



# Tax Whiz

**Tax highlights from your advisers**

**Summary of the Guideline on  
Voluntary Disclosure and Amnesty  
Programme ("VA") – Indirect Taxes**

KPMG in Malaysia

---

3 January 2022



# Guideline on VA – Indirect Taxes



Details in relation to the much anticipated VA for indirect taxes have finally been released by the Royal Malaysian Customs Department (“RMCD”). It is noteworthy to mention that the programme includes amnesty, in addition to voluntary disclosure that was announced during the 2022 Budget announcement.

Set out below is a summary of the key aspects.

- The Programme includes **voluntary disclosure (“VD”)** as well as **amnesty**.
- VA will be introduced in 2 phases, effective 1 January 2022, where qualified taxpayers will be granted remission of penalty and/ or tax (on a case-by-case basis):-

Details	Phase 1	Phase 2
Period	6 months from 01.01.2022 to 30.06.2022	3 months from 01.07.2022 to 30.09.2022
Remission of penalty <sup>Note 1</sup>	100% or 90%	50% or 80%
Remission of tax <sup>Note 1</sup>	10%, 20% or 30%	5%, 10% or 15%
Duty/ Tax/ Levy	Import Duty Export Duty Excise Duty Sales Tax (1.0 and 2.0) Service Tax (1.0 and 2.0) Goods and Services Tax Tourism Tax Departure Levy	
Period of coverage	Only applicable for tax, duty, levy, penalty or surcharge incurred and payable on or before 31 October 2021	

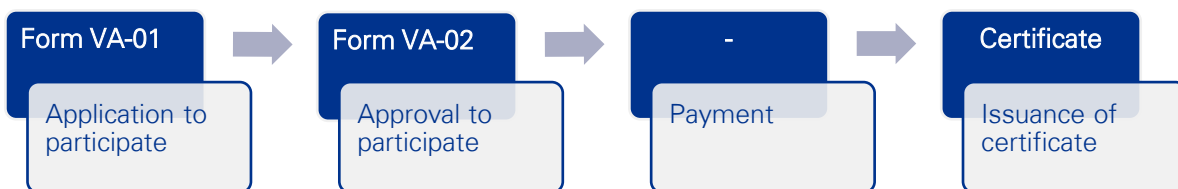
*Note 1: provided full payment of duty, tax or levy is made during the respective periods*

- The remission of penalty and/or tax varies depending on the scenarios.

Remission of penalty	Phase 1	Phase 2
✓ Most qualifying cases	100%	50%
✓ Bill of Demand ("BOD") issued on/ before 31 October 2021 but only left the remaining penalty as at 31 October 2021	90%	80%
Remission/ exemption of tax (this list is not exhaustive)	Phase 1	Phase 2
<ul style="list-style-type: none"> <li>✓ Registered company/ individual that underdeclared and underpaid tax/ levy</li> <li>✓ Company/ individual liable to be registered but failed to register</li> <li>✓ Company/ individual not liable to be registered and has imposed tax/levy but has not paid the same to the RMCD</li> <li>✓ Company who has failed to account for GST/ Service Tax on imported taxable services</li> <li>✓ Sales Tax licensee/ registered person who failed to apply the relevant Sales Tax valuation method on related party sales</li> <li>✓ Importer/ exporter who has underpaid duty/ tax during import and export declaration</li> <li>✓ AP holder where post importation VD for vehicles has been assessed</li> <li>✓ Company/ individual who failed to comply with conditions attached to exemptions</li> <li>✓ Company/ individual who has underdeclared and underpaid duties/ taxes on vehicles</li> <li>✓ BOD issued on/ before 31 October 2021 for matters relating to the period on/ before 31 October 2021 (only for the remaining duty/ tax/ levy as at 31 October 2021)</li> <li>✓ BOD issued on/ before 31 August 2022 for matters relating to the period on/ before 31 October 2021</li> </ul>	10%	5%
<ul style="list-style-type: none"> <li>✓ AP holder where imported CBU vehicles have been stored in the Warehouse for more than 48 months</li> <li>✓ Vehicle excise manufacturer where the vehicles have exceeded 48 months and Excise Duty has not been paid</li> </ul>	20%	10%
<ul style="list-style-type: none"> <li>✓ Business liable to be registered/ licensed, but failed to do so and has not collected tax/ duty/ levy from customers</li> <li>✓ AP holder where imported used CBU vehicles have been stored in the Warehouse for more than 48 months</li> </ul>	30%	15%

- Taxpayers may participate in the **VD** before the RMCD's audit, during the audit and at the completion of the audit, provided the BOD, Notice of Assessment or Letter of Notification of Audit Results has not been received.
- Where the BOD, NA or Letter of Notification of Audit Results has been received, the taxpayer may still be able to enjoy penalty and/or tax remission under the **amnesty** programme, subject to meeting conditions.

- Except where there is element of fraud, the RMCD will accept disclosure made by taxpayers in good faith.
- For taxpayers who participated in the VA, the RMCD will not conduct audit on the same transactions and periods disclosed under the VA. For transactions and periods that are not disclosed as well as periods after 31 October 2021, audit will be conducted starting 1 October 2023. A confirmation letter will be issued by the RMCD to taxpayers who participated in the VA.
- Taxpayers who have been identified by the RMCD for audit in year 2022 will be informed about the VA and be given 21 days to respond, before the RMCD conduct audit as usual. The same applies to taxpayers who are being audited but have not been issued Notice of Assessment or Notification of Audit Findings.
- However, matters that are under investigation by the Enforcement Division of RMCD would not be covered under the VA.
- In terms of process flow, an application to participate shall be made online via the VA system (Form VA-01) where taxpayers will be notified on the approval or otherwise (Form VA-02). Approved taxpayers will then be required to make relevant payment within the stipulated deadline and finally a certificate will be issued.



- A minimum compound will be imposed on compoundable offences:
  - a) RM1,000 per VD for amount of RM100,000 and above;
  - b) RM500 per VD for amount of below RM100,000. -

With this, businesses should start assessing any potential non-compliance exposures at hand as well as the associated cost and benefit, if not already done so, before coming to the decision whether to take up this “special” offer.

# Contact us

## Petaling Jaya Office

### **Soh Lian Seng**

Executive Director –  
Head of Tax and Head of Tax Dispute Resolution  
Isoh@kpmg.com.my  
+603 7721 7019

### **Tai Lai Kok**

Executive Director –  
Head of Corporate Tax  
Itai1@kpmg.com.my  
+603 7721 7020

### **Bob Kee**

Executive Director – Head of Transfer Pricing  
bkee@kpmg.com.my  
+603 7721 7029

### **Long Yen Ping**

Executive Director –  
Head of Global Mobility Services  
yenpinglong@kpmg.com.my  
+603 7721 7018

### **Ng Sue Lynn**

Executive Director – Head of Indirect Tax  
suelynnng@kpmg.com.my  
+603 7721 7271

## Outstation Offices

### Penang Office

#### **Evelyn Lee**

Executive Director – Penang Tax  
evewflee@kpmg.com.my  
+604 238 2288 (ext. 312)

### Kota Kinabalu Office

#### **Titus Tseu**

Executive Director – Kota Kinabalu Tax  
titustseu@kpmg.com.my  
+6088 363 020 (ext. 2822)

### Ipoh Office

#### **Crystal Chuah Yoke Chin**

Tax Manager – Ipoh Tax  
ycchuah@kpmg.com.my  
+605 253 1188 (ext. 320)

### Kuching & Miri Offices

#### **Regina Lau**

Executive Director – Kuching Tax  
reglau@kpmg.com.my  
+6082 268 308 (ext. 2188)

### Johor Bahru Office

#### **Ng Fie Lih**

Executive Director – Johor Bahru Tax  
flng@kpmg.com.my  
+607 266 2213 (ext. 2514)

# KPMG Offices

## **Petaling Jaya**

Level 10, KPMG Tower,  
8, First Avenue, Bandar Utama,  
47800 Petaling Jaya, Selangor  
Tel: +603 7721 3388  
Fax: +603 7721 3399  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Kota Kinabalu**

Lot 3A.01 Level 3A,  
Plaza Shell,  
29, Jalan Tunku Abdul Rahman,  
88000 Kota Kinabalu, Sabah  
Tel: +6088 363 020  
Fax: +6088 363 022  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Penang**

Level 18, Hunza Tower,  
163E, Jalan Kelawei,  
10250 Penang  
Tel: +604 238 2288  
Fax: +604 238 2222  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Johor Bahru**

Level 3, CIMB Leadership Academy,  
No. 3, Jalan Medini Utara 1,  
Medini Iskandar,  
79200 Iskandar Puteri, Johor  
Tel: +607 266 2213  
Fax: +607 266 2214  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Kuching**

Level 2, Lee Onn Building,  
Jalan Lapangan Terbang,  
93250 Kuching, Sarawak  
Tel: +6082 268 308  
Fax: +6082 530 669  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Ipoh**

Level 17, Ipoh Tower,  
Jalan Dato' Seri Ahmad Said,  
30450 Ipoh, Perak  
Tel: +605 253 1188  
Fax: +605 255 8818  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Miri**

1st Floor, Lot 2045,  
Jalan MS 1/2,  
Marina Square, Marina Parkcity,  
98000 Miri, Sarawak  
Tel: +6085 321 912  
Fax: +6085 321 962  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[kpmg.com.my/Tax](https://kpmg.com.my/Tax)



[facebook.com/KPMGMalaysia](https://facebook.com/KPMGMalaysia)



[linkedin.com/company/kpmg-malaysia](https://linkedin.com/company/kpmg-malaysia)



[twitter.com/kpmg\\_malaysia](https://twitter.com/kpmg_malaysia)



[instagram.com/kpmgmalaysia](https://instagram.com/kpmgmalaysia)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG Tax Services Sdn. Bhd., a company incorporated under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.