

News

Travel bans a form of justice, not violation of rights, tax body says

The Inland Revenue Board says it would not be fair for unscrupulous people or those who fail to pay their taxes to be given the freedom to travel abroad without first paying their dues.

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The Inland Revenue Board says there are a number of situations in which travel bans might be enforced on those with outstanding tax arrears. Photo: Bernama

The Inland Revenue Board (LHDN) today defended its practice of imposing travel restrictions on those with outstanding tax arrears, calling it a form of justice for taxpayers who submit their taxes according to schedule.

"If seen from a negative perspective, the act of restricting people from travelling abroad will certainly invite all sorts of reactions from various parties," it said.

"Some consider it a violation of the right to free movement, as enshrined in Article 9 of the Federal Constitution. But we must look at the enforcement of travel restrictions from a positive angle."

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In a statement, it said that it would not be fair for unscrupulous people or those who fail to pay their taxes to be given the freedom to travel abroad without first paying their dues.

"They should help generate national income through tax payments before spending the rest in foreign countries," it added.

LHDN said travel bans were also a form of education for taxpayers, to encourage them to ensure that their records are up to date and organised.

"Their enforcement can also increase the rate of tax compliance in Malaysia," it added.

"As the saying goes, 'prepare an umbrella before it rains' – taxpayers should check on their travel status before taking any further action."

LHDN said that travel bans could be enforced in a number of situations, including where taxpayers, whether Malaysian or foreign, might leave Malaysia without paying their taxes.

Restrictions can also be placed on company directors who might leave Malaysia without paying their company taxes, or individuals who have applied for a judicial review with the exception of cases in which a stay of proceedings has been issued by the court.

Taxpayers who will be or have been prosecuted for civil offences for tax collection purposes could also face travel bans.

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