

## Self Assessment System for Companies

The Self Assessment System has been implemented for companies beginning from Year of Assessment 2001. Under this system, companies are required to furnish estimate of tax, make instalment payment, determine tax payable and file Return Form C to the Inland Revenue Board (IRB).

## Tax Estimate

### *Furnishing Tax Estimate*

An estimate of tax payable must be furnished in a prescribed form not later than 30 days before the beginning of the basis period for a year of assessment. For a new company, the estimate of tax payable must be furnished within 3 months from the date of commencement of operation.

### *Prescribed Form (Form CP 204)*

As part of a service to taxpayer, this form will be issued to all companies registered with IRB. In the event that companies did not receive the form, these forms are also available at all IRB branches and also at IRB's website. Upon completion of this form, it should be sent back to the following address:

Inland Revenue Board  
**Processing Centre**, 2<sup>nd</sup> Floor, Block 8A,  
Government Offices Complex,  
Jalan Duta, Locked Bag 11055,  
50990 Kuala Lumpur.

### *Basis of Estimate*

The estimate of tax payable for a year of assessment should not be less than the revised estimate of tax to be paid for the immediate preceding year of assessment or the original estimate in the case where no revised estimate has been submitted.

### *Revising the Estimate*

A company that has furnished its estimate of tax according to the basis provided and within the time stipulated can revise its estimate of tax payable.

This revision can be made in the 6<sup>th</sup> month of the basis period by using the form **CP 204A** and submitting it to IRB's **Processing Centre** as stated in the above mentioned address. Beginning from Year of Assessment 2002 companies are allowed to revise their estimates in the 9<sup>th</sup> month of the basis period. Companies can proceed to make instalment payment based on the revised estimate submitted without further confirmation from IRB.

### *Change in Company's Date of Closing of Accounts*

A company must notify IRB if there is a change in its accounting date by using the form **CP 204B**. This form must be sent to the **Processing Centre** at the above mentioned address.

## Payment of Tax

### *Payment by Instalment*

The estimated tax payable must be paid in equal monthly instalments commencing from the second month in the basis period. For a new company monthly instalment must commence from the sixth month in the basis period. These monthly instalments must be paid on or before 10<sup>th</sup> day of each month. With effect from Year of Assessment 2002, IRB will not issue notice of instalment scheme (**Form CP 205**) for companies that have complied with the provision in furnishing tax estimates. Therefore, companies can carry on to make instalment payment according to the estimate submitted.

### *Penalty Relating to Instalment Payment*

Penalty in the form of increased in tax will be imposed if:

- A company fails to fully pay up the instalment payment within the stipulated time. A 10% increase in tax will be imposed on the payment outstanding within the stipulated time.
- A company that underestimates very much its estimate of tax. The formula for imposition of penalty is as follows:

$$\text{Increased in Tax} = [\text{AT-ET}] - (30\% \times \text{AT}) \times 10\%$$

Where: AT: Actual Tax Payable  
ET: Revised estimate or original estimate (if no revised estimate is furnished)

## How to Make Payment to IRB

### *Remittance slips (Form CP 207)*

All payments of tax must be accompanied with the Remittance slips (**Form CP 207**) sent to the companies.

### *IRB Payment Counter*

Payment can be made at the IRB Payment Counters.

Peninsular Malaysia	Sabah	Sarawak
Tingkat Bawah, Blok 8A, Kompleks Pejabat Kerajaan, Jalan Duta, 50600 Kuala Lumpur	Tingkat Bawah, Bangunan Wisma Bandaraya, Jalan Masjid Lama, 88000 Kota Kinabalu, Sabah	Aras 3, Wisma Ting Pek Khiing No. 1 Jln. Padungan 93100 Kuching, Sarawak

### *By Post*

Payment by cheques/bank draft can be sent to the respective addresses mentioned below. All Cheques must be crossed and made payable to: "THE DIRECTOR GENERAL OF INLAND REVENUE". The name of the company, the tax reference number and the address must be written on the reverse side of the cheque. **Do not send cash through the mail.**

Peninsular Malaysia	Sabah	Sarawak
Inland Revenue Board of Malaysia, Cawangan Pungutan, Karung Berkunci 11061, 50990 Kuala Lumpur	Inland Revenue Board of Malaysia, Cawangan Pungutan, Blok E, Bangunan KWSP, Jalan Karamuning, 88600 Kota Kinabalu.	Inland Revenue Board of Malaysia, Cawangan Pungutan, Aras 3, 6, 7, 8 & 15, Wisma Ting Pek Khiing, No. 1, Jalan Padungan, 93600 Kuching.

### *BUMIPUTRA-COMMERCE BANK BHD./PUBLIC BANK BHD./PUBLIC FINANCE BHD.*

Payment can also be made at any of the bank's branches in Malaysia.

### *Overpayment*

If there is any credit balance in the company's account with the IRB, please contact the Collections Branch if you wish to use the credit balance for payment of tax.

## Tax Assessment

### *Furnishing of Return Form (Form C)*

Beginning with the Year of Assessment 2001, companies are required to determine their tax payable and declare in the prescribed form (Return Form C)

to be furnished to IRB. Explanatory notes together with a guide on how to compute the tax payable will be provided to assist companies in furnishing the tax return.

#### *✍ Date for Furnishing Return Form*

Return Form C must be completed and furnished to IRB within 6 months after the close of its accounting period. Beginning from Year of Assessment 2002, a one month extension is allowed. Return Form C must be sent back to the IRB's **Processing Centre** at the address mentioned earlier by indicating "**Locked Bag 11018**".

#### *✍ Schedule of Issuance and Submission of Return Form C*

The schedule of issuance and submission of Return Form C for Year of Assessment 2003 is shown below:

Companies Accounts Year Ending	Issuance of Form C by IRB	Submission of Return Form C/ Due Date
31 Jan 2003		31 Aug 2003
28 Feb 2003	Apr 2003	30 Sept 2003
31 Mac 2003		31 Oct 2003
30 Apr 2003		30 Nov 2003
31 May 2003	July 2003	31 Dec 2003
30 June 2003		31 Jan 2004
31 July 2003		28 Feb 2004
31 Aug 2003	Oct 2003	31 Mac 2004
30 Sept 2003		30 Apr 2004
31 Oct 2003		31 May 2004
30 Nov 2003	Jan 2004	30 June 2004
31 Dec 2003		31 July 2004

#### *✍ Notice of Assessment*

Notice of assessment will not be issued to companies that have complied with the furnishing of a complete Return Form C within the stipulated time. The Director General is deemed to have made an assessment on the day the Return Form was furnished and the Return is deemed to be a notice of assessment.

#### *✍ Final Payment of Tax*

Upon determining the actual tax payable for a year of assessment, the balance of tax i.e. the actual tax payable less instalment payment (if any) must be paid not later than the last day of the 6<sup>th</sup> month after the closing of the accounting period. Beginning from Year of Assessment

2002 a one month extension is allowed. Remittance slips (Form CP 207) attached to the Return Form C must be used when making payments.

#### *✍ Penalty Relating to Payment of Balance of Tax Payable*

If balance of tax payable is not paid up within the stipulated time, a 10% increase in tax will be imposed on the outstanding balance without further notice. If there is still balance outstanding after 60 days from the stipulated date for payment, a 5% increase in tax will be imposed on the outstanding balance.

### Statement of Section 108 Income Tax Act 1967

#### ◆ *Submission of Form R*

A new section 108 has been introduced with effect from the Year of Assessment 2001 where the definition of Compared Aggregate is changed from the basis of Tax Chargeable to Tax Paid. Companies resident in Malaysia (including Singapore companies that pay Malaysian income tax) are required to submit to the IRB a statement in a prescribed form. In line with these changes a new Form R and the Explanatory Notes have been prepared. Where the company fails to submit this form by the due date and upon conviction may be penalised and the amount of penalty ranges from RM200 to RM2000.

#### ◆ *Due Date For Submission of Form R*

The Form R has to be submitted within 6 months from the date of the close of the accounts. Beginning from Year of Assessment 2002 a one month extension is allowed. Send this form to the IRB's **Processing Centre** at the address mentioned earlier by indicating "**Locked Bag 11018**".

#### ◆ *Compared Total Exceeds the Compared Aggregate*

Where the Compared Total exceeds the Compared Aggregate the excess is debt due which is payable within 6 months from the close of accounts. Beginning from year of assessment 2002 a one month extension is allowed. If the excess is not paid by the due date the amount unpaid will be increased by 10%.

Alamat laman web/web-site address:  
<http://www.hasilnet.org.my>

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## SELF ASSESSMENT SYSTEM A GUIDE FOR COMPANIES

Memberi Khidmat

MESRA  
MEMBANTU  
MEMUASKAN