

# Malaysia: Tax return filing and payment deadlines extended by two months

March 23, 2020

## In brief

Following the Malaysian Government's implementation of the Movement Control Order from March 18, 2020 to March 31, 2020 to control the spread of COVID-19, the Malaysian Inland Revenue Board (MIRB) announced on March 17, 2020 that tax return filing and balance of tax payment deadlines falling between March 2020 until June 2020 have been extended up to two months. The MIRB also has announced that it will provide virtual and telephone support during the Movement Control Order period from March 18 to March 31, 2020, given that it will be required to close during this period.

This *Insight* summarises the revised grace period accorded by the MIRB for the Malaysian tax year (calendar year) 2019 and other measures taken by the MIRB in this time.

## In detail

Comparison between existing grace period and the revised grace period granted for filing of employer and individual tax returns:

		Form E (Return by Employer)	Individual income tax return	
			No business income	With business income
Statutory deadline		March 31, 2020	April 30, 2020	June 30, 2020
Existing grace period - based on method of submission	Electronic filing	1 month (April 30, 2020)	15 days (May 15, 2020)	15 days (July 15, 2020)
	Via postal delivery	3 working days* (April 3, 2020)	3 working days (May 5, 2020)	3 working days (July 3, 2020)
	By hand (incl. courier service)	None*	None	None
Revised grace period	Regardless of method of submission	2 months (May 31, 2020)	2 months (June 30, 2020)	2 months (August 31, 2020)

*\*Note: Non-electronic filing submission only allowed for non-company / non-Labuan company employers*

Please note that the above revised grace periods do not extend to Monthly Tax Deduction payments which still would have to be deducted and remitted to the MIRB before the requisite monthly deadlines.

### **Other measures taken by the MIRB as a result of the Movement Control Order**

Branches of the MIRB across the nation also are to be closed from March 18 to March 31, 2020, but support to the general public will be provided through Hasil Care Line (telephone) for individuals seeking to activate their ezHasil account (the MIRB's electronic platform for taxpayers to file their e-tax returns and check their tax positions, among other services). Ordinarily, the activation PIN for ezHasil only can be obtained by the taxpayer (in person) at their nearest MIRB branch.

Apart from this, the MIRB also will be contactable through the following channels:

- Hasil Care Line
- Customer Care Officer via email at the respective branches, or
- HASiL Live Chat in the MIRB's website.

Further details can be found in the [media statement](#) or from the MIRB's website.

### **Practical considerations**

It is helpful that the MIRB has considered the impact of tax administration, particularly on individual taxpayers and employers who may choose to submit their respective returns during the Movement Control period. The MIRB also has taken into account the possibility of individual taxpayers and employers who may not be able to submit their respective returns by the standard deadlines due to restrictions and nationwide lockdowns imposed by host and home countries on individuals and companies.

Those on overseas payroll also may encounter difficulties or delays in obtaining income details and other documentary evidence during this period as the operations of the companies in the home countries may have been halted due to similar lockdowns or restrictions in place in their respective countries. This includes those seeking treaty exemption claims whereby additional documentary evidence would have to be submitted to the tax authorities together with the tax return before the claim is approved by the MIRB. As such, the two-month grace period is welcomed for individual taxpayers and employers alike to ensure that income reporting details are accurate and complete before the respective returns are lodged to the MIRB by the extended grace period.

In addition, taxpayers who have made cheque payments to the MIRB in the past, will need to consider online methods of payment or bank transfers in the event the closure of the MIRB branches continue beyond March 31, 2020.

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### **The takeaway**

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In view of the extended grace period above, employers and individual taxpayers will have additional time to find alternative ways to collate income details from the host and home countries and ensure that these are complete and accurately reported in the respective returns by the extended deadlines.

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## Let's talk

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For a deeper discussion of how this issue might affect your business, please contact your Global Mobility Services engagement team, or the following professionals:

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