



OPERATIONAL GUIDELINES NO. 2/2023
INLAND REVENUE BOARD OF MALAYSIA

SPECIAL VOLUNTARY DISCLOSURE PROGRAMME 2.0

1. INTRODUCTION

- 1.1. These guidelines set out the implementation procedures of the Special Voluntary Disclosure Programme (SVDP) 2.0 for eligible taxpayers following the 2023 Budget Announcement by the Minister of Finance Malaysia on 24 February 2023.
- 1.2. The SVDP 2.0 is an initiative by the Inland Revenue Board of Malaysia (IRBM) to support the pillars of sustainability in the national tax administration in line with the concept of Malaysia Madani. The offered programme provides an opportunity for taxpayers to increase their level of tax compliance based on the concept of AES (Awareness, Education, Service) practised at the IRBM.
- 1.3. This 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.

- 1.4. This SVDP 2.0 also focuses on the participation of new taxpayers in reporting income to IRBM following the implementation of the introduction of the Tax Identification Number (TIN) starting from year 2023, where a total of 7.8 million individual citizens and permanent residents are issued with TIN automatically. Thus, new taxpayers should take this opportunity to participate in the SVDP 2.0 if they have not reported their income as required by the taxation laws and regulations. It is hoped that this programme will assist taxpayers in fulfilling their responsibilities to the country.
- 1.5. In an effort by the government to support the growth of the digital economy, the government through the announcement of the 2023 Budget has introduced the implementation of e-Invoicing in stages, starting from the end of 2023 to ensure efficiency in the management of the country's tax administration. Accordingly, taxpayers are advised to take this opportunity to update their tax reporting position by participating in the SVDP 2.0 before the full implementation of e-Invoicing.
- 1.6. This SVDP 2.0 involves voluntary disclosure along with payments made within the stipulated period for:
 - 1.6.1. Reporting undeclared / under-declared income, overclaimed / disallowed other expenses / claims, overclaimed relief / deductions / rebates and overclaimed capital allowances / incentives;
 - 1.6.2. Reporting assets disposal (properties and shares in real property companies) which are subject to the Real Property Gains Tax Act 1976; and
 - 1.6.3. Stamping of documents / agreements that are not stamped within the stipulated period.

2. OBJECTIVES

These guidelines are aimed to:

- 2.1. Provide explanations on the method of implementation of the SVDP 2.0;
- 2.2. Provide information on the period of the SVDP 2.0 and the offer for reduction of penalty / surcharge; and
- 2.3. Outline the payment procedures in relation to voluntary disclosure.

3. LEGISLATIVE PROVISIONS

The provisions of the Act referred to for waiver of penalty / surcharge under the SVDP 2.0 are as follows:

- 3.1 Subsections 112(3), 113(2) and 140A(3C) of the Income Tax Act 1967 (ITA 1967);
- 3.2 Subsection 29(3) of the Real Property Gains Tax Act 1976 (RPGTA 1976); and
- 3.3 Subsection 47A(1) of the Stamp Act 1949 (SA 1949).

4. IMPLEMENTATION PERIOD

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

5. IMPLEMENTATION

- 5.1. SVDP 2.0 is offered to all categories of taxpayers except the employer file category.

- 5.2. Voluntary disclosure can be made by the taxpayers or the duty payers for the following situations:

5.2.1. New taxpayers who have never reported income to IRBM but have started a business or have income / disposed asset.

- a. The new taxpayers for the purpose of SVDP 2.0 are taxpayers who do not yet have or already have a TIN and are reporting income for the first time.
- b. Taxpayers need to check their TIN online through the e-Daftar service at MyTax Portal. If the taxpayers do not have a TIN, registration can be done online through the e-Daftar service at MyTax Portal or at any of the nearest IRBM service counter.
- c. The Income Tax Return Form (ITRF) / Real Property Gains Tax Return Form (RPGTRF) must be submitted within the SVDP 2.0 implementation period by disclosing accordingly the accurate income and tax computations / disposal of asset in accordance with the IRBM rulings that are in force, either via e-Filing / e-CKHT or ITRF/ RPGTRF manually.

5.2.2. Existing taxpayers who have previously declared income to IRBM but have not submitted ITRF/ RPGTRF for any other year of assessment.

ITRF / RPGTRF must be submitted within the SVDP 2.0 implementation period by disclosing accurately and accordingly the income and tax computations / disposal of asset in accordance with the IRBM rulings that are in force, either via e-Filing / e-CKHT or ITRF/ RPGTRF manually.

5.2.3. Existing taxpayers who have previously declared income to IRBM but still have unreported additional income.

- a. Taxpayers are required to submit voluntary disclosure within the SVDP 2.0 implementation period, through the SVDP 2.0 Link on the IRBM Official Portal <https://www.hasil.gov.my/> / MyTax by using the SVDP 2.0 Additional Income Reporting Form (**Appendix 1**) and attach the tax computation. The tax computations are only required to be submitted by taxpayers under the companies, businesses and partnerships file category .
- b. Taxpayers who have made voluntary disclosure for transfer pricing issues within the SVDP 2.0 implementation period need to fill in the Voluntary Disclosure Form For Transfer Pricing Case (**Appendix 2**).

5.2.4. Duty payers who fail to stamp documents / agreements within the stipulated stamping period

Duty payers who submitted documents / agreements executed (signed) on or before 01 May 2023 for stamping from 06 June 2023 until 31 May 2024 are eligible to participate in this SVDP 2.0. Documents / agreements must be submitted through Stamp Assessment and Payment System (STAMPS) for stamping at <https://stamps.hasil.gov.my/>.

- 5.3. The method of submitting the ITRF / RPGTRF, SVDP 2.0 Additional Income Reporting Form, Voluntary Disclosure Form For Transfer Pricing Case and the method of stamping the documents / agreements are as follows:

- 5.3.1. ITRF submission **must be** made online via the **e-Filing** service at MyTax Portal for ITRF which is available and accessible online according to the year of assessment.
- 5.3.2. For ITRF which is not available / accessible online, the submission of a manual ITRF must be made to the IRBM office handling the taxpayer's file or to the nearest IRBM office. Manual ITRF can be downloaded and printed from the IRBM Official Portal.
- 5.3.3. The submission of RPGTRF online via the e-CKHT service on the MyTax Portal is recommended.
- 5.3.4. Manual RPGTRF must be handed to the IRBM office handling the disposal file or to the nearest IRBM office. Manual RPGTRF can be downloaded and printed from the IRBM Official Portal.
- 5.3.5. The SVDP 2.0 Additional Income Reporting Form can be downloaded from the IRBM Official Portal / MyTax. The completed form together with the tax computation must be submitted through the MyTax Portal. Tax computations are only required to be submitted by taxpayers that falls under the companies, businesses and partnerships file category .
- 5.3.6. The Voluntary Disclosure Form For Transfer Pricing Case can be downloaded from the IRBM Official Portal. The completed form together with the attachment must be submitted to the IRBM office handling the taxpayer's file or to the nearest IRBM office.
- 5.3.7. The stamping of the documents / agreements must be submitted online through the STAMPS service on the MyTax Portal.
- 5.4. SVDP 2.0 applications will be processed within a period of 14 working days from the date of receipt of the completed applications that meet the SVDP 2.0 eligibility except for cases involving transfer pricing issues.

For cases involving transfer pricing issues, SVDP 2.0 applications will be processed within a period of 30 working days from the date of receipt of the completed applications that meet the SVDP 2.0 eligibility requirements.

5.5. This SVDP 2.0 **applies** to:

5.5.1. Declaration of income by new taxpayers for the year assessment 2022 and preceding years of assessment.

5.5.2. Declaration of income by existing taxpayers for the year of assessment 2021 and preceding years of assessment.

5.5.3. Declaration of asset disposal for the year of assessment 2022 and preceding years of assessment.

5.5.4. Stamping of documents / agreements for agreements that have been executed (signed) on or before 01 May 2023 for stamping from 06 June 2023 to 31 May 2024.

5.5.5. Voluntary disclosure resulting in an assessment / additional assessment raised on the taxpayer except for transfer pricing cases.

5.5.6. Voluntary disclosure for transfer pricing issues where the handling of this voluntary disclosure is subject to the Voluntary Disclosure Criteria and Procedures of Transfer Pricing Cases as set out in the Transfer Pricing Audit Framework that is currently in force.

Any transfer pricing adjustment arising from the voluntary disclosure for transfer pricing issues under SVDP 2.0 can be subject to a surcharge under subsection 140A (3C), ACP 1967 even if there is no additional assessment raised.

- 5.6. SVDP 2.0 does **not apply** to voluntary disclosures involving cases where:
- 5.6.1 Audit action taken on taxpayers has commenced for the year(s) of assessment involved;
 - 5.6.2 Non-taxable, reduced assessment or tax repayment except for transfer pricing cases; or
 - 5.6.3 Investigation action has been initiated or prosecution proceedings following a criminal investigation have been filed in court based on the provisions under ITA 1967, RPGTA 1976, SA 1949 or the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.
- 5.7. Taxpayers must ensure that the voluntary disclosures made are **accurate and orderly in line** with the IRBM rulings that are in force and have taken into account **all** taxable income.
- 5.8. All voluntary disclosures for the preceding year's income will be assessed based on the supposed year(s) of assessment as provided under the taxation law.
- 5.9. IRBM will accept information voluntarily disclosed made during the SVDP 2.0 period in good faith. However, **a review of the tax computation** (mathematical / calculation error) will be carried out to ensure the accuracy of the voluntary disclosures submitted.
- 5.10. Audit / investigation action will not be carried out in the future for the year of assessment in which the voluntary disclosure is made. However, audit / investigation action can be taken for the year of assessment involved in the following circumstances:

- a. If voluntary disclosure is made on non-transfer pricing issues only and it is found that there is a risk on transfer pricing issues, audit / investigation action can be taken on the transfer pricing issues and if voluntary disclosure is made on transfer pricing issues only, audit and investigation can be taken on issues other than transfer pricing.
- b. Tax payment on the voluntary disclosure has been failed to be made within the stipulated time period.

5.11. For cases where the **estimated assessment** has been raised:

5.11.1.If the income / gains from the disposal of assets reported in ITRF/ RPGTRF during this SVDP 2.0 period is higher, the difference is considered a voluntary disclosure;

5.11.2.In the event that the taxpayer does not agree with the estimated assessment raised, the appeal procedure as set out in Public Ruling No. 7/2020 (Appeal Against An Assessment And Application For Relief) shall apply.

5.12. The penalty / surcharge rates applicable to voluntary disclosure are as follows:

Voluntary Disclosure Category	Penalty / Surcharge	Implementation Methods	Period of SVDP 2.0 (06.06.2023 – 31.05.2024)
New taxpayers	• Subsection 112(3) ITA 1967 • Subsection 140A(3C) ITA 1967 • Subsection 29(3) RPGTA 1976	• Check the Tax Identification Number (TIN). • If do not have TIN, register via e-Daftar • Taxpayer must submit ITRF/ RPGTRF for the relevant year(s) of assessment.	0%

Voluntary Disclosure Category	Penalty Surcharge	Implementation Methods	Period of SVDP 2.0 (06.06.2023 – 31.05.2024)
Existing taxpayers who do not submit ITRF / RPGTRF for any year of assessment	• Subsection 112(3) ITA 1967 • Subsection 140A(3C) ITA 1967 • Subsection 29(3) RPGTA 1976	Submit ITRF / RPGTRF for the relevant year(s) of assessment.	0%
Taxpayers who have submitted ITRF but have not reported income accurately and in accordance with the IRBM rulings that are in force for any year of assessment	• Subsection 113(2) ITA 1967 • Subsection 140A(3C) ITA 1967	Download the SVDP 2.0 Additional Income Reporting Form through the SVDP 2.0 Link at the IRBM Official Portal / MyTax	0%
Duty Payer who submit documents / agreements that have been executed (signed) on or before 1 May 2023 for stamping from 06 June 2023 to 31 May 2024.	• Subsection 47A(1) SA 1949	The duty payer has to submit the documents / agreements via STAMPS. Upon receiving the Notice of Assessment, appeal applications for penalty must be submitted online via STAMPS to be qualified for penalty offer under SVDP 2.0.	0%

5.13. The voluntary disclosure conditions and penalty / surcharge imposed under SVDP 2.0 are conclusive.

6. PENALTY / SURCHARGE RATE AFTER SVDP 2.0 PERIOD

The penalty / surcharge rates after SVDP 2.0 are as follows:

- 6.1 Taxpayers who fail to submit ITRF / RPGTRF may be subject to penalties under subsection 112(3) of the ITA 1967 / subsection 140A (3C) of the ITA 1967/ subsection 29(3) of RPGTA 1976 based on the rulings that are currently in force.
- 6.2 Taxpayers who do not report income accurately and accordingly may be subject to penalties under subsection 113(2) of the ITA 1967 based on the rulings that are currently in force.
- 6.3 Taxpayers who do not comply with the arm's length principle in carrying out controlled transactions with related companies may be charged a surcharge rate under subsection 140A (3C) of the ITA 1967 based on the rulings that are currently in force.
- 6.4 Late duty payers submitting documents / agreements for stamping will be subject to a penalty under subsection 47A(1) of the SA 1949.

7. PAYMENT RULES

The payment rules for voluntary disclosure made during the implementation period of SVDP 2.0 are as follows:

- 7.1 The taxpayer shall settle tax payment in the following manner:
 - a. Full settlement in a lump sum payment within 30 days from the date of the notice; or
 - b. In installments based on the agreed installment payment arrangements. Installment payment is allowed to be made until 31 May 2024 without having to submit supporting documents.

- 7.2 If the taxpayer fails to settle the tax payment within the stipulated period, a tax increase will be charged based on the provisions of laws currently in force. If the tax arrears are still not paid, legal action may be taken and taxpayers can be audited / investigated in the future for the year of assessment where voluntary disclosure has been made.
- 7.3 Duty payer that participates in this SVDP 2.0 must pay stamp duty as prescribed on the Notice of Assessment within the stipulated period allowed in the Penalty Appeal Approval Letter.

8. FLOWCHART

The SVDP 2.0 implementation flowchart is as per **Appendix 3**.

9. CONTACT US

For further information on this SVDP 2.0, please contact:

- 9.1 HASiL Live Chat;
- 9.2 IRBM's Hasil Care Line at 03-8911 1000 or 603-8911 1100 (overseas);
or
- 9.3 Nearest IRBM service counter.

INLAND REVENUE BOARD OF MALAYSIA
22 AUGUST 2023

APPENDIX 1



INLAND REVENUE BOARD OF MALAYSIA
SVDP 2.0 ADDITIONAL INCOME REPORTING FORM
06.06.2023 TO 31.05.2024

BASIC INFORMATION			
1	Individual / Company Name		
2	Tax Identification No. (TIN) / Income Tax No.	3	Reference No. (Registration No. / Identification No. / Passport No. registered with IRBM)
INCOME REPORTING			
SOURCE OF INCOME		YEAR OF INCOME RECEIVED	RM
1. EMPLOYMENT INCOME			
Employment Income 1			
2. BUSINESS INCOME			
Business Income 1			
3. PARTNERSHIP INCOME			
Partnership Income 1			
4. RENTAL INCOME			
Rental Income 1			
5. INTEREST INCOME			
Interest Income 1			
6. DISCOUNT INCOME			
Discount Income 1			
7. ROYALTY INCOME			
Royalty Income 1			
8. PREMIUM INCOME			
Premium Income 1			
9. PENSION INCOME			
Pension Income 1			
10. ANNUITY INCOME			
Annuity Income 1			
11. OTHER INCOME			
12. EXPENSES / OTHER CLAIMS OVERCLAIMED / DISALLOWED			
13. RELIEF / DEDUCTION / REBATE OVERCLAIMED			
14. CAPITAL ALLOWANCES / INSENTIVES OVERCLAIMED			
DECLARATION			
I			Identification No./ Passport No.

hereby acknowledge that the information on voluntary disclosure of income / additional income/ expenses / other claims / relief / deduction / rebate / capital allowance / incentive reported in this form under the Special Voluntary Disclosure Programme 2.0 is true, correct and complete.

Designation:
 Date:

Signature:

Note:

1. Reported income shall refer to the amount of net income after taking into account the expenses allowed for tax purposes.
2. Please add column if there is additional income / expenses / other claims / relief / deduction / rebate / capital allowance / incentive and year of income received / year involved.
3. Kindly state the type of expenses / other claims / relief / deduction / rebate / capital allowance / incentive that are over claimed.
4. Company, business and partnership taxpayers are required to submit tax computation for the voluntary disclosures made.

DISCLAIMER: Acceptance of SVDP 2.0 is subject to the terms and conditions.

APPENDIX 2



**INLAND REVENUE BOARD OF MALAYSIA
VOLUNTARY DISCLOSURE FORM FOR TRANSFER PRICING CASE**

1. Information of company making disclosure

Name of company

1.1 Reference no. (Registration no.)

1.2 Income tax no.

1.3 Residence in Malaysia

1.4 Date of commencement of operations

1.5 Accounting period

1.6 Basis period

2. Information of company's representative authorised to make disclosure

2.1 Name

2.2 Identification card no.

2.3 Address

2.4 Gender

2.5 Relationship with the company

3. Voluntary disclosure details

3.1 Accounting period

3.2 Year of assessment

3.3 Information to be disclosed

3.4 Reason for voluntary disclosure

3.5 Is this the first voluntary disclosure

3.6 Estimation of tax payable/ adjustment

4. Declaration

I hereby declare that the information reported as above is true and the company
has authorised me to make the disclosure on its behalf.

I am aware and understand that this disclosure will have the tax implications as stated in the paragraph 3 above.
If this disclosure is rejected, the Inland Revenue Board of Malaysia has the authority to raise the appropriate
assessment based on the information provided.

Appended herewith are all the information and documents in accordance with paragraph 7.7.4 of the Transfer
Pricing Audit Framework which is currently in force.

Name : _____
[Company Director]

Signature :

Date : _____

APPENDIX 3

FLOWCHART OF THE IMPLEMENTATION OF SPECIAL VOLUNTARY DISCLOSURE PROGRAMME (SVDP) 2.0

