

Groups: Stick to promise and not penalise taxpayers

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SME Association of Malaysia president Datuk Michael Kang

PETALING JAYA: Despite having the power to investigate taxpayers, the Inland Revenue Board (LHDN) should not penalise participants of the Special Voluntary Disclosure Programme (SVDP), says local industry and employer groups.

SME Association of Malaysia president Datuk Michael Kang said if the declaration was done in a proper manner, then LHDN should not be taking any further action and stick to its promise under the SVDP.

Kang, who learnt about the matter from news reports, said he has yet to receive any complaints from members being audited by LHDN despite taking part in the SVDP.

However, he acknowledged that LHDN has the power to audit those under the SVDP if they are already under investigation.

“If there is an ongoing case before a declaration, then LHDN can carry out an audit on that particular period.

“But if there is no case and the declaration was made, then no further action should be taken,” he added.

Kang noted that the SVDP was based on mutual trust and it was crucial for LHDN to “keep to their side of the bargain”.

For example, he said there may be some participants who might have inadvertently made mistakes in their declarations.

“Those who made genuine mistakes should alert LHDN. LHDN should not fine them, but make them pay the difference stemming from the mistake,” he added.

Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan also said that he has yet to receive any complaints on the issue.

“If the declarations were done in good faith, LHDN should also accept them in good faith without conducting further investigation,” he said when contacted.

He noted the SVDP’s intention was to encourage more people to come forward to voluntarily declare their income.

“The government managed to collect a fair bit from the SVDP.

“Subsequent investigations by LHDN after an SDVP declaration was made would only deter others from coming forward voluntarily in the future,” he said.