

FREQUENTLY ASKED QUESTION SPECIAL PROGRAM FOR VOLUNTARY DISCLOSURE

NO	QUESTION	ANSWER														
A. INTRODUCTION / PURPOSE OF SPECIAL PROGRAM ON VOLUNTARY DISCLOSURE																
1.	What is Special Program for Voluntary Disclosure?	The Special Program for Voluntary Disclosure is part of the government’s effort in reforming the tax system to encourage taxpayers to come forward on a voluntary basis and report the actual income in order to increase tax collection for development of the nation. Voluntary Disclosure covers the following: a) income not previously declared / expenses over claimed / expenses not allowed and reliefs / deductions / rebates over claimed b) reporting of gains on disposal of assets (real property and shares in a real property company; and c) stamping of unstamped instruments.														
2.	Why should I take advantage of this Special Program for Voluntary Disclosure?	Under this Special Program for Voluntary Disclosure, lower penalty rates are imposed as compared to the current practice. The penalty rates are as follows: <table><tr><th>Voluntary Disclosure Period</th><th>Penalty Rate</th></tr><tr><td>03/11/2018 – 31/03/2019</td><td>10%</td></tr><tr><td>01/04/2019 – 30/06/2019</td><td>15%</td></tr></table> Higher penalties rates will be imposed after the expiry of the Special Program for Voluntary Disclosure period as follows: <table><tr><th>Relevant Provison</th><th>Penalty Rate</th></tr><tr><td>Subsection 112(3) of the Income Tax Act 1967 (ITA) / Subsection 51(3) of the Petroleum (Income Tax) Act 1967 (PITA) / Subsection 29(3) of the Real Property Gains Tax Act 1976 (RPGTA)</td><td>80% - 300%</td></tr><tr><td>Subsection 113(2) ITA / Subsection 52(2) PITA / Subsection 30(2) RPGTA</td><td>80% - 100%</td></tr><tr><td>Subsection 47A(1) of the Stamp Act 1949 (SA)</td><td>On deficient duty paid</td></tr></table>	Voluntary Disclosure Period	Penalty Rate	03/11/2018 – 31/03/2019	10%	01/04/2019 – 30/06/2019	15%	Relevant Provison	Penalty Rate	Subsection 112(3) of the Income Tax Act 1967 (ITA) / Subsection 51(3) of the Petroleum (Income Tax) Act 1967 (PITA) / Subsection 29(3) of the Real Property Gains Tax Act 1976 (RPGTA)	80% - 300%	Subsection 113(2) ITA / Subsection 52(2) PITA / Subsection 30(2) RPGTA	80% - 100%	Subsection 47A(1) of the Stamp Act 1949 (SA)	On deficient duty paid
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3.	Is the Special Program on Voluntary Disclosure offered annually? If yes, are the same penalty rates offered?	No. The Special Program on Voluntary Disclosure is only offered from 03 November 2018 until 30 June 2019.						
4.	What is the key difference between voluntary disclosure under this Special Program for Voluntary Disclosure and the previous voluntary disclosure offer?	<table><tr><th>Voluntary Disclosure</th><th>Action by IRBM</th></tr><tr><td>Previous</td><td>Upon voluntary disclosure, taxpayers may be audited on the reported issues.</td></tr><tr><td>Special Program (03/11/22018 – 30/06/2019)</td><td>IRBM will accept the voluntary disclosed information in good faith. Further review will not be made on the reported information.</td></tr></table>	Voluntary Disclosure	Action by IRBM	Previous	Upon voluntary disclosure, taxpayers may be audited on the reported issues.	Special Program (03/11/22018 – 30/06/2019)	IRBM will accept the voluntary disclosed information in good faith. Further review will not be made on the reported information.
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5.	Under this Special Program for Voluntary Disclosure, am I allowed to claim expenses that I have not previously claimed?	Not qualified. This Special Program for Voluntary Disclosure does not involve claims of expenses which would cause a reduced assessment or repayment. However, appeal on the expenses that was not previously claimed can be made in accordance with the existing appeal procedures currently in force.						
6.	I have received a Notice of Estimated Assesement for the year of assessment 2017 where IRBM has estimated my income higher than my actual income. Do I qualify under this Special Program for Voluntary Disclosure?	This Special Program is open for voluntary disclosure on income under reported or not previously reported. However, the tax return form for the year of assessment 2017 has to be submitted. IRBM will review the form and assessment will be raised accordingly.						
7.	I have income earned from Malaysia and deposited in a bank account abroad. Is this income subject to tax in Malaysia? If yes, can I make a voluntary disclosure under the Special Voluntary Disclosure Programme, and what should I do?	Income earned from Malaysia and deposited in a bank account abroad is subject to the provisions of the Income Tax Act 1967. Taxpayer is responsible for reporting this income. In line with the implementation of the Automatic Exchange of Financial Accounts Information (Common Reporting Standard), beginning from 2018, the Inland Revenue Board of Malaysia (IRBM) will be receiving the financial accounts information of Malaysian taxpayers held overseas annually. Such financial accounts include money deposited in bank accounts, interest, dividend, unit trust, cash value insurance contract or annuity contract and proceeds from the sales or redemption of financial assets and shares.						

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		Taxpayers will be able to voluntarily report their income and take one of the following actions: (1) Taxpayers who are not registered with IRBM will need to register for an income tax number and submit the Income Tax Return Form (ITRF) / Petroleum Return Form (PRF) / Real Property Gains Tax Return Form (RPGTRF) for the relevant year of assessment. (2) Taxpayers who are registered with IRBM but have not submitted the ITRF / PRF / RPGTRF must submit the form for the relevant year of assessment. (3) Taxpayers who have submitted the ITRF / PRF / RPGTRF but have not reported the correct information of the income / gains on disposal of asset(s) for any year of assessment can submit a written declaration or e-mail.
B. CATEGORIES OF TAXPAYERS		
8.	Who is eligible to make voluntary disclosure under this Special Program for Voluntary Disclosure?	The following taxpayers are eligible for making voluntary disclosure under this Special Program: (1) Taxpayers who are not registered with the IRBM; (2) Taxpayers who are registered with the IRBM but have not submitted the Income Tax Return Form (ITRF) / Petroleum Return Form (PRF) / Real Property Gains Tax Form (RPGTRF) for any year of assessment; (3) Taxpayers who have submitted the ITRF / PRF / RPGTRF but have not reported the correct information on the income / disposal of asset(s) for any year of assessment; and (4) Persons who fail to stamp executed instruments after six (6) months from the stamping period (30 days from the date of execution of the instrument).
9.	Is this Special Program for Voluntary Disclosure offered to nonresident taxpayers?	This Special Program for Voluntary Disclosure is open to all categories of taxpayers whether resident or non-resident.
10.	If I have made a voluntary disclosure prior to this voluntary disclosure period and the IRBM has not raised the additional tax assessment, am I eligible for the penalty rates under this Special Program for Voluntary Disclosure?	Taxpayers are advised to resubmit the same voluntary disclosure during this voluntary disclosure period to enable them to benefit from the lower penalty rates.
11.	Is this Special Program for Voluntary Disclosure open to cases related to withholding tax?	Yes, this Special Program for Voluntary Disclosure is also open to withholding tax cases.

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12.	Can I make voluntary disclosure on behalf of a deceased person?	Yes, on condition that you are the executor of the estate of the deceased person.
13.	As an employer, I have not remitted the Monthly Tax Deduction (MTD) on behalf of my employees. Can I make voluntary disclosure under this Special Program for Voluntary Disclosure?	This offence does not form part of the Special Program for Voluntary Disclosure. However, employers are allowed to remit the MTD payable based on the procedures currently in force .
C. YEARS OF ASSESSMENT		
14.	Which year of assesment can voluntary disclosure be made?	Voluntary disclosure can be made for income and gains from disposal of asset for the year of assessment 2017 and preceding years of assessment as well as instruments not stamped after six (6) months from the stamping period.
15.	I have reported my income in the ITRF for year of assessment 2018. Can i make voluntary disclosure on income not reported for the year of assessment 2018?	Voluntary disclosure for the year of assessment 2018 can be submitted. However, the penalty rates that may be imposed are not those prescribed under this Special Program for Voluntary Disclosure but are subject to the current order in force.
16.	Is time bar applicable for voluntary disclosure cases?	Yes, any income reported under voluntary disclosure will be assessed based on the year of assessment the income is received / receivable.
17.	Will unreported income from prior years be taxed in the year of assessment the income is received?	All voluntary disclosures of income for year of assessment 2017 and preceding years of assessment will be assessed based on the year in which the income is received / receivable. However, where the year to which the income relates cannot be verified, the reporting of the income in the year of assessment 2017 may be allowed.
18.	If I choose to report all income from preceding years of assessment in the year of assessment 2017, am I required to submit the return form for the preceding years of assessment too?	If you elect to report all income from preceding years in the year of assessment 2017, you must: (1) Submit the return form for year of assessment 2017 by reporting all income for preceding years of assessment concerned; and (2) Submit the return forms for all the preceding years of assessment by entering the amount zero (0) in the income column.

NO	QUESTION	ANSWER
D. AUDIT / INVESTIGATION CASES		
19.	Am I subject to audit after making voluntary disclosure under this Special Program for Voluntary Disclosure?	IRBM will accept in good faith all voluntary disclosures made during the Special Program for Voluntary Disclosure period. Further review will not be made on the reported information and the audit action will not be taken on the year of assessment where voluntary disclosure has been made.
20.	If I have made voluntary disclosure on certain issues, will I be audited on those issues?	(1) If audit has commenced, audit examination may be carried out on the taxpayer if the voluntary disclosed information is not in line with the issues under audit. (2) If audit has yet to commence, voluntary disclosure will be accepted in good faith.
21.	I have received an Audit Commencement Letter from the IRBM and wish to make voluntary disclosure. Will the IRBM continue its audit examination on my business?	An audit examination may be carried out on the taxpayer if the voluntary disclosed information is not in line with the audit issue.
22.	I have made voluntary disclosure to the IRBM. If the IRBM subsequently receives information from third parties or complaints, will there be an audit?	IRBM will accept in good faith all voluntary disclosures made during the Special Program for Voluntary Disclosure period. Further review will not be made on the reported information and audit action will not be taken on the year of assessment where voluntary disclosure has been made.
E. VOLUNTARY DISCLOSURE PROCEDURES		
23.	Can voluntary disclosure be made via telephone / whatsapp/ social media?	(1) Taxpayers who are not registered with the IRBM have to firstly register for an income tax reference number and thereafter submit the ITRF/ PRF/ RPGTRF for the relevant years of assessment. (2) Taxpayers who are registered with but have not submitted the ITRF / PRF / RPGTRF are required to submit the the ITRF / PRF / RPGTRF for the relevant year of assessment. (3) Taxpayers who have submitted the ITRF / PRF / RPGTRF but have not reported the correct income / profit on disposal of asset(s) for any year of assessment can make voluntary disclosure in writing or via e-mail.
24.	I am not a registered taxpayer with the IRBM. How can I register to obtain an income tax reference number? What are the documents required for the registration?	Taxpayers may register for an income tax registration number: (1) At all service counters (Headquarter / Branch/Revenue Service Centre/ Urban

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		Transformation Centre (UTC)/ Information Processing Centre) - Taxpayers must furnish identification documents and other relevant documents (please refer to IRBM's official website); or (2) Online via e-Daftar - For companies and individuals only.
25.	Is there a specific form to be filled up when making voluntary disclosure?	There is no specific form to be filled up when making voluntary disclosure. Taxpayers must submit voluntary disclosure in the following manner: (1) Taxpayers who are not registered with the IRBM have to firstly register for an income tax reference number and thereafter submit the ITRF/ PRF/ RPGTRF for the relevant years of assessment. (2) Taxpayers who are registered with but have not submitted the ITRF / PRF / RPGTRF are required to submit the the ITRF / PRF / RPGTRF for the relevant year of assessment. (3) Taxpayers who have submitted the ITRF / PRF / RPGTRF but have not reported the correct income / profit on disposal of asset(s) for any year of assessment can make voluntary disclosure in writing or via e-mail. The letter or e-mail shall state that the taxpayer makes a full declaration on the income/ gains on disposal of assets that has not been previously reported.
26.	Can I make voluntary disclosure through an Amended Return Form?	No. Please refer to the answer for Question 24.
27.	I have not filed in the ITRF/PRF/RPGTRF for years of assessment 2017 and preceding years of assessment but have submitted voluntary disclosure in writing or e-mail. Is it compulsory to submit the ITRF/PRF/RPGTRF?	Yes. The ITRF/PRF/RPGTRF must be submitted via the following manner: • ITRF: e-Filing / manual • PRF: manual • RPGTRF: e-Lodgement / manual
28.	I would like to make a voluntary disclosure but I do not have a tax file. What should I do?	Taxpayers who are not registered with the IRBM have to register for an income tax number and must submit the ITRF/PRF/RPGTRF for the relevant year of assessment.
29.	I have not registered my business with the Companies Commission of Malaysia (CCM). Can I report my income under this Special Program for Voluntary Disclosure?	Taxpayers can make voluntary disclosure as they fall under the category of taxpayers who are not registered with the IRBM.

NO	QUESTION	ANSWER
30.	If the audited report has yet to be prepared, can I make voluntary disclosure based on the Management Account?	Yes. The IRBM will accept in good faith all voluntary disclosures made during the Special Program for Voluntary Disclosure period. Further review will not be made on the reported information. However, if after the Management Account is being audited and there is an additional tax, the taxpayers should report the difference to IRBM. The IRBM will raise additional assessment with penalties based on the penalty rate offered in accordance with the voluntary disclosure period that has been made.
31.	Is it compulsory to furnish supporting documents together with the voluntary disclosure?	For taxpayers who have submitted the return forms, relevant documents (if any) can be furnished to support the voluntary disclosure.
32.	I would like to make voluntary disclosure but documents relating to my business are in the possession of other enforcement agencies/ destroyed. How can I make voluntary disclosure?	Taxpayers may seek for advice and assistance from IRBM officers at the nearest branch. IRBM will accept in good faith all voluntary disclosures made during the Special Program for Voluntary Disclosure period. Further review will not be made on the reported information .
33.	If I / my company is not registered with the IRBM, what are the documents / information to be furnished when making voluntary disclosure?	For individuals / companies who are not registered with the IRBM, voluntary disclosure must be submitted through the ITRF / PRF /RPGTRF. As such, individuals / companies must register for an income tax number. Taxpayers must then submit the completed ITRF / PRF / RPGTRF and sign declaration section. Please refer to IRBM's official website for further information regarding registration procedures.
34.	Can I make voluntary disclosure even if I am not sure whether I am taxable or not?	Taxpayers can seek advice from the IRBM at any of our branches to determine whether they are taxable or otherwise. If eligible to tax, the taxpayer must: - register for an income tax number; - declare income in ITRF/PRF/RPGT; and - furnish ITRF/PRF/RPGT to IRBM.
F. PENALTY RATES		
35.	A company which is not taxable in the year of assessment 2017 would like to make an adjustment on the capital	Adjustment for year of assessment 2018 has to be submitted together with the voluntary disclosure for year of assessment 2017.

NO	QUESTION	ANSWER						
	allowance claim and business loss absorption in the year of assessment 2017. The adjustment still results in no imposition of tax for the year of assessment 2017. However, this adjustment will result in additional tax payable for year of assessment 2018. Is the company eligible for the penalty rates under the Special Program for Voluntary Disclosure for the year of assessment 2018?	Penalty will be imposed based on the terms stated in the Special Program for Voluntary Disclosure. However, if the deadline for submitting the ITRF/PRF has not expired, the taxpayer has to make an adjustment on the computation of actual tax payable for the year of assessment 2018.						
36.	Why isn't there a full waiver of penalty under this Special Program?	The penalty imposed is subject to the current Government's policy.						
37.	Can oluntary disclosure be made more than once? If yes, what are the penalty rates applicable?	Yes. Taxpayers are allowed to make voluntary disclosure more than once but the penalty rates applicable within this Special Program is based on the voluntary disclosure period as per below: <table><tr><th>Voluntary Disclosure Period</th><th>Penalty Rates</th></tr><tr><td>03/11/2018 – 31/03/2019</td><td>10%</td></tr><tr><td>01/04/2019 – 30/06/2019</td><td>15%</td></tr></table>	Voluntary Disclosure Period	Penalty Rates	03/11/2018 – 31/03/2019	10%	01/04/2019 – 30/06/2019	15%
Voluntary Disclosure Period	Penalty Rates							
03/11/2018 – 31/03/2019	10%							
01/04/2019 – 30/06/2019	15%							
38.	I have made voluntary disclosure via mail within the Special Program for Voluntary Disclosure period. If the voluntary disclosure is received by the IRBM after the end of the period, am I still eligible for the penalty rates under the Special Program for Voluntary Disclosure period?	For taxpayers who have submitted their voluntary disclosure via mail, the date of voluntary disclosure is the date of receipt by IRBM's Mailing Unit. Taxpayers are advised to make voluntary disclosures within the stipulated period in order to enjoy the penalty rates offered under the Special Program for Voluntary Disclosure.						
G. OTHER ISSUES								
39.	I have over claimed relief/ rebate. Can I make voluntary disclosure to revise the relief/rebate claimed?	Taxpayers are allowed to submit a voluntary disclosure to revise the over claimed relief/ rebate.						
40.	Is this Special Program for Voluntary Disclosure applicable for additional assessment only?	This Special Program for Voluntary Disclosure is only applicable for original assessment / additional assessment.						
41.	I would like to make voluntary disclosure on my under declared income. Can I claim for relief and expenses relating to that income?	Expenses / relief / rebate can be claimed in the year of assessment the income is reported.						
42.	Can zakat paid be deducted against the income that has been voluntarily disclosed?							

NO	QUESTION	ANSWER						
43.	If I report income from illegal activities to the IRBM under this Special Program for Voluntary Disclosure, will the IRBM report the information to relevant agencies?	The IRBM is bound by confidentiality pursuant to Section 138 of the ITA, (confidentiality of taxpayer’s information).						
H. APPEALS								
44.	If I have appealed to the Special Commissioners of Income Tax (SCIT), can I still make voluntary disclosure?	Taxpayers are allowed to make voluntary disclosure on issues not related to the case appealed to the SCIT.						
45.	If I have made voluntary disclosure within the Special Program for Voluntary Disclosure period, can I apply for a reduction/ waiver of the penalty?	Penalty rates are final. However, taxpayers can still file in their appeals to the SCIT according to the appeal procedures currently in force.						
I. CONTACT US								
46.	Can voluntary disclosure be made at the Revenue Service Centre or UTC?	Taxpayers are allowed to make voluntary disclosure at any IRBM office including the Revenue Service Centre and UTC.						
47.	Can I seek advice from any IRBM officers before making any voluntary disclosure?	Yes,taxpayers may seek advice and guidance from IRBM officers in any branch before making voluntary disclosure.						
48.	Who can I contact should I have any queries regarding this Special Program for Voluntary Disclosure?	Taxpayers can contact: (i) the nearest IRBM office; (ii) IRBM Hasil Care Line: - 1-800-88-5436 - 603-77136666 (Overseas) (iii) e-Mail : pengakuansukarela@hasil.gov.my						
J. TAX PAYMENT								
49.	When is the due date for payment of tax under this Special Program?	The due dates for the payment of tax for the Special Program on Voluntary Disclosure are as per below: <table><tr><th>Voluntary Disclosure Period</th><th>Payment on or Before</th></tr><tr><td>03/11/2018 – 31/03/2019</td><td>01/04/2019</td></tr><tr><td>01/04/2019 – 30/06/2019</td><td>01/07/2019</td></tr></table>	Voluntary Disclosure Period	Payment on or Before	03/11/2018 – 31/03/2019	01/04/2019	01/04/2019 – 30/06/2019	01/07/2019
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03/11/2018 – 31/03/2019	01/04/2019							
01/04/2019 – 30/06/2019	01/07/2019							
50.	I have made voluntary disclosure Do I have to wait for the notice of assessment before paying the tax?	Taxpayers do not have to wait for the notice of assessment. Payments should be settled before the period of voluntary disclosure ends to avoid tax increases based on the prevailing provisions of the law.						

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51.	If tax is not paid within this Special Program for Voluntary Disclosure period, what are the actions that can be taken against me?	For taxpayers that fail to settle the tax balance at the end of the stipulated period, a tax increase will be imposed according to the prevailing provisions of the law.								
52.	If I fail to make payment within the stipulated period, will legal action be taken against me?	If tax arrears are still unpaid, legal action will be taken accordingly.								
53.	I have made voluntary disclosure on 20/02/2019 and tax payments as follows:<table><tr><td></td><td>RM</td></tr><tr><td>Tax payable</td><td>10,000</td></tr><tr><td>(-) First payment (25/02/2019)</td><td>(5,000)</td></tr><tr><td>(-) Second payment (25/04/2019)</td><td>(5,000)</td></tr></table> What are the actions that can be taken by the IRBM?		RM	Tax payable	10,000	(-) First payment (25/02/2019)	(5,000)	(-) Second payment (25/04/2019)	(5,000)	Full payment must be made before or on 01/04/2019. The IRBM may impose an increase in tax pursuant to section 103 of the ITA due to failure to settle the second payment within the stipulated period.
	RM									
Tax payable	10,000									
(-) First payment (25/02/2019)	(5,000)									
(-) Second payment (25/04/2019)	(5,000)									
54.	What are the payment codes necessary for payment at the IRBM counters or banks?	The payment codes necessary for making tax payment are: 084 – Individual instalment tax payment 086 – Company instalment tax payment 088 – Advance tax payment / Composite assessment instalment tax payment 090 – RPGT payment 095 – Income tax payment in bank (excluding instalment scheme) 161 – Petroleum tax payment For further information, please refer to the IRBM’s official website (www.hasil.gov.my).								
K. STAMP DUTY AND RPGT										
55.	Do the instruments need to be submitted when making voluntary disclosure?	Yes. Duty payers are required to furnish instruments either manually or via online.								
56.	What is the meaning of manual stamping and online stamping?	Manual stamping is: i. Revenue stamp; ii. Finance Receipt 38; or iii. Digital Franking System (DFS) Online stamping is: i. Stamp Assessment and Payment System (STAMPS)								

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57.	What is the stamping period?	Stamping period is 30 days from the execution of the instrument.
58.	If a disposer disposes more than one asset in the same year, must the disposer furnish form CKHT 1A/1B separately for each asset or only one form for all the assets disposed?	The disposer (taxpayer) is required to submit form CKHT1A/1B separately for each asset disposed.

Updated on: 25 January 2019