



# MEDIA RELEASE

For immediate release

## **CLARIFICATION REGARDING THE IMPOSITION OF 100% PENALTY FOR FAILURE TO DECLARE INCOME AND CORRECT INFORMATION**

1. The Inland Revenue Board of Malaysia (IRBM) would like to bring to the attention of the media and the public regarding the issue of the imposition of penalty at a rate of 100% which will be implemented with effect from 1 January 2018.
2. Under the Income Tax Act 1967, the Director General of Inland Revenue is given the power to impose a penalty for the offence of default in declaring income or in declaring correct income which is subject to tax. The proposal to increase the rate of penalty to 100% of the tax payable on the undeclared or under declared income beginning 1 January 2018 is a step towards elevating the level of voluntary compliance among tax payers by dealing with tax payers who are hardcore tax law defaulters.

3. Some examples of cases which will be subjected to this rate are :
  - a. Repeated offences of undeclared or incorrectly declared income received by way of a return form,
  - b. Refusal to give full co-operation during an audit or investigation process,
  - c. Failure to give information or documents requested to assist in an audit or investigation process,
  - d. Carrying out an organised tax evasion scheme, or
  - e. Failure to comply with the tax law even though the tax payer has been audited or investigated before.
4. In preparation, tax payers are encouraged to come forward and declare their income and correct information within the required time.

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**THANK YOU**



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**Dikeluarkan oleh:**

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