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**TECHNICAL**

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**Direct Tax**

**AMENDMENT TO SECTION 25(1) OF THE INCOME TAX ACT 1967 WITH EFFECT FROM THE YEAR OF ASSESSMENT 2016 – CONFIRMATION OBTAINED FROM LHDNM**

The Institute has obtained confirmation from the Inland Revenue Board of Malaysia (LHDNM), via their [letter dated 18 February 2016](#), in relation to the tax treatment of gross income from an employment pursuant to S.25(1) of the Income Tax Act 1967, as amended by S.7(a) of the [Finance Act 2015](#) and has effect from the year of assessment 2016.

Members may read the LHDNM's [letter dated 18 February 2016](#) together with the Institute's [letter dated 3 February 2016](#) in full on the Institute's website.

You may contact the Tax Policy Department and/or the Tax Operation Department of the [LHDNM](#) at Menara Hasil, Cyberjaya if you require further clarification on the above-mentioned matter.

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