



Tax Espresso – Special Alert

Extended MCO to 14 April 2020 – IRBM updated FAQs on tax matters during the MCO Period (18 March to 14 April 2020)

Reference is made to our:

- (i) Special Alert - IRBM issued FAQs on tax matters during the Movement Control Order Period (18 to 31 March 2020), based on the FAQs on 19 March 2020; and
- (ii) Special Alert - IRBM updated FAQs on tax matters during the Movement Control Order Period (18 to 31 March 2020), based on the FAQs on 25 March 2020.

In light of the extended Movement Control Order (MCO) period to 14 April 2020, the Inland Revenue Board of Malaysia (IRBM) has made further changes to the Frequently Asked Questions (FAQs). Here are the key changes reflected in the [FAQs updated on 3 April 2020](#):

1. Closure of all IRBM premises (except stamp duty counters at Branch Stamping Office and Hasil Care Line) nationwide from 18 March 2020 to 14

April 2020. Please click on this [link](#) for the operating hours of the stamp duty counters.

2. Extension of time (EOT) until 30 April 2020 for the submission of feedback to IRBM letters due during the period of 18 March 2020 to 29 April 2020.
3. EOT until 30 April 2020 for withholding tax payments with due date falling in the period of 18 March 2020 to 14 April 2020. The payment can also be made by telegraphic transfer (TT) by submitting the complete payment information to the IRBM by facsimile number 03-6201 9637 or by email to HelpTTpayment@hasil.gov.my.

Late payment penalty will not be imposed on the abovementioned withholding tax payments if payments are made by 30 April 2020.

4. EOT until 15 May 2020 for the filing of Country-by-Country Report (CbCR) by the responsible Malaysian entity and CbCR Notification by the constituent entity, which are due on 31 March 2020 and 30 April 2020 respectively.
5. Income tax estimates related matters
 - (i) Extension of time until 30 April 2020 for the following submission due during the period of 18 March 2020 to 14 April 2020:
 - Income Tax Estimate (Form CP204);
 - Notification of Change in Accounting Period (Form CP204B); and
 - Revision of income tax estimate (Form CP204A) in the 6th or 9th month of the basis period.
 - (ii) Monthly instalment payment due on 15 April 2020 has been extended until 30 April 2020.
 - (iii) It has been clarified that the submission of the revised tax estimate in the month of the 3rd monthly tax instalment (provided it falls in 2020) is based on the company's basis period. Illustration as shown below:

YA	Basis period	3 rd instalment payment due	Revision in the month of the 3 rd monthly instalment
2020	01.12.2019 to 30.11.2020	15 March 2020	March 2020 (*)
2020	01.01.2020 to 31.12.2020	15 April 2020	April 2020
2021	01.02.2020 to 31.01.2021	15 May 2020	May 2020
2021	01.03.2020 to 28.02.2021	15 June 2020	June 2020

An extension of time is granted until 30 April 2020 for revision in the month of the 3rd monthly tax instalment that falls in April 2020. (* The deadline for submission of revised tax estimate for November year end that was due March 2020, has been extended to 30 April 2020 as per the FAQs updated on 25 March 2020.)

- (iv) Deferment of instalment payments introduced via Economic Stimulus Package 2020 and PRIHATIN Package:
 - No application for deferment by taxpayers in tourism-related industries and SMEs is needed. Deferment of instalment payments will be given automatically by the IRBM to eligible taxpayers based on IRBM's records. (Note: It is unclear now whether the IRBM will issue any notification to applicable taxpayer.)
 - 6 months deferment of payments for taxpayers in tourism-related industries from April to September 2020.

- 3 months deferment for SMEs from April to June 2020, with business criteria as follows:
 - (a) have a paid-up capital of less than or equal to RM2.5 million ordinary shares at the beginning of the basis period for a year of assessment; and
 - (b) have a gross business income of RM50 million and below.
 - Taxpayers do not need to pay the deferred payments. The balance of tax (if any) has to be settled upon the submission of the income tax return.
- (v) Payments for the first two instalments for March 2020 and May 2020 based on the *Notice of Instalment Payment* (CP 500) are deferred. Deferment of payment will be given automatically by the IRBM to eligible taxpayers based on IRBM's records. Taxpayers do not need to pay the deferred payments (#). The balance of tax (if any) has to be settled upon the submission of the income tax return. (Note: It is unclear now whether the IRBM will issue any notification to applicable taxpayer.)
- # There is a contradictory answer given in the FAQs, which says payment for CP 500 can be deferred beginning April 2020 to June 2020. The months eligible for deferment are March 2020 and May 2020. Further clarification on the above with the IRBM is required.
- (vi) EOT until 30 April 2020 for submission of CP38 and payment of monthly tax deduction (MTD) due for March 2020 remuneration.
6. Extension of time until 30 April 2020 for the submission of Notice of Appeal (Form Q) to the Special Commissioners of Income Tax (SCIT) where the due date falls within the period of 18 March 2020 to 14 April 2020. The IRBM has now confirmed that the taxpayer is required to file Form N as provided under Section 100 of Income Tax Act 1967 (the Act) and to state that the delay is due to the implementation of MCO.

[Remark: In the superseded FAQs dated 25 March 2020, EOT until 30 April 2020 is given for submission of Form Q due during the period of 18 March 2020 to 31 March 2020, without the need to submit a Form N for an extension of period.]

7. Tax deduction for donations and contributions to the COVID-19 Fund

Reference is made to one of our recent alerts, [Deloitte Malaysia Tax Espresso - Special Alert \(COVID-19 Related\) - Further Measures by the Government](#). One of the measures aimed at aiding individuals and businesses is tax deduction under the Act for donations and contributions to the following:

- (i) COVID-19 Fund (Ministry of Health Malaysia) – cash donations and contributions in kind
- (ii) COVID-19 Fund (National Disaster Management, Prime Minister's Department) – cash donations only
- (iii) Donations to institutions / organisations approved under Section 44(6) of the Act.

The Ministry of Finance (MOF) has recently issued [guidelines on the application of tax deduction for donations and contributions to COVID-19 under Section 34\(6\)\(h\) of the Act](#) (the Guidelines) to explain the conditions and procedures for application of tax deduction for donations and contributions to COVID-19 under Section 34(6)(h) of the Act.

Among the terms and conditions, please note that completed applications (as per Appendix 1 of the Guidelines), after the donations / contributions has been made, must be submitted to the Tax Division of the MOF for approval. Upon obtaining MOF's approval, a claim for tax deduction pursuant to Section 34(6)(h) of the Act for donations / contribution to COVID-19 can be made in the Income Tax Return Form for the relevant year of assessment (YA), with effect from the YA 2020.

The following documents are required to substantiate the claim for the above tax deduction, in the event of tax audit by the IRBM: -

- Original approval letter from the MOF; and
- Original acknowledgment receipt of the donations / contributions (Appendix I) from the government or non-governmental organisations / agencies.

Where a deduction has been made under Section 34(6)(h) of the Act, no further deduction of the same amount shall be allowed under Section 44(6) of the Act.

The Guidelines are valid beginning February 2020 until the COVID-19 outbreak is declared over by the government.

Please see [FAQs \(updated on 3 April 2020\)](#) for details and other 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.

