

NAJIB, SON ORDERED TO PAY TODAY

Ex-PM, Nazifuddin must pay RM1.69 billion, RM37.6 million, respectively, owed to IRB

RAHMAT KHAIRULRIJAL
PUTRAJAYA
rahmat@nst.com.my

DATUK Seri Najib Razak and his son, Datuk Nazifuddin Najib, must settle RM1.69 billion and RM37.6 million in unpaid taxes and penalties, respectively, the Federal Court ruled yesterday.

The top court made the ruling after dismissing their appeal to quash the High Court's decision on grounds that the "pay first, talk later" principle remains.

The former prime minister and his son had appealed against the High Court's summary judgment against them in the Inland Revenue Board's (IRB) suit over taxes they purportedly owed.

Judge Datuk Nallini Pathmanathan, when reading the unanimous judgment, said Section 103(1) of the Income Tax Act (ITA) provided that tax payable under an assessment shall be due and payable on the due date, regardless of whether the person appealed against the assessment.

"The institution of any proceed-

ings under any other written law against the IRB does not absolve or exempt the taxpayer from making payment for the purposes of collection of tax pending the adjudication of the taxpayer's dispute.

"The IRB is levying tax on the appellants in the same manner that it does for all citizens of the nation.

"The appellants have not been singled out for discriminatory treatment nor treated in a manner not provided for in the ITA.

"There is no evidential basis on record to support such a contention."

She said the ITA was enacted by the legislature to facilitate the expeditious collection of govern-

ment revenue and to deter tactical attempts from would-be tax evaders to delay the payment of outstanding taxes.

"This statutory certification of the sum assessed as a debt means that the sum so certified is statutorily due and payable.

"However, it is equally clear from, a perusal of the ITA as a whole that it is not a final determination of the sum due and owing by the taxpayer.

"Taxpayer to proceed with his grievances through the Special Commissioners of Income Tax and the entire hierarchy of the courts."

She said the ITA did not envisage a full-blown ventilation of all possible challenges to be de-

termined at this stage of the tax process.

On July 22, 2020, the High Court allowed the IRB's application for a summary judgment to be entered against Najib in its suit to recover RM1.69 billion in taxes for the period 2011 to 2017. Najib was ordered to pay the sum.

The government, through the IRB, filed the suit against Najib on June 25, 2019, asking him to settle the unpaid tax with interest at five per cent, a year from the date of judgment, as well as costs and other relief deemed fit by the court.

On July 6, 2020, the High Court ordered Nazifuddin, 38, to pay RM37,644,810.73 in unpaid taxes to the IRB.