

Re: Tax Offences & Penalties

Offences under the Income Tax Act 1967 and the penalties thereof include the following:

Offences	Penalties
1. Failure to furnish Income Tax Return	RM 200.00 to RM 20,000.00 or imprisonment or both [on conviction]; or 300% of tax payable [in lieu of prosecution]
2. Failure to furnish Income Tax Return for 2 YAs or more	RM 1,000.00 to RM 20,000.00 or imprisonment or both, and 300% of tax liability [on conviction]; or 300% of tax payable [in lieu of prosecution]
3. Make an incorrect tax return by omitting or understating any income, or providing incorrect information	RM 1,000.00 to RM 10,000.00 and 200% of tax undercharged [on conviction]; or 100% of tax undercharged [in lieu of prosecution]
4. Willfully and intentionally evade tax or assist any other person to evade tax	RM 1,000.00 to RM 20,000.00 or imprisonment or both and 300% of tax undercharged [upon conviction]
5. Attempt to leave the country without payment of tax	RM 200.00 to RM 20,000.00 or imprisonment or both [on conviction]
6. Late payment of tax liability under an assessment for a YA	10% of tax payable
7. Late payment of tax instalment	10% of outstanding tax instalment amount

HILLS & CHERYL

Corporate Advisory Sdn. Bhd.

ACCOUNTS. ADVISORY. CoSec. RESEARCH. SST. TAX
"The next BIG decision."

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8. Underestimation of tax estimate for a YA by more than 30% of actual tax payable	10% of the difference exceeding 30% of the actual tax payable
9. Failure to furnish Country-by-Country Report (CbCR)	RM 20,000.00 to RM 100,000.00 or imprisonment or both [on conviction]
10. Incorrect return or information for Mutual Administrative Assistance Arrangement and for CbCR	RM 20,000.00 to RM 100,000.00 or imprisonment or both [on conviction]
11. Failure to furnish transfer pricing documentation	RM 20,000.00 to RM 100,000.00 or imprisonment or both [on conviction]; or RM 20,000.00 to RM 100,000.00 [in lieu of prosecution]
12. Failure to comply with IRB's request for taxpayer's bank account information for purposes of garnishee order (<i>w.e.f 1st January 2022</i>)	RM 200.00 to RM 20,000.00 or imprisonment or both [on conviction]

Reference:

Malaysia Income Tax Act 1967