

Headline	High Court grants Petronas, TNB interim stay against IRB for multi-		
MediaTitle	The Edge CEO Morning Brief		
Date	11 Aug 2020	Language	English
Circulation	25,910	Readership	77,730
Section	Home	Page No	6
ArticleSize	296 cm ²	Journalist	HAFIZ YATIM
PR Value	RM 15,288		



High Court grants Petronas, TNB interim stay against IRB for multi-billion tax claims

BY HAFIZ YATIM
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KUALA LUMPUR (Aug 10): Both Petrolim Nasional Bhd (Petronas) and Tenaga Nasional Bhd (TNB) see a ray of hope as the High Court has granted them interim stay against the Inland Revenue Board (IRB) on additional tax assessments that have been imposed on the two conglomerates.

The High Court has granted Petronas an interim stay against the IRB for imposing additional tax assessments amounting to RM3.6 billion on the national oil company.

Justice Datuk Ahmad Kamal Shahid granted the interim stay pending the full hearing of the judicial review to challenge the additional tax assessments and pending the outcome of the Bintulu Lumber case, which is scheduled before the Federal Court on Aug 26.



This is the second interim stay order that the High Court has granted Petronas in two weeks. Last week, the court had granted a similar order to Petronas over a RM105 million tax claim.

Petronas and its subsidiary Petronas Carigali with Sapura OMV and Tembungo Sub Block PSC have filed three judicial review proceedings against the IRB alleging that IRB's action was "ultra vires, illegal, void, in excess of authority and irrational in making the additional tax assessments of RM3.6 billion".

Petronas accused IRB of being in breach of section 15(1) of the Petroleum (Income Tax) Act 1967 (PITA). The national oil firm also alleged that IRB had misconstrued section 72(1)(a) of PITA, which is

tantamount to accusing Petronas of tax avoidance.

In another court, Justice Datuk Seri Mariana Yahya granted TNB a similar stay order against IRB's assessment of RM1.8 billion on similar grounds concerning its reinvestment tax allowance.

IRB was represented by Senior Revenue Counsels Dr Hazlina Hussain, Marvaina Zainol, Ridzuan Osman Muazmir Mohd Yusuf and Noraina Sham. Senior Federal Counsel Nazri Ismail and Shahmin Amizah Abu Bakar appeared for the Attorney General's Chambers (AGC).

Petronas and TNB were represented by Rosli Dahlan and tax law expert S Saravanakumar of Messrs Rosli Dahlan Saravana Partnership.