IN THE HIGH COURT OF MALAYA AT SEREMBAN
IN THE STATE OF NEGERI SEMBILAN
JUDICIAL REVIEW No. NA-25-12-11/2024

BETWEEN

CHIONG KIAU … APPLICANT

AND

DIRECTOR GENERAL INLAND REVENUE … RESPONDENT

GROUNDS OF JUDGMENT

[1] Three oil palm farmers from Bahau, Negeri Sembilan challenge significant tax assessments totalling to RM75,000,000.00. They contend that the Inland Revenue Board improperly taxed dividend income that should be statutorily exempt under the Income Tax Act 1967 (ITA). Through their learned counsel, they argued the Inland Revenue Board committed a breach of natural justice by failing to provide specific reasons for the assessments of identifying the alleged undeclared income. Furthermore, the three farmers claim the authorities violated legitimate expectations by issuing these penalties prematurely before the ongoing audit process was finished. This Court heard that tax legislations must be interpreted strictly according to its

plain language, favouring the subject in cases of ambiguity. It was implored that judicial review is the necessary remedy to address these claims of illegality, irrationality, and abuse of power.

[2] There are three suits as each farmer filed and they were all heard together (Judicial Review Application No NA-25-12-11/2024, NA-25-13-11/2024 and NA-25-14-11/2024). The basis of their application exact, save for the amounts and some of the dates. As was submitted, this judgment addresses Applicant Chiong Kiau and it applies to the other two Applicants, save for the respective amount.

[3] The Applicant's application stemmed from a decision by the Respondent to issue Notices of Additional Assessment for the Years of Assessment (YAs) 2018, 2019, 2020, 2021, and 2022, claiming an alleged under-declaration of income totalling RM51,957,643.00 and demanding additional tax and penalties of RM23,213,169.95.

[4] The Applicant contends that the disputed amounts are actually tax-exempt-single-tier dividends received from companies which he is a shareholder and director. These dividends were already a subject to tax at the corporate source, and under

section 127 and paragraph 128 of Schedule 6 ITA, should not be taxed again in his hands.

Background Facts

[5] According to the evidence at hand, the Applicant came to hold shares as a director and shareholder in the following companies engaged in the oil palm and related businesses during the YAs:

(a) Jeng Huat Plantations Sdn Bhd (JHP)
(b) Jeng Huat (Bahau) Realty Sdn Bhd (JHR)
(c) Kahang Palm Oil Mill Sdn Bhd (KPOM)
(d) Steven Development Sdn Bhd (SD)
(e) Bayumas Waras Sdn Bhd (BW)

[6] In YAs 2018, 2019 and 2022, the companies declared and paid dividends amounting to RM52,628,866.00 to the Applicant. The details are:

Company	YA 2018	YA 2019	YA 2022
JHP	RM 135,000.00	-	-
JHR	RM 6,667,000.00	RM18,667,600.00	-
KPOM	RM11,000,000.00	RM 8,500,000.00	-

SD	-	RM 3,200,006.00	RM3,000,006.00
BW	-	RM 1,437,500.00	RM 21,750.00
TOTAL	RM17,802,002.00	RM31,805,108.00	RM3,021,756.00
GRAND TOTAL	**RM52,628,866.00**		

[7] The dividends were subjected to tax at the source (the companies' level) in the respective YAs with no deductions taken in respect of the Dividends. The Applicant did not declare the dividends as income in his personal tax returns. His basis was that the dividends are exempted from tax in his hands by virtue of section 127 read with paragraph 12B, Schedule 6 ITA.

[8] On 14.5.2024, Inland Revenue commenced an audit against the Appellant pursuant to a notice issued under section 81 ITA, requesting documents relating to YAs 2017 to 2022. The Appellant was cooperative throughout the audit.

[9] The correspondence leading to the Respondent's decision and the subsequent legal challenge is detailed below:

- 14.5.2024: The Respondent issued a notice under Section 81 of the ITA commencing an audit for YAs 2017 to 2022, requesting business statement computations, EA forms, rental income statements, and relief support

- 22.5.2024: The Applicant's representative, Ms. Ong, emailed the Respondent requesting an extension of time until 25.6.2024 and seeking clarification on whether YA 2017 documents were required, as the Applicant had participated in the Special Voluntary Disclosure Programme (SVDP) for that year

- 24.5.2024: The Respondent issued another Section 81 notice requesting additional documents for YAs 2018 to 2022, including personal bank statements for the Applicant and his wife, and business accounting data

- 28.5.2024: The Respondent emailed the Applicant granting the requested extension until 25.6.2024

- 24.6.2024: The Applicant submitted various requested documents, including tax computations and employment/partnership income forms

- 25.6.2024: The Applicant submitted personal bank statements from Public Bank, Maybank, and Hong Leong Bank for the relevant Yas

- 11.7.2024: The Respondent requested ledger accounts for 11 specific companies where the Applicant serves as a director

- 31.7.2024: The Respondent issued a letter alleging, based on its own capital statement computations, that the Applicant had under-declared income by RM49,127,984.00. It requested the submission of CP102 and CP103 forms within 30 days

- 23.8.2024: The Applicant's Tax Agent (KLCA Tax Solutions Sdn Bhd) informed the Respondent of their disagreement with the Respondent's capital statements and scheduled a meeting for 2.9.2024

- 30.8.2024: The Tax Agent submitted the Applicant's Capital Statements for YAs 2018 to 2022 along with supporting documents, including dividend warrants relating to the exempt income

- 12.9.2024: The Respondent issued a letter rejecting the Applicant's Capital Statements and increasing the alleged under-declared income to RM51,957,643.00

- 2.10.2024: After the 12.9.2024 letter failed delivery, the Respondent resent it as an attachment to a new letter (received by the Applicant on 9.10.2024), maintaining its adjustments

- 4.10.2024: The Tax Agent wrote to the Respondent requesting the rationale for the rejection of the Applicant's Capital Statements

- 9.10.2024: The Respondent replied, failing to provide a specific justification and merely stating that adjustments were based on "estimation" and that there were "insufficient supporting documents"

- 14.10.2024: The Applicant wrote to the Respondent expressing a readiness to provide any further information or documents to facilitate an accurate assessment

- 15.10.2024: The Respondent replied that the Applicant's justifications could not be considered and summarily concluded that "*kesemua transaksi tersebut adalah meragukan*", stating that Notices of Additional Assessment would be issued

- 17.10.2024: The Respondent issued the Notices of Additional Assessment for YAs 2018-2022 (dated 16.10.2024). No reasons, basis or explanation were enclosed.

- 18.10.2024: The Respondent issued a letter demanding payment of the alleged outstanding tax of RM23,212,926.88

- 30.10.2024: The Applicant informed the Respondent that he remained unaware of the basis for the decision and that the Respondent had failed to provide explanations

- 4.11.2024: The Applicant initiated this judicial review proceedings

- 13.11.2024: Prior to the tax payment deadline, the Respondent lodged caveats against the Applicant's properties

- 27.11.2024: The Seremban High Court granted leave to commence this judicial review

[10] The additional amount of RM23,213,169.95 in taxes that the Respondent demands to be paid is as per the table:

YA	Disputed Amount	Alleged Additional Tax
2018	RM 20,277,422.00	RM 9,068,255.71
2019	RM 30,006,300.00	RM 13,426,652.08

2020	RM 905,573.00	RM 386,442.29
2021	RM 424,402.00	RM 177,997.31
2022	RM 343,926.00	RM 153,822.56
TOTAL	**RM 51,957,643.00**	**RM 23,213,169.95**

Legal Arguments

<u>The Applicant's Submissions</u>

[11] The Applicant's primary objective for this judicial review is to quash the Respondent's decision to issue the Notices of Additional Assessment for the Yas 2018 to 2022. The Applicant contends that the decision to demand RM23,212,926.88 in additional taxes and penalties is illegal, void, and irrational because it attempts to tax income that is statutorily exempt. Based on the facts above, the main legal grounds centred on several key areas of administrative and tax law. The Applicant's reasons for contending that the Respondent acted unlawfully in issuing the Notices of Additional Assessment include the three grounds below.

[12] The argument of breaches of natural justice took precedent at the hearing of oral arguments. The serious breaches occurred when the Respondent issued the decision without providing any specific rationales, basis or explanations, even after the Applicant's Tax Agent requested it. Further, the Applicant was not afforded a meaningful opportunity to address the Respondent's concerns or clarify the contended suspicious transactions before the final decision was made.

[13] The Applicant asserted that the decision is rooted in a fundamental misapplication of the law. The disputed amounts are single-tier dividends which are expressly exempt from tax under section 127 and paragraph 12B Schedule 6 ITA. By attempting to tax these dividends in the Applicant's hands after they were already taxed at the corporate source, the Respondent's decision results in unlawful double taxation.

[14] It was additionally contended that issuing assessments on statutorily exempt income is considered an act in excess of jurisdiction and is ultra vires Article 96 of the Federal Constitution, which prohibits the levying of taxes not authorised by federal law.

[15] It is the further contention of the Applicant that the decision is '*Wednesbury unreasonable*' meaning that it is so outrageous that no reasonable decision-maker could have reached it. The Respondent dismissed the Applicant's capital statements and supporting dividend warrants without substantive engagement or consideration. The Respondent summarily concluded that all transactions were '*meragukan'* without identifying specific transaction or providing evidence, which the Applicant describes as the 'antitheses of a reasonable and rational decision'.

[16] The next argument is the failure by the Respondent to perform statutory duty under the ITA and ignored binding precedents from superior courts (see ***Great Eastern Life Assurance Co Ltd v Director-General of Inland Revenue*** **[1986] 2 MLJ 301; [[1986] 1 MLRA 401**, ***Landmark Property Sdn Bhd v Ketua Pegawai Eksekutif / Ketua Pengarah Hasil Dalam Negeri & Anor*** **[2021] 10 CLJ 954; [2021] MLRHU 1599; [2021] MLJU 2036** and ***Society of La Salle Brothers v Ketua Pengarah Hasil Dalam Negeri*** **[2017] 8 CLJ 298; [2017] 1 LNS 400; [2018] 2 MLRA 71**) which establish that exempted income cannot be brought to tax.

[17] The final basis is the breach of legitimate expectation. The Applicant claimed he had legitimate expectation that the Respondent would exercise its powers fairly, provide reasons

for its decisions, and adhere to established legal principles and court rulings, all of which were allegedly breached in this instance.

The Respondent's Reply

[18] The Respondent focused on procedural propriety, the statutory framework for tax appeals, and the nature of the dispute. His central argument is that the Applicant has a specific alternative remedy provided by law – an appeal to the Special Commissioners of Income Tax (SCIT) under section 99 ITA. The Respondent maintains that judicial review is a discretionary remedy that should not be exercised unless there are exceptional circumstances. Several cases were cited namely ***Government of Malaysia & Another v Jagdis Singh*** **[1987] 2 MLJ 185; [1987] 1 CLJ 451; [1987] CLJ Rep 110; [1986] 1 MLRA 207**, ***Preston v IRC*** **[1985] 2 All ER 327; [1985] AC 835**, ***Sun Man Tobacco Co v Government of Malaysia*** **[1973] 2 MLJ 163; [1973] 1 MLRA 755; [1973] 1 CLJU 144; [1973] AMTC 492** and ***Ketua Hasil Dalam Negeri v Alcatel-Lucent Malaysia Sdn Bhd*** **[2017] 2 CLJ 1; [2017] 1 MLJ 563; [2017] 1 MLRA 3251.**

[19] The Respondent contends that the disagreement is fundamentally a tax computation issue and a dispute over findings of fact within the capital statements. It was argued that

the investigating officer’s deliberation are critical in determining the accuracy of the assessment, making it a matter of merit and fact rather than a pure question of law. The Respondent referred to ***Ooi Chieng Sim v Ketua Pengarah Hasil Dalam Negeri*** **[2022] MLJU 514; [2022] CLJU 556; [2022] MLRHU 489**, ***Kerajaan Malaysia v Dato Haji Ghani Gilong*** **[1995] 3 CLJ 161; [1995] 2 MLJ 119; [1995] 1 MLRA 360** and ***Mass Rapid Transit Coporation v Ketua Pengarah Hasil Dalam Negeri*** **[WA-25-305-10/2018].**

[20] The Respondent argued that under section 103(2) and 103 ITA, tax is due and payable regardless of whether the taxpayer agrees with the assessment or has a pending appeal. It was contended that stay applications defeat this statutory framework (see ***Ta Wu Realty Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri & Anor*** **[2008] 6 CLJ 235; [2009] 1 MLJ 555; [2008] MLJU 405; [2008] 2 MLRA 151**) when prompt payment of tax is a mandatory requirement, not an indulgence, regardless of whether the assessment is right or wrong.

[21] The Respondent also argued that judicial review should only be concerned with the legality of the decision-making process (procedural impropriety) rather than the substance or merit of the decision itself. The Respondent relied on a narrow interpretation of administrative law, though the Applicant noted this argument was historically addressed in ***R Rama Chandran***

***v The Industrial Court of Malaysia & Anor* [1997] 1 CLJ 147; [1997] 1 MLJ 145; [1996] 1 MLRA 725.**

[22] The Respondent’s last argument was the decision was not sudden or out of the blue but the result of two rounds of information gathering and several rounds of correspondence with the Applicant’s tax agent. They maintained that their actions were reasonable and made in accordance with law.

This Court’s Assessment

[23] Having carefully considered the affidavits, contemporaneous correspondence, documentary evidence and the submissions of parties, this Court is satisfied that the present case discloses exceptional circumstances warranting the exercise of this Court's supervisory jurisdiction notwithstanding the availability of the statutory appeal mechanism under the ITA. The Applicant's complaint is not confined to a disagreement over the correctness of the tax computation or the merits of the assessment. Rather, it concerns allegations of jurisdictional error, breach of the rules of natural justice and procedural unfairness in the decision-making process. These are recognised public law grounds which properly invoke the supervisory jurisdiction of this Court.

Serious Breach of Natural Justice

[24] The Applicant's principal complaint is that the Respondent failed to provide adequate reasons for rejecting the Applicant's explanation and supporting documents before issuing the Notices of Additional Assessment. The legal principles governing this issue are well established. In ***Perbadanan Pengurusan Trellises & Ors v Datuk Bandar Kuala Lumpur* [2023] 5 CLJ 167; [2023] MLJU 821; 2023] MLRA 114*,*** the superior courts recognised that a public authority is under a duty to furnish reasons for its decision where fairness so requires. The absence of an express statutory provision imposing such a duty does not absolve a public decision-maker from complying with the requirements of procedural fairness. Likewise, the Court of Appeal in ***Uniqlo (M) Sdn Bhd v Ketua Pengarah Kastam dan Eksais*** **[2020] MLJU 1030; [2021] 2 MLJ 120; [2020] MLRAU 199,** affirmed that the duty to act fairly extends to tax authorities exercising statutory powers. The provision of adequate reasons enables an affected party to understand the basis of the decision and affords a meaningful opportunity to respond before adverse consequences are imposed.

[25] The chronology of events between 9.10.2024 and 17.10.2024 demonstrates the procedural deficiency complained of by the Applicant. Following the Applicant's request for the reasons underlying the rejection of his capital statements, the Respondent replied on 9.10.2024 that the adjustments were

based on estimation and that there were insufficient supporting documents. Significantly, the Respondent indicated that further clarification was required. That representation conveyed that the decision-making process remained ongoing and that further engagement was contemplated before any final determination was made.

[26] Consistent with that request, the Applicant responded on 14.10.2024 by expressly informing the Respondent that he stood ready to furnish any further information, documentation or clarification necessary to facilitate an accurate assessment. The contemporaneous correspondence demonstrates that the Applicant did not refuse to cooperate with the audit process. On the contrary, he indicated his willingness to provide whatever further material the Respondent considered necessary.

[27] Notwithstanding the Applicant's expressed willingness to provide further information, the Respondent, on the very next day, informed the Applicant that his explanations could not be accepted and summarily concluded that the transactions were "*meragukan*". No further clarification was sought, no additional documents were requested, and no particulars were provided identifying which specific transactions were regarded as suspicious or why the supporting dividend warrants and capital statements were considered inadequate. The issuance of the

Notices of Additional Assessment followed immediately thereafter.

[28] In the judgment of this Court, this sequence of events constitutes a material breach of the rules of natural justice. Although the Applicant was invited to provide clarification, the Respondent proceeded to reject the Applicant's explanation without identifying the particular deficiencies requiring clarification or engaging with the supporting documents which had been furnished. The opportunity afforded to the Applicant was therefore more apparent than real. As recognised in ***Speed Modulation Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri*** **[2023] 7 MLJ 849; [2022] MLRHU 1374** and reaffirmed in ***Uniqlo (M) Sdn Bhd*** **(supra)**, procedural fairness requires that an affected party be informed, with sufficient clarity, of the substance of the case to be met and be afforded a genuine opportunity to answer it before an adverse decision is reached. That requirement was not satisfied in the present case. By merely asserting that all the transactions were suspicious, without identifying the impugned transactions or the basis upon which that conclusion was reached, the Respondent deprived the Applicant of any meaningful opportunity to address the concerns ultimately relied upon in issuing the Notices of Additional Assessment.

Clear Lack of Jurisdiction & Error of Law

[29] This Court is unable to accept the Respondent's submission that the present dispute is merely one concerning tax computation or findings of fact, which ought to be left to the statutory appellate process before the SCIT. The issue raised by the Applicant is anterior to any question of computation. It concerns whether the Respondent possesses the legal authority to subject income which Parliament has expressly exempted from tax to additional assessment. That is a pure question of law which goes directly to the legality of the Respondent's exercise of statutory power.

[30] Section 127(1) of the ITA, read together with paragraph 12B of Schedule 6, expressly provide that dividends distributed under the single-tier dividend system are exempt from tax in the hands of the recipient. The Applicant's evidence is that the impugned receipts comprised such single-tier dividends, supported by the contemporaneous dividend warrants furnished to the Respondent during the audit process. If that is indeed the character of the receipts, the statutory exemption operates as a matter of law, and the Respondent has no legal basis to assess those sums as taxable income. The question is therefore not whether the Respondent reached the correct computation, but whether it acted within the limits of the statutory powers conferred upon it by Parliament.

[31] The constitutional position is equally clear. Article 96 of the Federal Constitution provides that no tax shall be levied except by or under the authority of federal law. The power to impose tax is therefore wholly statutory and must be exercised strictly within the limits prescribed by the ITA. Where Parliament has expressly exempted a category of income from taxation, the Respondent cannot, through an administrative assessment, bring that exempt income back within the tax net. To do so would be to exercise a power which the statute does not confer.

[32] This principle is reinforced by the authorities relied upon by the Applicant. In ***Society of La Salle Brothers*** **(supra)** and ***Landmark Property Sdn Bhd*** **(supra)**, the superior courts affirmed that the taxing authority cannot impose tax on income which is exempt under the ITA. Likewise, ***Great Eastern Life Assurance*** **(supra)** recognises that income already subjected to tax at the corporate level under the single-tier system cannot thereafter be subjected to tax again in the hands of the recipient in a manner inconsistent with the statutory scheme. These authorities are binding upon the Respondent. If, as alleged by the Applicant, the impugned assessments were raised in respect of statutorily exempt single-tier dividends notwithstanding the documentary evidence produced during the audit, the Respondent would have acted beyond the scope of its statutory authority and committed an error of law amenable to judicial review.

[33] In the circumstances, this Court is satisfied that the Applicant has demonstrated more than a mere disagreement over the correctness of the assessment. The challenge strikes at the legality of the Respondent's exercise of power under the ITA and the constitutional limits imposed by Article 96 of the Federal Constitution. Such allegations, if established, plainly constitute exceptional circumstances justifying the intervention of this Court in the exercise of its supervisory jurisdiction.

Irrationality

[34] The Applicant further contends that the impugned decision is irrational in the public law sense, namely that it is so unreasonable that no reasonable decision-maker, properly directing itself on the relevant law and evidence, could have arrived at it. This Court is mindful that the threshold for establishing Wednesbury unreasonableness is a high one. Nevertheless, having considered the entirety of the decision-making process, this Court is satisfied that the Applicant has crossed that threshold.

[35] The irrationality in the present case does not lie merely in the conclusion ultimately reached by the Respondent, but in the manner in which that conclusion was reached. The evidence demonstrates that the Applicant furnished capital statements, dividend warrants and supporting documents in response to the

Respondent's audit queries. Yet, despite several rounds of correspondence, the Respondent never identified which specific transactions were considered objectionable, why the documents produced were insufficient, or upon what evidential basis it concluded that "*kesemua transaksi tersebut adalah meragukan*". Instead, the Applicant was met only with a broad and unparticularised assertion that all the transactions were suspicious.

[36] Such an approach falls short of the standards expected of a statutory decision-maker exercising coercive powers under the ITA. A public authority cannot reject relevant material without meaningful engagement, nor may it arrive at an adverse conclusion without disclosing, at least in substance, the factual basis upon which that conclusion rests. As observed in ***Sheo Nath Singh v Appellate Assistant Commissioner of Income Tax, Calcutta AIS* [1971] SC 2451; [1972] 1 SCR 175; [1971] 82 ITR 147**, the formation of a statutory belief must be founded upon reasonable grounds and cannot rest upon mere suspicion, conjecture or bare assertion. The Respondent's sweeping conclusion, unsupported by any identification of the impugned transactions or explanation of the alleged deficiencies in the Applicant's documentation, cannot, in the circumstances of this case, be regarded as a rational exercise of statutory power.

[37] This conclusion is reinforced by the contemporaneous documents before this Court. The disputed amount of RM51,957,643.00 substantially corresponds with the dividends disclosed by the Applicant during the audit process. Whether those receipts are, in law, exempt single-tier dividends is ultimately a question governed by the statutory framework of the ITA. However, the striking correlation between the amounts, viewed together with the Respondent's failure to engage with the dividend warrants and supporting documents furnished by the Applicant, lends further support to the Applicant's complaint that the Respondent failed to properly address the explanation advanced before issuing the Notices of Additional Assessment.

[38] This Court is unable to agree with the Respondent’s submission that the extensive correspondence exchanged throughout the audit demonstrates procedural fairness. Procedural fairness is not measured by the volume of correspondence exchanged, but by whether the affected party was afforded a genuine opportunity to understand and answer the case against him. The chronology of events demonstrates that although the Applicant repeatedly sought clarification and expressed his willingness to furnish further documents, the Respondent proceeded to issue the impugned assessments without identifying the specific matters requiring explanation or engaging with the Applicant's offer to provide additional information. In the circumstances, the procedural engagement was one of form rather than substance.

[39] This Court is equally unable to accept the Respondent's contention that the Applicant ought to be confined to the statutory appeal before the SCIT. Whilst the existence of an alternative remedy is ordinarily a relevant consideration in the exercise of this Court's discretion, it is not an absolute bar to judicial review. Where, as here, the Applicant has established an arguable jurisdictional error, a serious breach of the rules of natural justice and a decision infected by public law irrationality, this Court is satisfied that exceptional circumstances exist warranting the exercise of its supervisory jurisdiction. As recognised in ***Majlis Perbandaran Pulau Pinang v Syarikat Bekerjasama-sama Serbaguna Sungai Gelugor Dengan Tanggungan*** **[1999] 3 MLJ 1**, judicial review remains the appropriate remedy to arrest an unlawful exercise of public power at its inception rather than requiring an affected party to pursue a protracted statutory appeal founded upon a decision that is itself legally flawed.

This Court's Conclusion

[40] For the reasons set out above, this Court is satisfied that the Applicant has established exceptional circumstances warranting the intervention of this Court by way of judicial review. The impugned Notices of Additional Assessment were issued in breach of the rules of natural justice, were tainted by jurisdictional error and error of law, and were arrived at through a decision-making process that was procedurally unfair and

irrational. In those circumstances, this Court is satisfied that the Respondent's decision cannot be permitted to stand.

[41] In the very recent decision of YA Dato' Hajah Aliza binti Sulaiman J, in the case of ***Akmai Technologies Internation AG v Ketua Pengarah Hasil Dalam Negeri & Anor*** **[WA-25-149-03/2022],** it is decided that the existence of an alternative remedy does not bar judicial review if there is a clear illegality, unlawful treatment, excess of power, or breach of the rules of natural justice.

[42] Accordingly, this Court grants the reliefs sought by the Applicant and makes the following orders:

(i) Order of Certiorari - the Respondent's decision, manifested in the Notices of Additional Assessment for YAs 2018, 2019, 2020, 2021, and 2022 (all dated 16.10.2024) is hereby quashed

(ii) Prohibition Order - the Respondent is prohibited from taking any steps to prevent the Applicant from leaving Malaysia pursuant to section 104 ITA in relation to these disputed assessments

(iii) The following declarations are granted:

(a) A declaration that the Respondent's decision to issue the Notice of Additional was made in breach of the rules of natural justice by failing to provide adequate reasons for the assessments to the matters relied upon before the assessments were issued

(b) A declaration that, in exercising its statutory powers under ITA, the Respondent is required to comply with the principles of procedural fairness recognised by the superior courts, including the duty to provide adequate reasons and to afford and affected taxpayer a meaningful right to be heard

(c) A declaration that the Respondent has no jurisdiction to subject to tax income which Parliament has expressly exempted from taxation under ITA

(d) A declaration that single-tier dividends falling within paragraph 12B Schedule 6 ITA, including any enforcement action taken pursuant thereto, are hereby stayed. Such consequential measures entered against the Appellant's properties by reason of the impugned assessments.

(iv) The Respondent shall pay costs in the sum of RM15,000.00 to the Appellant, subject to allocator.

[43] For completeness, the material facts, legal issues and arguments raised in Judicial Review Applications No. NA-25-13-11/2024 and NA-25-14-11/2024 are substantially identical to those in the present application, save for the respective amounts assessed and certain dates. Accordingly, the reasoning and conclusion contained in this Grounds of Judgment shall apply equally to those proceedings, with the necessary modifications to reflect the differing assessments. The same amount of costs of RM15,000.00, subject to allocator, is also awarded to the respective applicants of Judicial Review Applications No. NA-25-13-11/2024 and NA-25-14-11/2024.

DATED 1 JULY 2026

ROZ MAWAR ROZAIN
JUDGE
HIGH COURT OF MALAYA
SEREMBAN
NEGERI SEMBILAN

For the Applicant : Dato' Nitin Nadkarni together with Jay Fong Jia Sheng
Messrs. Lee Hishammuddin Allen & Gledhill

For the Respondent :	Mohammad Hafidz Ahmad together with Mohd Zharif Abdul Hamid Federal Council