



Tax Espresso – Special Alert

IRBM issued FAQs on revision of tax estimate and deferment of monthly tax instalment payments

The Inland Revenue Board of Malaysia (IRBM) has uploaded the [Frequently Asked Questions](#) (FAQs) to address concerns taxpayers may have pertaining to the revision of tax estimate in the month of the 3rd monthly tax instalment and deferment of monthly tax instalment payments, which were introduced under the Economic Stimulus Package 2020 (ESP 2020) and PRIHATIN Package:

Part A - Revision of tax estimate in the month of the 3rd monthly tax instalment that falls in the calendar year 2020

1. All industries are eligible to apply for revision of tax estimate in the month of the 3rd monthly tax instalment, provided the 3rd monthly tax instalment falls in the calendar year 2020.
2. Revision of tax estimate in the 3rd monthly tax instalment refers to the month of the 3rd monthly tax instalment and not the 3rd month of the basis period.

3. The revision of tax estimate in the month of the 3rd monthly tax instalment is not required to be at least 85% of the revised estimate of tax payable / estimate of tax payable for the immediately preceding year of assessment.
4. Where the tax payable under an assessment exceeds the estimate or revised estimate of tax payable as the case may be, by an amount greater than 30% of the tax payable under an assessment, a penalty of 10% is imposed on the excess over 30% of the tax payable under the assessment.
5. All applications for the revision of tax estimate in the month of the 3rd monthly tax instalment will be approved automatically, provided that the application is complete.
6. The due date for submission of the revised tax estimate in the month of the 3rd monthly tax instalment is based on the company's basis period. An illustration by the IRBM is reproduced below:

Basis period	Month of the 3 rd monthly instalment in year 2020	Deadline for submission of revised tax estimate	Effective date of revised tax estimate
01.01.2020 to 31.12.2020	April 2020	31 May 2020 (extension of time)	15 April 2020 (extension of time)(#)
01.08.2020 to 31.07.2021	November 2020	30 November 2020	*Refer to note

Our commentary

The effective date of revised tax estimate refers to when the revised instalment amount is effective. For this case (#), the revised instalment amount is effective 15 April 2020 although the due date for submission of the revised tax estimate is extended to 31 May 2020. The IRBM has also granted extension of time until 31 May 2020 for payment of instalments due on 15 April 2020 and 15 May 2020.

*Note: If the application is submitted on or before 15 November 2020, the effective date of the revised tax estimate will be 15 November 2020. If the application is submitted after 15 November 2020, the effective date will be 15 December 2020.

7. Taxpayers whose instalment payments have been automatically deferred by the IRRM are still eligible to revise their tax estimate in the month of the 3rd monthly tax instalment.
8. Taxpayers are required to complete the [application form for the revision of tax estimate in the month of the 3rd monthly tax instalment](#), which is available in the IRBM's website. Completed applications are to be submitted via :
 - i) email to norshazreen@hasil.gov.my / zukhaiza@hasil.gov.my; or
 - ii) posted to the following address:

Lembaga Hasil Dalam Negeri Malaysia
 Bahagian Pengurusan Rekod dan Maklumat Percukaian
 Jabatan Operasi Cukai
 Menara Hasil Bangi, Aras 7
 No. 3, Jalan 9/10, Seksyen 9
 43650 Bandar Baru Bangi
 Selangor Darul Ehsan

9. No supporting document is required for the application for revision of tax estimate in the month of the 3rd monthly tax instalment.
10. The taxpayer is required to complete the “Declaration” section in the application form with relevant information, if the application form is submitted by the taxpayer himself.
11. According to an example given in the FAQs, the IRBM will issue a Notice of Tax Instalments (Form CP205) to a taxpayer who has submitted an application for a revised tax estimate in the month of the 3rd monthly tax instalment.

Part B - Deferment of income tax instalment payments for companies related to tourism industry and Small and Medium-sized Enterprises (SMEs)

1. The deferment of income tax instalment payments refers to deferment of monthly instalment payments under Section 107C of the Income Tax Act 1967 (the ITA 1967).
2. The deferment of income tax instalment payments is applicable to eligible taxpayer which has income tax instalment payments due in the deferment periods of 1 April 2020 to 30 June 2020 (for taxpayers who are SMEs) and 1 April 2020 to 30 September 2020 (for taxpayers related to tourism industry). This is regardless of whether the taxpayer’s basis period ends on 31 December 2020.
3. The list of Malaysian Standard Industrial Classification (MSIC) codes for taxpayers related to the tourism industry that are eligible for the deferment of income tax instalment payments are provided in the FAQs, Part B, item 2.
4. A company in the tourism industry will still qualify for the deferment of income tax instalment if the company has income from other business source aside from the tourism industry.
5. Various examples of the implementation of deferment of income tax instalment payments under the ESP 2020 and PRIHATIN Package have also been provided in the FAQs.
6. According to an example given in the FAQs, the computation of penalty for an under-estimation of tax payable pursuant to Section 107C (10) of the ITA 1967 shall be based on the estimate of tax payable furnished for that year of assessment; or if there is a revised estimate furnished (in the month of the 3rd monthly instalment payment / 6th or 9th month of the basis period) for that year of assessment, the revised estimate.

Please see [FAQs](#) for details and other related matters addressed.



Recognised as Malaysia Tax Firm of the Year 2019, as well as a top-tier firm in World Tax 2019, World Transfer Pricing 2019, and The World’s Best Tax Transactional Firms 2019 by the International Tax Review.



Deloitte Tax Services Sdn Bhd
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur
Malaysia

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organisation”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2020 Deloitte Tax Services Sdn Bhd

To no longer receive emails about this topic please send a return email to the sender with the word “Unsubscribe” in the subject line.