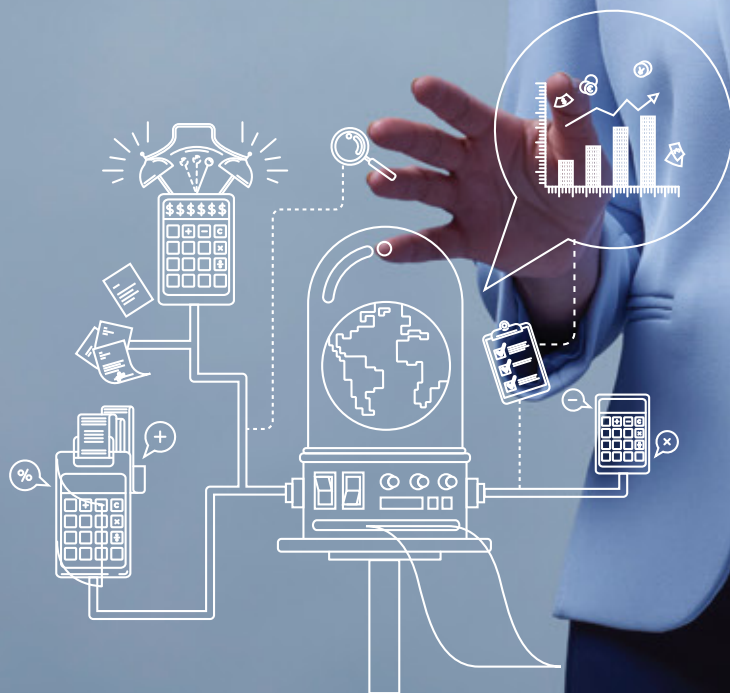


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Indirect Tax – Special Alert

SPECIAL VOLUNTARY DISCLOSURE AND AMNESTY PROGRAM (VA)

THE TIME IS NOW!

The Ministry of Finance (“MOF”) together with the Royal Malaysian Customs Department (“RMCD”) announced that a Special Voluntary Disclosure and Amnesty Program (VA) will be implemented with effect from 1 January 2022. MOF and RMCD has proposed that the VA on indirect taxes will be introduced in two (2) phases with penalty remission as follows: –

Phase	Period	Penalty Remission %	Tax remission (pending approval from MOF)
1	1 January 2022 – 30 June 2022	100	
2	1 July 2022 – 30 September 2022	50	

The VA will include Sales Tax, Service Tax, GST, Import Duty, Export Duty, Excise Duty, Tourism Tax and other Indirect Tax. RMCD will be releasing detailed guidelines and FAQ in the coming weeks.

Why should businesses consider VA?

This is an opportunity provided for businesses to pay lower penalty as well as lower indirect taxes. It allows the businesses to rectify error and omissions, make good unpaid indirect taxes and move forward with a clean slate. RMCD **will not audit** the taxable periods for which VA is made unless it is found that there is an element of fraud.

A word of caution – RMCD may enhance enforcement actions and increase penalties once the VA period is over.

How can we help you?

Businesses are encouraged to undertake indirect tax reviews and health checks. Those who wish to participate in this program is required to submit an application with RMCD which is subject to their approval.

We can support you in the conduct of review, confirmation of technical positions undertaken and most importantly identify any errors. If based on our review, we have identified any errors, we can then support you in quantifying the amount of tax underpaid and in the application for VA process with the RMCD.

As this program lasts for 9 months, we have set specific timelines to conduct our review of within 3 – 5 weeks to quantify the findings and highlight any errors faced by businesses. Therefore, we would encourage businesses to come forward soonest possible and take advantage of this once in a lifetime opportunity!

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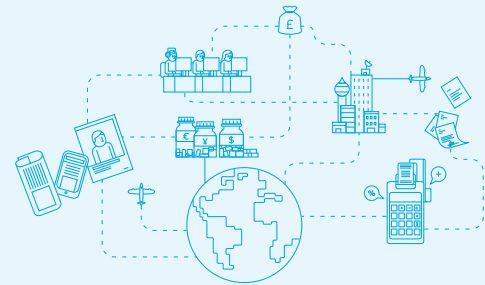


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