



## **GUIDELINES INLAND REVENUE BOARD OF MALAYSIA**

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### **DISPUTE RESOLUTION PROCEEDING**

#### **1. INTRODUCTION**

- 1.1 The purposes of these guidelines are:
  - 1.1.1 to provide information regarding the implementation of the Dispute Resolution Proceeding (DRP) which is a mechanism to resolve disputes arising from an appeal or application for relief filed by a taxpayer to the Inland Revenue Board of Malaysia (IRBM).
  - 1.1.2 to increase awareness of a taxpayer's rights and responsibilities regarding one of the mediums of settlement of an appeal against an assessment or application for relief.
- 1.2 The DRP is an initiative by the IRBM which is introduced on 1 July 2013 to give taxpayers the opportunity to resolve an appeal or application for relief without the need for it to be forwarded to the Special Commissioners of Income Tax (SCIT) for a decision.
- 1.3 In the context of the IRBM, the DRP is a platform for an alternative means of dispute resolution whereby the Dispute Resolution Department, IRBM or State Director's Office, IRBM acts as a neutral party during a discussion or proceeding held with a taxpayer in an effort to reach an out of court settlement.

- 1.4 Taxpayer can request for a DRP for the following categories of appeal under:
  - 1.4.1 section 99 of the Income Tax Act 1967 [Act 53] (ITA 1967) where a taxpayer is aggrieved by an assessment made in respect of him for any year of assessment by the Director General of Inland Revenue;
  - 1.4.2 section 97A of the ITA 1967 (non-chargeability case);
  - 1.4.3 section 109H of the ITA 1967 (withholding tax);
  - 1.4.4 paragraph 44A(9)(b) ITA 1967 (appeal against penalty imposed on a surrendering company in the case of group relief for companies);
  - 1.4.5 subsection 68(3) ITA 1967(appeal against the appointment of an agent);
  - 1.4.6 subsection 111(1) ITA 1967 (appeal against refund of over-payment);
  - 1.4.7 section 43 of the Petroleum (Income Tax) Act 1967 [Act 543] (PITA 1967); and
  - 1.4.8 section 18 of the Real Property Gains Tax Act [Act 169] (RPGTA 1976).
  
- 1.5 Apart from the above appeals, a taxpayer may request for a DRP for the following application for relief :
  - 1.5.1 an application for relief under section 131 of the ITA 1967 in respect of error or mistake in a return;
  - 1.5.2 an application for relief under section 131A of the ITA 1967 in respect of other than error or mistake;
  - 1.5.3 an application for relief under subsection 97A(5) of the ITA 1967 in respect of a non-chargeability case;
  - 1.5.4 an application for relief under section 66 of the PITA 1967 in respect of error or mistake ;
  - 1.5.5 an application for relief under under section 66A of the PITA 1967 in respect of other than error or mistake for a chargeable case ; and
  - 1.5.6 an application for relief under section 19 of the RPGTA 1976 in respect of error or mistake .

- 1.6 For further clarification and information regarding an appeal against an assessment raised or application for relief, kindly refer to Public Ruling No. 7/2020 - Appeal Against an Assessment and Application for Relief.
- 1.7 All categories of taxpayer (individual, company, co-operative society, trust body, association and other categories) who lodge an appeal or application for relief may request for a DRP.
- 1.8 The DRP has received recognition from international agencies that have certified the DRP as independent, fair and effective in resolving disputes .

## **2. OBJECTIVES OF DRP**

- 2.1 To give a taxpayer the opportunity to clarify the reasons for an appeal or application for relief to an independent DRP Panel consisting of members who are independent and are not involved in the assessment raised.
- 2.2 To fulfil the principle of justice of a taxpayer's right to be heard.
- 2.3 To achieve an out of court settlement before the appeal/application for relief is forwarded to SCIT in an effort to save time and cost for both the taxpayers and the IRBM.
- 2.4 To ensure that a review of an appeal or application for relief which is carried out is transparent and independent.

## **3. APPLICATION FOR DRP BY TAXPAYER**

- 3.1 An application can be made:
  - 3.1.1 after the taxpayer has received a letter confirming that the notice of appeal (Form Q) has been received from the IRBM department/branch which handles the file of the taxpayer. An example of the letter is at **Appendix 1**.

- 3.1.2 in writing via a letter or an e-mail to the address stated in the said letter of confirmation.
- 3.2 An invitation letter for a DRP will be issued by the IRBM to the taxpayer.
- 3.3 The taxpayer is advised to bring all relevant documentation to a DRP to support the appeal or application for relief and settlement proposal (if any).
- 3.4 If the taxpayer is represented by a tax agent or lawyer or an authorised person to attend the DRP, the tax agent must be an authorised tax agent under section 153 of ITA 1967 Whereas the lawyer or authorised person shall submit to the IRBM an authorization letter signed by taxpayer before the commencement of the DRP.

#### **4. HANDLING OF DRP**

- 4.1 The Dispute Resolution Department, IRBM will handle a DRP session for taxpayer's file which is handled by the :
  - 4.1.1 Multinational Tax Branch;
  - 4.1.2 Special Industry Branch;
  - 4.1.3 Large Taxpayer Branch;
  - 4.1.4 Investigation Branch;
  - 4.1.5 Special Operation Department; and
  - 4.1.6 Special Task Department.
- 4.2 The venue for a DRP session which is handled by the Dispute Resolution Division is at :
  - Headquarters of the Inland Revenue Board of Malaysia
  - Dispute Resolution Department,
  - Menara Hasil, Level 6,
  - Persiaran Rimba Permai,
  - Cyber 8, 63000, Cyberjaya,
  - Selangor.

- 4.3 For a taxpayer's file handled by branches OTHER THAN the ones listed above, the DRP session will be handled by the respective State Director's Office. The venue for a DRP session is at the respective State Director's Office as listed in **Appendix 2**.
5. The flow chart for the implementation of a DRP is shown in **Appendix 3**.
6. For further information on the DRP, please contact:

Puan Azwana Zura binti Ayob  
Customer Care Officer  
Dispute Resolution Department  
Inland Revenue Board of Malaysia  
No. Tel: 03-83138888 samb. 20665 | No. Fax: 03-83137864  
E-mel: [azwanazura@hasil.gov.my](mailto:azwanazura@hasil.gov.my)

**DISPUTE RESOLUTION DEPARTMENT**  
**INLAND REVENUE BOARD OF MALAYSIA**  
**DATE: 15 JUNE 2021**



LEMBAGA HASIL DALAM NEGERI MALAYSIA  
 NAMA\_CAWANGAN\_XXXXXXXXXXXXXXXXXX  
 ALAMAT\_CAWANGAN1\_XXXXXXXXXXXXXXXXXX  
 ALAMAT\_CAWANGAN2\_XXXXXXXXXXXXXXXXXX  
 ALAMAT\_CAWANGAN3\_XXXXXXXXXXXXXXXXXX

**APPENDIX 1**

Telefon: 99-9999999  
 Faks:99-9999999  
 Homepage LHDN:  
<http://hasil.gov.my>

NAMA\_PC\_XXXXXXXXXXXXXXXXXXXXX  
 NAMA\_PC\_XXXXXXXXXXXXXXXXXXXXX

Tarikh: DD/MM/YYYY

Tuan,

**PENGESAHAN PENERIMAAN NOTIS RAYUAN (BORANG Q) KEPADA PESURUHJAYA KHAS CUKAI PENDAPATAN (PKCP)  
 NO. RUJUKAN CUKAI : XXXX-9999999-99(9)  
 JENIS TAKSIRAN: ASAL/TAMBAHAN  
 TAHUN TAKSIRAN: YYYY**

Saya di arah merujuk kepada perkara di atas.

2. Adalah dimaklumkan Borang Q tuan bertarikh DD/MM/YY telah diterima pada DD/MM/YYYY. Borang Q tersebut akan disemak dan dikaji oleh Jabatan/Cawangan/CSi. Sekiranya tiada persetujuan yang dicapai selepas tempoh 90 hari (mana-mana yang berkenaan) dari tarikh penerimaan, Borang Q tersebut akan dikemukakan untuk pertimbangan dan keputusan oleh Jabatan di bawah:

Jabatan Resolusi Pertikaian  
 Menara Hasil, Aras 6  
 Persiaran Rimba Permai  
 Cyber 8, Peti Surat 11833  
 63000 Cyberjaya, Selangor  
 Tel : 03 – 83138888

3. Bagi tujuan untuk penyelesaian rayuan tuan sebelum Borang Q berkenaan dipanjangkan ke PKCP, pihak tuan boleh memohon untuk sesi perbincangan bersama Jabatan Resolusi Pertikaian/Pejabat Pengarah Negeri.

4. Prosiding yang akan diadakan tidak menghalang untuk pihak LHDNM daripada mengambil tindakan pungutan sivil seperti mana diperuntukkan di bawah Akta Cukai Pendapatan 1967. Prosiding ini juga tidak menghalang kedua-dua pihak untuk meneruskan rayuan ke PKCP sekiranya tiada penyelesaian dicapai selepas keputusan prosiding dimaklumkan kepada pihak tuan

5. Untuk makluman sekiranya Ketua Pengarah Hasil Dalam Negeri tidak bersetuju dengan rayuan yang dikemukakan atau tiada persetujuan boleh dicapai melalui Prosiding Resolusi Pertikaian, rayuan Borang Q akan dikemukakan kepada Pesuruhjaya Khas Cukai Pendapatan dalam tempoh 12 bulan dari tarikh DD/MM/YYYY.

Sekian, terima kasih.

**“BERKHIDMAT UNTUK NEGARA”  
 “BERSAMA MEMBANGUN NEGARA”**

Saya yang menjalankan amanah,

[ XXXXXXXXXXXXXXXXXXXX ]

Pengurus Audit /Siasatan  
 Cawangan XXXXXXXXXXXXXXX

b.p. Ketua Pegawai Eksekutif / Ketua Pengarah Hasil Dalam Negeri  
 Lembaga Hasil Dalam Negeri Malaysia.

## APPENDIX 2

<b>State Director's Office</b>	<b>Operating Branch</b>
<b>State Director's Office Territory Kuala Lumpur</b>	Duta Branch Non – Resident Branch Kuala Lumpur Bandar Branch
<b>State Director's Office Territory Putrajaya</b>	Cheras Branch Wangsa Maju Branch Bangi Branch
<b>State Director's Office Selangor</b>	Shah Alam Branch Klang Branch Petaling Jaya Branch
<b>State Director's Office Johor</b>	Johor Bahru Branch Kluang Branch Muar Branch
<b>State Director's Office Pahang</b>	Kuantan Branch Raub Branch Temerloh Branch
<b>State Director's Office Perak</b>	Ipoh Branch Branch Teluk Intan Taiping Branch
<b>State Director's Office Pulau Pinang</b>	Pulau Pinang Branch Bukit Mertajam Branch
<b>State Director's Office Kedah / Perlis</b>	Kangar Branch Alor Setar Branch Sungai Petani Branch
<b>State Director's Office Terengganu / Kelantan</b>	Kuala Terengganu Branch Kota Bharu Branch
<b>State Director's Office Negeri Sembilan / Melaka</b>	Seremban Branch Melaka Branch
<b>State Director's Office Sarawak</b>	Kuching Branch Miri Branch Bintulu Branch Sibu Branch
<b>State Director's Office Sabah</b>	Kota Kinabalu Branch Keningau Branch Tawau Branch Sandakan Branch Labuan Branch

**FLOW CHART FOR THE IMPLEMENTATION OF THE  
DISPUTE RESOLUTION PROCEEDING (DRP)**

