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# TAX CLEARANCE LETTER



## INTRODUCTION

■ Tax Clearance Letter (*Surat Penyelesaian Cukai [SPC]*) is a **letter issued** by Lembaga Hasil Dalam Negeri Malaysia (LHDNM) to notify the employer of a retiring or resigning employee's tax liability to enable the employer to make the final payment of salary / compensation / gratuity to the employee

## WHEN TO MAKE THE APPLICATION

■ When an employer retains the salary / compensation / gratuity of the employee because of :

- a) Resignation from an employment
- b) Retirement
- c) Leaving Malaysia for a long period of time or forever
- d) Death of an employee

■ The application of SPC must be made within thirty (30) days before the date of the termination of employment or, in the case of death, within thirty (30) days after the death

## IMPORTANT

**TAXPAYERS ARE ADVISED TO UPDATE THEIR CURRENT STATUS OF TAX ASSESSMENT BY SUBMITTING THE RELEVANT INCOME TAX RETURN FORM TO LHDNM. THIS WILL HELP TO EXPEDITE THE PROCESS OF ISSUING THE SPC**

## HOW TO APPLY

■ The application for the SPC can be made through :

1. **e-SPC**  
Online application by employer
2. **Manually**  
Submission of forms manually to LHDNM branch which handles employee's income tax file

**Submit the following completed forms filled by the employer :**

- ✓ Public Servant (CP22B)
- ✓ Private Sector (CP22A)
- ✓ For those who will be leaving Malaysia (CP21)

## SPC PROCESSING PERIOD

■ SPC will be issued within ten (10) working days from the date of receipt of complete documents

## ACTION TO BE TAKEN AFTER RETIREMENT / RESIGNING FROM AN EMPLOYMENT

- Even though SPC has been issued, the employee is obligated to submit the Income Tax Return Form for future years of assessment until the employee is informed about the closing of their tax file
- In order to close the tax file, the retiree may apply in writing to the LHDNM branch which handle their file and ensure that there is no outstanding tax balances in the account

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