



Revised regulations issued for appeals and consideration of appeals under the Revenue Code

The following report may be of interest to:

All clients

Summary:

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The Regulation of the Revenue Department regarding appeals and consideration of appeals under the Revenue Code was published in the Royal Gazette on 20 September 2021 and came into force retroactively from 28 June 2021. This regulation was issued to replace all previous regulations concerning appeals that were issued in 2003, 2004 and 2008.

Key messages:

Online filing

According to Section 30 of the Revenue Code, an appeal against an assessment of tax and duty by the Revenue Department must be made by the taxpayer within 30 days from the date on which the notice of assessment was received.

The revised regulation allows taxpayers to file an appeal online under the electronic appeal system or at the Revenue Regional Area office. However, if it is not possible to file online for any reason, taxpayers will be required to file at the Revenue Regional Area office where their place of business is located within the due date prescribed by law.

A request for an extension of the period for filing an appeal and/or for deferral of the payment of tax and duty is also allowed to be made online.

Timeline

- A taxpayer files an appeal beyond the period prescribed by law and requests an extension of the time for submission of the appeal together with an explanation of the facts and necessity for not filing within period prescribed by law. If the Revenue officer objects to granting the extension, the taxpayer is entitled to appeal against the objection within 15 days from the date on which the objection notice was received.





- The Revenue officer is required to fully consider an appeal within one year from the date on which the request for the appeal and all supporting documents were completely obtained. However, in the case of filing an appeal beyond the period prescribed by law, and there are reasonable grounds for the request, the consideration should be completed within one year from the date on which the Director-General approves the extension.

If the consideration cannot be completed within one year, and there are again reasonable grounds for an extension, a further extension for not more than one year will be granted on each occasion.

Mutual Agreement Procedure

In this revised regulation, there is a section covering the appeal and receipt of appeal when an appellant has requested an issue in dispute be resolved under the Mutual Agreement Procedure (MAP) provisions of a relevant double taxation agreement (DTA).

The MAP is a tool that allows designated representatives from the contracting states to engage in resolving international tax disputes which involve cases of double taxation (juridical and economic) as well as inconsistencies in the interpretation and application of the DTA. MAP is carried out directly between the competent authorities of both contracting states and the competent authorities will endeavour to resolve any difficulties or doubts arising as to the interpretation or application of the respective DTA but they are not obliged to achieve a result in eliminating double taxation.

In the case where an appellant for whom the Revenue Department arranges the MAP or an appellant requests that the MAP be arranged abroad, consideration of the appeal by the Revenue officers may be deferred if the period between the date on which the appellant obtained a tax assessment letter and the date on which the Revenue Department agreed to arrange MAP or has been informed that the appellant has been granted to arrange MAP from abroad, does not exceed five years. If the period exceeds five years, consideration of an appeal by the Revenue officers can be given without waiting for the result of the MAP process.

If the MAP has been completed and the appellant does not agree with the result thereof, or the appellant has agreed, but did not revoke the appeal within 30 days from the date on which the result of the MAP was acknowledged, consideration of the appeal will have to be completed within six months from the date on which the authorised officer gave the instruction to consider the appeal.

Undertaking the MAP arrangements does not defer the payment of tax and duty.



For further information, please contact:

Your regular PwC contact person