



**FREQUENTLY ASKED QUESTIONS ON TAX MATTERS DURING
THE MOVEMENT CONTROL ORDER PERIOD (18 MARCH 2020 TO 28 APRIL 2020)**

(Updated on 21 April 2020)

A. GENERAL

No.	Question	Feedback
1.	Will IRBM premises and counters be in operations during the Movement Control Order (MCO) period?	<p>All IRBM premises (except stamp duty counters at Branch Stamping Office and Hasil Care Line) nationwide will be closed from 18 March 2020 to 28 April 2020. Please refer to IRBM's Press Release on services made available for customers during the Movement Control Order period at the following link:</p> <p>a) 17 March 2020: http://lampiran2.hasil.gov.my/pdf/pdfam/Media_LHDNM_17032020_SEMUA_PREMIS_LHDNM_DITUTUP_DARI_18MAC2020_HI_NGGA_31MAC2020.pdf</p> <p>b) 24 March 2020: http://lampiran1.hasil.gov.my/pdf/pdfam/Kenyataan_Media_LHDNM_24_Mac_2020_PERKHIDMATAN_LHDNM_DALAM_TEMP_OH_PERINTAH_KAWALAN_PERGERAKAN.pdf</p> <p>c) 27 March 2020: http://lampiran1.hasil.gov.my/pdf/pdfam/KM_27032020_SEMUA_PREMIS_LHDNM_DITUTUP_SEHINGGA_PERINTAH_KAWALAN_PERGERAKAN_TAMAT_1.pdf</p> <p>d) 29 March 2020: http://lampiran1.hasil.gov.my/pdf/pdfam/KM_29032020_HASILCARELINE_AKAN_BEROPERASI_SEMULA_MULAI_30MAC2020_BAGI_MENJAWAB_PERTANYAAN_BERKAITAN_BANTUAN_PRIHATIN_NASIONAL_1.pdf</p> <p>e) 2 April 2020: http://lampiran1.hasil.gov.my/pdf/pdfam/Media_LHDNM_02042020_PEMBUKAAN_KAUNTER_DUTI_SETEM_DI_PEJABAT_SETEM_CAWANGAN_LHDNM_MULAI_3_APRIL_2020.pdf</p> <p>f) 13 April 2020: http://lampiran1.hasil.gov.my/pdf/pdfam/KenyataanMediaLHDNM_13042020_LANJUTAN_TEMP_OH_PENUTUPAN_PREMIS_LHDNM.pdf</p>

		If there are any queries regarding taxation, taxpayers may use the Feedback Form available at IRBM's Official Portal at: https://maklumbalaspelanggan.hasil.gov.my/MaklumBalas/ms-MY
2.	Will extension of time be given if taxpayers are required to submit documents for audit or investigation within the period of 18 March 2020 until 15 May 2020?	Extension of time will be given until 31 May 2020.
3.	Will extension of time be given if taxpayers are required to provide feedback to IRBM letters within the period of 18 March 2020 until 15 May 2020?	Extension of time will be given until 31 May 2020.

B. ezHASiL

No.	Question	Feedback
1.	How to apply for e-Filing PIN number?	Taxpayers may apply through: a) Customer Feedback Form available at IRBM's Official Portal at: https://maklumbalaspelanggan.hasil.gov.my/MaklumBalas/en-us/ OR b) User Guide at: https://ez.hasil.gov.my/CI/Bantuan_Anon.aspx
2.	How to register for income tax number?	Registration for income tax number can be made online through the e-Daftar application. http://edaftar.hasil.gov.my/indexBI.php

3.	What should I do if I forgot my e-Filing password?	<p>a) Taxpayers who have a registered e-mail address or handphone number with IRBM:</p> <ul style="list-style-type: none"> Click the 'Forgot Password' button at ezHASiL. <p>b) Taxpayers who do not have a registered e-mail address or handphone number; or there is a change in the registered e-mail address or handphone number:-</p> <ul style="list-style-type: none"> Update information through Customer Feedback Form available at IRBM's Official Portal at: https://maklumbalaspelanggan.hasil.gov.my/MaklumBalas/en-us/
----	--	---

C. FORMS

No.	Question	Feedback
1.	Will IRBM provide extension of time for the submission of return forms either manually or e-Filing?	<p>Extension of time will be provided as stated in the 2020 Return Form Filing Programme (Amendment 2/2020). http://lampiran1.hasil.gov.my/pdf/pdfam/ProgramMemfailBN_2020_Pin.2_1.pdf</p>
2.	Will extension of time be given for the submission of Statement of Monetary and Non-Monetary Incentive Payment to An Agent, Dealer or Distributor (Form CP58) where the due date falls within the MCO period?	<p>Extension of time will be given until 31 May 2020.</p>
3.	Will extension of time be given for the submission of Notice of Appeal to the Special Commissioners of Income Tax (SCIT) [Form Q] where the due date falls within the MCO period?	<p>Extension of time will be given until 31 May 2020. However as provided under section 100 of the ITA 1967, taxpayer is required to file Form N and state that the delay is due to the implementation of Movement Control Order.</p>

4.	Will IRBM provide extension of time for the submission of Country-by-Country Reporting (CbCR)?	<p>a) Entities in Malaysia responsible for the filing of the CbCR report will be given an extension of time as follows:-</p> <ul style="list-style-type: none"> i. CbCR report for submission due on 31 March 2020: Extension of time until 15 May 2020. ii. CbCR report for submission due on 30 April 2020: Extension of time until 31 May 2020. <p>b) Constituent entities in Malaysia responsible for the submission of CbCR notification will be given an extension of time as follows:-</p> <ul style="list-style-type: none"> i. CbCR notification for submission due on 31 March 2020: Extension of time until 31 May 2020. ii. CbCR notification for submission due on 30 April 2020: Extension of time until 31 May 2020.
5.	How does one submit Forms CP21, CP22, CP22A or CP22B within the MCO period?	Forms can be submitted beginning 29 April 2020.
6.	What alternative is available if e-Residence cannot be used as supporting documents need to be included?	<p>Application can be submitted on 29 April 2020. For urgent cases which cannot be delayed, please contact IRBM at the following e-mail address:</p> <p>lhdn_int@hasil.gov.my</p> <p>Please visit the following link for further information:</p> <p>http://www.hasil.gov.my/bt_goindex.php?bt_kump=5&bt_skum=6&bt_posi=6&bt_unit=1&bt_sequ=1&bt_lgv=2</p>
7.	How can application for Tax Clearance Letter (TCL) be made within the MCO period?	Application for TCL can be made through e-SPC at any time or by coming to IRBM's premises beginning 29 April 2020. The processing of TCL applications will be made beginning 29 April 2020.
8.	Will extension of time be given to Labuan entities for the submission of irrevocable election form to be taxed under the ITA 1967 (Form LE3) where the due date is within the MCO period?	<p>Example 1: Accounting period / basis period for a Labuan entity is 01/01/2020 – 31/12/2020. The due date for submission of Form LE3 for Year of Assessment 2021 (Year of Assessment 2020 under the ITA 1967) is on 31/03/2020.</p> <p>Example 2: Accounting period / basis period for a Labuan entity is 01/02/2020 – 31/01/2021. The due date for submission of Form LE3 for Year of Assessment 2022 (Year of Assessment 2021 under the ITA 1967) is on 30/04/2020.</p>

		If the due date for submission falls within the MCO period, extension of time will be given until 31 May 2020 for the submission of Form LE3 for Year of Assessment 2021 & Year of Assessment 2022.
9.	Will extension of time be given to taxpayers who are required to submit Form CP204B within the MCO period?	Extension of time for submission of notification of change in accounting period (Form CP204B) will be given until 31 May 2020.
10.	Will IRBM provide extension of time for the submission of Application Form of an Approved Research and Development (R&D) Project under section 34A ITA 1967 (Borang 1)?	<p>The due date for submission of the completed Borang 1 (New Project/Extension Project) which ends on 31 March 2020: Extension of time will be given until 30 June 2020.</p> <p>The due date for submission of the completed Borang 1 (New Project/Extension Project) which ends on 30 April 2020: Extension of time will be given until 30 June 2020.</p>

D. PAYMENT

No.	Question	Feedback
Income Tax Estimates (CP204)		
1.	Is extension of time given to all types of tax estimate submissions which are due within the MCO period?	Extension of time will be given until 31 May 2020.
2.	Is extension of time given for tax estimate payments which are due on 15 April 2020 and 15 May 2020?	Extension of time will be given until 31 May 2020.
3.	When is the deadline for the submission of the revised tax estimate in the third month instalment in 2020?	The deadline for the submission of the revised tax estimate in the third month instalment in 2020 is based on the company's basis period. An extension of time is given until 31 May 2020 for revision in the third month of instalment that falls in April 2020.
4.	Who is eligible for deferment of CP204 payment for 3 months beginning April 2020 until June 2020?	All types of businesses with Small and Medium Enterprises (SMEs) status.

5.	Who is eligible for deferment of CP204 payment for 6 months beginning April 2020 until September 2020?	Companies related to the tourism industry (including those with SME status).
6.	What are the business criteria that qualify for SME status?	Business criteria for SME status are as follows: i. Have a paid-up capital of less than or equal to RM2.5 million ordinary shares at the beginning of the basis period for a year of assessment; and ii. Have a gross business income of RM50 million and below.
7.	What are the sources of data that will be used by the IRBM in order to determine whether the SMEs qualify for the deferment of estimated tax payment?	The sources of data that will be used by the IRBM in order to determine whether the SMEs qualify for the deferment of estimated tax payment is based on YA 2018 Return Form received by the IRBM.
8.	Would additional criteria such as paragraph 2B and 2C, Schedule 1, ITA 1967 be applicable for a business to qualify as SME for this deferment of instalment payment purpose?	No. For this purpose, businesses just need to fulfil the criteria as mentioned in question D6.
9.	Do SMEs need to apply for deferment of CP204 payment?	No. Deferment of CP204 payment will be given automatically to all SMEs based on IRBM's record.
10.	It was previously informed that tourism industry related taxpayers had to put in manual application for the deferment of CP204 payment. Is this procedure still applicable?	No. Deferment of CP204 payment will be given automatically based on IRBM's record.
Income Tax Estimates for Other than Company (CP500)		
11.	Can payment for CP500 be deferred?	Yes. Can be deferred starting from April 2020 to June 2020. The months eligible for deferment are March 2020 and May 2020.
12.	Will the taxpayer be allowed to revise CP500?	Yes. The taxpayer is allowed to revise CP500 on or before the 30 June 2020.

13.	Are all the SMEs entitled for deferment of CP500 payment?	Yes.
14.	Do taxpayers in the SME category need to apply for deferment of CP500 payment from IRBM?	No. Deferment of CP500 payment will be given automatically to eligible taxpayers based on payment records with IRBM.
Payment of Income Tax - General		
15.	Will a tax increase be imposed for late payment of tax (all types of income taxes) which should be paid within the MCO period?	Tax increase will not be imposed if the payment is made on or before 31 May 2020.
16.	When should the deferred payments for CP204 / CP500 be settled?	Taxpayers do not need to pay the deferred payments. The balance of tax (if any) has to be settled upon the submission of the income tax return.
17.	Does deferment of CP204 / CP500 payment lead to a tax increase under section 107C(9) / 107B(3) of the ITA 1967?	No. Deferment of CP204 / CP500 payment to the companies / businesses that qualify under this Economic Stimulus Package (ESP) will not be subject to tax increase under 107C(9) / 107B(3) of the ITA 1967.
18.	Can taxpayer choose to reject the automatic deferment of tax estimates payment and continue payments based on the original payment schedule? If so, does the taxpayer need to notify the IRBM?	Yes. Taxpayer can reject and continue paying tax estimates based on the original payment schedule without having to inform the IRBM.
19.	Will the IRBM issue a notification to the taxpayers who are entitled for deferment of tax estimates payment?	Yes. The IRBM will notify taxpayers who are entitled for deferment of tax estimates payment by e-mail registered with IRBM in the near future. If the taxpayer is entitled to a deferment based on the criteria outlined in answer No. 6 (Part D) above but has not yet received the e-mail, the taxpayer will not have to make a payment for the instalment which is due on 15 April 2020.

20.	Can a taxpayer make an appeal if it is found that the company is eligible for deferment of tax estimate based on the current situation of the company?	Yes. Taxpayers can appeal by letter / e-mail to the Records Management and Taxation Information Division. A notification e-mail will be issued if the appeal is approved.
21.	Will extension of time be given to submit return form and payment for Labuan entity during this period?	Extension of time will be given until 31 May 2020.
22.	How should one make payment which exceeds the limit set by internet banking?	Tax payment of over RM1 million can be made through telegraphic transfer (TT). However, the concerned taxpayer needs to submit the payment details to IRBM fax at 03-6201 9637 or e-mail at: HelpTTpayment@hasil.gov.my Failure to furnish the payment details will result in the failure of updating the taxpayer's ledger.
23.	How can withholding tax payment be made within the MCO period?	Payment of withholding tax which falls within the MCO period can be made from 29 April 2020 until 31 May 2020. Payment can be made via telegraphic transfer (TT) by furnishing complete payment details to IRBM via fax at 03-6201 9637 or e-mail at: HelpTTpayment@hasil.gov.my
24.	Will penalty be imposed on withholding tax payment which should be made within the MCO period?	Payment of withholding tax which is due within the MCO period can be made from 29 April 2020 up to 31 May 2020. Penalty will not be imposed on late payment during that period.
25.	Will there be extension of time to submit MTD data and make MTD / CP38 payment for March and April 2020 remuneration?	Extension of time will be given until 31 May 2020.
26.	Will compound payment for MTD which should be paid within the MCP period be deferred?	Payment can be made before 31 May 2020.

27.	Will IRBM defer the tax refund process?	Tax refunds will be processed as usual. However, in an ongoing audit case, taxpayers are required to submit the supporting documents as requested within the MCO period for the purpose of tax refund.
-----	---	--

E. REAL PROPERTY GAINS TAX (RPGT)

No.	Question	Feedback
1.	Is extension of time provided for the submission of RPGT return forms and payment?	For the submission of RPGT return forms and payment of RPGT (section 21B or payment of notice of assessment) where the due date falls within 18 March 2020 to 31 May 2020, the dateline for filing of the forms and payment is 31 May 2020.

F. STAMP DUTY

No.	Question	Feedback
1.	Can sales and purchase agreement for houses be stamped during this period?	<p>Stamp duty on sales and purchase agreement for houses is RM10.</p> <ol style="list-style-type: none"> i. Duty payer may purchase Revenue Stamps from post offices. ii. Affix the stamp on the agreement. iii. Stamp can be executed by drawing a line across the stamp and writing or marking current date on the stamp. <p>The cancellation of Revenue Stamps as stated above is only possible for documents that attract a fixed duty under item 4, Schedule 1 of the Stamp Act 1949 such as sales and purchase agreement for houses.</p>
2.	What is Stamp Assessment and Payment System?	The Stamp Assessment and Payment System (STAMPS) is a system which enables application and payment for stamp duty to be done online.
3.	Who can use STAMPS?	All legal firms, companies, partnerships, businesses, financial institutions or agents registered with any company registrar in Malaysia.
4.	Can individuals use STAMPS?	Individuals may use STAMPS if they have a business registered with the Companies Commission of Malaysia (SSM).

5.	How can an individual without business registered with SSM do stamping within the MCO period?	<p>Stamping for individual documents cannot be done within the MCO period.</p> <p>Stamping must be done manually over the counters at any Stamp Offices/ Revenue Service Centres / UTC Johor after 28 April 2020. No penalty will be imposed as extension of time will be given until 31 May 2020 for all documents which should have been duly stamped between 18 March 2020 to 30 May 2020.</p> <p>Stamp duty offices nationwide will be open from 3 April 2020 to cater to individual duty payers. However, the services available will be limited to:</p> <ul style="list-style-type: none"> i. Stamping for individuals and public who do not have STAMPS user ID. ii. Payment of stamp duty on the notice of assessment which cannot be made online. <p>Operation hours based on the working days of the relevant state is from 8.00 am to 12.00 pm.</p>
6.	How do duty payers other than individuals make stamping application?	<p>They may do online stamping through STAMPS at:</p> <p>https://stamps.hasil.gov.my</p> <p>Agents or representatives with STAMPS user ID are required to submit the stamping application and make payment online.</p>
7.	Are all stamp duty counters open and what about the counter operating hours?	<p>Stamp duty counters at Branch Stamping Offices nationwide will be in operations from 3 April 2020. Stamp duty counters at Revenue Service Centres and Johor Bahru UTC will remain closed until the end of the Movement Control Order period.</p> <p>Please refer to IRBM's Press Release on operating hours for stamp duty counters as follows:</p> <ul style="list-style-type: none"> a) http://lampiran1.hasil.gov.my/pdf/pdfam/Media_LHDNM_0204_2020_PEMBUKAAN_KAUNTER_DUTI_SETEM_DI_PEJABAT_SETEM_CAWANGAN_LHDNM_MULAI_3_APRIL_2020.pdf b) http://lampiran1.hasil.gov.my/pdf/pdfam/KenyataanMediaLHDNM_13042020_LANJUTAN_TEMPOH_PENUTUPAN_PREMIS_LHDNM.pdf
8.	How to make online payment?	<ul style="list-style-type: none"> i. Online payment can be made by STAMPS users through FPX medium, CIMB Biz Channel or Public Bank for cases with the status "sedia untuk bayaran duti". ii. Print stamp certificate after payment is successful. iii. Attach stamp certificate to physical document as prove of payment.

9.	Will I be imposed penalty for late payment?	If payment for notice of assessment on stamp duty falls within the MCO period, the payment can be made until 31 May 2020. No late payment penalty will be imposed.
10.	How does one verify the validity of a Stamp Certificate?	Verification can be made at: a) https://stamps.hasil.gov.my/stamps/ OR b) by smartphone application Download “Semakan Ketulenan Sijil” application (ANDROID / iOS)

G. CONTRIBUTION / DONATION

No.	Question	Feedback
General		
1.	Is donation to the COVID-19 Fund allowed as tax deduction?	Yes. Please refer to IRBM's Press Release dated 26 March 2020 at: http://lampiran1.hasil.gov.my/pdf/pdfam/Media_LHDNM_26032020_INSENTIF_POTONGAN_CUKAI_BAGI_SUMBANGAN KEPADA TABUNG_COVID19.pdf
Contribution / donation under paragraph 34(6)(h) of the ITA 1967		
2.	What form of donation is allowed under paragraph 34(6)(h) of the ITA 1967?	Cash and in-kind donations.
3.	Where can contribution under paragraph 34(6)(h) of the ITA 1967 be channeled?	Contribution can be channeled to the COVID-19 Fund managed by Ministry of Health Malaysia.
4.	Who can contribute / donate under paragraph 34(6)(h) of the ITA 1967?	Contributors with business income are entitled to a deduction from gross business income on the contributions made.
5.	What is the supporting document needed for tax relief and tax deduction for cash donation under paragraph 34(6)(h) of the ITA 1967?	i. Government Official Receipt (Kew. 38); ii. Money transfer slip via ATM; iii. Cheque deposit machine slip; iv. Deposit slip via bank counter; v. Online payment slip; vi. Transfer slip via Interbank Giro (IBG Transfer); vii. Receipt of Real Time Electronic Transfer of Funds and Securities (RENTAS) System; or

		viii. Telegraphic transfer (TT) receipt with advice of credit.
6.	What is the supporting document needed for tax relief and tax deduction for contribution of equipment / goods under paragraph 34(6)(h) of the ITA 1967?	<ul style="list-style-type: none"> i. The original approval letter by the Ministry of Finance Malaysia; ii. Official receipt or letter of receipt of donation from the receiving body; or iii. Verification letter of service value/project cost value from the relevant Government agencies.
7.	What kind of goods can be contributed?	<p>Eligible contribution:</p> <ul style="list-style-type: none"> i. Equipment such as ventilators, patient beds and air conditioners; ii. Face mask, hand sanitiser, glove, test kit and personal protection equipment (PPE); iii. Services such as cost of disinfection and sanitation (roads, buildings, markets, places of worship, etc.), moving toilets & delivery of supplies; or iv. Financing cost such as provision of permanent or temporary infrastructure (for example: tent, marquee tent to accommodate extra beds).
8.	Where should the application procedure be submitted?	<p>The complete application can be submitted to:</p> <p>Setiausaha Bahagian Cukai Tingkat 6, Blok Tengah, Kompleks Kementerian Kewangan, Presint 2, Pusat Pentadbiran Kerajaan Persekutuan, 62592 Putrajaya.</p>
9.	When is the deduction allowed for a tax claim?	Tax deduction can be claimed in Year of Assessment 2020.
10.	Can the same amount be claimed under subsection 44(6) of the ITA 1967?	No. Double claim is not allowed for the same amount.
11.	What is the allowed contribution period for COVID-19?	Beginning February 2020 until the pandemic is declared over by the Government.
Contribution / donation under subsection 44(6) of the ITA 1967		
12.	What form of donation is allowed under subsection 44(6) of the ITA 1967?	Cash donations only.
13.	Where can donation under subsection 44(6) of the ITA 1967 be channeled?	<ul style="list-style-type: none"> i. National Disaster Management Agency, Prime Minister's Department; or ii. Institution or organisation or fund approved under subsection 44(6) of the ITA 1967.

14.	Should an approved institution or organisation or fund reapply for the purpose of contribution / donation for COVID-19?	No. An institution or organisation or fund that has been approved under subsection 44(6) of the ITA 1967 is eligible for such contribution / donation.
15.	Where is information on approved institution or organisation or fund obtainable?	Information can be obtained via the IRBM's Official Portal at the following link: http://www.hasil.gov.my/bt_goindex.php?bt_kump=2&bt_skum=6&bt_posi=1&bt_unit=8&bt_sequ=1
16.	What is the supporting document needed for income tax deduction?	<p>i. National Disaster Management Agency, Prime Minister's Department.</p> <ul style="list-style-type: none"> ▪ Government Official Receipt (Kew. 38); ▪ Money transfer slip via ATM; ▪ Cheque deposit machine slip; ▪ Deposit slip via bank counter; ▪ Online payment slip; ▪ Transfer slip via Interbank Giro (IBG Transfer); ▪ Receipt of Real Time Electronic Transfer of Funds and Securities (RENTAS) System; or ▪ Telegraphic transfer (TT) receipt with advice of credit <p>ii. Institution or organisation or fund approved under subsection 44(6) of the ITA 1967.</p> <ul style="list-style-type: none"> ▪ Official receipt that has been approved by IRBM.
17.	What is the amount allowed for tax deduction?	<p>Eligibility for contribution / donation amount for tax deduction:</p> <p>i. National Disaster Management, Prime Minister's Department.</p> <ul style="list-style-type: none"> ▪ Tax deduction amount is equal to the amount of the contribution. <p>ii. Institution or organisation or fund approved under subsection 44(6) of the ITA 1967.</p> <ul style="list-style-type: none"> ▪ Tax deduction amount is restricted to 10% of aggregate income
18.	Is an institution or organisation or a fund allowed to defer the submission of audited accounts during the MCO period?	Yes. An institution or organisation or fund which is approved under subsection 44(6) of the ITA 1967 is allowed to submit the audited accounts by 30 June 2020.

19.	Can a tax deduction claim be allowed without a supporting document?	No. Deduction will only be allowed with a legality supporting document.															
20.	When is the deduction allowed for a tax claim?	Tax deduction can be claimed in Year of Assessment 2020.															
21.	Can an employer collect the contribution / donation on behalf of the employees and donate it to the relevant agencies?	<p>Yes. The employers are allowed to collect on behalf of the employees. Information required is:</p> <ul style="list-style-type: none"> i. Proof of payment; ii. Payment amount; iii. Company / employer registration number; iv. Company / employer income tax number; v. Employee name; vi. Employee identification number; vii. Employee income tax number; viii. IRBM branch which handles the employee income tax number; and ix. Amount of contribution made by the employee. <table border="1" data-bbox="639 943 1428 1077"> <thead> <tr> <th data-bbox="644 949 715 1010">No.</th> <th data-bbox="719 949 911 1010">Name of employees</th> <th data-bbox="916 949 1107 1010">Identification No.</th> <th data-bbox="1112 949 1267 1010">Income Tax No.</th> <th data-bbox="1272 949 1423 1010">Amount (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="644 1016 715 1039">1.</td> <td data-bbox="719 1016 911 1039"></td> <td data-bbox="916 1016 1107 1039"></td> <td data-bbox="1112 1016 1267 1039"></td> <td data-bbox="1272 1016 1423 1039"></td> </tr> <tr> <td colspan="3" data-bbox="644 1046 1107 1068"></td> <td data-bbox="1112 1046 1267 1068">Total</td> <td data-bbox="1272 1046 1423 1068"></td> </tr> </tbody> </table> <p>An internal circular will be provided and notified to the relevant IRBM Branch.</p> <p>Tax deductions can be claimed by the employee and not the employer.</p>	No.	Name of employees	Identification No.	Income Tax No.	Amount (RM)	1.								Total	
No.	Name of employees	Identification No.	Income Tax No.	Amount (RM)													
1.																	
			Total														
22.	What is the allowed contribution period for COVID-19?	Beginning February 2020 until the pandemic is declared over by the Government.															

A. Provisions of tax deductions under the ITA 1967 related to contribution made by taxpayers associated with COVID-19.

No.	Provision	Type of contribution	Eligibility and Limit
1.	<p>Paragraph 34(6)(h) –</p> <p>The contribution to the community projects / charities approved by the Minister of Finance Malaysia.</p> <p>Projects must be related to ‘services, public amenities and contributions to a charity or community project pertaining to education, health, housing, conservation or preservation of environment, enhancement of income of the poor, infrastructure and information and communication technology’.</p> <p>The Ministry of Finance Malaysia has recognised the initiative to combat the COVID-19 pandemic as a community / charity project approved under paragraph 34(6)(h) of the ITA 1967.</p> <p>Thus, contributors who make the contribution for this purpose are entitled to claim a tax deduction from gross business income an amount equal to the amount of contribution made.</p> <p>Contributors need to get the amount of the contribution verified by the Ministry of Health Malaysia / relevant agency. The application must be made directly to the Ministry of Finance Malaysia.</p> <p>Refer to the special guidelines released by Ministry of Finance Malaysia: Special Guidelines on the Application for Income Tax Deductions for Community / Charity</p>	Cash or in-kind	<ul style="list-style-type: none"> ✓ Companies and others with the business income. ✓ Deductions from adjusted business income. ✓ No restrictions on the contribution limit. In the case of a loss, the loss may be carried forward but restricted to 7 years of assessment. ✓ Not entitled to claim the same amount under subsection 44(6).

	<p>Projects to Combat the COVID-19 Pandemic.</p> <p>Example 1: Titan Sdn. Bhd. has the skills to develop a mobile disinfection chamber. The company wants to launch this project and install the equipment in several markets to allow market visitors to be sanitised when entering to / exiting from the market.</p> <p>The company has applied from the Ministry of Finance Malaysia to approve the project. Once approved the company may claim the amount made for the installation of the equipment in the tax computation under this provision.</p> <p>Example 2: Masquarade Sdn. Bhd. has made contributions in the form of PPE, face masks and hand sanitisers to Ministry of Health Malaysia for the hospital usage.</p>		
2.	<p>Subsection 44(6) –</p> <p>Contributions made to the Government, State Government, local authorities or any organisation, institution or fund approved by the Director General of Inland Revenue (DGIR).</p> <p>Funds introduced to help deal with the COVID-19 pandemic:</p> <ul style="list-style-type: none"> ▪ COVID-19 Fund (National Disaster Management Agency, Prime Minister's Department) 	Cash only	<ul style="list-style-type: none"> ✓ Company and other than company. ✓ Deduction from aggregate income. ✓ Contribution to Government, State Government, local authorities - No Limit. ✓ Contribution to approved organisation, institution or fund - Restricted to 10% of aggregate income.

	<p>Example 3:</p> <p>Mr. Wong donated cash amount of RM1,000 to the COVID-19 Fund (National Disaster Management Agency, Prime Minister's Office).</p>		
3.	<p>Subsection 44(11C) –</p> <p>Contribution to projects of national interest approved by the Minister of Finance.</p>	Cash or in-kind	<ul style="list-style-type: none"> ✓ Company and other than company. ✓ Deduction from aggregate income. The allowable amount is restricted to the amount not to exceed the difference between the 10% aggregate income and the deduction amount under the provisions of subsection 44(6) and subsection 44(11B).

B. Other provisions under the ITA 1967 related to medical equipment.

No.	Provision	Type of contribution	Eligibility and Limit
1.	<p>Subsection 44(10) –</p> <p>Cash or medical equipment donation to private medical treatment (healthcare facility) approved by the Ministry of Health Malaysia.</p> <p>Medical equipment is not defined in the act. Therefore, reference is made to the Medical Device Act 2012 which defines 'medical device' as follows:</p> <p>"is any instrument, apparatus, implement, machine, appliance, implant, in vitro reagent or calibrator, software, material or other similar or related article:</p> <p>(a) intended by the manufacturer to be used, alone or in combination,</p>	<p>Cash or medical equipment</p> <ul style="list-style-type: none"> ▪ PPE (including face masks and hand sanitisers) is not a medical equipment. 	<ul style="list-style-type: none"> ✓ Applicable to individuals only. ✓ Deduction from aggregate income. ✓ Maximum deduction limit of RM20,000 only.

for human beings for one or more of the specific purposes of:

- i) diagnosis, prevention, monitoring, treatment or alleviation of disease;
- ii) compensation for an injury;
- iii) investigation, replacement, modification, or support of the anatomy or of a physiological process;
- iv) supporting or sustaining life;
- v) control of conception;
- vi) disinfection of medical devices; or
- vii) providing information for medical or diagnostic purposes by means of in vitro examination of specimens derived from the human body;

which does not achieve its primary intended action in or on the human body by pharmacological, immunological or metabolic means, but which may be assisted in its intended function by such means; and

(b) any instrument, apparatus, implement, machine, appliance, implant, in vitro reagent or calibrator, software, material or other similar or related article, to be used in the human body, which the Minister may, after taking into considerations issues of public safety, public health or public risk declare to be a medical device by order published in the Gazette.

Medical equipment is not defined under the Medical Device Act 2012.

However, it refers to “medical equipment is used mainly for providing therapeutic benefits for

certain conditions or illnesses. The use of this equipment must be prescribed by a physician, which is designed to serve a medical purpose. It is a long-term and reusable device that can be used in the hospital or at home for patient care”.

Example of medical equipments are as follows:

- i. Manual wheelchairs or electric wheelchairs
- ii. Hospital beds
- iii. Walkers, crutches, canes (or any similar type of mobility assistive equipment)
- iv. Traction equipment
- v. Pressure mattresses
- vi. Insulin pumps
- vii. Breast pumps
- viii. Nebulizers
- ix. Patient Lifts
- x. Bili lights and blankets
- xi. Kidney machines
- xii. Stationary or portable oxygen tanks
- xiii. Oxygen Concentrators
Ventilators

Medical consumables are referred to as:

“Medical consumables and equipment includes syringes, needles, sutures, staples, packaging, tubing, catheters, medical gloves, gowns, masks, adhesives and sealants for wound dressing and a whole host of other devices and tools used with a hospital or surgical environment.”

Based on the definitions and references above, PPE (including face masks and hand sanitisers) are included in the medical consumables and not under medical equipment.

	<p>Example 4 The Dialysis Expert Sdn. Bhd. donated a hemodialysis machine to the Walafiat Dialysis Center (a private treatment center approved by the Minister) for RM15,000.</p>		
--	--	--	--