



OPERATIONAL GUIDELINE NO. 1 OF THE YEAR 2020 INLAND REVENUE BOARD OF MALAYSIA

PROCEDURE ON SUBMISSION OF AMENDED RETURN FORM

1. INTRODUCTION

- 1.1 Section 77B of the Income Tax Act 1967 (ITA 1967) / section 30B of the Petroleum (Income Tax) Act 1967 [PITA 1967] allows taxpayers to make amendment to the information or assessment in their Return Forms (RF) / Petroleum Return Forms (PRF) already submitted by using the Amended Return Form (ARF).

2. SUBMISSION OF ARF

2.1 Rules

- 2.1.1 Taxpayers are allowed to make amendment by reporting additional information and amend the assessment in the RF / PRF pertaining to:
- income under-reported / not reported;
 - over claimed expenses / other claims over claimed; or
 - over claimed capital allowances / incentives / reliefs over claimed.
- 2.1.2 No amendment is allowed if the Director General of Inland Revenue (DGIR) has made amended assessment under the provision of:
- ~ section 91 of ITA 1967 within a period of 6 months after the date stipulated by ITA 1967 for furnishing the Return Form; or
 - ~ section 39 of PITA 1967.
- 2.1.3 The amendment shall only be made once for a year of assessment.

2.2 Terms

2.2.1 The original RF / PRF was submitted within the stipulated period (as per Schedule 1) and there is no error in tax computation *.

** Note: If there is a tax computation error in the original RF / PRF and no ARF has been furnished, DGIR may raise an amended assessment under the provision of section 91 of ITA 1967 / section 39 of PITA 1967, and this will disqualify the taxpayer from furnishing an ARF for the relevant year of assessment [Refer to paragraph 77B(6)(b) of ITA 1967 / paragraph 30B(6)(b) of PITA 1967].*

Schedule 1: Due date for submission of RF by category of taxpayer

Category of Taxpayer	Type of RF	Due Date for Submission of RF according to Subsection 77A (1) of ITA 1967	Category of Taxpayer	Type of RF	Due Date for Submission of RF according to Subsection 77(1) of ITA 1967
i. Company	C	7 months from the closing date of accounts	i. Resident individual	BE, B / BT	Does not carry on business: 30th April in the year following the year of assessment Carries on business: 30th June in the year following the year of assessment
ii. Limited liability partnership	PT		ii. Non-resident individual	M / MT	
iii. Co-operative society	C1		iii. Deceased person's estate	TP	
iv. Trust body	TA		iv. Hindu joint family	TJ	
v. Unit trust / Property trust	TC		v. Association	TF	
vi. Real estate investment trust / Property trust fund	TR				
vii. Business trust	TN				
Category of Taxpayer	Type of PRF	Due Date for Submission of PRF according to Subsection 30(1) of PITA 1967 [Production]			
viii. Chargeable person (petroleum)	CPP	7 months after the end of the basis period for the year of assessment			

2.2.2 Period for submission of ARF:

ARF must be submitted within six (6) months from the due date for submission of the RF / PRF.

Schedule 2: Examples on submission period of ARF by category of taxpayer.

	Category of Taxpayer	Year of Assessment	Date Stipulated by ITA 1967 / PITA 1967 for Submission of RF / PRF	Period for Submission of ARF
Example 2a:	Company • Closing date of accounts: 31st October 2018	2018	31st May 2019	1st June 2019 until 30th November 2019
Example 2b:	Chargeable person (petroleum) • Closing date of accounts: 31st December 2018	2018	31st July 2019	1st August 2019 until 31st January 2020
Example 2c:	Resident individual who does not carry on business	2018	30th April 2019	1st May 2019 until 31st October 2019
Example 2d:	Resident individual who carries on business	2018	30th June 2019	1st July 2019 until 31st December 2019

2.2.3 A duly completed ARF must :-

- a. specify the amount / additional amount of chargeable income and the amount of tax / additional tax payable on that chargeable income;
- b. specify the amount of tax payable on the tax which has or would have been wrongly repaid;
- c. specify the increased sum ascertained in accordance with subsection 77B (4) of ITA 1967 / subsection 30B(4) of PITA 1967; or
- d. contain such particulars as may be required by the DGIR.

2.2.4 ARF submitted and in compliance with stipulated conditions under section 77B of ITA 1967 / section 30B of PITA 1967 will be accepted in accordance with the provision under section 91A of ITA 1967 / section 39A of PITA 1967.

2.3 Method of submission

2.3.1 ARF with guidenotes can be downloaded from the Official Portal of LHDNM at <http://www.hasil.gov.my>> Forms > Download Forms.

2.3.2 A completed ARF can be submitted via:

i) e-Filing (ezHasil > e-Filing> e-Borang > e-BNT C)

Note: For corporate taxpayers only

ii) Counter of the LHDNM branch which handles the respective income tax file.

2.4 Method on computation of tax / additional tax and increase in tax

Submission of ARF within 6 months from the due date stipulated by ITA 1967 for submission of RF

Tax payable	50,000.00
Less:	
Previous tax payable	40,000.00
A Tax / Additional tax charged	<u>10,000.00</u>
B Amended return furnished within a period 6 months after the due date for submission of RF (A x 10%)	<u>1,000.00</u>
Total tax payable (A + B)	<u><u>11,000.00</u></u>

Submission of ARF within 6 months from the due date stipulated by PITA 1967 for submission of PRF

Tax payable	52,000,000.00
Less:	
Previous tax payable	50,000,000.00
A Tax / Additional tax charged	<u>2,000,000.00</u>
B Amended return furnished within a period 6 months after the due date for submission of PRF (A x 10%)	<u>200,000.00</u>
Total tax payable (A + B)	<u><u>2,200,000.00</u></u>

2.5 Tax payable

- 2.5.1 Tax payable (tax / additional tax including increase in tax) must be paid by the date on which the ARF is submitted.
- 2.5.2 Amendment via ARF is also subject to an increase in tax of 10% under subsection 107C(10) of ITA 1967 / subsection 49A(12) of PITA 1967 if there is a difference of more than 30% between the actual tax as per ARF and the original estimated tax / revised estimated tax.

Example : Subject to subsection 107C(10) of ITA 1967 after the submission of ARF.

Original tax	: RM5,000,000.00 (A)	
Original estimated tax	: RM4,000,000.00 (B)	
Difference between the original tax and the original estimated tax (A – B) = RM1,000,000.00		
Not subject to subsection 107C(10) as 1,000,000 / A = 20%		
		RM
C	Tax payable (excluding the increase in tax under subsection 77B of ITA 1967)	7,000,000.00
	Less: Original estimated tax (B)	4,000,000.00
D	Difference between the tax payable (actual tax as per ARF) and the original estimated tax (C – B) <i>Note: Subject to subsection 107C(10) of ITA 1967 because 3,000,000 (D) / 7,000,000 (C) = 43%, which is more than 30%</i>	3,000,000.00
E	30% of the tax payable (30% x C)	2,100,000.00
F	Difference (D – E)	900,000.00
	Increase in tax under subsection 107C(10) of ITA 1967 [F x 10%]	90,000.00

3. REVOCATION

This guideline revokes the Operational Guideline No. 4 of the Year 2019 issued on 30th August 2019.

INLAND REVENUE BOARD OF MALAYSIA

Date : 6 March 2020