

# e-CIRCULAR TO MEMBERS



CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

e-CTIM No.06/2011

22 February 2011

TO ALL MEMBERS

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## TECHNICAL

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1. **New Public Rulings issued on 7 February 2011**  
**Public Ruling 01/2011 --- Taxation of Malaysian Employees Seconded Overseas**  
**Public Ruling 02/2011 --- Interest Expense and Interest Restriction**

The Inland Revenue Board (IRB) has issued the above Public Rulings (PRs) on 7 February 2011. Members are advised to study the full PR thoroughly and submit their comments to the Institute by 7 March 2011 for further action. The PRs may be viewed at the IRB's website at <http://www.hasil.gov.my/goindex.php?kump=5&skum=5&posi=3&unit=1&sequ=1>. Members may also view the PRs at <http://www.ctim.org.my/cms/news.asp?menuid=14>.

2. **Request for 2012 Budget proposals**

The Institute is preparing the annual Budget Memorandum for the consideration of the Ministry of Finance in preparing the 2012 Budget proposals. As such, members are requested to submit their comments, ideas and proposals to the CTIM's Technical and Public Practice Committee (TPPC) by 11 March 2011. The TPPC will review all suggestions and proposals and where appropriate, include them in the Memorandum for submission to the MOF. Please submit all comments, ideas and proposals to [kstim@ctim.org.my](mailto:kstim@ctim.org.my) or fax to 03-2162 8990.

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## PRACTICE UPDATES

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3. **Introducing New Business Code (MSIC 2008)**

With effect from 15 February 2011, taxpayers who carry on a business are required to use the new business code (MSIC 2008) when completing their income tax return forms (ITRFs). The MSIC 2008 is applicable to all ITRFs (including ITRFs for backlog cases and amendments of / revisions to ITRFs for prior years of assessment) as well as e-filing.

The IRB has indicated that for investment holding company, the new business code is 64200. No mapping list is available.

Members may view the MSIC 2008 at the IRB's website at [http://www.hasil.gov.my/pdf/pdfam/NewBusinessCodes\\_MSIC2008\\_2.pdf](http://www.hasil.gov.my/pdf/pdfam/NewBusinessCodes_MSIC2008_2.pdf) or at CTIM's website at [http://www.ctim.org.my/cms/file/news/14/00645\\_NewBusinessCodes\\_MSIC2008\\_2.pdf](http://www.ctim.org.my/cms/file/news/14/00645_NewBusinessCodes_MSIC2008_2.pdf).

#### 4. The Technical Section in the New CTIM Website

Only public documents such as IRB public rulings, guidelines, Section 153 guidelines, CTIM rules and regulations and the latest developments, national budget speeches and appendices as well as the budget memorandums are available for public viewing at the “Technical Section” in the new CTIM website.

Additional information such as the list of legislation updates, members’ e-circulars, professional practice developments, minutes of dialogues, archived updates and guidelines as well as reference resources are available in the “Members Only” section where only CTIM members can have access.

The Institute has assembled some useful hyperlinks in the “Link Section” for the convenience of members. More useful hyperlinks to international organisations, tax professional bodies and overseas revenue authorities can also be found at the “Resources” webpage in the “Members Only” section.

#### 5. Double taxation agreements (DTAs)

Members are informed that the following DTAs have entered into force.

DTA with	Entered into force	Withholding tax	Petroleum income tax	Other taxes
		Effective on and after		
San Marino (DTA)	28/12/2010	01/01/2011	YA 2012	YA 2011
Germany (New DTA)	21/12/2010	01/01/2011	YA 2012	YA 2011

The following Protocols on Exchange of Information (EOI) have also entered into force:

EOI Protocol with	Entered into force	Effective date
France	01/12/2010	Any calendar year or accounting period beginning on or after 01/01/2011
Netherlands	19/10/2010	For requests made on or after 19/10/2010 with regard to tax years beginning on or after 01/01/2010
United Kingdom	28/12/2010	Beginning on or after 01/01/2011

## CONTINUING PROFESSIONAL DEVELOPMENT

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1. [Seminar: Treatment of Benefits In-Kind \(BIK\) & Latest Developments on Schedular Tax Deductions \(STD\)](#)

Date : 25 February 2011  
Time : 9.00am – 5.00pm  
Venue : Equatorial Hotel, KL

Chairman:

**Mr Chow Kee Kan, Council Member of CTIM**

Morning session:

**Tax Efficient Employment Income (Reporting and Planning) and Treatment of Benefits-In-Kind**

While many of us feel that the treatment of employment income is straight forward, yet the tax efficiency and compliance are often taken for granted. During this session the better practices for tax planning and common pitfalls would be shared for greater awareness.

Speaker:

***Ms Sakaya Johns Rani, Senior Executive Director, PricewaterhouseCoopers***

Afternoon session:

**Latest Developments on Schedular Tax Deductions (STD)**

- Basic Mistakes in Managing the STD
- Systems and How to Avoid the Negative Consequences e.g penalty, prosecution, special issues dealing with directors

Speaker:

***Mr Vincent Josef, Tax Consultant***

**8 CPD Points**

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**CHARTERED TAX INSTITUTE OF MALAYSIA IS RECRUITING AN ASSISTANT MANAGER / TECHNICAL MANAGER**

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The Chartered Tax Institute of Malaysia is inviting suitably qualified candidates to apply for the position in the premier body for tax professionals.

Interested applicants, please click on [http://www.ctim.org.my/ectim/Advert\\_techmgr\\_Jul10.pdf](http://www.ctim.org.my/ectim/Advert_techmgr_Jul10.pdf)

*For queries or feedback on the CTIM e-circular, please email [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my).*

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