

Guide to Penalties	
Income Tax	
Failure to submit Tax Return (including late filing) <ul style="list-style-type: none"> - Submission from 03.11.2018 to 30.06.2019 - Submission from 01.07.2019 to 30.09.2019 - Submission after 30.09.2019 	10% on tax payable (*) 15% on tax payable (*) 45% - 300% on tax payable (*) <i>Special Program for Voluntary Disclosure (SPVD)</i>
Omission of taxable income <ul style="list-style-type: none"> - Voluntary disclosure from 03.11.2018 to 30.06.2019 - Voluntary disclosure from 01.07.2019 to 30.09.2019 - Voluntary disclosure / discovery during tax audit after 30.09.2019 	10% on additional tax payable (*) 15% on additional tax payable (*) 45% - 100% on additional tax payable (*) <i>SPVD</i>
Failure to furnish correct particulars required by the Director General	RM200 to RM20,000
Failure to submit estimate of tax payable (Form CP204) (including late filing)	10% on tax payable (without prosecution); or RM200 to RM20,000 (with prosecution)
Actual tax is 30% higher than the estimate of tax	10% on the difference in tax payable in excess of 30% of the actual tax payable
Failure to remit tax payable	10% on the amount due and payable and an additional 5% on the amount due and payable if the delay is in excess of sixty (60) days
Failure to submit employer return (Form E)	RM200 to RM20,000
Failure to prepare and render to his/her employee a statement of remuneration (Form EA)	RM200 to RM20,000
Failure to give a notice by an employer of an employee who: <ul style="list-style-type: none"> - has commenced work for the employer (Form CP22) - is ceasing work for the employer (Form CP22A) - is about to leave Malaysia (Form CP21) 	RM200 to RM20,000
Failure to deduct Monthly Tax Deduction (MTD)	RM200 to RM20,000
Failure to furnish Country-by-Country Report (CBCR)	RM20,000 to RM100,000
Incorrect return or information provided for the implementation or facilitation of the operation of a: <ul style="list-style-type: none"> - mutual administrative assistance arrangement; or - double taxation arrangement or a tax information exchange arrangement where such arrangement relates to the automatic exchange of information or the furnishing of a CBCR. 	RM20,000 to RM100,000
Failure to deduct withholding tax	Disallowance of expenses; and 10% on the amount of withholding tax
Wilful evasion of tax	RM1,000 to RM20,000 plus penalty of three times the amount of tax undercharged
Assistance in, or advice, with respect to the preparation of a return	RM2,000 to RM20,000
Leaving Malaysia without payment of tax	RM200 to RM20,000
Obstruction of officers in the course of their duties; or Failure to provide reasonable facilities and assistance	RM1,000 to RM10,000
Failure to keep records	RM300 to RM10,000

The above penalties and fines are only for guidance and are not exhaustive. In cases of criminal prosecutions custodial sentences may apply.

Guide to Penalties

Secretarial

	<u>Public Company</u>	<u>Private Company</u>
	RM	RM
Late filing of documents :		
Not more than three (3) months	150.00	50.00
More than three (3) months but not more than six (6) months	250.00	100.00
More than six (6) months but not more than twelve (12) months	300.00	150.00
More than twelve (12) months	500.00	200.00

The above penalties have to be paid in cash upon filing of the documents. In addition to the penalties for late filing there is also an additional penalty for non-compliance with the relevant provisions of the Companies Act, 2016. These amounts are levied upon the directors and secretary(s) of companies by the Companies Commission of Malaysia only after the submission of the documents subject to the relevant provisions of the Companies Act, 2016.

Non-Compliance :	
Section 68 Failure to lodge Annual Return	RM50,000, default penalty 1,000 per day
Section 245(2) Failure to cause appropriate entries in accounting and other records within 60 days of transaction	RM500,000 or 3 years imprisonment or both
Section 248 Failure to prepare Financial Statement	RM500,000 or 1 year imprisonment or both
Section 251 Failure to prepare Statement by Directors and Statutory Declaration by Director	RM500,000 or 1 year imprisonment or both
Section 252 Failure to prepare Directors' Report	RM500,000 or 1 year imprisonment or both
Section 257 Failure to circulate Financial Statement and Reports	RM50,000
Section 258 Failure to circulate Financial Statement and Reports within prescribed time	RM50,000, default penalty RM500 per day
Section 259 Failure to lodge Financial Statement and Reports to	RM50,000, default penalty RM1,000 per day

The non-compliance penalty is levied against each officer (directors and secretary) of the company and the company.

This means that for two directors limited company every year when you fail to have your financial statements audited and for not circulating your financial statements and reports and for not lodging the financial statements and reports the non-compliance penalty could be RM2.15 million. (Every officer and the company, except Section 248 which is applicable to directors only)



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