

# e-CIRCULAR TO MEMBERS



CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

e-CTIM No.3/2011

13 January 2011

TO ALL MEMBERS

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## TECHNICAL

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### 1. Labuan International Business and Financial Centre (Labuan IBFC)

The following legislations relating to the Labuan IBFC are effective from 15 December 2010.

- a) Labuan Financial Services Authority (Processing and Approval Fees)(Labuan Financial Institutions) Order 2010 [P.U.(A) 413/2010]
- b) Labuan Companies Regulations 2010 [P.U.(A) 414/2010]
- c) Labuan Trusts Regulations 2010 [P.U.(A) 415/2010]
- d) Labuan Financial Services and Securities Regulations 2010 [P.U.(A) 416/2010]
- e) Labuan Islamic Financial Services and Securities Regulations 2010 [P.U.(A) 417/2010]
- f) Labuan Foundations Regulations 2010 [P.U.(A) 418/2010]
- g) Labuan Limited Partnerships and Limited Liability Partnerships Regulations 2010 [P.U.(A) 419/2010]

### 2. Income Tax (Deduction for Premium for Export Credit Insurance Based on Takaful Concept) Rules 2010 [P.U.(A) 428/2010]

The Rules stipulate that effective from year of assessment 2011, premiums incurred for export credit insurance based on takaful concept and paid to a company approved by the Minister shall be allowed a double deduction in arriving at the adjusted income of the business.

### 3. Income Tax (Exemption) (No.2) Order 2010 [P.U.(A) 478/2010]

The Minister exempts a locally incorporated resident company from payment of income tax on income received from the sale of certified emission reduction, i.e. gross income from the sale less expenditure, not being capital expenditure, incurred by the company for the purposes of obtaining certified emission reduction. The expenditure shall be deemed to be incurred in the basis period for a year of assessment in which the income from the sale of certified emission reduction is received. The company shall maintain a separate record for the income so exempted.

“certified emission reduction” means a Kyoto Protocol unit equal to one metric tonne of carbon dioxide equivalent, calculated in accordance with Kyoto rules and is issued for gas emission reductions from an activity of clean development mechanism project (i.e. a project of clean development mechanism approved by the Ministry of Natural Resources and Environment).

#### 4. Policy on stamp duty on service agreements and

##### **Stamp Duty (Remission) (No.4) Order 2010 [P.U.(A) 476/2010]**

The Tax Analysis Division of the Ministry of Finance has issued the above policy statement on 30 December 2010. It stipulates that service agreements executed on or after 1 January 2011 will be subject to ad valorem duty of 0.1%. For multi-tier service agreements, ad valorem duty of 0.1% will be imposed on the first tier only. The ad valorem duty of 0.1% will be imposed on:

- a) the first tier for service agreements executed between a private entity and the service provider; or
- b) the second tier for service agreements executed between an entity which is exempted from payment of stamp duty (eg. the Government of Malaysia) and the service provider.

The service agreements executed for other tiers will be subject to stamp duty at a fixed rate of RM50 and the excess duty will be remitted.

Following from the policy statement, the Stamp Duty (Remission) (No.4) Order 2010 [P.U.(A) 476/2010] was gazetted on 31 December 2010 to remit the stamp duty collected in excess of RM50.

#### 5. Stamp Duty (Remission) (No.2) Order 2010 [P.U.(A) 423/2010]

Fifty per cent of stamp duty chargeable on any loan agreement executed between a Malaysian citizen purchaser and a financier to finance a purchase of one unit residential property (i.e. a house, a condominium unit, an apartment or a flat unit built as a dwelling house), costing not more than RM350,000 shall be remitted provided that

- (i) the sale and purchase agreement is executed between 1 January 2011 and 31 December 2012, both days inclusive;
- (ii) the purchaser does not own any other residential property at the date of execution of that sale and purchase agreement;

The application for remission may only be made once and is also applicable to co-purchasers. "financier" means

- (a) a bank,
- (b) a financial institution,
- (c) an insurance company registered under the Insurance Act 1996 [Act 553],
- (d) a co-operative society registered under the Co-operative Societies Act 1993 [Act 502], or
- (e) an employer under an employee housing loan scheme.

#### 6. Stamp Duty (Remission) (No.3) Order 2010 [P.U.(A) 475/2010]

Fifty per cent of stamp duty chargeable on any instrument of transfer for the purchase of only one unit residential property (i.e. a house, a condominium unit, an apartment or a flat unit built as a dwelling house), costing not more than RM350,000 by a Malaysian citizen shall be remitted provided that

- (i) the sale and purchase agreement is executed between 1 January 2011 and 31 December 2012, both days inclusive;
- (ii) the Malaysian citizen does not own any other residential property at the date of execution of that sale and purchase agreement;

The application for remission may only be made once and is also applicable to co-purchasers.

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## CONTINUING PROFESSIONAL DEVELOPMENT

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### 1. Seminar: Early Planning for the Year

Date : 18 January 2011

Time : 9.00am – 5.00pm

Venue : Berjaya Times Square Hotel, Kuala Lumpur

Topic/Speaker:

- i) Corporate and Operational Structures for Tax Efficient Market Penetration in 2011  
*Speaker: Mr K.Sandra Segaran, Deloitte KassimChan Tax Services Sdn Bhd*
- ii) Tax Opportunities Arising from the Recent Economic Transformation Programme (ETP)  
*Speaker: Mr Steve Chia, PricewaterhouseCoopers*
- iii) Transfer Pricing Planning to Minimise Tax Risks  
*Speaker: Mr Bob Kee, KPMG Tax Services Sdn Bhd*
- iv) Indirect Tax – Sales Tax & Service Tax  
*Speaker: Mr Koh Siok Kiat, Ernst & Young Tax Consultants Sdn Bhd*

**8 CPD Points**

### 2. Seminar: Maximising Tax Incentives - A Practical Perspective

Date : 25 January 2011

Time : 9.00am – 5.00pm

Venue : Seri Pacific Hotel, Kuala Lumpur

Topic/Speaker:

- i) Latest Incentives in Malaysia  
*Speaker: Mr. N. Rajendran, Malaysian Industrial Development Authority*
- ii) Malaysia Investment Incentives (Pioneer Status, Investment Tax Allowance)  
*Speaker: Dr. Nakha Ratnam Somasundaram, Multimedia University*
- iii) Malaysia – Land of Incentives (Reinvestment Allowance, Special Building Allowance, Other Incentives)

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*Speaker: Mr Sivaram Nagappan, Malaysia Airlines*

- iv) Double Deductions & Special Deductions  
*Speaker: Mr Chris Low, BDO*

**8 CPD Points**

**3. Workshop: Submission of Return Forms B or BE 2010 – Kuala Lumpur/Petaling Jaya**

<u>Date</u>	<u>Venue</u>
22 February 2011	Eastin Hotel, Kuala Lumpur

Time : 9.00am – 5.00pm  
Speaker : Mr. Vincent Josef

**8 CPD Points**

**4. Workshop: Submission of Return Forms B or BE 2010 – Outstation**

<u>Date</u>	<u>Venue</u>
17 February 2011	Traders Hotel, Penang
2 March 2011	Mutiara Hotel, Johor Bahru
8 March 2011	Hyatt Regency Hotel, Kota Kinabalu
9 March 2011	Four Points Sheraton, Kuching

Time : 9.00am – 5.00pm  
Speaker : Mr. Vincent Josef

**8 CPD Points**

**5. Workshop: Corporate Tax Issues for YA 2011 – Kuala Lumpur**

Date : 18 February 2011  
Venue : Seri Pacific Hotel, Kuala Lumpur

Time : 9.00am – 5.00pm  
Speaker : Mr. Chow Chee Yen

**8 CPD Points**

**6. Workshop: Corporate Tax Issues for YA 2011 – Outstation**

<u>Date</u>	<u>Venue</u>
14 January 2011	Hyatt Regency Hotel, Kota Kinabalu
27 January 2011	Mutiara Hotel, Johor Bahru
28 January 2011	Traders Hotel, Penang
16 February 2011	Renaissance Hotel, Malacca
4 March 2011	Four Points Sheraton, Kuching

Time : 9.00am – 5.00pm  
Speaker : Mr. Chow Chee Yen

**8 CPD Points**

7. [Workshop: Tax Planning for Mergers & Acquisitions – Outstation](#)

<u>Date</u>	<u>Venue</u>
17 January 2011	Traders Hotel, Penang ( <b>postponed</b> )
18 February 2011	Mutiara Hotel, Johor Bahru

Time : 9.00am – 5.00pm  
Speaker : Mr. Tan Hooi Beng

8 CPD Points

8. [Workshop: Tax Planning on Individual’s Income from Employment and Investments – Outstation](#)

<u>Date</u>	<u>Venue</u>
17 January 2011	Mutiara Hotel, Johor Bahru ( <b>postponed</b> )
17 February 2011	Impiana Casuarina Hotel, Ipoh
1 March 2011	Traders Hotel, Penang
14 March 2011	Renaissance Hotel, Malacca
5 April 2011	Four Points Sheraton, Kuching
6 April 2011	Hyatt Regency Hotel, Kota Kinabalu

Time : 9.00am – 5.00pm  
Speaker : Mr. Sivaram Nagappan

8 CPD Points

Please visit our website [www.ctim.org.my](http://www.ctim.org.my) for the latest updates on our events or contact the CPD Secretariat, Ms Ally/Ms Fadeah/Ms Yus/Ms Nur at 03-2162 8989 ext 108/119/121/106 for further information. Alternatively, you can email your enquiries to [cpd@ctim.org.my](mailto:cpd@ctim.org.my).

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## MEMBERSHIP SERVICES

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### UPDATE OF MEMBERS’ INFORMATION (MEMBERSHIP NO) IN NEW CTIM WEBSITE

Kindly note that you are required to update your membership number under “Modify My Profile” once you have logged into the member’s section via the “MEMBER LOGIN” screen on the homepage.

## OTHER EVENT

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### 1) UNIVERSITI KEBANGSAAN MALAYSIA

SEMINAR ON TAX AUDIT: ISSUES AND CHALLENGES  
(ADMISSION IS FREE)

Date: 18 January 2011 (Tuesday)

Venue: Senate Room, Chancellery,  
Universiti Kebangsaan Malaysia

For further information on the seminar and registration details, please click here:

<http://www.ctim.org.my/ectim/tax%20audit%20brochure.pdf>

### 2) MALAYSIAN INVESTOR RELATIONS ASSOCIATION BERHAD

Malaysian Investor Relations Association (MIRA) is organising a one-day seminar on "Malaysian Companies Act & Regulations" and "Corporate Disclosure Policy & Overview on Chapter 10 of Listing Requirement - Transaction" on 19 January 2011 (Wednesday), 9.00am - 5.00pm at Theatre Room, Lower Ground Floor, Bursa Malaysia, Kuala Lumpur.

The details of the seminar are as stated below :-

Speakers :

- (1) Dr. Cheah Foo Seong, Chief Technical Officer, Tricor Corporate Services Sdn Bhd
- (2) Mr. Chee Kai Mun, Associate Director - Compliance & Advisory, Tricor Corporate Services Sdn Bhd

Topic outlines

Malaysian Companies Act & Regulations

Session 1 (09.00 am - 10.30 am)

Malaysian Companies Act & Regulations (Part 1)

- Types of company
- Memorandum & Articles of Association
- Company's names
- Members
- Share Capital

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- Formation of private limited company
- Post incorporation
- Conversion from Berhad to Sendirian Berhad and from Sendirian Berhad to Berhad

Session 2 (10.45 am - 12.15 pm)

Malaysian Companies Act & Regulations (Part 2)

- Shareholders' powers
- Administration of shareholdings
- Company meetings & resolutions
- Directors and duties
- Auditors
- Company administration - annual obligation

Corporate Disclosure Policy & Overview on Chapter 10 of Listing Requirement

- Transaction

Session 3 (01.30 pm to 03.00 pm)

Corporate Disclosure Policy

- Immediate Announcement of Material Information
- Thorough Dissemination of Material Information
- Trading Halt/ Request For Suspension
- Clarification of Rumours
- Response to Unusual Market Activity
- Unwarranted Promotional Activity
- Withholding Material Information

Session 4 (03.15 pm to 04.45 pm)

Overview On Chapter 10 Of Listing Requirements - Transactions

- Key Obligations
- Percentage Ratios
- Aggregation Rule
- Non-Related Party Transaction
- Related Party Transaction
- Recurrent Related Party Transactions
- Other Related Requirements

- MIRA Member Price : RM500.00 (redeemable via MIRA vouchers)
- Non-MIRA Member Price : RM650.00. Payable to Malaysian Investor Relations Association
- **CTIM Member price : RM585.00. Payable to Malaysian Investor Relations Association.**

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For further information on the seminar and registration details, please contact :-

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Email : [alexlee@bursamalaysia.com](mailto:alexlee@bursamalaysia.com)

(2) Zulaika Salleh  
Tel. no. : +603 – 2034 7415  
Email : [zulaika@bursamalaysia.com](mailto:zulaika@bursamalaysia.com)

Closing date: **17 January 2011**

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**THE CHARTERED TAX INSTITUTE OF MALAYSIA IS RECRUITING A TECHNICAL  
MANAGER / ASSISTANT TECHNICAL MANAGER / TECHNICAL EXECUTIVE**

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

Interested applicants, please click on <http://www.ctim.org.my/ectim/advert technical ectim.doc>

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