
TECHNICAL

Direct Taxation

[LHDNM's Letter on Guidelines on Tax Exemption in Respect of Increase in Chargeable Income from Business](#)

The Institute has received a [letter](#) dated 18 September 2019 from the Inland Revenue Board of Malaysia (LHDNM) on the Guidelines on Tax Exemption in Respect of Increase in Chargeable Income from Business. The Guidelines were reported in our [e-CTIM TECH-DT 58/2019](#) dated 15 July 2019.

According to the letter, in relation to the issuance of the Guidelines, there has been confusion in the computation of chargeable income from business which has resulted in amendments to the assessments for the year of assessment 2017 and 2018. As such, if there are additional assessments issued as a result of adjustments to the said business income (in connection with tax exemption in respect of increase in chargeable income from business), the penalties under subsection 113(2) of the Income Tax Act 1967 would not be imposed. However, the exclusion of this penalty does not apply to cases which involve other tax issues.

Members may read the [LHDNM's letter](#) in full at the Institute's website.

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