

e-CIRCULAR TO MEMBERS



CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

e-CTIM No.07/2011

25 February 2011

TO ALL MEMBERS

TECHNICAL

1. Income Tax (Thin Capitalisation) Rules postponed

The Ministry of Finance has informed the Institute that the implementation of the Income Tax (Thin Capitalisation) Rules has been deferred to the end of December 2012 and in the meantime, studies on its implementation will be carried out from time to time.

2. Request for operations issues

The Institute is compiling operations issues faced by members in dealing with the Inland Revenue Board (IRB). A dialogue with the IRB will be requested if there are sufficient issues to be raised. Members are encouraged to submit these issues to the Technical and Public Practice Committee (TPPC) by 11 March 2011. The TPPC will review these issues and where appropriate, include them in a memorandum for submission to the IRB. The issues can be submitted to kslim@ctim.org.my or fax to 03-2162 8990.

3. Income Tax (Exemption) Order 2011 [P.U.(A) 44/2011]

Effective from the year of assessment 2010 to the year of assessment 2014, a resident company incorporated in Malaysia is given an exemption from payment of income tax up to 70% of the statutory income derived from the export of motor vehicles, automobile components or parts it manufactured.

The amount of statutory income to be exempted is equal to:

- a) 30% of the value of increased export where the export sales of products of the company attained at least 30% of the value added: or
- b) 50% of the value of increased export where the export sales of products of the company attained at least 50% of the value added.

The incentive is not applicable to a company if, in the basis period for a year of assessment, the company has been granted any incentive under Promotion of Investments Act 1986, or has made a claim for reinvestment allowance or granted investment allowance under Schedule 7A and 7B of the Income Tax Act 1967 (the Act) respectively, or has been granted exemption under Section 127(3)(b) or 127(3A) of the Act, or has qualified for a deduction under any rules made under Section 154 of the Act including any rules that provide for a higher rate of capital allowances.

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

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

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

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