



INSIGHTS

Special Voluntary Disclosure Programme (SVDP) 2.0

Special Voluntary Disclosure Programme (SVDP) 2.0 provides an opportunity for taxpayers to come forward voluntarily to report their income and tax computations that are accurate and orderly in line with the IRBM rulings that are in force as well as encouraging taxpayers to pay taxes within the stipulated period.

The implementation period of SVDP 2.0 is **from 06 June 2023 until 31 May 2024**.

What is SVDP 2.0

Voluntary programme to give opportunity for taxpayers to increase their level of tax compliance bases on AES (Awareness, Education, Service) concept practiced at the IRBM.

The SVDP 2.0 includes:

Direct Tax

- ✚ Undeclared / under-declared income or over-claimed expenses, rebates or capital allowances;
- ✚ Undeclared assets disposal which are subject to the Real Property Gains Tax Act 1976;
- ✚ Documents / agreement that are not stamped within the stipulated period;
- ✚ Transfer pricing adjustment.

Indirect Tax

- ✚ Sales Tax Act 1972;
- ✚ Service Tax Act 1975;
- ✚ Sales Tax Act 2018;
- ✚ Service Tax Act 2018;
- ✚ Goods and Services Tax Act 2014;
- ✚ Tourism Tax Act 2017;

Eligible taxpayers

Direct Tax

- ✚ All categories of taxpayers except for Employer's File Returns.

Indirect Tax

- ✚ Any person, including foreign service provider



Period Covered

Direct Tax

- + For year of assessment 2022 and preceding years of assessment for **new taxpayers**.
- + Year of assessment 2021 and preceding years of assessment for **existing taxpayers**.
- + Declaration of assets disposal for the year of assessment 2022 and the preceding year.
- + Stamp duty on document / agreement executed on or before 1 May 2023

Indirect Tax

- + Indirect taxes payable up to **28 February 2023**.

Non-application list

Direct Tax

- + Audit action taken on taxpayers has been commenced for the year(s) of assessment involved;
- + Revision of tax return resulting to reduce assessment except for transfer pricing cases; or
- + Investigation action has been initiated or prosecution proceedings following a criminal investigation have been filed in court

Indirect Tax

- + Bills of Demand have been issued by the RMCD; or
- + Any person who is under audit for taxable period until 28 February 2023.



Incentive Offered

Direct Tax

| Details | Penalty | Penalty (SVDP) |
|--|--|----------------|
| Non submission of ITRF | 15% - 45% of tax payable | 0% |
| Submission of ITRF but not reported income accurately | Equal to the amount of tax which has been undercharged | 0% |
| Undeclared RPGT return | 10% of tax payable | 0% |
| Transfer Pricing | Up to 50% transfer pricing adjustment | 0% |
| Stamp Duty | Up to 20% of stamp duty payable | 0% |

Indirect Tax

| Details | Penalty | Penalty (SVDP) |
|---------------------------------------|---|-----------------------------|
| Non-compliance for tax payable | Up to 40% | 100% penalty remission |
| Compound | Not exceeding RM50,000 or imprisonment for a term not exceeding 3 years or both | No compound will be charged |

Benefit of SVDP 2.0

- ✚ Chance for taxpayers to make good of any under-paid taxes / non-compliance.
- ✚ No penalty / compound to be imposed for taxpayer who declared its income under the SVDP 2.0.
- ✚ Submission for SVDP may avoid company to be audited in the future for the submitted years.
- ✚ Taxpayer is eligible to apply for instalment of tax payment up to 12 months within the period of SVDP 2.0 programme.