e-CIRCULAR TO MEMBERS

CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

e-CTIM TECH-DT 68/2019 **6 October 2020**

TO ALL MEMBERS

TECHNICAL

Direct Taxation

LHDNM – PUBLIC RULINGS NO. 5/2020 & 6/2020

The following Public Rulings (PRs) have been uploaded in the website of the Inland Revenue Board of Malaysia (LHDNM):

Public Ruling	Title	Date of Publication	Objective	Note
No.5/2020	Tax Treatment of Research and Development Expenditure Part I – Qualifying Research and Development Activity	13.8.2020	To clarify the definition of research and development (R&D) and its qualifying criteria, to assist in determining whether an activity undertaken for R&D in the ordinary course of business, qualifies as an R&D activity.	The PR No. 5/2004 on Double Deduction Incentive on Research Expenditure and Addendum to PR No. 5/2004 have been amended, rewritten and updated, and published in two parts as follows: i) PR No. 5/2020 ii) PR No. 6/2020 The PR No. 5/2020 and PR No. 6/2020 should be read together with the guidelines titled Guidelines on The Application Procedure for a Special Deduction in Respect of a Qualifying Research and Development Activity dated 13.8.2020 .
No.6/2020	Tax Treatment of Research and Development Expenditure Part II – Special Deductions	13.8.2020	To explain the expenditure that qualifies for special deductions (incentive) in respect of a qualifying research and development (R&D) activity.	

Members may view the above PRs on the websites of the Institute and the LHDNM.

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the above PRs so that we may raise them to the LHDNM.