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EY Tax Alert

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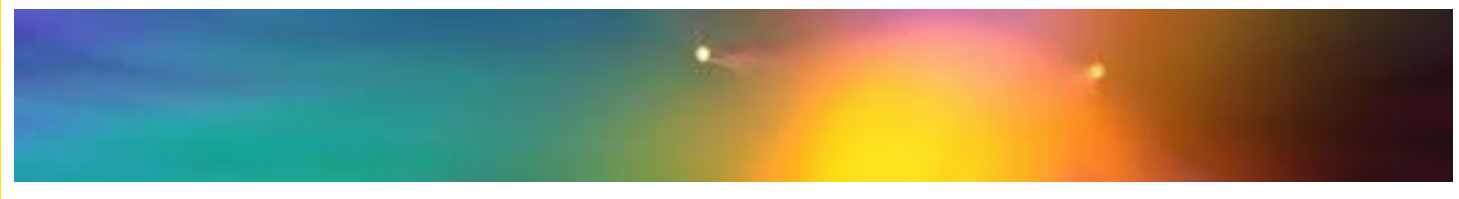
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Malaysian developments

Income tax exemption on medical tourism

A company that provides private healthcare services to health travelers (as defined) is eligible for a tax exemption on its income. The exemption is equivalent to an investment tax allowance of 100% on the qualifying capital expenditure incurred for a period of five (5) years. Pursuant to Income Tax (Exemption) (No. 2) Order 2020, the incentive applied to applications received by the Malaysian Investment Development Authority (MIDA) between 1 January 2018 and 31 December 2020 and was given to new private healthcare facilities as well as existing ones engaged in expansion, modernization or refurbishment, subject to conditions (see *Tax Alert No. 7/2020*).

Following the above, to continue promoting the export of private healthcare services in Malaysia, the Income Tax (Exemption) (No. 2) 2020 (Amendment) Order 2021 [P.U.(A) 245] was gazetted on 31 May 2021 to provide that the incentive would now apply to applications received by MIDA until 31 December 2022 (previously 31 December 2020).



The guidelines for this incentive are also available on the MIDA website [[Forms & Guidelines - MIDA | Malaysian Investment Development Authority](#) → Services sector → G) Private Health Care Facilities]

Inland Revenue Board (IRB)'s concessions during the Movement Control Order (MCO) 3.0 period

In the Supplementary Strategic Programme to Empower the People and Economy (PEMERKASA Plus), it was announced that to help alleviate the burden on businesses, the Inland Revenue Board (IRB) will consider appeals on penalties, defer penalty payments to 2022, as well as provide or revisit repayment schedules for outstanding tax payments to affected taxpayers and businesses (see *Special Tax Alert No. 4/2021*). Following the above, the IRB has issued a media release dated 3 June 2021 to clarify the following:

- Taxpayers seeking to defer their penalty payments to 2022 will only be allowed to do so on condition that they continue to remit the principal tax amounts by the due dates. The penalties which are eligible for the deferral are penalties imposed under the Income Tax Act 1967 (ITA), Real Property Gains Tax Act 1967 and Stamp Act 1949.
- For applications to reschedule tax payments, consideration will be given to taxpayers who have lost their source of income or have encountered issues settling their outstanding taxes due to the implementation of the MCO.
- Appeals against penalties imposed will also be reviewed by the IRB in cases where valid justification is provided by the taxpayer. The appeals will be assessed on a case-by-case basis.

The IRB reiterated that the above relaxations would only apply to taxpayers whose incomes have been affected by the COVID-19 pandemic and the MCO. These taxpayers may contact the IRB branch office that handles their income tax files if they wish to apply for the said relaxations.

Frequently Asked Questions on Tax Matters during the Movement Control Order (MCO) 3.0

The IRB has also published on its website a document titled "Frequently Asked Questions on Tax Matters during the Movement Control Order (MCO) 3.0" (FAQs). The latest FAQs are dated 8 June 2021.

The FAQs provide clarification on the IRB services that will continue to be available to taxpayers, the due dates for submission of income tax returns, forms and/or documents, as well as the due dates for the payment of taxes and/or penalties. The FAQs also provide guidance to facilitate the process of managing certain tax matters during the MCO 3.0 period, including the procedures for applications for extensions of time (EOTs), application of individual PIN numbers, registration of income tax numbers and applications for tax clearance letters. The details are set out in Appendix I to this Alert.

The IRB has granted certain EOTs such that the following can be submitted by 31 July 2021:

- Tax estimates (CP204) and notification of change in accounting period (CP204B) which are due in June 2021
- Revised tax estimates (CP204A and CP502) which are due in June 2021
- Real Property Gains Tax (RPGT) returns which are due in June 2021
- Forms B, BT, M, MT, P, TF, TJ and TP for the year of assessment (YA) 2020 for individuals,

partnerships, associations, deceased persons' estate and Hindu Joint Families carrying on a business

The FAQs are available at the following link:

[Frequently Asked Questions on Tax Matters During the Movement Control Order \(MCO 3.0\)](#)

Frequently Asked Questions on the Deferment of Payment of Estimated Tax Payable (CP204) and Instalment Scheme (CP500) from 1 April 2021 to 31 December 2021

In the Strategic Programme to Empower the People and Economy (PEMERKASA) which was announced on 17 March 2021, it was proposed that to ease the burden and support the recovery of the tourism and other affected sectors, companies in the tourism industry and selected industries (e.g. cinemas and spas) would be allowed to defer their monthly tax instalment payments which are due between 1 April and 31 December 2021 (see *Special Tax Alert No. 2/2021*).

Following the above, the IRB has published on its website a document titled "Frequently Asked Questions on Deferment of Payment of Estimated Tax Payable (CP204) and Instalment Scheme (CP500) from 1 April 2021 to 31 December 2021 under 'Program Strategik Memperkasa Rakyat Dan Ekonomi' (PEMERKASA)" (FAQs on the Deferment of Payments) dated 9 June 2021.

Some of the key points are outlined below.

- The deferment of CP204 and CP500 instalment payments will apply to taxpayers carrying on business activities in the tourism, cinema and spa industries.
- The deferment is provided automatically to eligible taxpayers who are identified based on the business code stated in their latest income tax return form submitted to the IRB.

- Taxpayers who are eligible based on their current status (but did not qualify previously) may submit an appeal to the IRB.
- Taxpayers who qualify for the deferment may opt to continue remitting their instalment payments per the original instalment schedule without the need to notify the IRB.
- The instalment payments that have been deferred will only need to be settled upon submission of the income tax return forms for the relevant YA, in cases where there are any outstanding tax payable amounts.
- Increase in taxes for late payment of tax instalment payments will not be imposed during the period of deferment.

Further details are set out in Appendix II to this Alert. The FAQs on the Deferment of Payments also provide examples to illustrate the mechanism for the deferment of the payment schemes.

The FAQs are available at the following link:

[Frequently Asked Questions on Deferment of Payment of Estimated Tax Payable \(CP204\) and Instalment Scheme \(CP500\) from 1 April 2021 to 31 December 2021 under 'Program Strategik Memperkasa Rakyat Dan Ekonomi' \(PEMERKASA\)](#)

Multilateral Instrument impact to tax treaty between Malaysia and Singapore effective 1 June 2021

As highlighted in an earlier tax alert, on 18 February 2021, Malaysia deposited its instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS) (MLI). As Singapore (one of the treaty jurisdictions Malaysia has designated as a Covered Tax Agreement (CTA) and vice versa) has also deposited its instrument of ratification for the MLI on 21 December 2018, the amendments made by the MLI to the tax treaty

between Malaysia and Singapore enter into force on 1 June 2021.

The provisions of the MLI shall have effect in Malaysia:

- (a) With respect to taxes withheld at source on amounts paid or credited to Singapore residents, on or after the first day of the next calendar year that begins on or after the latest of the dates on which MLI enters into force (i.e. 1 January 2022)
- (b) With respect to all other taxes, the taxable period beginning on or after the expiry of six calendar months from the latest of the dates on which MLI enters into force (i.e. 1 December 2021).

One of the key amendments to the tax treaty would be the denial of treaty benefits when, having regard to all relevant facts and circumstances, obtaining that benefit is one of the principal purposes for entering into a specific transaction or arrangement that resulted directly or indirectly in that benefit, unless it is established that the granting of that benefit is not contrary to the object and purpose of the relevant provisions of the CTA.

On that note, it is important that Malaysian entities which are currently applying the benefits of the Malaysia - Singapore tax treaty re-assess the tax implications that may arise from the MLI amendments.

Overseas developments

Taiwan proposes amendments to domestic regulations governing application of tax treaties

The Ministry of Finance (MOF) of Taiwan publicly announced Tai Cai Ji Zi No. 11024504800 (the draft Amendment) on 14 April 2021, proposing to amend the Regulations Governing Application of Agreements for the Avoidance of Double Taxation with Respect to

Taxes on Income (the Regulations). The draft Amendment is now open for public comments and will be finalized by mid-June 2021.

The draft Amendment clarifies the application of tax treaties in accordance with the principles of the Organisation for Economic Co-operation and Development (OECD) Model Convention. It has not created or added new regulations, nor has it changed the procedures for taxpayers to submit tax treaty applications. The Amendment will take effect from the date of its official issuance. Consequently, taxpayers should monitor the official release date and the final version of the Amendment.

The key implications of the proposed Amendment are summarized below.

Detailed discussion

Inclusion of a Principal Purpose Test

An anti-treaty shopping clause is currently not included in all Taiwan tax treaties. Taiwan has followed the guidance of the Model Tax Convention on Income and Capital (Model Convention) published by the OECD and is proposing to add an article granting the tax authority the right to exercise anti-avoidance treatment in accordance with the relevant provisions of the tax treaties or domestic tax law. The draft Amendment states that if the tax authority conducts a tax investigation and it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining a benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, the tax authority is permitted to deny the benefit provided by the tax treaty.

Inclusion of a tie-breaker rule

The draft Amendment proposes to add tie-breaker rules to the Regulations. If a body corporate is considered a resident of both contracting countries for the purpose of the relevant tax treaty, the

following factors should be considered when determining the residency of the taxpayer:

1. The location of the individual residency of the decision-maker; the location of the company's head office; or the location where significant decisions are made
2. The location where financial statements, accounting records, minutes of meetings of the Board of Directors or minutes of meetings of the shareholders are prepared or stored
3. The location where major business activities are carried out

Guidance on the determination of the permanent establishment threshold

According to the current Regulations, if a foreign company carries on supervisory activities in the territory of Taiwan in connection with a building site, construction, installation or assembly project, or furnishes services in Taiwan where activities of that nature continue for the same or a related project, through employees or other personnel or persons engaged by the enterprise (including individuals and body corporate) for such purpose for a period (or periods of time in aggregate) exceeding a certain duration, then the enterprise is deemed to have a permanent establishment (PE) in Taiwan.

The draft Amendment provides the following definitions.

- The "same project" refers to the same projects of the foreign company.
- A "related project" refers to the projects provided by the foreign company which are "commercially relevant". Such "commercially relevant" projects will be comprehensively identified based on the following factors:
 - Whether different projects are covered under a single master contract, or whether the conclusion of additional contracts is a logical consequence of a previous contract
 - Whether the nature of the work involved under the different contracts is the same

- Whether the same individuals are performing the activities under the different contracts
- Other situations proving commercial relevancy of the projects

The draft Amendment also specifies that the "certain duration" refers to an aggregate of 183 days in any 12-month period commencing or ending in the relevant fiscal year. Further guidance has been provided that the 12-month period will be any consecutive 12-month period starting from 12 months before the first day of the year and ending 12 months after the last day of the same year.

Guidance on the definition of a "property rich" entity

Pursuant to Taiwan's domestic tax law, the tax authority may impose income tax on gains derived by a foreign company from the alienation of shares of a company if, at any time during the 365 days preceding the alienation, such shares derived more than 50% of their value directly or indirectly from immovable property in Taiwan (a "property rich" entity).

The draft Amendment specifies that the portion of the value derived from immovable property in Taiwan should be calculated as the market value of the immovable property in Taiwan at the time of the alienation, in proportion to the market value of the total assets of the company being alienated. If the market value is unknown or difficult to identify, the market value can be calculated based on the amount disclosed in the balance sheet of the income tax return for the most recent year.

Portugal clarifies VAT rules related to non-resident taxable persons

On 27 April 2021, the Portuguese Tax Authorities published Administrative Ordinance no. 30235 to clarify, for Value Added Tax (VAT) purposes, the

rights and obligations of non-resident taxable persons performing taxable operations located within the Portuguese territory.

It is important to emphasize that the instructions identified within the afore-mentioned Ordinance took effect on 27 April. However, the guidelines under previous ordinances that support the current administrative instructions now published must also be complied with.

The key clarifications are summarized below.

Detailed discussion

Non-resident VAT taxable entities

Obligation to register and appoint a fiscal representative

Taxable persons carrying out taxable operations in Portugal, except when they are not subject to VAT due to the reverse charge rules as set forth under Article 2 (1) (e), (g) or (h) of the Portuguese VAT Code, are required to register for VAT purposes in Portugal. This obligation requires an application for a Portuguese VAT number.

Under Article 30 of the Portuguese VAT Code, non-resident taxpayers without a head office, permanent establishment or domicile in another European Union (EU) Member State and which carry out taxable operations in the territory, are required to appoint a fiscal representative in Portugal. However, in the remaining cases, this requirement has an optional nature.

Additionally, it should be highlighted that taxable operations performed by a non-resident VAT taxable entity without a fiscal representative in Portugal but with a Portuguese VAT registration, are subject to the general obligations of the Portuguese VAT Code, including invoicing requirements, VAT payment obligations and the filing of the periodic VAT returns

as set forth under Article 41 of the Portuguese VAT Code.

In light of the above, non-resident VAT taxable entities who only carry out operations subject to the reverse charge mechanism further to the domestic rules set forth in Article 2 (1) (e), (g) and (h) of the Portuguese VAT Code, should not have a VAT registration within the national territory.

Non-application of the invoicing requirements to non-resident VAT taxable entities

When the obligation to assess the VAT falls upon the acquirer of the goods or services, through the application of the reverse charge rules, the issuance of invoices by the non-resident VAT taxable entities shall not be subject to the rules set forth under the VAT Code, in accordance with Article 35-A (3) of the Portuguese VAT Code.

Notwithstanding the above, invoices subject to the provision of Article 36 (11) of the aforementioned VAT Code (self-billing procedure) raised by Portuguese residents or established acquirers for operations carried out herein, are subject to the rules set forth within the Portuguese VAT Code.

Right to VAT deduction and VAT refund for non-resident taxable persons

Non-resident taxpayers may request a refund of the VAT levied on operations carried out in Portugal, with certain exceptions.

Also, VAT-taxable entities established in another EU Member State that do not have their head office, permanent establishment or domicile in Portugal and that have not performed any taxable operations in Portugal during the same period, are also entitled to a refund of the VAT effectively incurred within the national territory, with the exception of the following:

- Rendering of transport and ancillary services - VAT exempted under Article 13 (1) (f) of the Portuguese VAT Code

- Rendering of transport services and ancillary services - VAT exempted under Articles 14 and 15 of the Portuguese VAT Code
- Supply of goods and rendering of services for which the acquirer is liable to self-assess and pay the VAT due
- Triangular operations, under the conditions set forth under Article 15 (2) of the VAT Regime on Intra-Community Transactions (RITI), where the tax is due by the acquirer

VAT taxable entities established outside of the EU are also entitled to a VAT refund under the conditions mentioned above, provided there is reciprocity treatment by the States where they are established. For this purpose, they must appoint a Portuguese fiscal representative. In this regard, it should be noted that the latter is appointed merely for the purpose of the VAT refund regime for non-residents and this implies the non-existence of a VAT registration in Portugal.

Reverse charge

The reverse charge rules transfer the VAT assessment and payment to the sphere of the acquirer. By doing so, this regime eliminates the obligation to register for VAT purposes in Portugal for non-resident taxpayers who only carry out operations subject to the reverse charge mechanism and rules provided under Article 2 (1) (e), (g) or (h) of the Portuguese VAT Code.

Article 2 (1) (g)

This rule transfers the obligation of assessment and payment of the VAT due to the taxable person who has its head office, permanent establishment or domicile in the national territory or that has appointed a fiscal representative herein, under the terms of Article 30 of the Portuguese VAT Code, when acquiring goods or services from a non-resident VAT taxable entity which has its head office, permanent establishment or domicile in another EU

Member State and which does not have a fiscal representative in Portugal.

In this context, it is important to highlight that the non-resident supplier of goods or renderer of services that has a fiscal representative in Portugal is required to communicate this fact to the acquirer, prior to the completion of the operations. If there is no such communication, the acquirer becomes liable for the payment of the VAT herein due.

The correct way to proceed with such communication was not detailed by the Portuguese Tax and Customs Authorities in the current Administrative Ordinance.

Article 2 (1) (e) and (h)

With regard to these provisions, due to the fact that they do not provide for the non-appointment of a fiscal representative as a condition for the application under the terms of Article 30 of the Portuguese VAT Code, the reverse charge rule occurs whenever the supplier of the goods or the service provider is a non-resident taxpayer.

Scope of the taxable person's concept for purposes of the reverse charge rules' applicability

The reverse charge is applicable in the following cases:

- The State and other legal entities which are or should be registered as per Article 25 of the RITI, under the derogation regime of taxation at the EU Member State destination of the goods
- The State and other legal entities when acquiring gas, electricity and heat or cooling energy from non-resident VAT taxable entities
- Natural or legal persons who exclusively perform operations that are exempt under the terms of Article 9 of the Portuguese VAT Code, as well as VAT taxable entities who fall under any of the special schemes laid down in the Portuguese VAT Code (exemption and small retailers)

Frequently Asked Questions on Tax Matters during the Movement Control Order (MCO) 3.0 Period

Question	IRB's response																		
A. General																			
1. When will these FAQs apply?	These FAQs will apply within the MCO 3.0 period.																		
2. Who is eligible to appeal under this facility during the MCO 3.0?	Taxpayers who are affected may file an appeal to the IRB by providing supporting documents.																		
3. What type of services are provided by the IRB during the MCO 3.0 period?	<p>To facilitate tax matters during the MCO 3.0 period, IRB will provide the following services:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Services</th> <th>Operating hours / Methods</th> </tr> </thead> <tbody> <tr> <td>i.</td> <td>IRB's payment centre counter (Kuala Lumpur, Kota Kinabalu and Kuching)</td> <td> <p>Working days 8:00 a.m. – 12:00 p.m.</p> <p>Types of services provided: (a) Cash and cheque payments - Withholding tax - Public entertainer - RPGT by acquirer - Compound</p> <p>(b) Payment by debit and credit card - Income tax - Other taxes</p> <p>Other services are provided online only.</p> </td> </tr> <tr> <td>ii.</td> <td>Stamp duty counter at IRB branches</td> <td> <p>Working days 8:00 a.m. – 12:00 p.m. (by appointment only)</p> </td> </tr> <tr> <td>iii.</td> <td>MyTax (ezHasil)</td> <td>24 hours</td> </tr> <tr> <td rowspan="2">iv.</td> <td>Phone calls: Hasil Care Line (HCL) (Call Centre)</td> <td> <p>Working days 9:00 a.m. – 4:00 p.m.</p> </td> </tr> <tr> <td>Hasil Live Chat</td> <td> <p>Working days 9:00 a.m. – 5:00 p.m.</p> </td> </tr> </tbody> </table>		No.	Services	Operating hours / Methods	i.	IRB's payment centre counter (Kuala Lumpur, Kota Kinabalu and Kuching)	<p>Working days 8:00 a.m. – 12:00 p.m.</p> <p>Types of services provided: (a) Cash and cheque payments - Withholding tax - Public entertainer - RPGT by acquirer - Compound</p> <p>(b) Payment by debit and credit card - Income tax - Other taxes</p> <p>Other services are provided online only.</p>	ii.	Stamp duty counter at IRB branches	<p>Working days 8:00 a.m. – 12:00 p.m. (by appointment only)</p>	iii.	MyTax (ezHasil)	24 hours	iv.	Phone calls: Hasil Care Line (HCL) (Call Centre)	<p>Working days 9:00 a.m. – 4:00 p.m.</p>	Hasil Live Chat	<p>Working days 9:00 a.m. – 5:00 p.m.</p>
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	<p>The following counters are closed during the MCO 3.0 period:</p> <p>(a) Customer Service Counters (tax services)</p> <p>(b) <i>Bantuan Khas Kerajaan</i> Counter at IRB branches</p> <p>(c) Satellite Offices</p> <p>(d) Revenue Service Centres (PKH)</p> <p>(e) IRB offices at Urban Transformation Centres (UTC)</p> <p>(f) Business Registration and Business License Renewal counters at IRB's Kuching branch</p> <p>Details on the types of services provided by the IRB during the MCO 3.0 period are as outlined in the link below: Perkhidmatan Lembaga Hasil Dalam Negeri Malaysia (LHDNM) Sepanjang Tempoh Penutupan Penuh Sektor Sosoail Dan Ekonomi (Total Lockdown)</p>
4. Will an EOT be given if taxpayers are required to submit documents for audit or investigation within the MCO 3.0 period?	Application for an EOT must be submitted by letter or e-mail to the IRB branch which handles the case. The appeal will be considered based on the merits of the case.
5. Will an EOT be given if taxpayers are required to respond to IRB's letters within the MCO 3.0 period?	Application for an EOT must be submitted by letter or e-mail to the IRB branch which handles the case. The appeal will be considered based on the merits of the case.
B. MyTax (ezHasil)	
1. How may one apply for an e-Filing PIN number?	Taxpayers may apply through the Customer Feedback Form available on the IRB's official portal.
2. How may one register for an income tax number?	<p>The registration for an income tax number and submission of documents may be performed online as follows:</p> <p>(a) Individuals, companies, employers, partnerships and limited liability partnerships (LLPs) through e-Daftar</p> <p>(b) Associations, deceased persons' estate, Hindu Joint Families, unit trusts or property trusts, co-operative societies, trust bodies, real estate investment trusts (REITs) or property trust funds (PTFs) and business trusts through Customer Care Officer</p> <ul style="list-style-type: none"> • Select the relevant IRB branch and click 'Contact Us: Click here' • The application for the registration will be received and processed by the relevant customer care officer from the selected branch.

<p>3. What should one do if one forgets one's e-Filing password?</p>	<p>(a) Taxpayers who have a registered e-mail address or handphone number with the IRB can reset their password by clicking on the "Forgot Password" link on the ezHASiL website.</p> <p>(b) Taxpayers who do not have a registered e-mail address or handphone number or who have changed their registered e-mail address or handphone number, will be able to update the details through the Customer Feedback Form on the IRB's official portal.</p>
<p>C. Forms</p>	
<p>1. Will the IRB provide an EOT for the submission of return forms either manually or by way of e-Filing?</p>	<p>The deadline for the submission of return forms is as stated in the 2021 Return Form (RF) Filing Programme (Amendment 2/2021).</p> <p>(a) Return forms for companies, LLPs, unit trusts or property trusts, co-operative societies, trust bodies, REITs or PTFs and business trusts for YA 2020 and YA 2021</p> <ul style="list-style-type: none"> • No further EOT will be given. <p>Editor's note: We understand from the IRB that taxpayers affected by the MCO and with valid reasons can apply for an EOT. The application must be submitted not less than 14 days before the deadline for submission of the return forms (the 14 days includes the grace period provided in the RF Filing Programme). Applications are to be submitted via the Customer Feedback System.</p> <p>(b) Return forms for taxpayers carrying on business involving individuals, resident individuals (knowledge or expert workers), non-resident individuals, non-resident individuals (knowledge or expert workers), partnerships, associations, deceased persons' estate and Hindu Joint Families for YA 2020</p> <ul style="list-style-type: none"> • EOT will be given until 31 July 2021.^{Note} <p>Note: This has been reflected in the 2021 Return Form (RF) Filing Programme (Amendment 2/2021) updated on 10 June 2021.</p>
<p>2. Will an EOT be given for the submission of CP500 and/or CP204 amendment where the due date falls in June 2021?</p>	<p>An EOT will be given until 31 July 2021.</p>
<p>3. How does one submit Form CP22 during the MCO 3.0 period?</p>	<p>The Form CP22 can be submitted through the Customer Feedback Form available on the IRB's official portal.</p>

<p>4. How can applications for tax clearance letters (TCLs) be made during the MCO 3.0 period?</p>	<p>(a) Applications can be submitted through:</p> <ul style="list-style-type: none"> (i) e-SPC (ii) Customer Feedback System <ul style="list-style-type: none"> • Select the relevant IRB branch and click 'Contact Us: Click here' • The application will be received and processed by the relevant customer care officer from the selected branch. <p>(b) For submission of the income tax return form which does not have the e-Filing facility, the form can be submitted by post or by way of scheduling an appointment only.</p> <p>(c) The processing of TCL applications will be made after receipt of complete documents and information.</p>
<p>5. Will an EOT be given for the submission of Form Q (i.e. notice of appeal) to the Special Commissioners of Income Tax where the due date falls within the MCO 3.0 period?</p>	<p>Application for an EOT must be done in writing by completing Form N and submitting it to the IRB branch. The appeal will be considered based on the merits of the case. The taxpayer will be required to file a Form N and state that the delay was caused by the implementation of the MCO 3.0.</p>
<p>6. Will the IRB provide an EOT for the submission of Country-by-Country Reporting (CbCR) where the financial year-end falls within the MCO 3.0 period?</p>	<p>Application for an EOT must be submitted in writing to the Department of International Taxation. The appeal will be considered based on the merits of the case.</p>
<p>7. What is the alternative where an application for a Certificate of Residence (CoR) via the e-Resident platform is not feasible as supporting documents need to be submitted?</p>	<p>Applications can be submitted as follows:</p> <ul style="list-style-type: none"> (a) Appointment; or (b) E-mail to lhdn_int@hasil.gov.my <p>Please visit this link for further information.</p>
<p>8. Will an EOT be given for the submission of tax estimates (CP204) and notification of change of accounting period (CP204B) which are due in June 2021?</p>	<p>An EOT will be given until 31 July 2021. The CP204B will need to be submitted by post or courier.</p>

D. Payments	
1. Will an EOT be given for tax estimate payments (CP204) which are due in June 2021?	No EOT will be given. Payments can be made via online services at ByrHASiL.
2. Will an EOT be given for all other tax instalment payments related to audit and investigations which are due in June 2021?	No EOT will be given. Payments can be made via online services at ByrHASiL.
3. Will there be an EOT for the submission of monthly tax deduction (MTD) data and remittance of MTD / CP38 payments for remuneration on employment which are due on 15 June 2021?	No EOT will be given. Payments can be made via online services at e-PCB, e-Data PCB and e-CP39.
4. Will there be a deferment for compound payments which should be paid in June 2021?	No EOT will be given.
5. Is rescheduling of tax instalment payments allowed?	The taxpayer is required to submit an application with the relevant documents such as cash flow statements.
E. Appeal and penalty payment	
1. Can a taxpayer appeal against a penalty imposed?	Yes. The taxpayer may submit an appeal against tax penalties in the following cases: (a) Unpaid penalties (b) Penalties that have been imposed and paid under an instalment schedule
2. Can a taxpayer appeal against a tax increase?	Yes. The taxpayer may submit an appeal through the Customer Feedback Form available on the IRB's official portal.
3. Can a taxpayer appeal to defer the payment of any outstanding penalty imposed to year 2022?	Yes. The taxpayer may submit an application for deferment through the Customer Feedback Form available on the IRB's official portal.

F. Real Property Gains Tax (RPGT)	
1. Will an EOT be provided for the submission of RPGT return forms where the due date falls in June 2021?	EOT will be given until 31 July 2021.
2. Will an appeal on penalty be considered?	Yes. The appeal will be considered based on the merits of the case.
G. Stamp duty	
1. Will an appeal against a penalty be considered?	Yes. The appeal will be considered based on the merits of the case.
2. Will an EOT be given if stamping cannot be done within the MCO 3.0 period?	Yes. The appeal will be considered based on the merits of the case. The appeal must be lodged within 30 days from the date of the documents.

Frequently Asked Questions on Deferment of Payment of Estimated Tax Payable (CP204) and Instalment Scheme (CP500) from 1 April 2021 to 31 December 2021 under 'Program Strategik Memperkasa Rakyat Dan Ekonomi' (PEMERKASA)

Question	IRB's response		
1. Is the deferment of CP204 payments applicable to all basis periods or limited to basis periods ending on 31 December 2021 only?	The deferment of CP204 instalment payments is applicable to all basis periods, as long as the instalment payments are due between 1 April 2021 and 31 December 2021.		
2. Who is eligible for the deferment of CP204 or CP500 payments from 1 April 2021 to 31 December 2021 under PEMERKASA?	Taxpayers carrying on business activities in the tourism, cinema and spa industries		
3. What are the business codes that qualify for the deferment of CP204 or CP500 payments?	The eligible business codes are as follows:		
	No.	Business code	Activity
	1.	51101	Transportation of passengers by air through regular routes and schedules
	2.	51102	Unscheduled passenger transportation
	3.	51103	Rental of transport equipment with operators for the purpose of passenger transportation
	4.	55101	Hotel and resort hotel
	5.	55102	Motel
	6.	55103	Apartment hotel
	7.	55104	Chalet
	8.	55105	Rest house / guest house
	9.	55106	Bed and breakfast unit
	10.	55107	Hostel
	11.	55108	Home stay
	12.	55109	Other short-term accommodation activities
	13.	55200	Camping ground, recreational vehicle park and trailer park
	14.	55900	Other accommodation
	15.	50111	Group, cruise or cruise boat operations
	16.	50112	Ferry operations, water taxis
	17.	50113	Leisure boat rentals with crew for sea and coastal water transport
	18.	79110	Travel agency activities
	19.	79120	Activities of tour operators

	20.	79900	Other booking services and related activities
	21.	59140	Movie screening activities
	22.	96091	Sauna activities, steam baths, massage parlors
4. Are taxpayers in the tourism, cinema and spa industries still eligible for the deferment of CP204 and CP500 payments if they carry on business activities in other industries as well?	Yes. The taxpayers in the tourism, cinema and spa industries will still be eligible for the deferment of CP204 and CP500 payments if they carry on business activities in other industries as well.		
5. Do taxpayers in the tourism, cinema and spa industries have to apply for the deferment?	No. The deferment of CP204 and CP500 payments will be given automatically to all eligible taxpayers based on the IRB's records.		
6. How is the eligibility for deferment of CP204 or CP500 instalment payments determined?	The eligibility for deferment is determined based on the "business code" stated in the latest income tax return form received by the IRB.		
7. Will taxpayers who are eligible for the deferment of CP204 and CP500 payments be required to settle the deferred payments all at once after the deferment period ends?	No. The payment is to be made upon submission of the income tax return form for the relevant YA if there is any balance of taxes to be paid.		
8. Will the increase in taxes under Sections 107B(3) or 107C(9) of the ITA be imposed on taxpayers who have deferred their CP204 or CP500 payments?	The increase in taxes under Sections 107B(3) and 107C(9) of the ITA will not be imposed during the deferment period.		
9. Can CP204 or CP500 payments that have been remitted during the deferral period be carried forward to offset instalment payments which are due after the deferment period?	If the eligible taxpayer has settled the payments due within the deferment period, the payments will not be allowed to be carried forward to offset instalment payments which are due after the deferment period or the next YA.		

<p>10. Can an eligible taxpayer choose to decline the deferment of CP204 or CP500 payments and continue to remit the payments per the original instalment payment schedule? If yes, does the taxpayer need to inform the IRB?</p>	<p>Yes. Taxpayers can decline and continue remitting the CP204 or CP500 payments per the original payment schedule without having to inform the IRB.</p>
<p>11. Will IRB issue a notification to taxpayers who are eligible for the deferment of CP204 and CP500 payments?</p>	<p>Yes. The IRB will inform eligible taxpayers of the deferment of their CP204 and CP500 payments via their e-mails registered with the IRB soon. However, if a taxpayer is eligible for the deferment based on the business codes outlined in Item 3 above, but has not received the notification e-mail, the taxpayer will also not be required to remit the instalment payments which are due between 1 April 2021 and 31 December 2021.</p>
<p>12. Can a taxpayer appeal if he is eligible for the deferment of CP204 and CP500 payments based on his current status?</p>	<p>Yes. Taxpayers can submit an appeal to the following e-mails:</p> <ul style="list-style-type: none"> • CP204: cp204pemerksa@hasil.gov.my • CP500: cp500pemerksa@hasil.gov.my
<p>13. Can a taxpayer who is eligible for the deferment submit an amendment to the CP204 in the sixth or ninth month of the basis period that falls within the deferment period, or make amendments to CP500 before 30 June 2021?</p>	<p>Yes. Taxpayers can submit amendments to CP204 in the sixth or ninth month of the basis period that falls within the deferment period or make amendments to CP500 before 30 June 2021.</p>

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Important dates

15 June 2021	Due date for monthly instalments
30 June 2021	6 th month revision of tax estimates for companies with December year-end. As a concession, this deadline is extended to 31 July 2021 pursuant to the FAQs on Tax Matters during the MCO 3.0.
30 June 2021	9 th month revision of tax estimates for companies with September year-end. As a concession, this deadline is extended to 31 July 2021 pursuant to the FAQs on Tax Matters during the MCO 3.0.
30 June 2021	Statutory deadline for filing of 2020 tax returns for companies with November year-end
15 July 2021	Due date for monthly instalments
31 July 2021	6 th month revision of tax estimates for companies with January year-end
31 July 2021	9 th month revision of tax estimates for companies with October year-end
31 July 2021	Statutory deadline for filing of 2020 tax returns for companies with December year-end

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