

UNPAID TAXES

NAJIB AND SON FAIL TO STALL BANKRUPTCY PROCEEDINGS



Datuk Seri Najib Razak

Lawyer Muhammad Farhan Shafee, who represents the duo, says they will appeal the decision

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DATUK Seri Najib Razak and his son Datuk Nazifuddin failed to stall the bankruptcy proceedings initiated by the Inland Revenue Board (IRB) to recoup billions of ringgit in unpaid taxes from the duo.

This is after the High Court

here rejected the father and son's application for postponement yesterday.

Lawyer Muhammad Farhan Shafee, who appeared for the duo, said they requested a postponement because they had filed an appeal for a tax reassessment with the Special Commissioner of Income Tax.

"We will appeal the decision," he said briefly after the proceeding.

The imprisoned former prime minister and his son have exhausted their final avenue to overturn the High Court's decision compelling them to settle RM1.69 billion and RM37.6 million in unpaid taxes and penalties respectively last year.

This was after the Federal Court's ruling on Oct 16, 2023 that affirmed IRB's summary judgment compelling them to



Datuk Nazifuddin Najib

settle the amounts for the period between 2011 and 2017.

The apex court, in an unanimous decision, ruled Section 103(1) of the Income Tax Act (ITA) provides that tax payable under an assessment shall be due and payable on the due date,

regardless of whether the person appeals against the assessment.

The court said the present incarnation of the ITA was enacted by the legislature to facilitate the expeditious collection of government revenue and to deter tactical attempts from would-be tax evaders to delay the payment of outstanding taxes.

Najib and Nazifuddin were served with a bankruptcy notice three years ago following their failure to pay the disputed monies to the IRB.

According to the notice sighted by the *New Straits Times*, the former prime minister has to pay RM1.69 billion with interest at five per cent, for the period between July 22, 2020 and Feb 4, 2021 amounting to RM45.9 million from the date of the order of the summary judgment as well

as costs of RM15,000.

This brings the accumulated sum to RM1.73 billion.

Meanwhile, Nazifuddin has to pay RM37.6 million with interest at five per cent for the period between July 6, 2020 and Feb 4, 2021, amounting to RM1.1 million from the date of the order of a summary judgment as well as costs of RM10,000.

This brings the accumulated sum to RM38.7 million.

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 from the latter for the period between 2011 and 2017.

Meanwhile, on July 6 the same year, another High Court also ordered Nazifuddin, 39, to pay RM37,644,810.73 in unpaid taxes to the IRB.