

TECHNICAL

Direct Taxation

LHDNM RESPONSES TO CTIM CLARIFICATION SOUGHT ON P.U. (A) 274/2019, PN NO. 2/2020, FAQ ON SPECIAL DEDUCTION ON RENTAL REDUCTION AND MUTUAL EXCLUSION IN P.U. (A) 117/2017

The Institute has sought clarification in its [letter dated 15 July 2020](#) to the Inland Revenue Board of Malaysia ("LHDNM") on the following:

1. Issues arising from the claiming of capital allowance on development cost for customised computer software [[P.U. \(A\) 274/2019](#) and [LHDNM's Practice Note \("PN"\) No. 2/2020](#)];
2. LHDNM frequently asked questions ("FAQ") on special deduction for corporate taxpayers and other taxpayers on rental reduction offered to small and medium enterprise ("SME") tenants ([updated 28 April 2020](#)); and
3. LHDNM response dated 21 May 2021 on mutual exclusion provision of [Income Tax \(Exemption\) \(No. 2\) Order 2017 \[P.U. \(A\) 117/2017\]](#) – Exemption in respect of the increase in chargeable income from business.

The LHDNM has provided its response in its [letter dated 3 September 2020](#) to the Institute.

Members may read the [Institute's letter dated 15 July 2020](#) and the [LHDNM's reply letter dated 3 September 2020](#) in full at the Institute's website.

Disclaimer

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this e-CTIM. CTIM herein expressly disclaims all and any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this e-CTIM.