

**TO ALL MEMBERS**

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**TECHNICAL**

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**Direct Taxation**

**LHDNM'S CLARIFICATION ON REDUCTION IN WITHHOLDING TAX RATE FOR DISTRIBUTION FROM REITS RECEIVED BY A NON-RESIDENT COMPANY UNDER THE FINANCE ACT 2015**

We refer to our [e-CTIM TECH-DT 81-2015](#) on the submission of the [Joint Memorandum](#) to the Inland Revenue Board of Malaysia (LHDNM) and Ministry of Finance (MOF) on issues arising from the 2016 Budget, Finance Bill 2015 and other technical matters.

The Institute together with other professional bodies attended a dialogue with the LHDNM and MOF on the Joint Memorandum on 29 February 2016. Subsequently, the Institute followed up with the LHDNM to obtain their response to the clarification sought in item A.18 on page 26 of the Joint Memorandum in relation to the reduction in withholding tax rate for distribution from REITs received by a non-resident company under Section 24(b) of the [Finance Act 2015](#).

Members may view the LHDNM's email response dated 14 March 2016 and the Institute's follow-up email dated 2 March 2016 in relation to the above at the [website of the Institute](#).

The minutes of the dialogue on the Joint Memorandum will be circulated to members when it is made available by the LHDNM.

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