



17 JAN, 2025

IRB goes after JJ's widow, children

The Star, Malaysia



IRB goes after JJ's widow, children

Taxman also mulling investigations against 70 other individuals, say sources

CORPORATE

By GANESHWARAN KANA  
ganeshwaran@thestar.com.my

**PETALING JAYA:** The tax hunt on high-net-worth politicians continues with the Inland Revenue Board (IRB) turning its attention to late Tan Sri Jamaluddin Jarjis' next-of-kin.

A person familiar with the matter also told *StarBiz* that Jamaluddin, or also known as JJ, is not the only one on the IRB's radar.

According to the source, the taxman is also mulling criminal tax investigations on over 70 individuals this year.

At this point, it is not clear how many of them are active or retired politicians.

In the case of JJ, he was a former Umno politician, whose family was entangled in a dispute over his RM2.1bil assets after his demise in 2015.

The assets include 20 properties in Malaysia, the United States and Saudi

**"To enable the IRB to undertake its audits and investigations, the Income Tax Act 1967 confers the IRB powers to gather evidence."**

S. Saravana Kumar

Arabia as well as companies.

The dispute was settled in July last year, after more than six years in court.

Several months after the amicable settlement, *StarBiz* was told that the IRB initiated tax investigations on the family.

According to a source, the IRB sent out letters to the widow and four children of JJ requesting them to declare their assets.

They were also requested to divulge how the asset purchases were financed in the past.

The IRB has not responded to *StarBiz*'s

query asking for confirmation.

Efforts to get a response from the family were also unsuccessful.

JJ, who died in a helicopter crash, has served as a minister under Tun Dr Mahathir Mohamad and Tun Abdullah Ahmad Badawi.

He also served as the ambassador of Malaysia to the United States under the administration of Datuk Seri Najib Razak from 2009 to 2012.

In the 1990s, JJ's EPE Power Corp Bhd was awarded an independent power pro-

ducer project in Sabah.

JJ served as the executive chairman of EPE Power until he stepped down on Aug 3, 2000, a day before he was appointed as the vice-chairman of Tenaga Nasional Bhd (TNB).

He was also a beneficiary of the 1990s' privatisation of government assets such as the Royal Malaysian Air Force maintenance depot and Lembaga Kemajuan Pahang Tenggara.

While it is too early to decipher whether the tax hunt on JJ's next-of-kin is politically motivated, it is noteworthy that the court case on JJ's estate has previously revealed a shortfall in income tax payments made by JJ from 2004 to 2014.

A local daily had reported that JJ's daughter, Nur Anis, said the amount of cash in the estate was not proportionate to the tax that was previously paid.

S. Saravana Kumar, a tax lawyer with Rosli Dahlan Saravana Partnership,

> TURN TO PAGE 2



17 JAN, 2025

## IRB goes after JJ's widow, children

The Star, Malaysia



Page 2 of 2

# Income Tax Act confers IRB powers to gather evidence

> FROM PAGE 1

explained that the IRB is authorised to conduct "tax audits" and "tax investigations".

This is to verify the accuracy and also the honesty of taxpayers in their tax submission.

Under tax audits, which may or may not involve the IRB visiting one's business premise, the IRB will notify the taxpayer concerned about two to three weeks before the tax audits.

On the other hand, tax investigation is where the IRB investigates without the need to give any notice and this includes the likelihood of unannounced visits by the IRB at the taxpayers' home or business premises or both.

"To enable the IRB to undertake its audits and investigations, the Income Tax Act 1967 confers the IRB powers to gather evidence.

"This power includes summoning taxpayers and their immediate family members for questioning; requesting bank statements and asking taxpayers to prepare a capital statement which requires taxpayers to list down all the assets that they own and explain how those assets were financed," said Saravana.

Saravana, however, said that taxpayers have the right to challenge the IRB by judicial review or appeal to the Special Commissioners of Income Tax if they believe that the assessments "erroneously raised".

"A good example of the IRB's assessment

being quashed is the TNB case, where the erroneously raised multi-billion ringgit assessments after a tax audit was quashed by the High Court and Court of Appeal.

"Courts also intervened and granted stay orders in tax cases such as the recent widow of former finance minister Tun Daim Zainuddin, Toh Puan Na'imah Abdul Khalid's tax dispute where the Court of Appeal granted her a stay order," the seasoned lawyer added.

JJ's family aside, IRB has been going after former politicians and their families in the past several years.

Toh Puan Na'imah was slapped with a RM313mil tax bill for an over RM700mil in alleged unreported income in 2018.

She called the IRB's assessment "baseless".

In the case of Datuk Seri Najib Razak and his son Datuk Nazifuddin, back in 2020, two separate High Courts allowed the IRB's applications to enter a summary judgment to recover tax arrears of RM1.69bil from Najib and RM37.6mil from Nazifuddin.

The arrears were for the assessment years between 2011 and 2017.

A summary judgment is obtained when the court decides on a case through written submissions without a full trial and without calling witnesses.

In November last year, the Federal Court dismissed their appeals and ruled that Najib and Nazifuddin need to settle the unpaid income taxes.

However, at this point, it is not clear

whether the arrears have been paid.

The IRB has kept mum on the matter so far.

Interestingly, when Najib was the prime minister in 2017, the IRB raided the offices of Dr Mahathir's three sons, namely Tan Sri Mokhzani Mahathir, Tan Sri Mirzan Mahathir and Datuk Seri Mukhriz Mahathir.

Last year, Mukhriz was slapped with an additional tax assessment of over RM5mil by the IRB for the years 2017, 2018, and 2019.

Earlier this month, Mukhriz, who is also the former Kedah Mentri Besar obtained a court leave to challenge notices issued by the IRB.

Mukhriz also requested declarations against Prime Minister Datuk Seri Anwar Ibrahim, alleging abuse of authority driven by his long-running feud with Dr Mahathir.

A seasoned investor who spoke to *StarBiz* said that the IRB is authorised to investigate and impose additional tax assessment if the board has strong reasons.

"However, the authority to do so must not be abused.

"If the general public ever feels the IRB can be abused by the government of the day, then the government's plan to make Forest City a hub for family offices would be impacted.

"High-net-worth individuals would hesitate to set up a family office in Malaysia in fear of them being unfairly targeted," the investor said.