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IRB's Further Announcements on Revision of Tax Estimates and Deferment of Tax Estimate Payments

The Inland Revenue Board of Malaysia (**IRB**) issued a new FAQ two days ago. This FAQ is in addition to the one that was issued on 17 March 2020 regarding the Movement Control Order, which was covered in detail in our update of 14 April 2020, "[Tax Measures Following the Movement Control Order](#)".



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This latest FAQ specifically deals with the following tax measures announced in the 2020 economic stimulus package:

- (1) Revision of tax estimate (CP204) in the third month of instalments in 2020; and
- (2) Deferment of tax instalment payments for the tourism industry and small and medium-sized enterprises (**SMEs**) (six and three months, respectively).

The salient points addressed by the IRB are as follows:

Revision of tax estimate (CP204) in the third month of instalments in 2020

Eligibility

- All industries can apply for revision of their CP204 in the month of the third monthly instalment payment falling in 2020.
- Revision in the third month refers to the third month of the tax instalment payments and not the third month of the basis period.
- The revision is not limited to the Year of Assessment (**YA**) 2020 — companies may revise their CP204 as long as the third instalment month falls within the 2020 calendar year.
- If it is too late to make a revision in the third month of instalments, no application for revision can be made in the fourth or fifth month. However, revisions may be made in the sixth and/or ninth month of their basis period as usual via e-CP204A.



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- The revision made need not be at least 85% of the revised estimate or original estimate of the prior YA.
- Where the tax payable exceeds the revised estimate by over 30% of the tax payable, an increment of 10% under section 107C(10) of the Income Tax Act 1967 will still be imposed on the amount in excess of 30% of the tax payable.
- Taxpayers who were granted an automatic deferment of CP204 payment are still eligible to revise their tax estimate.
- The IRB's approval is not required if the revision application is complete, in order and satisfies all requirements.

Application forms/process

- The submission deadline for the revision is based on the basis period of the taxpayer. For example:

Basis period	Third month of instalments	Submission deadline for revision form	Effective date of revision
1/1/2020-31/12/2020	April 2020	31 May 2020 (extended time)	15 April 2020 (extended time)
1/8/2020-31/12/2020	November 2020	30 November 2020	* Please refer to note

* *Note:* The effective date of revision is 15 November 2020, provided that the application form is submitted before 15 November 2020. If the form is submitted after 15 November 2020, the effective date of revision will be 15 December 2020.

- Applications must be made manually, using the application form downloaded from the IRB portal and e-mailed or mailed to the relevant IRB officers.
- No supporting documents are required for the purposes of the application.

Deferment of tax instalment payments for tourism industry and SMEs

- Deferment of CP204 payments applies irrespective of a taxpayer's basis period, provided that the taxpayer has tax instalment payments within the prescribed deferral period. (For SMEs: Between 1 April 2020 and 30 June 2020; for tourism industry: Between 1 April 2020 and 30 September 2020.)
- The following businesses listed according to the Malaysian

Standard Industrial Classification (MSIC) codes are eligible for deferment of CP204 payments:

Code	Activity
51101	Transport of passengers by air over regular routes and on regular schedules
51102	Non-scheduled transport of passenger
51103	Renting of transport equipment with operator for the purpose of passenger transportation
55101	Hotel and resort hotels
55102	Motels
55103	Apartment hotels
55104	Chalets
55105	Rest house/guesthouse
55106	Bed and breakfast units
55107	Hostels
55108	Homestay
55109	Other short-term accommodation activities
55200	Camping grounds/sites, recreational vehicle parks, and trailer parks
55900	Other accommodation
50111	Operation of excursion, cruise or sightseeing boats
50112	Operation of ferries, water taxis
50113	Boat rentals with crew for sea and costal transport
79110	Travel agency activities
79120	Tourism operator activities
79900	Other booking services and related activities

- Companies in the tourism industry with other non-tourism-related businesses can still defer CP204 payments.

The IRB's FAQ dated 21 April 2020 may be viewed [here](#).

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