

FINAL LEVEL REVENUE LAW

OBJECTIVE:

To examine the understanding of the interpretation and application of income tax statutes and case law decisions.

CONTENTS:

Rules of Interpretation of tax statutes/legislation

The Basis of Malaysian Taxation

- Scope of charge
- Derivation of Income
- Classes of Income

Employment Income

- Residence of individuals
- Concept of Profession and employment
- Meaning of having or exercising an employment
- Derivation of employment income
- Gross income from employment
- Adjusted income
- Exemptions

Business Income & Losses

- Trading and adventure in the nature of trade :
 - Meaning of adventure or concern in the nature of trade
 - Badges of trade
 - Mutual trading
 - Illegal activities

Partnerships & Trusts

- Characteristics of partnerships
- Types of partners
- Existence of partnerships
- Tax aspects
- Limited liability partnerships
- Business Trusts

Capital and Revenue Expenditure

- The Capital/Revenue distinction
- Deductible expenses (general rule and specific provisions)
- Disallowed expenses
- Double deductions

Deductions for Capital Expenditure

- Capital Allowances and Charges:
 - Definition of qualifying capital expenditure on plant and machinery
 - Determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charges
 - Special cases
- Controlled sales:
 - Controlled transfers
 - Meaning of control
- Industrial Building Allowances (IBA):
 - Definition of industrial building
 - Determination of Initial Allowance, Annual Allowance, Balancing Allowance and Balancing Charge
 - Deemed industrial building (75% rule)
 - Use of part of an industrial building (10% rule)
- Reinvestment Allowance

Companies and bodies of persons

- Residence status and its significance
- The Single Tier System / Imputation System
- Transfer pricing
- Anti-avoidance provisions

Dividends, Interest, Royalties, Annuities, Rents, Premiums, Discounts, Periodical Gains and Other Gains or Profits

- Basis of assessment
- Derivation
- Gross income
- Adjusted income
- Exemptions

Real Property Gains Tax

- Principles and scope of chargeability
- Chargeable assets and persons
- Exemptions
- Computation of chargeable gains and allowable losses
- Treatment of gifts
- Real property companies
- Tax rates
- Returns and assessments
- Payments and recovery of tax

Double Taxation Agreements

- Distinction between trading in and trading with Malaysia
- Double taxation agreements (with emphasis on determination of a permanent establishment, business profits, personal services and tax sparing relief)
- Malaysian double taxation agreements
- Relief for withholding tax

Returns, assessment and appeals

- **Tax returns**
 - Statutory duty of taxpayer; obligation to failure to submit tax returns
- **Assessments**
 - Time bar assessments, service of notice
- **Appeals**
 - Special commissioners of Income Tax
 - Relief for error or mistakes

Collection and recovery

- Liability to pay
- Tax installments
- Recovery of unpaid tax
- Prevention from leaving Malaysia
- Withholding tax

READING LIST - REVENUE LAW

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