



Smart decisions. Lasting value.

Special Voluntary Disclosure Program

The Golden Opportunity You Don't Want to Miss



Introduction



Many of you would have heard of the **Special Voluntary Disclosure Program (SVDP)**. It is a special program to incentivize taxpayers who have under-reported tax, to voluntarily disclose their income now. Under this program, the penalty rates are significantly reduced compared to those applicable to tax audits and investigations.

What has transpired since then and how successful has the program been? We are glad to bring you some highlights of this program and our experience in dealing with the Inland Revenue Board (IRB) on this matter.

Breaking News:

SVDP Penalty Rate of 10% Extended to 30 June 2019

(and SVDP Period Extended to 30 September 2019)

“ Following overwhelming response from taxpayers, we will extend the 10% special penalty rate until **June 30**. Declaration made between July 1 and September 30 will see the penalty raised to 15%, followed by 45% after that...”

Lim Guan Eng, Finance Minister of Malaysia

Source: <https://www.thestar.com.my/news/nation/2019/04/07/guan-eng-govt-to-extend-special-penalty-rate-for-taxpayers-until-june-30/#O4LyItutkqydTi4d.99>

Key Statistics

>100
countries

**Number of countries
involved in AEOI**

The Automatic Exchange of Information (“AEOI”) facilitates access to bank account information of individuals and companies by tax authorities in more than 100 countries

8.3
million
letters

**Number of SVDP letters
sent by IRB**


Since SVDP was introduced in November 2018, a total of 8.3 million letters / emails had been sent by the IRB to taxpayers on the SVDP

>10
billion

**Targeted tax collection
by IRB**

The estimated tax revenue to be collected under the SVDP is estimated to be RM10 billion to RM20 billion

Key Statistics



>1
million
taxpayers



382k
cases

IRB's targeted number of cases

The IRB targets at least 1 million taxpayers to participate in the SVDP

Actual number of cases submitted

Up to 31 March 2019, there were 381,979 applications that had been submitted to the IRB under the SVDP

FAQ on SVDP



✓ Reduced rates?

Penalty Rates

03/11/2018 – 30/06/2019: 10%

01/07/2019 – 30/09/2019: 15%

✗ Rates after expiry date?

Penalty Rates

From 45% to 300% on case by case basis

📌 When is expiry date for SVDP?

- Until 30 September 2019 only.

📋 SVDP Information subject to audit?

No.

IRBM will accept the voluntarily disclosed information *in good faith*.

Further reviews will not be made on the reported information.

FAQ on SVDP



Years to be disclosed for SVDP?

Individual: up to the financial year ended **31 December 2017**

Company: up to the financial year ended **31 March 2018**



Am I eligible?

Yes, If you :

- are not registered; or
- are registered but have not submitted tax return forms; or
- have submitted return forms but have not reported the correct information; or
- have failed to stamp executed documents.



Types of taxes covered?

- Corporate Income Tax
- Transfer Pricing
- Personal Income Tax
- Petroleum Tax
- Real Property Gains Tax
- Withholding Tax
- Stamp Duty

Cases settled by Crowe Malaysia

Withdrawal of stock

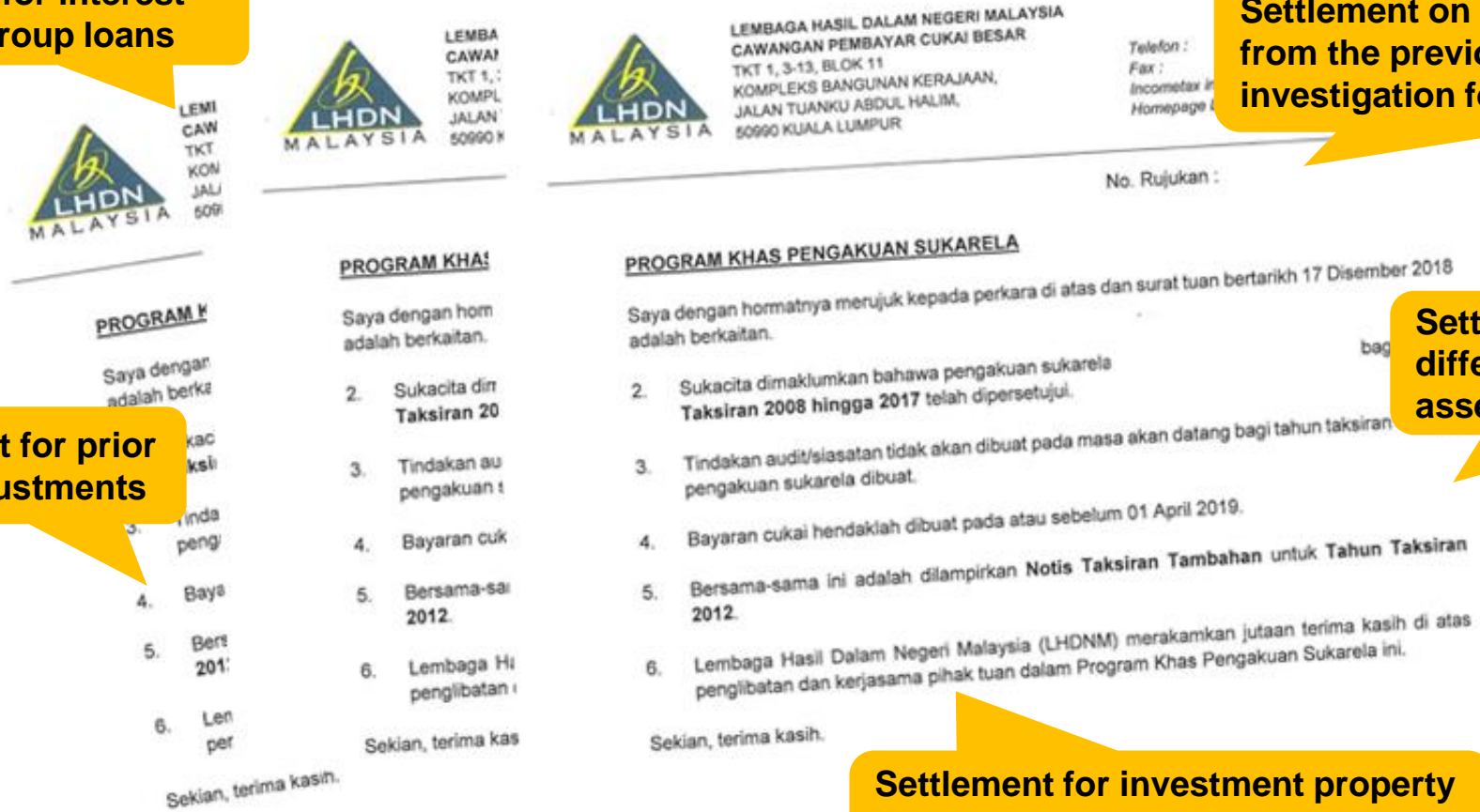
Settlement for interest free intra-group loans

Settlement on the audit adjustments from the previous tax audit / investigation for the uncovered years

Settlement for prior years' adjustments

Settlement for unreconciled difference between the net assets and the income earned

Settlement for investment property reclassification and interest expense not due to be paid



Cases settled by Crowe Malaysia

Settlement for foreign bank balances

Under-declared management fee income

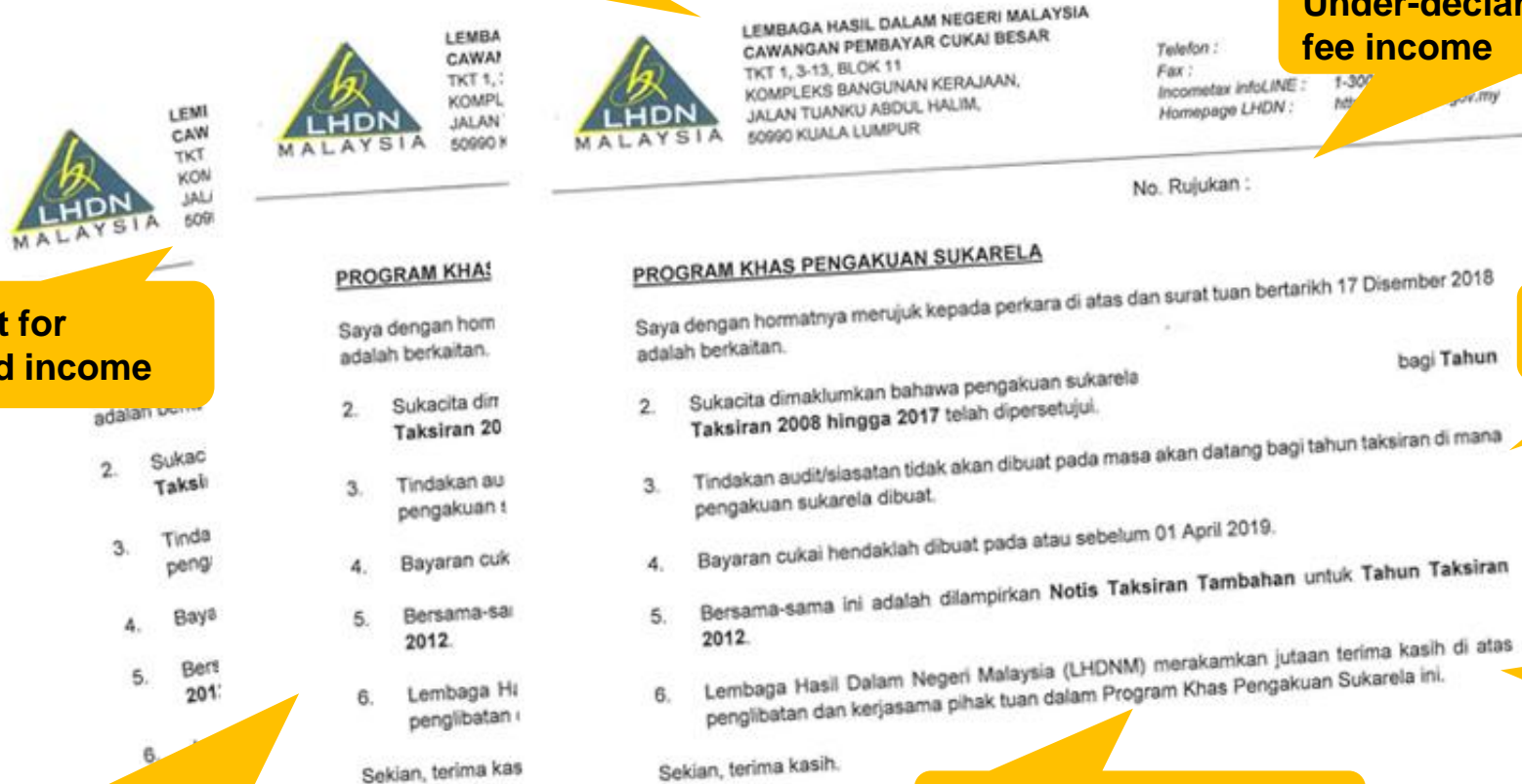
Settlement for unreported income

Resolving revenue vs capital treatments

Reinvestment Allowance vs Allowance for Increased Exports

Perquisites and rental income omitted

And more...





Thank You

Please feel free to contact us if you need assistance or further information:

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