulations;
- Review of internal tax processes to identify any gaps for improvement;
- Review of sales tax/service tax return(s) submitted and documentation(s) to identify any potential tax risk areas;
- Assistance with the preparation and submission of voluntary disclosure to the RMCD.

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## Contacts

If you are keen to explore how to best leverage on the VDP, please reach out to your usual Deloitte indirect tax contact or any of our leaders below:

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Alternatively, please reach out to anyone from the team [here](#).

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