



ZUL RAFIQUE *& partners*



**TAX FAQs ON THE RELAXATION OF USE
OF PAPER FORMS AND METHODS OF
SUBMISSION OF FORMS CP21, CP22,
CP22A AND CP22B**



**RELAXATION OF USE OF PAPER FORMS
AND METHODS OF SUBMISSION OF
FORMS CP21, CP22, CP22A AND CP22B**

TAX FAQs

In accordance with the amendments made to the sub-sections 83(2), (3) and (4) of the Income Tax Act (ITA) 1967 effective from 1 January 2021, Forms CP21, CP222, CP22A and CP22B must be submitted using the form prescribed by the Inland Revenue Board of Malaysia pursuant to section 152 of the ITA 1967, within the prescribed period.

We shall address several tax frequently asked questions (FAQs) related to the relaxation of use of paper forms and methods of submission of Forms CP21, CP22, CP22A and CP22B.

**FOR MORE INSIGHT INTO
THIS AREA OF LAW, PLEASE
CONTACT OUR PARTNER IN
THE TAX PRACTICE GROUP**



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Q1: WHAT IS THE AFFECTED STATUTE?

Section 83(2), (3) and (4) of the Income Tax Act (ITA) 1967.

Section 83 ITA 1967 - Return by employer

(2) Where an employer commences to employ an individual who is or is likely to be chargeable to tax in respect of income in respect of gains or profits from the employment, the employer shall not later than one month thereafter give written notice to the Director General stating the full name and address of the individual and the terms and date of commencement of the employment.

(3) Where an employer is about to cease to employ an individual who is or is likely to be chargeable to tax in respect of income in respect of gains or profits from the employment, the employer shall not less than one month before the cessation give written notice thereof to the Director General stating the full name and address of the individual and the expected date of cessation:

Provided that, where he is satisfied that it is reasonable to do so in the circumstances, the Director General may accept for the purposes of this subsection a notice given less than one month before the cessation or a notice given on or after the cessation:

Provided further that an employer shall not be required to give the written notice under this subsection in respect of an individual—

(a) where the income from the employment of that individual is subject to deduction under any rules made pursuant to paragraph 154(1)(a); or

(b) where the total monthly remuneration from the employment of that individual is below the minimum amount of income that is subject to deduction under any rules made pursuant to paragraph 154(1)(a), and where it is known to him that the individual is not retiring from any employment.

(4) Where an individual chargeable to tax in respect of income in respect of gains or profits from an employment is to the knowledge of his employer about to leave or intending to leave Malaysia for a period exceeding three months, the employer shall not less than one month before the expected date of departure give written notice of the individual's departure to the Director General:

Provided that—

(a) where he is satisfied that it is reasonable to do so in the circumstances, the Director General may accept for the purposes of this subsection a notice given less than one month before the departure or a notice given on or after the departure; and

(b) where he is satisfied that an individual is required to leave Malaysia at frequent intervals in the course of his employment, the Director General may waive the application of this subsection as regards that individual.

Q2: WHEN DOES IT COME INTO EFFECT?

1 January 2021.

Q3: WHO IS AFFECTED?

All employers.

Q4: WHAT IS AFFECTED?

Submission of Forms CP21, CP22, CP22A and CP22B.

Q5: WHAT IS THE PRESCRIBED METHODS OF SUBMISSION?

The prescribed methods of submission is as follows:

FORMS		PERIOD FOR SUBMISSION	METHODS OF SUBMISSION
CP21	Notification of employee leaving Malaysia	Not less than 30 days before the date employee is expected to leave Malaysia	i. Online vide e-SPC ii. By hand iii. By post
CP22	Notification of new employee	Within 30 days from commencement of employment	i. By hand ii. By post
CP22A	Notification of cessation of employment (including due to death) for private sector employee	Not less than 30 days before the cessation of employment OR not more than 30 days after being notified of death of employee	i. Online vide e-SPC ii. By hand iii. By post
CP22B	Notification of cessation of employment (including due to death) for public sector employee		

Q6: WHAT IS THE PERIOD OF RELAXATION?

Until 31 December 2021.

Q7: WHAT IS THE PERMISSIBLE METHODS OF SUBMISSION?

FORMS

Forms CP21, CP22, CP22A and CP22B (alternative version to the form prescribed under Section 152 ITA 1967)

Forms CP21, CP22, CP22A and CP22B (the version prescribed under Section 152 ITA 1967)

METHODS OF SUBMISSION

- i. By hand
- ii. By post
- iii. By e-mail

- i. By hand
- ii. By post
- iii. By e-mail

Q8: WHEN WILL THE RELAXATION PERIOD END?

Compliance with submission of the prescribed forms under Section 152 of ITA 1967 will be enforced starting on 1 January 2022.

Q9: WHAT IS THE EFFECT OF NON-COMPLIANCE AFTER THE RELAXATION PERIOD?

Forms CP21, CP22, CP22A and CP22B which are submitted (a) NOT being the prescribed form under Section 152 ITA 1967 or (b) by e-mail or facsimile after 1 January 2022 will be rejected and to be re-submitted.

Q10: WHAT IS THE SANCTION AS A RESULT OF NON-COMPLIANCE?

Failure to submit or late submission of Forms CP21, CP22, CP22A and CP22B may be subject to a fine of not less than RM200 or not more than RM20,000 or not more than 6 months imprisonment or both.

For further information, you may contact the Inland Revenue Board of Malaysia :

- a) Hasil Care Line at 03-8911 1000 / 603-8911 1100 (Overseas);
- b) HASiL Live Chat; and
- c) Feedback form on IRBM's official portal at <https://maklumbalaspelanggan.hasil.gov.my/MakluMBalas/ms-my/>

The above is based on a press release statement by the Inland Revenue Board of Malaysia dated 4 June 2021.



The contents do not constitute legal advice, are not intended to be a substitute for legal advice and should not be relied upon as such.