

TAX AGENT

Definition of a Tax Agent - Section 153(3) of the Income Tax Act 1967 (ITA):

- a professional accountant authorized by or under any written law to be an auditor of companies;
- any other professional accountants approved by the Minister; or
- any other person approved by the Minister on the recommendation of the Director General of Inland Revenue Board (IRB).

Responsibilities:

A tax agent is expected to do all acts that a taxpayer is required to do under the ITA such as:

- Advising on records to be maintained,
- Assisting in completing tax returns,
- Impress upon the clients on their obligation to pay their dues as required under the law,
- Attendance at Field Audit at clients' premises,
- Attendance at investigation, interviews, negotiations and proceedings,
- Filing of appeals and attendance at negotiation hearings and further appeals.

Expectation

Conversant with the everyday tax compliance requirements e.g.:

- submission of estimates
- payment of taxes
- submission of returns
- appeal procedures
- expediting audit and investigation processes

OBTAINING A TAX AGENT'S LICENCE

1. Eligibility

MAICSA members with five (5) years practical experience in taxation work either in the public or private sector (Section 153(3)(c) of the ITA).

2. Application Procedures

- Complete 3 sets of *Borang D* and forward it to the Tax Analysis Department at:

**Ketua Setiausaha Perbendaharaan
Perbendaharaan Malaysia
Bahagian Analisa Cukai
Tingkat 6 Blok Tengah
Kompleks Kementerian Kewangan
Presint 2, 62592 Putrajaya.
(Tel: 60 3 8882 3018)**

Borang D must be accompanied with:

- Processing fee of RM50 made payable to "AKAUNTAN NEGARA MALAYSIA".
 - Copies of relevant Certificate(s) certified by the Commissioner for Oaths.
 - Letter from employers confirming the practical experience in taxation.
 - List of cases handled.
 - Sponsorship letter.
 - Letter of support from referee.
- Applicants will then be required to attend an interview with the Inland Revenue Board.
 - Successful applicants will receive a license from the Ministry of Finance, which is valid for two (2) years.
 - Unsuccessful applicants may re-apply, with the processing fee and relevant documents, six (6) months from the date of rejection.

3. Renewal of License Application

- 3 completed sets of *Borang E* must be forwarded to the Tax Analysis Department, together with a processing fee of RM50.00, at least 4 months before the Tax Agent's license expires.

Failure to file the Form E within the specified time would cause the Tax Agent's License to expire the day after its expiry date until his license is renewed.

- Licenses, which have expired for more than one year, will not be renewable. Applicants must make a new application for a Tax Agent's License and be subject to an interview by IRB again.
- A renewed Tax Agent's License is valid for two (2) years.

Borang D and *Borang E* may be obtained from the Ministry of Finance or from the following website: www.treasury.gov.my/org/webcukai/ejencukai.htm

4. General

- Tax agents approved under Section **153(3)(c) of the Income Tax Act 1967** shall quote the approval number indicating the date of such approval on all correspondence with IRB.
- He shall inform the IRB when he ceases to be the tax agent of a client. Letters and return forms addressed to taxpayers who are no longer his clients shall be returned with an appropriate notation.
- A tax agent's own tax affairs shall be kept up-to-date. All returns, accounts etc. ought to be timely lodged and tax payable be settled within the time allowed.

TAX AGENT'S CODE OF CONDUCT

In discharging his duties, a tax agent shall always adhere to the following:

1. Integrity

1.1 An agent shall be well mannered, honest, sincere and truthful in his work and always give full cooperation when dealing with the IRB. In handling the case of his client, he shall furnish only information which, to the best of his knowledge and belief, is correct.

1.2 He shall refrain from using information acquired in the course of his work for his own advantage or that of his family. Such information is classified material and shall be dealt with as confidential. It shall not be disclosed to any other party without specific authority.

“Classified material” means returns/documents/ information that is acquired by a *classified person* as defined in Section 138(5), Income Tax Act 1967. A **“classified person”** means any person or his employee who has access to classified material when representing a client in taxation matters.

1.3 He shall accurately inform/advise his client on the progress of his case.

1.4 He shall not misuse any monies entrusted by his client for purposes of payment of tax. Proof of payment of tax shall be given to his client for purposes of record.

1.5 He shall not enter into any arrangement with an unqualified person to endorse the work of that unqualified person.

2. Competency

2.1 He shall always strive for professional competency and exhibit a high degree of skill in discharging his duties. A tax agent must therefore be conversant with the tax laws/practices and constantly ensure that his technical knowledge is up-to-date. In addition he is also expected to keep abreast with the requirements of the IRB, which may be announced from time to time.

2.2 Staff members of a tax agent must also be well trained in relevant aspects of tax laws and regulations so as to ensure that work performed by them also meet the required standard.

2.3 He shall to the best of his ability, ensure that all returns and tax computations submitted are properly completed with the required supporting statements and schedules, and such submissions are in compliance with the guidelines issued by the IRB.

2.4 He shall only undertake cases that are within his experience and capability. This is to avoid any sub-standard work being performed and undue delay in the finalisation of the cases.

2.5 When making appeals against any assessment, proper care shall be taken to ensure that such appeals are based on valid grounds.

2.6 He is expected to give prompt and complete replies to enquiries from the IRB.

3. Professional Advice

3.1 In giving professional advice to his clients, the tax agent shall always have regard to the prevailing tax laws.

3.2 He shall impress upon his clients the various obligations and duties as taxpayers under the tax laws and educate the clients on the importance of maintaining proper records of all transactions especially in business cases.

3.3 He shall also advise his clients of the necessity to make sufficient provisions for payment of tax as well as the importance of keeping to the instalment plans for payment of tax so as to avoid late payment penalties.

**Compliance with this code of ethics will be used as one of the criteria for approving and renewing the licence of the tax agent.*

	Bangunan MAICSA, No.57 The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. Tel No: 03-22829276 Fax No: 03-22829281 Website: www.maicsa.org.my
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