

Indirect Tax Alert

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Issue No. 25/2021 | 7 December 2021

Indirect Tax Special Voluntary Disclosure & Amnesty Program - Key Features

The Royal Malaysian Customs Department (“RMCD”) will run a Special Voluntary Disclosure & Amnesty Program (“VA”) from 1 January 2022 to 30 September 2022 (9 months). The official terms of the program have not been announced. However, RMCD have proposed the following key features:

- The VA program will involve two distinct programs:
 - **Voluntary disclosure program** - businesses can voluntarily disclose any unpaid or under-reported indirect tax/duty not known or discovered by RMCD under this program; and
 - **Amnesty program** - businesses with any outstanding Bill of Demand (“BOD”) or who have been audited by the RMCD Compliance Division and received audit findings on non-compliance areas can enjoy penalty and tax/duty remissions under this program.
- The key incentives for those participating in the VA program include:
 - 100% penalty remission if application and full payment is made within Phase 1 (1 January 2022 to 30 June 2022 - 6 months).
 - 50% penalty remission if full payment is made within Phase 2 (1 July 2022 to 30 September 2022 - 3 months).
 - A percentage of the unpaid tax/duty will also be remitted, depending on the case.
- The VA program will cover all indirect taxes administered by RMCD, including Sales Tax, Service Tax, GST, Tourism Tax, Departure Levy, Import Duty, Export Duty and Excise Duty.
- Its application is limited to tax, duty or penalty liabilities **arising on or before 31 October 2021**.

Businesses that intend to participate in the program will need to apply to do so. The RMCD stresses any voluntary disclosure submitted in good faith will be accepted. **No audit** will be conducted on the activities and periods involved.

Find out more about the proposed features of the VA program and how it works at our **complimentary webinar on 15 December 2021, 2pm**.

PwC Comment

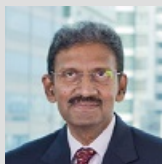
The VA program starts 1 January 2022 and will only run for 9 months. Review and assess your compliance status now so that you can make a disclosure and full settlement within Phase 1 and enjoy 100% penalty remission and a higher percentage of tax/duty remission. Businesses should make the most of this opportunity to correct any incidence of non-compliance, save cost and build trust with the regulator.

Take the opportunity to ask us and RMCD any clarifying questions at our **complimentary webinar on 15 December 2021, 2pm**. Register here: <https://forms.gle/p3Qw4EBX7NfPckT18>

Please click on this [link](#) for a copy of the event flyer.

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Contact us



Raja Kumaran
Indirect Tax Leader
+603 2173 1701
[Email](#)



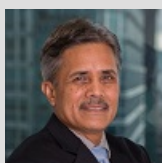
Dato' Tan Kwong Jin
Advisor
+603 2173 1808
[Email](#)



Chan Wai Choong
Director
+603 2173 3100
[Email](#)



Geeta Balakrishnan
Director
+60 3-2173 1652
[Email](#)



Dato' Abd Gani Othman
Advisor
+603 2173 1648
[Email](#)



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