

FAQ ON FORM M

GENERAL QUESTIONS

- Q1** If I have not received my Form M, how can I get a copy?
A1 i) You can get a copy of the Form M from any of the nearest IRBM branches; or
ii) You may use our e-filing facility for online submission. Please visit our website <http://www.hasil.gov.my> for more information on e-filing.
- Q2** Can I use a photostat copy of the Form M to fill and submit?
A2 No you cannot because it is not a prescribed form.
- Q3** I received two Form M for the same Year of Assessment under different reference numbers. Which one should I complete?
A3 You are advised to call us at Tel No. 603-42893500 or e-mail us at callcentre@hasil.gov.my to confirm your correct reference number.
- Q4** If my Form M will be processed at the Processing Centre, Pandan Indah, does it mean that my income tax file has been transferred to the Processing Centre, Pandan Indah?
A4 No, your income tax file will still be maintained at your previous Branch. Only the Form M will be sent to the Processing Centre, Pandan Indah.
- Q5** If I made a mistake when filling my Form M can I rectify using a correction pen?
A5 You are not allowed to use the correction pen. However, you can cancel it by drawing a line across the mistake and writing again the correct details and making a brief initial on each correction made.
- Q6** What is a Public Ruling? What is the implication if I choose 1 or 2?
A6 The Public Ruling is issued to provide guidance for the public and officers of the Inland Revenue Board. It sets out the interpretation of the Director General of Inland Revenue in respect of the particular tax law, and the policy and procedure that are to be applied. You may view the Public Ruling at the website <http://www.hasil.gov.my>. If one or more Public Rulings are not complied with please choose no. 2.
- Q7** Will I be penalised for the late submission of the Return Form?
A7 Yes, you will be penalised under Section 112(3) of the Income Tax Act 1967.

Q8 Since no J Form will be issued under the Self Assessment System, how will I know if my tax has been correctly assessed?

A8 If you have doubts or inquiries kindly e-mail us at callcentre@hasil.org.my or call us at 603-42893500 before submission of your Return Form.

Q9 Why do I need to keep my records for 7 years? I operate my business from my house and I do not have enough space to store them.

A9 It is a requirement under Section 82(1)(a) of the Income Tax Act 1967.

Q10 Must I use the working sheets provided in the guidebook for preparation of my accounts? Will I be penalised if I don't?

A10 No. The working sheets are just a guideline for preparation of your accounts and keeping your records.

Q11 Can I fill Form M with just the personal details and sign the form ?

A11 If you derived income from Malaysia, your Form would be deemed incomplete and will be returned to you for completion. Under the Self Assessment System you do not need to attach any statements, receipts etc. You would have to complete all the relevant items and compute your taxes.

However, if you did not derive any income from Malaysia in the said year, you have to complete your personal particulars and put '0' in the relevant column sign the form and return it to us.

Q12 I find the Form M too complicated. As such I am not sure if my calculations are correct. What should I do?

A12 Please call us at 603-42893500 or e-mail us at callcentre@hasil.gov.my for assistance or please refer to the Form M Guidebook or Explanatory Notes.

Q13 How do I get the country code?

A13 The Country code is available in the Form M Explanatory Notes and Guidebook under Appendix E.

Q14 I submitted my Form M to Processing Centre, Pandan Indah without my signature. Will my Form M be processed?

A14 No. The Form will be considered as incomplete and will not be processed. You are advised to complete and send in a new Form M with your signature. Penalty for late submission will also be imposed under Section 112(3) of the Income Tax Act,1967 if the IRB receives it after the due date.

Q15 I am 80 years of age, do I need to continue filing the Income Tax Return Form?

A15 The main criteria for filing the Form M would be whether you have any income from Malaysia and it is irrespective of your age.

Q16 I have received a copy of the Form M for 2010 but I have not received any income from Malaysia. Do I need to fill the Form. Do I have to declare income derived from Singapore and submit the Notice of Assessment from the Singapore Tax Authorities?

A16 Since you have received the Form M for 2010, you would have to complete it whether or not you have derived any income from Malaysia. Income that has not been derived from Malaysia need not be declared in the Form M. You do not have to submit any documents from the Singapore Tax Authorities.

Q17 Where do I send the Form M 2010?

A17 Please send your completed Form M to the address below:

Inland Revenue Board Malaysia
Processing Centre
Level 10-18, Menara C
Persiaran MPAJ, Jalan Pandan Utama
Pandan Indah, P. O. Box 11096
50990 Kuala Lumpur, Malaysia

Q18 I am not sure which Income Tax Form I have to complete. My husband is a Malaysian but has been working in Brunei for many years. He has received a Form M 2010 and I have not received any Income Tax Form to declare my income.

A18 Non-residents for tax purposes are to fill in the Form M for the Year Assessment 2010. Residents for tax purposes are to fill Form BE (if there is no business income) or B (if there is business income). Please refer the Public Ruling No. 2/2005 on the determination of resident status. If you qualify as a tax resident, obtained a copy of the Form BE or B from our nearest IRBM Branch or you are encouraged to use our e-filing facility for online submission. Please visit the IRBM website at <http://www.hasil.gov.my> for further information on e-filing.

Q19 When do I have to submit the Form M 2010?

A19 If you did not derive any business or partnership income in 2010, ensure that the Form M is submitted by 30 April 2010. If you had derived business income the due date for submission is 30 June 2010.

Q20 My wife and I are both non-resident taxpayers. Should we elect for separate or combined assessment?

A20 Both of you are non residents of Malaysia. For tax purposes, it makes no difference whether you elect for separate or combined assessment as the tax rate for non residents is at a flat rate of 26%.

Q21 I understand that as British citizens and being Hong Kong residents we are not eligible to elect for combined assessment, and that separate forms for both me and my wife must be submitted – is this correct?

A21 Under the Self Assessment System, husband and wife are to complete separate Income Tax Forms if each derived income from Malaysia. If your wife was not sent a Form M, obtained a copy of the Form from our nearest IRBM Branch or you are encouraged to use our e-filing facility for online submission. Please visit the IRBM website at <http://www.hasil.gov.my> for further information on e-filing.

Q22 My period of stay in Malaysia was and will be as follows:

25.07.2009 to 22.12.2009	In Malaysia	51 days
23.12.2009 to 31.12.2009	Not in Malaysia	9 days
01.01.2010 to 03.01.2010	Not in Malaysia	3 days
04.01.2010 to 01.07.2010	In Malaysia	179 days

How do I determine my resident status for the Year of Assessment 2009 and 2010?

A22 You can be considered a tax resident for Year of Assessment 2009 if the period of less than 182 days in 2009 is linked to a period of 182 days or more consecutive days in 2010.

The temporary absence from 23.12.2009 to 3.1.2010 forms part of the qualifying period to link the 2 periods. Therefore you can be considered a tax resident of Malaysia for the Year of Assessment 2009 on 2.7.2010.

In the Year of Assessment 2010 since you are only physically present in Malaysia for only 179 days you are not considered a tax resident of Malaysia unless you extend your stay to 5.7.2010.

Q23 How do I confirm that my Form M has been received by IRBM. I am worried and do not want to be penalised?

A23 If you have an acknowledgement stamp on the copy of the Form M 2010 submitted at Processing Centre, Pandan Indah you need not worry. If you had posted it from overseas, please keep a copy of the proof of postage. If you need to contact the Processing Centre, you

may send an e-mail to callcentre@hasil.gov.my. or call us at 603-42893500.

Q24 I would like to know when I would receive my Form J as I need to know the amount of tax I have to pay?

A24 Under the Self Assessment System, no Notice of Assessment (Form J) will be issued to taxpayers. Taxpayers are expected to compute their own tax payable in the Income Tax Form submitted to IRBM. The DGIR is deemed to have made an assessment based on the tax computation furnished in the Income Tax Form. The Income Tax Form is deemed to be a Notice of Assessment. The date of filing the Income Tax Form is deemed to be the date on which the Notice of Assessment is served on the individual.

Q25 Can you grant me a grace period of up to 05.07.2011? I will send the Form M 2010 on 06.07.2011. This is the first time I am filling up this Form and I had forgotten about this matter only until last week ?

A25 All Income Tax Forms must be submitted:

By 30.4.2011 if no business income was derived in the year 2010 by an individual; or

By 30.6.2011 if business income was derived by an individual in the year 2010.

No grace period will be granted. You are advised to submit the Form M 2010 as soon as possible together with the payment.

Q26 After I have submitted my Form M, I realised that there are some errors in my Return and amendments to my accounts. Do I need to submit another Form M?

A26 Please take note that Form M need to be submitted only once. To make the correction on the form please follow the procedures as stated below:

(a) Print out the submitted form and do the correction on the particular page/column (please initial besides the correction made) and calculate the new amended tax payable;

(b) A letter stating the errors/omission made, and

(c) submit the amended form together with the letter to the IRB Branch where your file is maintained.

Q27 Why should we submit the M forms to the Processing Centre, Pandan Indah only ?

A27 Under the Self Assessment System all Return Forms will be processed at the Processing Centre, Pandan Indah.

Q28 Do we need to write OG/SG on every page where the file reference number is required?

A28 No . You only need to fill in the numbers.

Q29 What will be the action taken by IRBM if they found that income declared in the return form is understated?

A29 Additional assessment will be raised with penalty under Section 113(2), Income Tax Act 1967. The rate of penalty is posted in the IRBM website at <http://www.hasil.gov.my>.

QUESTIONS PERTAINING TO FILLING OF FORM M

TAXPAYER DATA

Q30 I am a Singaporean with a Singaporean passport. Where do I fill my particulars?

A30 Please fill your passport no. in item 7 (Current Passport No) of page 1. All information as per pages 1 & 2 are to be furnished.

Q31 Who do you mean “Knowledge Worker”?

A31 Knowledge worker is a qualified person who—

(i) holds a degree or masters degree in any professional or technical field from a college, institution or university recognized by the Government of Malaysia and has at least ten years working experience in any of the qualified activity; or

(ii) holds a doctoral degree in any professional or technical field from a college, institution or university recognized by the Government of Malaysia and has at least five years working experience in any of the qualified activity, and has fulfilled any other criteria as may be determined by the Minister.

For further details, refer to P.U. (A) 344/2010 in the LHDNM website.

PART A : PARTICULARS OF INDIVIDUAL

Q32 I have a business in Singapore, do I fill in the address of business premise in item A12? I also do not have a bank account in Malaysia, do I have to fill in the bank account no. in item A17?

A32 A12 relates to business in Malaysia. In fact you are only required to furnish income derived from Malaysia in the Form M 2010. A17 is only relevant if you have a bank account in Malaysia.

Q33 As a non-resident, and not being employed in Malaysia it seems to me that completion of item A12 to A19 is not appropriate – is my interpretation correct?

A33 Yes, you are only required to fill up the particulars in item A12 to A19 of page 2 Form M 2010 if it is applicable to you.

PART B : PARTICULARS OF HUSBAND / WIFE

Q34 My wife is not a Malaysian, do I need to complete Part B?

A34 Part B has to be completed by you even though your wife is not a Malaysian.

Q35 My husband is a Singaporean. He does not have any income in Malaysia. He is retired. Do I need to fill in B1 - B 10?

A35 Yes.

PART C : STATUTORY INCOME AND TOTAL INCOME

Q36 My wife has elected for a combined assessment under my name. Which item is applicable to both of us?

A36 If your wife elect for a combined assessment, in her Form M 2010 she should complete her form up to C34 and sign the form.

In your Form M 2010, you are to complete the Form in full. Transfer your wife's income to C35 and determine whether it is a business income or without business income. Total C34 and C35 to get aggregate total income (husband and wife).

Please note that under Section 45(2) of the Income Tax Act 1967, a husband / wife who is not resident in Malaysia may elect only if :-

- a) He or she who elects is a Malaysian Citizen and has total income;
- b) The spouse in whose name the combined assessment is to be raised has total income; and

c) Both husband and wife were living together and did not cease to live together in the basis year for a year of assessment.

If your wife elects for a combined assessment in your name then she has to fill in her form until total income (self), that is C34.

Q37 I have made some donations and I am not certain if I can claim them?

A37 You can make a claim for the donation made but the donation must be made to a body or fund approved by the Director General. Usually the approval (gazette notification) will be stated on the receipt. You can call us at 603-42893500 or e-mail us at callcentre@hasil.gov.my for confirmation

Q38 If I made some donation to an organisation, how will I know if that donation is approved by IRBM?

A38 Ensure that the receipt is printed with IRBM approval under Section 44(6) of the Income Tax Act, 1967. If it is not printed on the receipt, check with the organisation whether if approval has been given.

Q39 I have purchased a house in JB but it has been vacant since completion. Where can I claim the bank loan interest in the Form M 2010?

A39 As the house purchased by you in JB is vacant you are not entitled to claim deduction on the bank loan interest.

Q40 My only source of income is rental. Do I have to complete HK4 and submit it together with the Form M ? Do I have to attach the receipt for quit rent, assessment, repair bills etc?

A40 Yes you would have to complete HK4. Do not send HK4 and any documents together with the Form M 2010. Just keep your documents until we request for it later when an audit is done . You are required to retain all the documents for a period of 7 years.

Q41 I received rental income from Malaysia. Please let me know which section of the Form M 2010 I should complete?

A41 Please fill the net rental income in the item C 13.

Q42 I receive director fees. Where do I declare this amount?

A42 Director's fee is to be entered into C10.

Q43 I have sold my property in Malaysia in 2010. Do I have to complete the Form M 2010?

A43 If you are in receipt of rental income prior to the sale, you are to declare it. However if there was no rental income derived in 2010, you are to enter a "0" in item C13 of the Form M 2010.

Q44 My husband does not have an income tax reference number. The property is registered in both our names. We are both living in Canada. Does he have to register an income tax file?

A44 Since your husband does not have a tax reference number, the full rental income for 2010 can be declared under your name and the assessment can be made in your name. However if your husband has other sources of income from Malaysia in the year 2010, then he has to get a file registered and his share of the rental income should be declared under his name.

Q45 What are the expenses that can be claimed against the rental income?

A45 Example of allowable expenses:

Assessment and Quit rent

Insurance premium – fire /burglary

Bank loan interest

Cost of repairs & replacement

Cost of obtaining tenant to replace the old tenant

Cost of renewal rental agreement

Service charges & maintenance (condominiums & apartments)

Industrial Building Allowance can be claimed if the property qualifies as an industrial building.

Rental collection .

Example of non allowable expenses :

Cost of obtaining the first tenant (advertising, commission paid to a property agent, legal expenses on first rental agreement)

Renovation – rebuilding, reconstructing & improvement

Installation of electrical items – air conditioners, water heater, etc....

Furnishings (initial)

Capital payment of loan

Capital Allowance (where rental is not considered a business source for individuals).

Q46 Two payments of rent for November and December 2010 were paid late by the tenant of the property in March 2011. Should the due in 2010 be declared as of the date due rather than as of the date actually received?

A46 November and December 2010 rental income should be declared for the year ended 31 December 2010.

PART D ; TAX PAYABLE / REPAYABLE

Q47 I wish to claim for the non-resident relief under Section 130. Please let me know how I should go about calculating the relief?

A47 From your e-mail, I assume that you are in the Malaysian Civil Service and have been posted abroad.

With effect from year of assessment 2009, Section 130 of the Income Tax Act 1967 was deleted. In other words, non-resident relief under Section 130 is no more applicable.

So effective year of assessment 2009, Malaysian citizens employed in the public sector including statutory bodies who are non-resident because of being posted outside Malaysia will be taxed as resident.

PART L : FINANCIAL PARTICULARS OF INDIVIDUAL

Q48 In Part L, do I have to fill up L11 if I have already filled up C13? My only source of income is from rental of private residential property.

A48 Part L is only applicable if you derive business income from Malaysia and have included the rental income in your Profit & Loss accounts.

DECLARATION

Q49 Is it necessary for me to obtain the services of a tax agent to complete the Form M?

A49 It is not necessary to obtain the services of a tax agent if you are able to complete the Form M yourself. You are required to fill the Form by using the Explanatory Notes & Guidebook as a guideline. Please ensure that you declare income derived from all sources in Malaysia, work out the tax payable and sign the Form.

Q50 In previous years the form had to be declared before a Notary Public or consular official before submission. It is not clear to me from the form whether this is still the case or not. Please confirm whether declaration before a consular official is still required?

Q50 The declaration on page 11 is to be signed by you. It need not be signed before a notary public etc.

PAYMENT

Q51 Where do I send my payment to?

A51 Payment is to be sent separately using the payment slip CP501 (Pin.1/2010) attached to the Form M 2010. Kindly send the payment to :

Lembaga Hasil Dalam Negeri Malaysia
Cawangan Pungutan, Tingkat 15, Blok 8A
Kompleks Bangunan Kerajaan, Jalan Duta
Karung Berkunci 11061
50990 Kuala Lumpur

Q52 I wish to apply for installments to settle my taxes for the Year of Assesment 2010. In the past I have always been granted installments to settle my taxes. My only source of income from Malaysia is rental.

A52 Under the Self Assessment System, full payment must be made by 30 April 2011 for the Year of Assessment 2010. Installments beyond 30 April 2011 may be allowed on condition a penalty is imposed on the balance unpaid as at 1 May 2011. If you find that you are unable to pay up the taxes in one settlement, you should contact or write in to the Collections Unit of the Non-Resident Branch to request for bimonthly advance installment payments. For example you should request for advance installments from March 2010 to Jan 2011 to settle the taxes for the Year of Assessment 2010 (income of calendar year 2010). So when you complete the Form M 2010 next year the balance of tax payable will not be too much for you to pay up by 30 April 2011.

Q53 I have credit arising from the previous year's reduced assessments. Can I use this credit to pay my taxes for 2010 and where do I enter this credit in the Form M 2010?

A53 The credit arising from the reduced assessment for the previous year of assessment can be used to offset the tax for Year of Assessment 2010. But do not enter this credit in the Form M 2010. Please confirm the total credit available in account before off-setting the amount from the tax payable when paying using the Form CP501 (Pin.1/2010)

For example, if the credit arising from the Reduced Assessment for Year of Assessment 2008 is RM200.00 and the tax payable for the Year of Assessment 2010 is RM800.00, the tax payable in E1 & E3 of Form M 2010 should be RM800.00. RM600.00 is only entered into the Form CP501 (Pin.1/2010) payment slip when you make the payment.

Q57 What does '99' under 'Instalment No' in the Payment Slip stand for?
A57 It is a code to indicate that you are paying in one lump-sum and not in installments.

Q58 Can I make payment through TELEGRAFIC TRANSFER?
A58 Payment through TELEGRAFIC TRANSFER is possible. The payment should be made payable to DIRECTOR GENERAL OF INLAND REVENUE. The account no. at the CIMB Bank Berhad, Cawangan Jalan Duta, is " 1423-0004076-055 "

Address: CIMB Bank Berhad
Jalan Duta Branch
Ground Floor , Block 8,
Government Office Complex,
50480 Jalan Duta,
Kuala Lumpur, Malaysia

Swift Code : CIBBMYKL

Sort Code : N/A

You are required to fax the following documents for the attention of the Accountant of Collection Branch, Kuala Lumpur:

- a copy of the covering letter stating your particulars such as income tax reference no., name, address and passport no.
- the Year of Assessment concerned
- the amount of tax payable
- TELEGRAFIC TRANSFER advice

The fax no. is 603-62016857.

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