

Personal representatives deemed to be taxable persons

31. (1) Where a taxable person—

- (a) dies;
- (b) goes into liquidation or receivership;
- (c) becomes bankrupt; or
- (d) becomes incapacitated,

the Director General may deem any personal representative carrying on the business in the interim to be a taxable person from the date the personal representative takes over until the time when a person is registered in respect of the business or in the case of incapacity, until the time as the incapacity ceases.

(2) Any requirement to pay tax on the personal representative carrying on the business referred to in subsection (1) shall apply to him to the extent of the assets over which he has control.

(3) The personal representative carrying on the business referred to in subsection (1) shall, within twenty-one days commencing to do so, notify in writing to the Director General of that fact and of the date of the death, liquidation, receivership, bankruptcy or the nature of the incapacity and the date on which it began.

(4) Notwithstanding any written law to the contrary, the personal representative carrying on the business referred to in subsection (1) shall, before disposing any of the assets of that taxable person, set aside a sum out of the assets as appears to the Director General to be sufficient to pay for any tax and penalty, if any, that is or will thereafter become due and payable or payable, as the case may be, in respect of any taxable supply of goods or services that have been supplied by that taxable person before the personal representative is deemed to be a taxable person carrying on the business in the interim and the personal representative shall pay for the tax and penalty.

(5) The personal representative carrying on the business referred to in subsection (1) who fails to comply with subsection (4) shall be personally liable to pay for the tax or penalty, that is or will thereafter become due and payable or payable, as the case may be.

(6) Where two or more personal representatives carry on the business referred to in subsection (1), the obligations and liabilities of the personal representatives shall be attached to all of them jointly and severally, subject to a right of contribution between themselves as in cases of contract.

(7) Any person who contravenes subsection (3) commits an offence and shall, on conviction, be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year or to both.