
theLINK

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*Celebrating 20 years
Special Voluntary Disclosure Program
Christmas Gift Exchange party 2018
Lang International Corporate
Titan Awards 2018*

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SPECIAL VOLUNTARY DISCLOSURE PROGRAM

Special Voluntary Disclosure Program (SVDP) was announced by The Honorable Minister of Finance Malaysia, YB Lim Guan Eng during his Budget 2019 speech on 2 November 2018, SVDP allows taxpayer to voluntarily declare any unreported income, including income derived and remitted into offshore bank accounts.

Under the SVDP, any income reported from 3 November 2018 to 30 June 2019 will be subjected to reduced penalty rates. The penalty rates will be increased substantially after the SVDP program (refer to chart 1).

The program is one of the government's tax reform efforts to reduce the existing tax gap, minimize the tax leakage and increase tax collection. Furthermore, it is in line with the implementation of Common Reporting Standard (CRS) on 30 September 2018 whereby participating countries will receive resident taxpayers' financial information from other foreign tax administration.

What can be disclosed under the SVDP ?

- Income Tax
 - Income not previously declared
 - Expenses over claimed
 - Expenses not allowable
 - Relief / deduction / rebate over claimed
- Real Property Gains Tax (RPGT)
 - Gains on disposal of real properties and shares in real property company ("RPC")
- Stamping of instruments not previously stamped

What can be disclosed under the SUDP ?

Categories of voluntary disclosure	Section	Penalty rate		
		Period		END
		3/11/2018 – 31/3/2019	1/4/2019 – 30/6/2019	1/7/2019 onwards
Not Register with IRB Registered but not submit tax return	Sec 112(3) ITA/Sec 51(3) PITA/Sec 29(3) RPGTA	10%	15%	80% - 300%
Submitted but not report correct income or gains on disposal of asset	Sec 113(2) ITA/Sec 52(2) PITA/Sec 30(2) RPGTA			
For tax amount RM 100,000		10,000	15,000	80,000
Tax payment + Penalty		RM 110,000 Due 31/ 3/ 2019	RM 115,000 Due 30/ 6/ 2019	1/ 7/ 2019 onwards
		3/11/2018 – 31/3/2019	1/4/2019 – 30/6/2019	
Present an instrument for stamping > 6 months from the stamping period (30 days from the execution date)	Sec 47A(1) Stamp Duty Act 1949	10 % or a minimum of RM50	15 % or a minimum of RM100	On deficient duty paid

(Source: http://lampiran1.hasil.gov.my/pdf/pdfam/GO_012018_02.pdf)

How to disclose?

Categories of voluntary disclosure	Disclosure mechanism
Not Register with IRB	Register an income tax number. Submit manual return or e-filing*
Registered but not submit tax return	Submit manual return or e-filing*
Submitted but not report correct income or gains on disposal of asset	Submit written declaration via letter or email
Present an instrument for stamping > 6 months from the stamping period (30 days from the execution date)	Submit stamped instruments manually or online

For corporate – e-filing is mandatory effective from YA 2014. Submission of supporting documents is not compulsory

Advantage of SVDP ?

- No further enquiry on income disclosed**
- Final and conclusive: No subsequent audit
- Taxpayer still can appeal

*** Except in the case where additional information from 3rd party shows that the income has not been correctly reported and it is within the taxpayer's knowledge.*

Prepared by : Ang Heng Ann (Tax Partner)

Chong Zhen Hui (Marketing & Business Development)

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Our office in Kuala Lumpur (Headquater)

9-3, Jalan 109F ,Plaza Danau 2,
Taman Danau Desa,58100 Kuala Lumpur

 : 603-7981 1799

 : 603-7980 4796

 : kuala-lumpur@ecovis.com.my

Our office in Johor

54, Jalan Kempas Utama 2/2,
Taman Kempas Utama, 81200
Johor Baharu , Johor .

 : 607-562 9000

 : 607-562 9090

 : johor@ecovis.com.my

Our office in Sabah

Lot 3, 3rd Floor, Block A, Damai
Plaza Phase IV, Jalan Damai,
88300 Kota Kinabalu, Sabah

 : 6088-231 790

 : 6088-266 842

 : sabah@ecovis.com.my

Celebrating



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It all began in 1999 as we set up a humble firm with less than 10 employees to provide professional services to local Small and Medium Enterprises in Kuala Lumpur. Since then we have grown and set strong foundation where the firm is standing despite economic turbulence occur.

Today, Ecovis Malaysia operates as part of global network of independent member firms offering Audit, Tax, Business Process Outsourcing and Advisory services. The firm has approximately 170 staffs across 3 locations in Malaysia, with access to 6,500 committed professionals possess vast experience in more than 60 countries.

Our success and strong foundation due to clear target, practice common values and dedication from our remarkable people. We would like to extend our gratitude to our staffs, clients, partners and associates who constantly support Ecovis Malaysia as we celebrate the success milestone. Thank you for making Ecovis as your right choice!

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