

EXPLANATORY NOTES

(a) Application Form for Amendment to Instalment Payments (CP502)

You may apply to vary the instalment payments if you do not agree with the Notice of Instalment Payments (CP500). Please use this form when applying for amendment. Fill out the form by using a black ink pen and submit it to the LHDNM Branch which handles your file.

(b) Deadline for application of amendment

The application form for amendment has to be submitted not later than **30 June 2020**. Any application beyond this date will not be considered.

(c) Effective date of amended instalments

If the CP502 is submitted in a particular month, the amended instalments will commence from the immediately subsequent instalment payment.

(d) Amended estimate of tax is less than RM300.00

If the amended estimate of tax is less than **RM300.00**, you may cease all subsequent instalment payments after the date of application. You are required to settle in full any difference between the tax payable and the total amount paid by instalments on or before:

- **30/4/2020** (without business source of income)
- **30/6/2020** (with business source of income)

(e) Computation of amended instalments

Amendment of the amount for monthly instalments is computed by dividing the balance of tax payable with the remaining number of instalments. Any amount in sen must be added to the last instalment. A Notice of Amended Instalment Payments (CP503) will be issued.

Example: Notice of Instalment Payments (CP500) for year of assessment 2020 is **RM55,400.00**. Amount for the first to the fifth instalment is **RM9,233.00** each and **RM9,235.00** for the sixth instalment. Amount of instalment payments is amended to **RM30,000.00**.

(i) Computation:

Date of Application	Example 1: Feb 2020	Example 2: March or April 2020
Amended estimate of tax Less: Instalment payable Balance of instalments	RM30,000.00 Nil RM30,000.00	RM30,000.00 RM9,233.00 (March instalment) RM20,767.00
Amended bi-monthly instalments	RM 30,000.00 / 6 instalments = RM 5,000.00 March 2020 to Jan 2021 = RM 5,000.00 per instalment	RM 20,767.00 / 5 instalments = RM 4,153.40 May to Nov 2020 = RM 4,153.00 per instalment Jan 2021 = RM4,155.00

(ii) Amended Instalment Payments:

Instalment No.	Date Payable	Instalment Schedule		
		CP500 (RM)	*Amendment (RM) Example 1	*Amendment (RM) Example 2
1	1/3/2020	9,233.00	5,000.00	9,233.00
2	1/5/2020	9,233.00	5,000.00	4,153.00
3	1/7/2020	9,233.00	5,000.00	4,153.00
4	1/9/2020	9,233.00	5,000.00	4,153.00
5	1/11/2020	9,233.00	5,000.00	4,153.00
6	1/1/2021	9,235.00	5,000.00	4,155.00
Total		55,400.00	30,000.00	30,000.00

* Transfer the amounts to the column 'Amount' in the table 'Amended Instalment Payment Schedule' overleaf.

(f) Where tax payable exceeds total of instalments

A 10% tax increase shall be imposed if the difference between the tax payable and the amended estimate of tax exceeds 30% of the tax payable. The increase of tax formula is as follows:

$$[(TP - ET) - (30\% \times TP)] \times 10\%$$

where: TP - Tax payable
ET - Amended estimate of tax