



Chartered Tax Institute of Malaysia

Student Guide



The Chartered Tax Institute of Malaysia

MISSION OF THE INSTITUTE

To enhance the prestige and status of the tax profession in Malaysia and to be the consultative authority on taxation as well as to provide leadership and direction, to enable our members to contribute meaningfully to the community and development of the nation.

IMPORTANT NOTICE TO STUDENTS

Students are advised to understand the student guide and use it as a continual source of reference. Other publications the quarterly Tax Guardian, (Rules and Regulations on Professional Conduct) and (Ethics and Tax Budget Commentaries) published by the institute are also useful to students to prepare for the examinations. All these books are available in the library for reference. Any important notices for students will be published in the institute's journal. Please ensure that you receive a copy of the quarterly journal and read all important notices relevant to the examination.

Communicating with the Institute

- o Quote your registration number in any communication.
- o Notify the Institute of any change of address immediately, amending and returning the journal wrapper or the subscription notice.

Annual Subscription Fee

- o Pay the annual subscription fee promptly. This is due on 1 January each year and if it is not received by the Institute by 31 March, registration is liable to cancellation.
- o State name, registration number and the purpose for which, the money is intended when sending postal orders or cheques. **DO NOT SEND CASH.** All payments must be made in Malaysian Ringgit and payable to '**CHARTERED TAX INSTITUTE OF MALAYSIA**'.

Examination Material

Legislation

Questions involving knowledge of legislation will be based on Malaysian legislation and students are expected to have knowledge of any current changes in legislation. However, no questions on new legislation will be set until at least 6 months have lapsed since the last day of the month in which Royal Assent was given to the new legislation.

CONTENTS

- i. FOREWORD
- ii. LIBRARY FACILITIES
- iii. TAXATION AS A CAREER
- iv. ENTRANCE REQUIREMENTS AND EXEMPTIONS
- v. EXAMINATION SYLLABUS
- vi. READING GUIDE
- vii. APPENDICES
 - Appendix 1 Qualifications deemed equivalent to HSC/STPM requirement
 - Appendix 2 Qualifications deemed to supersede the minimum entry requirement
 - Appendix 3 List of overseas accountancy bodies recognised for exemption
 - Appendix 4 List of recognised local institution of higher learning and professional bodies
 - Appendix 5 Examination Regulations

FOREWORD

This guide provides information for students, their employers, career advisers and teachers. It contains general information about the Institute as well as details of how to qualify as a member.

Registered students should keep their guide and refer to it on all matters concerning their preparation for membership. Notification of any changes in requirements or arrangements will be given in the Institute's quarterly journal.

The Institute's office is open from 8.30 am to 5.30 pm on Monday to Friday.

LIBRARY FACILITIES

Access

The library is open to members and registered students of Chartered Tax Institute of Malaysia

Library Hours

Monday - Friday 8:30 am - 5:30 pm
(Malaysian Institute of Accountants Library Hours)

Dewan Akauntant
No 2 & 3, Level 2
Jalan Tun Sambanthan 3
50470 Kuala Lumpur

The Chartered Tax Institute of Malaysia Resource Center is situated at the following address:

The Chartered Tax Institute of Malaysia
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50450 Kuala Lumpur

TAXATION AS A CAREER

Congratulations for your interest in taxation. Knowledge in taxation can provide the quantum leap and added value in whatever you do, either in the field of management, accounting, law, medicine or even as a tax agent. As the saying goes, there is nothing in this world as certain as death and taxes. This clearly demonstrates the importance of taxation in everyone's life.

The Chartered Tax Institute of Malaysia (CTIM) is the ONLY professional body in Malaysia to provide an entry level to the world of taxation. It's objective is to train and build up a pool of qualified taxation personnel as well as to foster and maintain the highest standard of professional ethics and competency among its members.

Tax is not just the application of simple rules. One has to be well versed in the legislation, have the ability to research into case law, keep in touch with the administrative/technical practices of the tax authorities, be able to express thoughts and opinions in writing as well as exhibit diplomacy and tact in order to get the right results. It is in other words, an exciting profession. Practical training in the field of taxation will develop individuals to be planners, strategists and decision makers. Tax professionals are in demand because all organisations - whether small, medium or large conglomerates require taxation advice, whether in compliance work such as furnishing tax computations or in an advisory capacity in tax planning work. Other functions of a tax professional are:

- (i) Advising on structuring of executive remuneration packages;
- (ii) Advising on types of investment incentives provided by the government;
- (iii) Advising on restructuring and reorganisation schemes which may involve transfers of shares, real property, trading stock, fixed assets, debtors, etc.;
- (iv) Advising both local and foreign investors on the type of business structures that may be more tax efficient;
- (v) Cross border tax planning.

Tax professionals are mobile. The tax job is interesting, well paid, and one can find employment in public accounting firms, the commercial sector or even the Inland Revenue Board.

You should have no doubt if you choose to embark in the field of taxation with CTIM. The designation of an **Associate of Taxation Institute Incorporated (ATII)** denotes the candidate with the competitive edge.

ENTRANCE REQUIREMENTS AND EXEMPTIONS

1.0 Chartered Tax Institute of Malaysia 's Professional Examination

1.1 The CTIM Examination is held annually and comprises 3 parts or levels as outlined on page 8. The specific subjects that a student is required to write in order to qualify for membership of the Institute depend on his educational background described in Section 2.0.

1.2 Any registered student who has passed the examinations prescribed (unless the Council shall have granted exemptions from such examinations or parts thereof) and who has had not less than five (5) years practical experience in practice or employment relating to taxation matters approved by the Council would be eligible to be admitted as an Associate of the Institute.

1.3 A pass would be given for a paper passed at each part or level. The student is however required to complete an earlier part or level of the examinations before proceeding to the next part or level.

2.0 Entrance Qualifications

2.1 The Institute admits students with various educational backgrounds.

(a) Normal Student

- o Has attained the age of seventeen (17)
- o Has obtained principal level passes in at least two subjects (excluding Kertas Am/Pengajian Am) of the HSC/STPM examination

- o Has obtained a MCE / SPM with credits in English Language and Mathematics and an ordinary pass in Bahasa Malaysia. (The G.C.E. is deemed to be equivalent if an ordinary pass in the Bahasa Malaysia paper of the MCE/SPM examination is obtained at a supplementary sitting)

A list of other qualifications which have been recognised by the Council as equivalent to the HSC/STPM requirement is listed in Appendix 1.

(b) Degrees, Diplomas and Professional Qualifications

A range of degrees, diplomas and professional qualifications from both local and overseas institutions have been recognised by the Institute to supersede the minimum requirements specified in (a) above. Holders of such qualifications may be eligible for exemption from certain relevant paper(s) depending on their educational backgrounds. (Refer Appendix 2 for List of Qualifications Deemed to Supersede the Minimum Entry Requirements)

(c) Full Members of Overseas Accountancy Bodies

Applicants who are not members of Malaysian Institute of Accountants and who are full members of overseas accountancy bodies which are recognised by the Institute are only required to sit for the Company & Business Law and Taxation papers (ie : Taxation I, II, III, IV and V) of the MIT examination. (Refer Appendix 3 for List of Overseas Accountancy bodies recognised).

However, full members of overseas accountancy bodies who have acquired adequate working knowledge of Malaysian Company and Business Law and Taxation Law may apply for exemption from sitting the papers provided they fulfill the following conditions:-

- (i) The applicant must be a full member of an accountancy body recognised by the Institute.
 - (ii) The applicant must have obtained at least five years approved accountancy and taxation experience in Malaysia.
 - (iii) The applicant must satisfy the Council as to knowledge of Malaysian Company & Business Law and Taxation Law.
- (c) Other Qualifications

Applicants who are not members of Malaysian Institute of Accountants and who possess any of the qualifications listed below will be eligible for exemption at the discretion of the Council:

- o Graduate/Member of the Malaysian Institute of Certified Public Accountants (MICPA)
- o Graduate/member of the Chartered Institute of Management Accountants (UK)
- o Recognised Degrees in Accounting and Advanced Diploma in Accountancy from local institutions of higher learning (Refer Appendix 4 for list of recognised local institution of higher learning)

3.0 Exemptions

Exemptions from specific papers in the CTIM Examination are available to holders of relevant university degrees, diplomas and other professional qualifications. The extent of exemption granted will depend on the level of the qualification attained and the relevance of course content as determined by the Council.

Holders of non-relevant degrees/diplomas from local and overseas institutions of higher learning are eligible for subject exemption on the basis that the particular subject for which exemption is sought has

been covered in the degree/diploma programme for at least two semesters or one academic year.

All applications for exemption or evaluation of qualification for possible exemption must be made in prescribed forms available from the CTIM office at the time of registration as a student. No further exemptions will be granted thereafter. Appropriate fees must be paid immediately upon receipt of the Exemption Invoice.

The Committee may at its discretion grant exemption from such papers of the Institute's Examinations to any registered students who can produce evidence to the satisfaction of the Committee of their success in any examinations, abilities or experience which shall be recognised by the Committee as providing a satisfactory alternative standard to qualify for exemptions from such papers. (EC Minutes 16.04.09)

4.0 **Members of the Malaysian Institute of Accountants**

Any person who is registered with Malaysian Institute of Accountants as a Chartered Accountant is eligible to apply for membership to the Institute without having to sit for the CTIM Examination subject to the following requirements.

- (a) Any person who is registered with MIA as a Chartered Accountant and who holds a Practicing Certificate and an audit license issued pursuant to the Section 8 of the Companies Act, 1965.
- (b) Any person who is registered with MIA as a Chartered Accountant with Practicing Certificate only and has had not less than two (2) years practical experience in practice or employment relating to taxation matters approved by the Council.
- (c) Any person who is registered with MIA as a Chartered Accountant without Practicing Certificate and has had not less than three (3) years practical experience in practice or

employment relating to taxation matters approved by the council.

- (d) Any person who is registered with MIA as a Licensed Accountant and who has had not less than five (5) years practical experience in practice relating to taxation matters approved by the council after admission as a licensed accountant of the MIA under the Accountants Act, 1967.

EXAMINATION SYLLABUS

FOUNDATION LEVEL

(0001) Economics and Business Statistics

(0002) Taxation I

(0003) Financial Accounting I

INTERMEDIATE LEVEL

(0004) Taxation II

(0005) Taxation III

(0006) Company and Business Law

FINAL LEVEL

(0007) Taxation IV

(0008) Taxation V

(0009) Financial Accounting II (FA II)

(0010) Business and Financial Management (BFM)

Annual Fees/Subscription Fees

RM 180 per year

Exemption fees (per paper)

Foundation RM80

Intermediate RM100

Final RM120

Examination fees (per paper)

Foundation RM80

Intermediate RM100

Final RM120

FOUNDATION LEVEL

ECONOMICS AND BUSINESS STATISTICS

(a) ECONOMICS

Objective:

To examine the basic concepts of microeconomics, macroeconomics and public finance and their applications.

Contents:

1. Introduction to Economics

- The scope and method of economics
- The economic problem: scarcity, choice and opportunity cost
- Economic Systems

2. Microeconomics

- Demand, supply and market equilibrium
- The price system, supply and demand and elasticity
- Household behavior and consumer choice: Concept of utility, marginal utility and total utility
- Theory of production: Short run and Long run production function.
- Input Demand: The labour and land markets, the capital market and the investment decision
- Market structures: Determination of price and output in perfect competition and Imperfect competition market (monopoly, monopolistic competition and oligopoly)
- Externalities, public goods, imperfect information and social choice

3. Macroeconomics

- Measuring national output and national income(including GDP, GNP and net income, nominal vs real and price index)
- Keynesian theory: aggregate demand and aggregate supply, aggregate expenditure and equilibrium output, including income, consumption, saving, investment and the multiplier concept
- The money demand and money supply, Equilibrium interest rate and Central Bank
- Monetary policy and fiscal policy
- Debates in Macroeconomics: Keynesian, Monetarism, New Classical Theory and supply side economics
- Open economy macroeconomics: International trade, comparative advantage, absolute advantage and protectionism, the balance of payments and exchange rate

(b) BUSINESS STATISTICS

Objective:

To examine the basic concepts of quantitative techniques and analytical skills that are relevant to economics, business and accounting.

Contents:

1. Statistical presentation

Application of techniques in the collection and description of numerical business data.

- Types of information and their uses: qualitative and quantitative; discrete and continuous data
- Primary and secondary data: collection of data and sampling methods

- Tabulation and grouping of data: frequency distribution, relative frequency distribution, percentage distribution, cumulative distribution.
- Graphical representation: histogram, pie charts, ogive, polygons, bar charts

2. Statistical measures

Includes techniques for summarizing large data sets commonly occurring within many business functions.

- Measures of centrality: mean, median and mode; group and ungrouped data
- Measures of dispersion: standard deviation, coefficient of variation, range, quartile deviations
- Statistical inference: confidence intervals and hypothesis testing for mean and proportion for a single population

3. Measurement of uncertainty

To apply the measurement of uncertainty with regard to investment decisions, auditing, budgeting and other areas of business.

- Normal distribution
- Central Limit Theorem
- Probability: addition and multiplication rules, tree diagrams, Bayes' theorem, decision analysis, expected value of perfect information
- Simple Regression and Correlation Analysis
- Business Forecasting and Time Series

TAXATION I

Objective:

- To introduce to the students about the basic principle of taxation.
- To have a better understanding about the basic concept of taxation.
- To examine the basic concepts (including reference to case law) of Malaysian income tax and its application to individuals as well as ethical practice

Contents:

Scope and Basis

- Taxation as a source of government revenue
- Understanding of general system of taxation in Malaysia
- Scope of charge
- Classes of income chargeable to tax
- Exemptions
- Chargeable persons
- Tax rates
- Special classes of income

Residence of Individuals

- Determination of residence status
- Significance of residence status

Sources of Income

Employment

- Meaning of employment
- Distinction between contract of service and contract for services
- Gains or profits from employment
- Basis of assessment
- Valuation of benefits-in-kind

- Deductible expenses
- Compensation for loss of office
- Gratuities, Golden handshakes
- Share options, incentive schemes and profit sharing schemes
- Exemptions

Other Sources

- Dividends
- Interest
- Discounts
- Rents
- Royalties
- Premiums
- Pensions
- Periodical payments
- Annuities
- Other gains or profits
- Basis of assessment
- Deductible expenses
 - Non deductible expenses

Personal Relief's and Rebates

- Self
- Spouse
- Child
- EPF
- Life Insurances
- Medical Insurances

Computation of Tax Liability

- Taxation of husband and wife
- Determination of chargeable income
- Computation of tax payable

Tax Administration

- Organizational structure of the Ministry of Finance, Inland Revenue Board and the Royal Customs & Excise Department
- Duties and powers of the Director General of Inland Revenue
- Duties and Powers of Special Commissioners.
- Returns
- Assessments
- Collection and recovery
- Appeals
- Offences and penalties

Professional Ethics

This will include the following:

- Form of practice and matters relating thereto
- Obligations to clients and confidentiality
- Matters relating to the affairs of new clients
- Handling client work and all matters relating thereto
- Charging for services
- Matters giving rise to conflict of interest
- Disclosures in tax returns, computations and correspondence with the Inland Revenue
- Dealing with Inland Revenue errors in favor of taxpayers, tax evasion, tax avoidance and ethical/moral issues

FINANCIAL ACCOUNTING I

Objective:

To examine the understanding of the nature, principles of financial accounting and the application of accounting concepts and conventions.

Contents:

The Basic Structure of Accounting

- The accounting profession and role of accountants
- Types of business organisations

- The Malaysian accounting and reporting environment
 - (i) History and development of financial reporting in Malaysia
 - (ii) Statutory and Regulatory framework in Malaysia

- Malaysian accounting standards setting
 - (i) Development of accounting standards in Malaysia
 - (ii) Standard setting process
 - (iii) Advantages and disadvantages of accounting standards
 - (iv) Enforcement of standards in Malaysia

- Accounting Concepts and principles
 - (i) Fundamental accounting concepts
 - (ii) Other relevant concepts and principles

- Accounting Equation
 - (i) Basic and extended accounting equation
 - (ii) Effects of business transactions
 - (iii) Double-entry accounting system

- Recording, handling and summarising accounting data
 - (i) Book of original entry (sales and purchase books, return inwards and outwards books, general journal)
 - (ii) Types of Ledgers
 - (iii) Balancing off accounts
 - (iv) Pre-adjusted Trial balance

- The Cash Book
 - (i) Two-column Cash Book
 - (ii) Three-column Cash Book
 - (iii) Petty Cash Book and the Imprest System

- The adjusting process

- (i) Accruals and prepayment of expenses and revenue
- (ii) Depreciation and disposal of Non-current assets
- (iii) Provision for doubtful debts and bad debts
- (iv) Inventory valuation
- (v) Adjusted trial balance
- Bank Reconciliation Statement
 - (i) Errors
 - (ii) Timing differences
 - (iii) Permanent differences
- Control accounts
 - (i) Receivables ledger Control account
 - (ii) Payables ledger Control account
 - (iii) Statement of reconciliation
- Correction of errors
 - (i) Types of errors
 - (ii) Journalising correction of errors
 - (iii) Suspense account
 - (iv) Adjusting financial statements

2. The Framework of Accounting

- The conceptual framework

3. Objective of Financial Reporting

- Underlying assumptions
- Accounting principles
- Constraints on accounting
- True and fair view

4. Introduction to Accounting Systems

- Accounting systems design
- Computer data processing
- Effective systems of internal control
- Computers and internal control

5. Accounting Treatment of

- cash and bank
- accounts receivable
- inventory
- non-current assets and intangible assets
- revaluation of non-current assets
- current liabilities
- contingent liabilities
- post-balance sheet events

6. Preparation of Financial Statements for

a) Sole traders

b) Incomplete records

c) Clubs and Societies

- Receipts and payments accounts
- Income and expenditure accounts

d) Partnerships

- Characteristics of a partnership
- Initial investment by partners
- Sharing partnership profits and losses
- Drawings by partners
- Treatment of goodwill
- Dissolution of a partnership
- Withdrawal of a partner
- Death of a partner

e) Manufacturing companies - manufacturing accounts

7. Interpretation and Analysis of Financial Statements

8. Preparation of Significant Ratios

- using the ratios to appraise the performance and future prospects of a business

Note: Students are expected to be familiar with the approved accounting standards and pronouncements in Malaysia issued by MASB and also with local legislation and reporting requirements governing the preparation of accounts and financial statements.

INTERMEDIATE LEVEL

TAXATION II

Objective:

To examine the principles (including reference to case law) and application of Malaysian income tax on businesses.

Contents:

Business Source

- Definition of business
- Badges of trade
- Commencement and cessation of business
- Basis of assessment
- Capital and revenue receipts where cases are included
- Deductibility of expenses; cases are included
- Computation of business income

Deductions for Capital Expenditure

- Capital Allowances and Charges:
 - definition of plant and machinery
 - determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charges

- 10% rule
- Claw back of Capital Allowances and the exception
- Controlled sales:
 - controlled transfer
- Industrial Building Allowances(IBA):
 - definition of Industrial Building
 - determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charge
 - 75% rule
- Agriculture Allowance
- Forest Allowance
- Mining allowance
- Expenditure on prospecting operations
 - Disposals subject to control

Basis Accounting Period

- Commencement of accounting period
- Changes of accounting date
- Failure year and overlapping period

Single tier Dividend System

- Introduction of the new system
- Advantages and disadvantages
- Comparison between the new system with the old system
- Transitional period
- Effect on the:
 - New company
 - Existing company

Partnerships

- Existence of a partnership
- Characteristics of partnership
- Ascertainment of provisional adjusted income/ loss, divisible income/ loss

- Change in partners
- Computation of partners total income, chargeable income and tax payable

Corporate taxations

- Determination of residence status of companies
- Significance of residence status
- Self assessment system section 107C
- Single tier dividend system
- Section 108 computation

Computation of Tax Liability

- Treatment of losses
- Determination of chargeable income
- Computation of tax payable
- Allowable and non allowable expenses
- Double deduction
- Specific deduction

Avoidance of Double Taxation

- Double taxation agreements
- Non-resident relief
- Unilateral relief and bilateral relief

Taxation of Non-Residents

- Withholding taxes
- Non-resident relief
- Income subject to withholding tax
- Rate applicable

TAXATION III

Objective:

To examine the application of advanced aspects of Malaysian taxation, including real property gains tax and indirect taxes.

Contents:

Specialized activities

- Petroleum industries
- Banking industries
- Insurance industries
- Sea and air transport undertaking

Leasing Companies:

- Legislation
- Meaning of 'lease'
- Leasing as a separate source of income (Regulation 2)
- Gross income of lessor
- Tax implication
- Accounting treatment
- Allocation of expenses between leasing and non leasing business
- Cross border leasing

Co-operative societies:

- Exemption for co-operative societies Para 12, Schedule 6
- Assessability of receipts
- Special deductions

Trade association and clubs

- Definition
- Residence status
- Assessability of gross income

- Deduction test
- Income tax exemption
- Trade union
- Tax administration
- Tax treatment
- Exemption

Charitable institutions

- Legislation
- Approved institution/ organization status section 44(7B)
- Tax treatment
- IRB practice
- Tax rate

Trust

- Trust bodies, settlements and estates under administration
- Unit trust
- Property developers

Cross Border Transactions

- Distinction between trading in and trading with Malaysia
- Double taxation agreements (with emphasis on determination of a permanent establishment, business profits, personal services and tax sparing relief)
- Withholding tax

Investment Incentives

- Investment Holding companies
- Pioneer Status:
 - Application
 - Determination of tax relief period
 - Tax treatment of pioneer and post pioneer business
 - Determination of basis period
 - Treatment of capital allowance
 - Profit exemption
 - Treatment of pioneer loss
 - Variation of normal rules

- Tax planning
- Infrastructure allowance section 41B
- Surrender of pioneer status for investment tax allowance section 26(3)
- Investment Tax Allowance:
 - Application
 - Tax treatment section 29(7)
 - Non-qualifying capital expenditure
 - Mechanism of tax allowance
 - Variation to normal rule
- Choice of Incentives: Pioneer Status or Investment Tax Allowance:
- Reinvestment Allowance:
 - Application
 - Manufacturing company
 - Qualifying capital expenditure
 - Disposal asset within two years
 - The mechanism
 - Tax administration
 - Agriculture project
 - Income tax (Accelerated Capital Allowances)
(Reinvestment in a Qualifying Project) Rules 2000

Real Property Gains Tax

- Principles and scope of charge
- Chargeable assets and persons
- Exemptions
- Computation of chargeable gains and allowable losses
- Tax rates
- Returns and assessments
- Payment and recovery of tax

Real Estate Investment Trust (REIT)

- Basis year
- Rental income
- Fraction of permitted expenses section 63B and special deduction for qualifying capital expenditure section 63A
- Distribution to unit holders

- Responsibility of REIT section 109D
- Exemption on RPGT
- Setting up REIT
- Exemption on stamp duty

Indirect Taxes (including stamp duty)

- Role and powers of the Royal Customs & Excise Department
- Import duty
- Export duty
- Excise duty
- Sales tax
- Service tax
- Stamp duty

COMPANY AND BUSINESS LAW

Objective:

To examine understanding of the laws relating to limited companies, sole-proprietorships, partnerships and other business organisations.

Contents:

(a) COMPANY LAW

- Types of companies and corporate personality
- Formation and registration procedures
- Powers of a company and its memorandum and articles of association
- Types of statutory records
- Dividends and classes of shares
- Loans to directors and shareholders
- Duties, powers, rights and liabilities of directors
- Code of ethics for directors
- Appointment, removal and remuneration of directors
- Annual general meetings and other meetings

- Conduct of meetings
- Company secretaries - duties and liabilities
- Reconstructions, mergers and take-overs
- Liquidation and dissolution

(b) **BUSINESS LAW**

- Laws relating to sole-proprietors and partnerships including law of agency
- Law of Contract
- Negotiable instruments - Bills of Exchange Act
- Laws relating to sale of goods, hire purchase and leasing
- Formation procedures of business organisations (other than limited companies)
- Bankruptcy law

FINAL LEVEL

TAXATION IV

Objective:

To examine understanding of the interpretation of income tax statutes through case law decisions.

Contents:

Rules of Interpretation of tax statutes/legislation

The Basis of Malaysian Taxation

- (i) The derived income basis,
- (ii) The remittance basis,
- (iii) Classes of Income.

Employment Income

- Residence of individuals
- Profession or employment
- Meaning of having or exercising an employment

- Derivation of employment income
- Gross income from employment
- Adjusted income
- Exemptions

Business Income & Losses

- (i) Trading and adventure in the nature of trade :
 - (a) Meaning of adventure or concern in the nature of trade
 - (b) Badges of trade
 - (c) Mutual trading
 - (d) Illegal activities
- (ii) Commencement/Cessation of Business
- (iii) Capital and Revenue Receipts

Partnerships

- Characteristics of partnerships Types of partners
- Existence of partnerships
- Tax aspects

Capital and Revenue Expenditure

- The Capital/Revenue distinction
- Deductible expenses
- Disallowed expenses

Deductions for Capital Expenditure

- Capital Allowances and Charges:
 - definition of plant and machinery
 - determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charges
 - Special cases
- Controlled sales:
 - controlled transfers
 - meaning of control
- Industrial Building Allowances(IBA):
 - definition of Industrial Building

- determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charge
- 75% rule
- Paragraph 66

Companies and bodies of persons

- (i) Residence status and its significance
- (ii) The Imputation system/ Single Tier System

Dividends, Interest, Royalties, Annuities, Rents, Premiums, Discounts, Periodical Gains and Other Gains or Profits.

- Derivation
- Gross income
- Adjusted income
- Exemptions

Real Property Gains Tax

- Principles and scope of charge
- Chargeable assets and persons
- Exemptions
- Computation of chargeable gains and allowable losses
- Tax rates
- Returns and assessments
- Payment and recovery of tax

Double Taxation Agreements

- Distinction between trading in and trading with Malaysia
- Double taxation agreements (with emphasis on determination of a permanent establishment, business profits, personal services and tax sparing relief)
- Withholding tax

TAXATION V

Objective:

To examine the ability to provide a comprehensive and practical response to specific tax issues.

Contents:

(Questions may involve more than one type of tax and the paper as a whole will contain questions requiring knowledge of all of the areas and taxes covered in Taxation I to Taxation IV.

Questions may also require knowledge of other aspects of law and accountancy that a tax practitioner may encounter.

Questions may require reports, letters or computations.)

Tax Incentives

- Pioneer Status:
 - Application
 - Determination of tax relief period
 - Tax treatment of pioneer and post pioneer business
 - Determination of basis period
 - Treatment of capital allowance
 - Profit exemption
 - Treatment of pioneer loss
 - Variation of normal rules
 - Tax planning
 - Infrastructure allowance section 41B

- Surrender of pioneer status for investment tax allowance section 26(3)
- Investment Tax Allowance:
 - Application
 - Tax treatment section 29(7)
 - Non-qualifying capital expenditure
 - Mechanism of tax allowance
 - Variation to normal rule
- Choice of Incentives: Pioneer Status or Investment Tax Allowance:
 - Comparison
- Reinvestment Allowance:
 - Application
 - Manufacturing company
 - Qualifying capital expenditure
 - Disposal asset within two years
 - The mechanism
 - Tax administration
 - Agriculture project
- Double Deduction and Income Tax Incentives:
 - Double deduction for promotion of export
 - Double deduction for research expenditure
 - Double deduction for approved training Deduction for pre-commencement of business training expenses
 - Income Tax (Deduction for Cost Acquisition of Proprietary Rights) Rules 2002
 - Income tax (Allowance for Increased Export) Rules 1999
 - Tax incentives for export
 - Malaysian International Trading Company (MITC)

Approved Service Sector

- Criteria in approving tax incentives for ASP
- Income tax exemption under section 127
- Investment allowance
- Tax planning- profit exemption or investment allowance
- Industrial building allowance
- Duty exemption on machinery and materials

- Double deduction on promotion of export services
- Double deduction for R & D
- Double deduction on training
- Tax administration

Multimedia Super Corridor (MSC)

- Income tax exemptions
- Investment tax allowance (ITA)
- Industrial building allowance (IBA)
- Duty-free importation of multimedia equipment
- Research and development grants for local SMEs
- Withholding tax exemptions
- Non financial incentives
- Administration

Investment Incentive for Tourism Industry

- Pioneer status or investment tax allowance
- Pioneer status
- Investment tax allowance
- Definition
- IBA
- Group inclusive tours
- Double deduction for approved training

International Procurement Centre

- Definition
- Income Tax (Exemption)(No.42) Order 2005
- Investment of IPC
- Conditions for IPC status
- Mutually exclusive
- Administration

Regional Distribution Centre

- RDC Status
- Facilities available
- Tax incentives
- 10 years of exemption
- Transfer pricing

- Mutually exclusive
- Where to apply

Operational Headquarters in Malaysia

- Criteria of qualifying as an operational headquarters
- Tax incentives for OHQ
- Other facilities
- Tax incentive for non-citizen employees of an OHQ or regional office

Tax Incentive on Commercialization of Research and Development Findings

- Application
- Tax administration

Specialized activities

- Petroleum industries
- Banking industries
- Insurance industries
- Sea and air transport undertakings

Personal Finance

- Factors for consideration
- Investments in saving and deposits
- Investment in unit/ property trust
- Investment in shares
- Investment in landed property
- EPF planning

Field Audit and Understatement of Tax

- Types of field audit
- Provision of reasonable facilities and assistance
- Keeping of records
- Understatement of tax
- Directors' liabilities section 75A

Back Duty Investigations

- Matters that trigger off tax investigations

- Methods of discovering tax evader
- Power vested in the DG in investigation
- Period of investigation
- Offences and penalties

Tax Planning for Companies

- Commencement of business
- Financing an arrangement
- Disposal of assets
- Controlled transfer
- Distinction between business income and investment income
- Investment income
- Interest restriction
- Investment in a company – Equity and debt financing

Reorganization, Reconstruction and Amalgamation of Companies

- Payment of dividend
- Tax planning to distribute capital gain without tax cost
- Timing of declaration of dividend
- Management fee
- Stocks
- Trade debtors
- Crystallization of capital gains
- Meaning of two-tier dividend
- Corporate restructuring

Group Relief for Companies

- Mechanism of group relief for companies
- Anti avoidance
- Mutual exclusivity

Anti Avoidance

- Anti avoidance and tax evasion
- Section 140 of the Act
- Malaysian case law: principle enunciated
- DG's practices
- Civil cases

Transfer pricing

- Tax authorities' practice
- Method employed
- Transactional profit
- Profit split method

Stamp Duty

- Legislation
- Types of stamp duty
- Instrument chargeable with duty
- Comparison with market value
- Stamp duty on transfer shares
- Assessment
- Notice of assessment
- Appeals
- Timing to stamp the instruments
- Penalty
- Ministerial exemptions
- Remission
- Tax planning

Cross Border Transactions

- Distinction between trading in and trading with Malaysia
- Double taxation agreements (with emphasis on determination of a permanent establishment, business profits, personal services and tax sparing relief)

Real Estate Investment Trust (REIT)

- Basis year
- Rental income
- Fraction of permitted expenses section 63B and special deduction for qualifying capital expenditure section 63A
- Distribution to unit holders
- Responsibility of REIT section 109D
- Exemption on RPGT
- Setting up REIT
- Exemption on stamp duty

Tax Policies

- Types of tax systems
- Role of taxation in economic development
- Design of tax policy
- Criteria for evaluation of a tax system
- Tax reforms
- Awareness of recent developments in the field of taxation (e.g. self-assessment, value added tax etc)

FINANCIAL ACCOUNTING II

Objective:

To examine the financial accounting concepts and principles, including the relevant statutory requirements and compliance with approved accounting standards in Malaysia.

Contents:

1. Sole Trader and Partnership Conversions to a Limited Liability Company

- accounting treatment for the conversion of a sole trader into a limited company
- accounting treatment for the conversion of a partnership into a limited company

2. Characteristics of a Company

3. Company Formation, Prospectus and Published Accounts

- formation of companies; prospectus; accounting treatment for classes of shares; issue of shares; bonus and rights issues; reserves; retained profits, dividends and taxation; share splits; share buybacks; earnings per

share; types of debentures; issue and redemption of debentures and compliance with legal requirements

- preparation and presentation of financial statements (for publication in accordance with the Company's Act 1965 and FRS 101)
- director's report and auditor's report

4. Company Reconstruction

- rationale
- internal reconstruction/capital reduction
- external reconstruction/capital reduction
- books of the new company
- books of the old company

5. Joint Ventures

- understanding the nature of a joint venture
- accounting treatment for a simple joint venture

6. Branch accounts (excluding a foreign branch)

- preparation of separate and combined financial statements for head office and branches

7. Analysing and evaluation of financial statements

- preparing cash flow statement (MASB 5)
- calculating significant ratios to appraise and communicate the position and prospects of a business
- recognising the working capital requirements of a business

8. Group Accounts

- definition of holding company, subsidiary and associated company

- preparing consolidated balance sheet, income statement and loss account and cash flow statement for a holding company with one subsidiary and/or one associated company
- MASB 11: Consolidated Financial Statements and Investments in Subsidiaries
- MASB 12: Investments in Associates

Note: Students are expected to be familiar with the approved accounting standards and pronouncements in Malaysia issued by MASB and also with local legislation and reporting requirements governing the preparation of accounts and financial statements.

BUSINESS & FINANCIAL MANAGEMENT

Objective:

To examine the principles and issues in business and financial management.

Contents:

(1) Business Management

Topics covered include:

- Principles of management and control; formulation of policy; delegation of authority and responsibility; organisational structure and social responsibility of management.
- Development of integrative programs of action that reflect organisation's
 1. environmental
 2. financial
 3. people
 4. time
- Principles of human resource management; selection, education and training; promotion; human relations; safety; welfare including Employment Act.

- Marketing and sales management, -product, pricing, promotion and distribution channels.
- Communication channels, information technology and report writing.

(2) **Financial Management**

Topics covered include:

- Financial mathematics: simple and compound interest, nominal and effective interest rates, annuities, perpetuities, discounted cash flow; net present value, internal rate of return.
- The Malaysian Financial System.
 - flow of funds in an economy
 - Bank Negara Malaysia
 - major financial institutions
 - non-banking financial intermediaries
 - Islamic banking
- Kuala Lumpur Stock Exchange Financial Futures and Option Exchange (KLOFFE) money and foreign exchange
- Essential concepts in financial management.
 - time value of money
 - an introduction to risk-return trade-off
- Tools of financial analysis, planning and decision making.
 - financial ratio analysis
 - funds and cash flow analysis
 - financial forecasting
 - financial planning and control
- Working capital management.

- Capital structure and cost of capital, capital gearing, dividend policy.

(3) **Malaysian Government Policies and Regulations.**

Students are required to know various Malaysian government policies and regulations that affect business and finance.

- Role and Functions of:-
 - Ministry of International Trade and Industry
 - Malaysian Industrial Development Authority
 - Foreign Investment Committee Guidelines
 - Companies Commission of Malaysia
 - Rating Agencies
- Industrial Coordination Act including procedures of obtaining manufacturing licences and investment incentives.
- Wholesale and Retail Trade Guidelines
- Foreign Exchange Control Guidelines

READING GUIDE

ECONOMICS AND BUSINESS STATISTICS

ECONOMICS

1. Case and Fair. Principles of Economics. 6th Edition. Prentice Hall, 2003.
2. Irvin B. Tucker. Economics for Today. 3rd Edition. South Western College. Thomson Learning, 2003.
3. Begg. D. Economics. 9th Edition. McGraw Hill, 2008.
4. McConnel, Brue. Economics. Principles. Problems and Policies. 17th Edition. McGraw Hill, 2008.
5. Ministry of Finance. Laporan Ekonomi/Economic Report.
6. Bank Negara Malaysia. Laporan Tahunan/Annual Report.

BUSINESS STATISTICS

1. Berenson, M. L., Levine, D. M. and Krehbiel, T.C. Basic Business Statistics: Concepts and Applications. 8th Edition. Prentice Hall, 2003.
2. Elementary Statistics: A step by step Approach 7th Edition. By Bluman. Mc Graw Hill International Edition, 2008
3. Barrow M. Statistics for Economics. Accounting and Business Studies. 5nd Edition. Addison Wesley Longman Malaysia, 2010.
4. Gregory, D. and Ward, H. Statistics for Business Studies. 4th Edition. London: McGraw Hill, 1993.

TAXATION I

1. Veerinderjeet Singh. Veerinder on Taxation Volume 1. 1st Edition. Kuala Lumpur: Arah Publications 2008.
2. Veerinderjeet Singh. Veerinder on Taxation Volume 2. 1st Edition. Kuala Lumpur: Arah Publications 2008.

- 3 Kasipillai, J.A comprehensive guide to Malaysian taxation-Under self assessment (4th ed.). Kuala Lumpur: McGraw-Hill, 2009
4. CCH Tax Editors. Malaysian Master Tax Guide. Singapore: CCH Asia Ltd, 2010.
5. Chin Yoong Kheong. Malaysian Taxation.4th Edition. Kuala Lumpur. Butterworth Asia,1997.
6. Tax Guardian, Journal of the Chartered Tax Institute of Malaysia
7. Chartered Tax Institute of Malaysia. Rules & Regulations (On Professional Conduct and Ethics)
- 8 2010 Budget Commentary & Tax Information by CTIM-MIA-MICPA

FINANCIAL ACCOUNTING I

1. Wood, F. Business Accounting 1: International Student Edition. 11th Edition, Prentice Hall, 2008.
2. Betsy Li. Principles of Accounts. 4rd Edition. Oxford University Press, 2004.
3. Roy Dodge. Foundations of Business Accounting. 2nd Edition. International Thomson Press, 1997.
4. Melville Alan. Financial Accounting. Pitman Publishing, 1997

TAXATION II

1. Veerinderjeet Singh. Veerinder on Taxation Volume 1. 1st Edition. Kuala Lumpur: Arah Publications 2008.
2. Veerinderjeet Singh. Veerinder on Taxation Volume 2. 1st Edition. Kuala Lumpur: Arah Publications 2008
3. Kasipillai, J.A comprehensive guide to Malaysian taxation-Under self assessment (4th ed.). Kuala Lumpur: McGraw-Hill, 2009
4. CCH Tax Editors. Malaysian Master Tax Guide.Singapore: CCH Asia Ltd, 2010
5. Chin Yoong Kheong. Malaysian Taxation.4th Edition. Kuala Lumpur. Butterworth Asia,1997
7. Tax Guardian,Journal of the Chartered Tax Institute of Malaysia
8. 2010 Budget Commentary & Tax Information by CTIM-MIA-MICPA

TAXATION III

1. CCH Tax Editors. Malaysian Master Tax Guide. Singapore: CCH Asia Ltd, 2010
2. Veerinderjeet Singh. Veerinder on Taxation Volume 1. 1st Edition. Kuala Lumpur: Arah Publications 2008
3. Veerinderjeet Singh. Veerinder on Taxation Volume 2. 1st Edition. Kuala Lumpur: Arah Publications 2008
4. Chin Yoong Kheong. Malaysian Taxation. 4th Edition. Kuala Lumpur. Butterworth Asia, 1997
5. Tax Guardian, Journal of the Chartered Tax Institute of Malaysia
6. 2010 Budget Commentary & Tax Information by CTIM-MIA-MICPA

COMPANY AND BUSINESS LAW

COMPANY LAW

1. Woon, Walter C.M. Company Law. 2nd Edition. Kuala Lumpur: Sweet & Maxwell Asia, 1997.
2. Krishnan Arjunan. Company Law in Malaysia. Malayan Law, 1998.
3. Guide to Company Law in Malaysia and Singapore. 3rd Edition. CCH Asia Ltd, 1996.
4. Woon, Walter and Hicks, Andrew. The Companies Act of Malaysia: An Annotation. Malaysia: Butterworths Asia, 1997.
5. Chan Choong Choon & et al. Chan & Koh Malaysian Company Law, Principles & Practice. 2nd Edition Sweet & Maxwell, 2006.
6. Shanty Rachagan & et al. Principles of Company Law in Malaysia. Malayan Law Journal, 2002.
7. Paul L Davies. Gower & Davies' Principles of Modern Company Law. 7th Edition Sweet & Maxwell, 2003.

BUSINESS LAW

1. Wu Min Aun and Beatrix Vohrah. The Commercial Law of Malaysia. 2nd Edition. Kuala Lumpur: Longman, 2000.

2. Lee, Mei Pheng & Detta Samen. Commercial Law in Malaysia. Malayan Law Journal, 1997.
3. Lee, Mei Pheng. General Principles of Malaysian Law. 3rd Edition. Kuala Lumpur: Fajar Bakti, 6th Impression 2000.
4. P.S Atiyah. The Sale of Goods.9th Edition.Financial Times/Pitman,1995.
5. Else-Mitchell, R&R W.Parsons. Hire-Purchase Law.4th Edition. The Law Book Company Ltd, 1968.
6. Visu Sinnadurai. Law of Contract in Malaysia, Cases and Commentary.2nd Edition.Butterworths: Kuala Lumpur,5th Impression 1999.
7. Syed Ahmad Alsagoff. Principle of the Law of Contract in Malaysia. 2nd Edition Malayan Law Journal, 2003.
8. Dr Samsar Kamar Latif. Partnership Law in Malaysia. International Law Book Services, 1998.
9. ER Hardy Ivamy & Vincent Powell-Smith. Malaysian Law of Partnership Cases & Materials. Butterworth Asia, 1995.
10. Salleh Buang. Malaysian Law on Hire-Purchase. 2nd Edition Sweet & Maxwell, 2001.

TAXATION IV

1. Veerinderjeet Singh. Veerinder on Taxation Volume 1. 1st Edition. Kuala Lumpur: Arah Publications 2008
2. Veerinderjeet Singh. Veerinder on Taxation Volume 2. 1st Edition. Kuala Lumpur: Arah Publications 2008
3. Income Tax Act 1967 (Latest)
4. Chin Yoong Kheong. Malaysian Taxation.4th Edition. Kuala Lumpur. Butterworth Asia,1997
5. CCH Tax Editors. Malaysian Singapore Tax Cases. CCH Asia Ltd. (Loose Leaf)
6. CCH Tax Editors. Malaysian Master Tax Guide Singapore: CCH Asia Ltd, 2010
7. Tax Guardian, Journal of the Chartered Tax Institute of Malaysia
8. 2010 Budget Commentary & Tax Information by CTIM-MIA-MICPA

TAXATION V

1. Veerinderjeet Singh. Veerinder on Taxation Volume 1. 1st Edition. Kuala Lumpur: Arah Publications 2008.
2. Veerinderjeet Singh. Veerinder on Taxation Volume 2. 1st Edition. Kuala Lumpur: Arah Publications 2008
3. Income Tax Act 1967 (Latest)
4. CCH Tax Editors. Malaysian Master Tax Guide Singapore: CCH Asia Ltd, 2010.
5. Tax Guardian, Journal of the Chartered Tax Institute of Malaysia
6. Malaysian Institute of Taxation. Rules & Regulations (On Professional Conduct and Ethics)
7. 2010 Budget Commentary & Tax Information by CTIM-MIA-MICPA

FINANCIAL ACCOUNTING II

1. Wood, F. and Sangster, A. Business Accounting 2: International Student Edition. 11th Edition, Financial Times Management, 2008.
2. Jane Lazar and Tan Lay Leng. Company Accounts and Reporting. 5th Edition. Kuala Lumpur: Prentice Hall, 2003.
3. Tan Liong Tong. Consolidated Financial Statements. 5rd Edition. Kuala Lumpur. PAAC, 2008.
4. Ng Eng Juan. Consolidated Accounts - Malaysia. Singapore. Financial Times, 1997.
5. Ng Eng Juan. International Accounting Standards - Malaysia. Singapore. Longman, 1994.
6. Malaysian Accounting Standards Board. MASB Standards.

E-mail: masb@po.iaring.my

Website address: <http://www.masb.ore.mv>

BUSINESS AND FINANCIAL MANAGEMENT

BUSINESS MANAGEMENT

1. Stoner, James A. F. and Wankel, Charles. Management. 6th Edition. Englewood Cliffs, New Jersey: Prentice-Hall, 1995.
2. Griffin, R. E. and Ebert R. J. Business. 7th Edition. Prentice-Hall, 2004.
3. Dessler, G. Human Resource Management. 10th Edition. New Jersey: Prentice-Hall, 2005
4. Bovee, Thil. Business Communication Today. 7th Edition. Prentice-Hall International, 2003
5. Kotler, P. and Armstrong, G. Principle of Marketing. 12th Edition. Prentice-Hall, 2004.

FINANCIAL MANAGEMENT

1. James C, Van Home & John M, Wachowicz Jr. Fundamentals of Financial Management. 11th Edition. New Jersey: Prentice-Hall, 2001.
2. Johnson Pang. Banking & Finance-Malaysia. Shah Alam: Times, 1995.
3. Bank Negara Malaysia. The Central Bank and the Financial System in Malaysia: Decade of Change. Kuala Lumpur: BNM, 1999

MALAYSIAN GOVERNMENT POLICIES AND REGULATIONS

- Industrial Coordination Act including procedures in obtaining
- Manufacturing Licenses and incentive.
- Foreign Investment Committee Guidelines.
- Foreign Exchange Control Guidelines.
- Wholesale and Retail Trade Guidelines.
- MIDA publications.
- Ministry of Finance. Laporan Ekonomi/ Economics Report.

APPENDIX 1

QUALIFICATIONS DEEMED EQUIVALENT TO HSC/STPM REQUIREMENT

1. Matriculation Courses conducted by Universiti Kebangsaan Malaysia; Science Course conducted by Pusat Asasi Sains, Universiti Malaya and Economics Matriculation course conducted by Universiti Islam Antarabangsa or similar courses conducted by other Malaysian Institutions of Higher Learning.
2. Singapore and United Kingdom General Certificate of Examination, Advanced Level (including Associated Examination Board (AEB) Examination), with results obtained in the same examination sitting.
3. The following examinations are also deemed equivalent to the HSC/STPM requirement provided the results obtained satisfy the admission requirement to a degree course offered by the recognised university in that country:
 - (i) Australian or New Zealand High School Leaving Certificate Examination
 - (ii) South Australian Matriculation Examination
 - (iii) Canadian Grade 13 Programme
4. Diploma in Banking & Finance from Institute of Bankers
5. Certificate of Business Studies from Politeknik Ungku Omar or other Malaysian Polytechnics offering similar courses.
6. Diploma in Accounting from Malaysian Association of Productivity
7. Certificate in bookkeeping and Certificate in Data Processing from Politeknik Sultan Haji Ahmad Shah or other Malaysian Polytechnics offering similar courses.

- 8 Certificate in Accounting with Business Computing from Kolej Tuanku Abdul Rahman
- 9 Certificate in Bookkeeping from Politeknik Kota Bharu or other Malaysian Polytechnics offering similar courses.
- 10 Diploma from Association of Business Executives
- 11 Licentiate/Associate/Fellow of Institute of Financial Accountants (UK) (only those who obtained membership through passing the IFA examination)
12. Third Level Group Diploma/Third Level Diploma in Business Studies/ Third Level Diploma in Managerial Principles from London Chamber of Commerce and Industry.
13. Unified Examinations Certificate from Chinese Independent Schools

Note:

Applicants with any of the above qualifications must also satisfy the MCE/ SPM requirements.

APPENDIX 2

QUALIFICATIONS DEEMED TO SUPERSEDE THE MINIMUM ENTRY REQUIREMENTS

1. A non-relevant degree from local universities
2. A degree from the National University of Singapore
3. Bachelor of Accountancy from Nanyang Technological University, Singapore
4. Diplomas from Universiti Teknologi MARA :

- (a) Advanced Diploma in Law
 - (b) Diploma in Accountancy
 - (c) Diploma in Business Studies
 - (d) Diploma in Banking Studies
 - (e) Diploma in Investment Analysis
 - (f) Advanced Diploma in Business Administration
 - (g) Advanced Diploma in Insurance
 - (h) Diploma in Public Administration
 - (i) Diploma in Law
5. Diploma in Accountancy from Politeknik Kuching/Politeknik Ungku Omar/ Politeknik Sultan Haji Ahmad Shah (POLISAS) or similar Malaysian Polytechnics offering similar courses
 6. Graduate or associate member of the Institute of Chartered Secretaries and Administrators
 7. Associate member of the Association of International Accountants (UK) (only those who obtained membership through passing the examination)
 8. Associate of the Institute of Bankers London
 9. A degree from overseas universities recognised by the Council
 10. Member of the Institute of Cooperative Auditors (ICA) (only those who obtained membership through passing the ICA examination)
 11. Advanced Diploma from Association of Business Executives (Applicants must also satisfy the MCE/SPM requirements)
 12. Member of the American Institute of Certified Public Accountants (AICPA)
 13. Member of US State Boards of Accountancy
 14. Accounting Diploma from Tuanku Abdul Rahman College

APPENDIX 3

LIST OF OVERSEAS ACCOUNTANCY BODIES RECOGNISED PURSUANT TO PARAGRAPH 2.1 (c)

Full member of:

The Institute of Chartered Accountants in England & Wales (ICAEW)

The Institute of Chartered Accountants of Scotland (ICAS)

The Institute of Chartered Accountants in Ireland (ICAI)

The Institute of Chartered Accountants in Australia (ICAA)

The Canadian Institute of Chartered Accountants (CICA)

The Association of Chartered Certified Accountants (UK) (ACCA)

The Australian Society of Certified Practising Accountants (ASCPA)

The Institute of Chartered Accountants of New Zealand (ICANZ)

The Indian Institute of Chartered Accountants

LIST OF OVERSEAS ACCOUNTANCY BODIES RECOGNISED PURSUANT TO PARAGRAPH 2.1 (d)

The Chartered Institute of Management Accountants (CIMA)

APPENDIX 4

LIST OF RECOGNISED LOCAL INSTITUTIONS OF HIGHER LEARNING AND PROFESSIONAL BODIES

Universiti Malaya

Universiti Kebangsaan Malaysia

Universiti Utara Malaysia

Universiti Putra Malaysia

Universiti Islam Antarabangsa

Universiti Teknologi MARA

Malaysian Institute of Certified Public Accountants (MICPA)

APPENDIX 5

EXAMINATION REGULATIONS

1. Eligibility for Examination

1.1 No person shall be eligible to sit for any of the Institute's examination unless he is a registered student of the Institute.

1.2 Foundation Level

A student may not sit for the Foundation Level Examination until three months have elapsed since the date of registration as a student.

1.3 Intermediate Level

A student may not sit for the Intermediate Level Examination unless he has passed or been granted exemption from all papers in the Foundation Level. In the case where exemption from the Foundation Level has been granted, a student may not sit for the Intermediate Level Examination until three months have elapsed since the date of registration as a student of the Institute.

1.4 Final Level

A student may not sit for the Final Level Examination unless he has passed or been granted exemption from all papers in the Foundation Level Examination and Intermediate Level Examination. Where such exemption has been granted, the student may present himself for the Final Level Examination at any time after he has registered as a student of the Institute.

1.5 Qualifying Period

The qualifying period that a student must complete before he is entitled to present himself as a candidate for an examination refers to the period which has elapsed since the date of registration as a student of the Institute prior to the first day of the month in which the examination is held. For this purpose, the period is deemed to have commenced from the first day of the month in which the student was registered with the Institute.

2. Application for Examination

Applications for admission to examination must be made in the form prescribed by the Examination Committee to be received by the Committee on or before the closing date set for acceptance of applications. The application must be accompanied by:

- (a) The appropriate fee payable in respect of the examination.
- (b) A certificate in the form prescribed by the Examination Committee that the candidate is a fit and proper person to be admitted to the examination.
The certificate is to be signed by his current employer or a member of the Institute.

3. Acceptance of Entries

The dates for each examination session and acceptance of entries shall be published in the journal of the Institute and in a national newspaper (if required by the Examination Committee). Late entries will not be accepted for any examination and no allowance shall be made for any special circumstances nor for any error or omission by the candidate, or by any person acting on his behalf.

4. Refund of Examination Fees

If after payment of the examination fee, a candidate withdraws his entry or fails to

present himself for examination in one or more papers, the fee may be wholly or partly refunded as follows:

- (a) A candidate whose request to withdraw from an examination is received before the closing date for receipt of entries will obtain a refund of the fee paid for the examination less a sum equivalent to 20% of the fee paid.
- (b) A candidate whose request to withdraw from an examination is received after the closing date for receipt of entries will not be entitled to any refund of the fee paid, except that the Committee may:

- on receipt of satisfactory medical evidence grant a refund to a candidate who, by reason of illness, withdraws from an examination after the closing date for receipt of entries or who is absent from all papers in an examination for which he has entered;

- (ii) grant refund in such other circumstances as it may deem fit.

An application for such a refund of fees must be submitted, with supporting evidence, within twenty-eight days of the start of the examination for which the candidate has entered. A sum equivalent to 20% of the fee paid will be deducted from the fee paid when the refund is made.

5. Exemption from Examination

The Council may at its discretion grant exemption from such papers of the Institute's examinations to any registered student who can produce evidence to the satisfaction of the Council of his success in any examination which shall be recognised by the Council as providing a satisfactory test to qualify for exemption from such papers.

6. Time Limit to Complete Examination

The Institute's examinations must be completed within the following time limit and all papers from each level (for which exemption has not been granted) must be attempted in the same sitting. The Council may in specific circumstances, extend the number of attempts for a student.

6.1 Foundation Level

All papers in the Foundation Level Examination must be passed within 4 years from the date of registration with the Institute. A credit would be given for each paper passed. A student must complete the Foundation Level in a maximum of 4 attempts provided that a student shall be granted one final attempt to be taken in the next immediate examination session following the expiry of the time limit if his total number of attempts has not exceeded the maximum number of attempts.

6.2 Intermediate Level

A student shall not be allowed to attempt the Intermediate Examination until he has completed all the papers in the Foundation Level (for which exemption has not been granted) within the limit specified above. A credit would be given for each paper passed.

The Intermediate Level Examination must be completed within a maximum of five years.

6.3 Final Level

A student will not be allowed to attempt the Final Level Examination until he has completed all the papers in the Foundation Level and Intermediate Level (for which exemption has not been granted) within the specified time limit. A credit would be given for each paper passed.

The Final Level must be completed within a maximum of seven years.

For a student whose time limit to complete the Final Level falls within the month in which the examination is held, that examination shall be his final attempt. A student whose time limit to complete the Intermediate Level falls in any of the other months shall be granted one final attempt to be taken in the next immediate examination session following the expiry of his time limit.

7. Misconduct in Examination

Any candidate who is found guilty of misconduct in an examination shall be liable to disciplinary action being instituted against him by the Examination Committee/Council. Misconduct includes, inter alia:

- (a) being in possession of any books, notes or other unauthorised material while in the examination room;
- (b) aiding, or attempting to aid another candidate or obtaining, or attempting to obtain aid from another candidate;
- (c) failing to obey any instruction of the invigilators;
- (d) giving false or misleading information to the invigilators.

8. Examination Results

8.1 Declaration of Results

The decision of the Examination Committee in regard to a candidate's examination result is final and no correspondence shall be entered into with the candidate himself, his employer, his parents or any persons or organisations claiming interest.

8.2 Performance

Candidates will be advised of their performance in each paper classified as either a Pass or Fail.

9. Prizes

Prizes are awarded to candidates whose performance in an examination is outstanding on the following basis:

- (a) A prize for best performance will be awarded for each examination level, each Taxation paper and any other paper as determined by Council.
- (b) Only candidates who have passed a particular level of the examination part as a whole will be considered for prize awards.

GENERAL INFORMATION

1. Date of Examination

The Institute's examinations are held annually, usually in the month of December.

2. Notice of Examination

An examination docket is sent to each examination candidate about 2 weeks before the examination date stating the examination number, the examination part and subjects entered for and the location of the examination centre.

On receipt of this docket, a candidate should check carefully the information contained therein. Candidates are advised to read carefully the detailed instructions which accompany the docket. If he has any doubt, he should contact the Institute's Examination Officer immediately.

3. Rejected Application

Where an applicant has been refused permission to sit for any parts of the examination, he may make appeal in writing for reconsideration giving his reasons within 7 days of the notification. Such appeal shall be considered by the Examination Committee whose decision shall be final.

4. Examination Centre

The usual centres for the holding of the Institute's examinations are at Kuala Lumpur, Ipoh, Penang, Melaka/Seremban, Johor Bahru, Kuantan, Kota Kinabalu and Kuching. A candidate may elect to sit at the centre of his choice. However, if the total number of candidates sitting for any paper at a particular centre is too few, the candidates will be instructed to go to another centre.

5. Medium of Examination

The Institute's examinations are set in the English Language. A candidate may elect to write the examination in either the English Language or Bahasa Malaysia but he must ensure that only one language is being used throughout a particular examination paper.