



Smart decisions. Lasting value.

Indirect Tax: **Voluntary Disclosure & Amnesty Programme**

Nothing is More Expensive than a Missed Opportunity

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1. VA Programme: To encourage indirect tax compliance

The Voluntary Disclosure and Amnesty Programme (“VA”) provides an opportunity for taxpayers to voluntarily disclose their indirect tax liabilities and any indirect tax obligations that may not have been fulfilled.

VA is an opportunity offered by the Royal Malaysian Customs Department (“RMCD”) to allow previously non-compliant taxpayers to make good under specified terms. By participating in the VA, taxpayers can facilitate indirect tax compliance in a timely and cost-effective manner, and avoid the costly and contentious audits, litigation and proceedings.

VA is available for tax liabilities derived from the following:

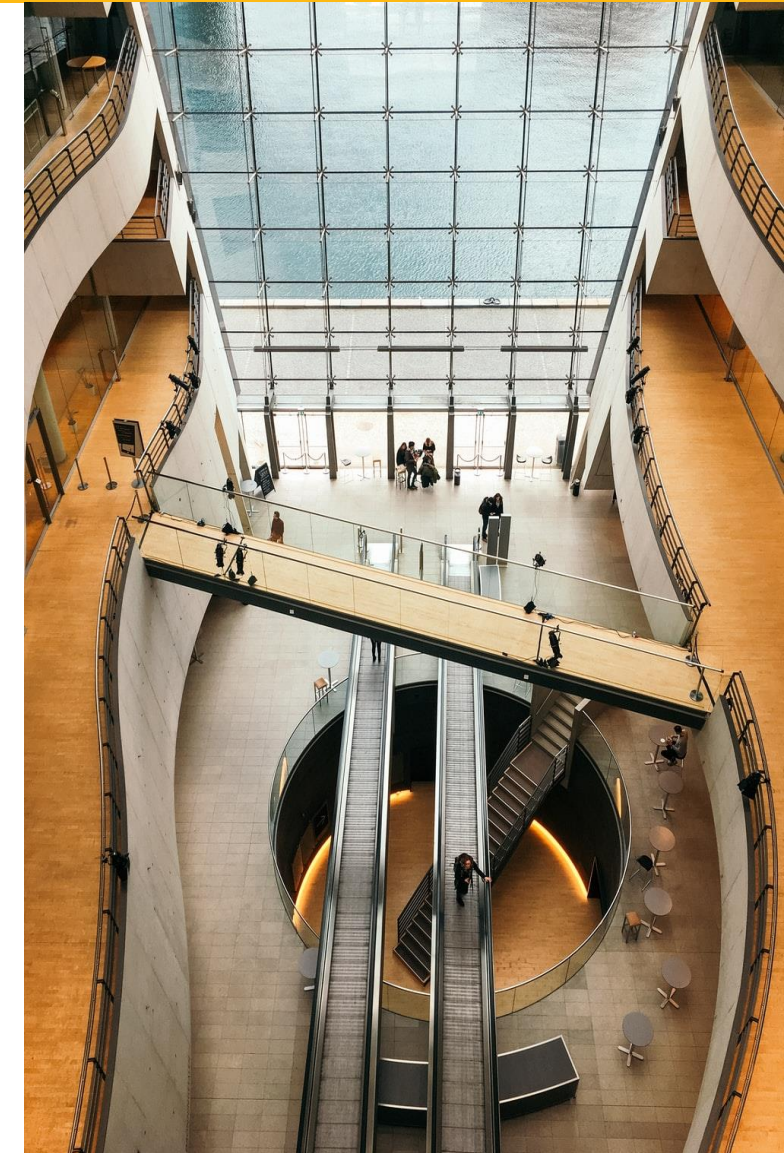
- a) Customs Act 1967;
- b) Sales Tax Act 1972 and 2018;
- c) Service Tax Act 1975 and 2018;
- d) Excise Act 1976;
- e) Goods and Services Tax Act 2014;
- f) Tourism Tax Act 2017; and
- g) Departure Levy Act 2019.

2. Benefits obtained by taxpayers

One of the interesting benefits of VA is the remission of penalty/surcharge. Considering the highest penalty/surcharge to be imposed on the indirect tax non-compliance, taxpayers can enjoy a significant potential tax savings by participating in the VA.

VA is divided into two phases. The tax savings depends on which phase the taxpayers complete their VA submission and tax liability payments remittance to the RMCD.

	Phase 1	Phase 2
Period of VA programme	1 January 2022 to 30 June 2022 (6 months)	1 July 2022 to 30 September 2022 (3 months)
Remission of penalty	100%	50%
Remission of indirect tax	Up to 30%	Up to 15%



3. Actions required from taxpayers

Taxpayers be they businesses or individuals are encouraged to take this opportunity to disclose all errors under this VA programme. It is a good practice to perform an Indirect Tax assessment and voluntarily disclose any underpayment of indirect taxes.

A proper assessment will prevent further tax liability/ audit/ investigation.

What is your business' Indirect Tax Risk Level?

Take this Preliminary Assessment to find out!

Discover your Indirect Tax risk level by taking our [Preliminary Risk Assessment here](#) or scan the QR code to fill up the checklist. We will contact you with the results in due course.



Don't wait until it is too late, you might not get another chance

If you have performed the indirect tax healthcheck and discovered any unreported indirect tax or detected underpayment of indirect tax, participating in VA will ease you from the hefty amount of tax penalty/surcharge. **The ideal time to participate in VA and remit the tax liability to the RMCD is before 30 June 2022.**

However, if you encounter challenges in meeting the Phase 1 deadline, you can still participate in VA by ensuring the VA submission and tax liability payment remittance are completed before 30 September 2022. Even though you may have missed the 100% remission of penalty offered in Phase 1, you are still entitled to 50% remission of penalty under VA Phase 2.

4. Eligibility

4.1 Categories of taxpayers eligible to participate in VA:

- Persons who are registered / not registered / liable to be registered under existing indirect tax laws.
- Persons who are acquiring imported taxable services.
- Persons who are having a duty / tax facility or exemption.
- Persons who have paid duty / tax on vehicles / importers of vehicles who hold approved permits.
- Local importers / exporters / manufacturers / licensed manufacturing warehouses / licensed warehouses.
- Importers of goods who are connected to Multinational Enterprises (“MNEs”).
- Persons who are earmarked / undergoing an audit / audited before the start of VA Programme for the coverage period on or before 31 October 2021.

4.2 Categories of taxpayers NOT eligible to participate in VA:

- Persons who are undergoing or have completed investigations conducted by the Enforcement Division of the RMCD or who have obtained a decision from the court.
- Persons who have been approved for duty / tax / levy remission by the Ministry of Finance.

5. What can Crowe Malaysia offer you in VA?



Indirect Tax Risk Management

- Indirect Tax healthcheck
- Compliance Risk assessment
- Process review
- Independent assessment of risk management policies



Assessment on Indirect Tax Implications

- Agreements / contracts implications review
- Business arrangement assessment and implications review
- Registration liability



VA Assistance

- Indirect tax exposure
- RMCD liaison



Indirect Tax Workshop

- Refresher courses
- Knowledge updates
- Retainer program

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