

e-CTIM No.2/2010

8 January 2010

TO ALL MEMBERS

TECHNICAL

1. Guidelines for service tax on charge cards and credit cards

The Royal Malaysian Customs (RMC) has recently posted the above Guidelines on its website at <http://www.customs.gov.my/index.php/en/component/content/article/187-berita-terkini/284-cukai-perkhidmatan-bagi-kad-kredit>.

The Guidelines explain that service tax will not be levied on debit cards, petrol cards, closed community charge cards, loyalty cards and virtual money cards.

The Guidelines further provide illustrations on how service tax will be levied. Where the card is issued for more than a year, service tax is levied on the anniversary date in the year 2010 and subsequent years. In the case of upgrading or downgrading of cards or changing from generic card to co-branded card or vice versa, service tax will be levied on the issuance of new card and the anniversary date in subsequent years, if the expiry date of the new card is different from the original card. If the expiry date of the new card is same as the original card, service tax will be levied on the anniversary date based on the original card. Service tax is levied although the annual subscription is waived by the issuer.

Members may also view the guidelines on the website of the Institute at http://www.ctim.org.my/technical_techdev_indirect.asp

2. Service tax on exported taxable services

The RMC has recently announced at its website that with effect from 1 January, 2010, service tax will be levied on all taxable services, subject to specific exclusions as prescribed in Group G, Second Schedule to the Service Tax Regulations 1975.

Service tax will be levied on consultancy and management services rendered in connection with goods or land situated in Malaysia or other matters relating to Malaysia, including services rendered to foreigners outside Malaysia.

The announcement can be viewed at the website of the RMC at <http://www.customs.gov.my/index.php/en/component/content/article/187-berita-terkini/288-qexported-taxable-serviceq-perkhidmatan-yang-kena-dibayar-cukai-yang-dieksportkan>.

CONTINUING PROFESSIONAL DEVELOPMENT

1. Workshop: Investment Incentives

8 CPD Points

Date/Venue : 13 January 2010, Impiana Casuarina Ipoh
27 January 2010, Renaissance Hotel, Malacca
Time : 9.00 am – 5.00 pm
Speaker : Mr Sivaram Nagappan

Course Contents

- Pioneer Status and Investment Allowances
- Infrastructure Allowance
- Reinvestment Allowances
- Incentives for Approved Services Projects
- Double Deductions
- Promotion of Exports
- Pre-package Incentive on Approved Business
- Group Relief for Losses
- Accelerated Capital Allowances
- Research and Development
- Venture Capital Companies (VCC)
- Operational Headquarters (OHQ)
- International Procurement Centre (IPC)
- Regional Distribution Centre (RDC)
- Latest Updates

2. Evening Talk: Real Property Gains Tax (RPGT)

(in collaboration with ACCA Malaysia)

3 CPD Points

Date : 18 January 2010
Time : 4.00 pm – 7.00 pm
Venue : Park Royal Hotel, Jalan Sultan Ismail, Kuala Lumpur

<u>Time</u>	<u>Programme</u>
3.30 pm	Registration & Refreshments
4.15 pm	Chairman's Welcoming Speech Ms Seah Siew Yun Council Member, Chartered Tax Institute of Malaysia
4.30 pm	Latest Updates on Real Property Gains Tax Speaker : Mr Yee Wing Peng Executive Director, Deloitte KassimChan Tax Services Sdn Bhd
5.15 pm	The Impact of 5% RPGT on Property Market in Malaysia Speaker : Y Bhg Datuk Ng Seing Liong PJN, J.P. President, Real Estate and Housing Developers' Association Malaysia (REHDA)

- 6.00 pm **Panel Discussion & Question and Answer Session**
Panelists:
• Mr Yee Wing Peng
• Y Bhg Datuk Ng Seing Liong PJN, J.P.
• Representative from the Inland Revenue Board of Malaysia (to be confirmed)
- 7.00 pm End of the session

3. Evening Talk: Withholding Tax on Section 4(f) Income – Practical and Legal Perspectives 2 CPD Points

Date : 25 January 2010
Time : 4.00 pm – 6.00 pm
Venue : Equatorial Hotel, Jalan Sultan Ismail, Kuala Lumpur

- | <u>Time</u> | <u>Programme</u> |
|-------------|--|
| 4.00 pm | Registration & Refreshments |
| 4.15 pm | Chairman's Welcoming Speech
Dr Veerinderjeet Singh
President, Chartered Tax Institute of Malaysia |
| 4.20 pm | Section 4(f) Income – From the Tax Perspectives <ul style="list-style-type: none">▪ Scope of Section 4(f) income with practical examples▪ Derivation, withholding tax rate and compliance▪ Practical issues and pitfalls for Malaysian payers▪ Issues relating to Malaysian branch of a non-resident company receiving Section 4(f) income <u>Speaker:</u>
Mr Tang Chin Fook
Managing Director, Mazars Taxation Services Sdn Bhd (<i>formerly known as Moores Rowland Taxation Services Sdn Bhd</i>) |
| 5.00 pm | Section 4(f) Income – From the Legal Perspectives <ul style="list-style-type: none">▪ Case laws dealing with Section 4(f) income▪ Section 4(f) versus Double Taxation Agreement("DTA") <u>Speaker:</u>
Mr Anand Raj
Advocate & Solicitor, Shearn Delamore & Co |
| 5.30 pm | Panel Discussion & Question and Answer Session
Dr Veerinderjeet Singh
Mr Tang Chin Fook
Mr Anand Raj
Mr SM Thanneermalai |
| 6.00 pm | End of the Session |

4. Half-day Workshop: Entertainment Expenses & Benefits-In-Kind

Date : 26 January 2010
Time : 9.00 am – 1.00 pm
Venue : Equatorial Hotel, Jalan Sultan Ismail, Kuala Lumpur
Speaker : Lim Gim Kim

<u>Time</u>	<u>Programme</u>
8.30 am	Registration
9.00 am	A better understanding of Entertainment Expenses
10.15 am	Question & Answer Session
10.45 am	Refreshments
11.45 am	A better understanding of Benefits-in-Kind
12.30 pm	Question & Answer Session
1.00 pm	End of the Programme

Note: Kindly refer to the attached brochures for details and registration forms.

Please logon to www.ctim.org.my for the latest update on the events or contact CPD Secretariat, Ms Latha/Ms Ally/Ms Nur at 03-2162 8989 ext 108/113/106 for further information. Alternatively, you can email your enquiries to cpd@ctim.org.my.

For queries or feedback on the CTIM e-circular, please email secretariat@ctim.org.my.

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