

Client Alert

January 2019

Updates to the 2018 Special Voluntary Disclosure Programme

In our previous client alert [published in November 2018](#), we covered the 2018 special voluntary disclosure programme ("SVDP") which was announced during the Budget 2019 to encourage taxpayers to voluntarily disclose their previous undeclared income accurately and to settle tax arrears, if any. Since then, the Inland Revenue Board ("IRB") has issued revised operational guidelines on the implementation of the SVDP on 30 November 2018 and a revised set of frequently asked questions on 26 November 2018 on the SVDP. We have highlighted the notable changes following these revisions.

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A. Voluntary disclosure submitted is subject to audit / investigation findings

Although the SVDP applies to cases where an audit or investigation has commenced, the IRB clarified that disclosure made is still subject to any findings of the audit or investigation. If the disclosed information is not consistent with the issues under audit or investigation, then a further audit may be undertaken on the taxpayer.

B. Non-application of the SVDP to cases under criminal investigation

The IRB has clarified that the SVDP does not apply to cases where criminal investigation has commenced or criminal prosecution proceedings has been instituted pursuant to the Income Tax Act 1967, Petroleum Income Tax Act 1967, Real Property Gains Tax Act 1976, Stamp Act 1949 or Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

C. Application of the SVDP to withholding tax cases

The IRB has confirmed that it will now accept disclosure regarding withholding tax issues under the SVDP.

D. No further review

Based on the revisions, the IRB is expected to continue accepting voluntary disclosures in good faith, even where additional information is received from third parties indicating otherwise. This means that a further review is not intended to be undertaken on the information disclosed by the taxpayer.

