



Student Guide

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The Chartered Tax Institute of Malaysia

INSTITUTE's MISSION

To be the premier body providing effective institutional support to members and promoting convergence of interest with the government, using taxation as a tool for the nation's economic advancement; to attain the highest standard of technical and professional competency in revenue law and practice supported by an effective secretariat.



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IMPORTANT NOTICE TO STUDENTS

Students are advised to understand the student guide and use it as a source of reference. Other Institutes publications consisting of: quarterly Tax Guardian, Rules and Regulations on Professional Conduct and Ethics and Budget Commentaries are useful references for examinations. These books are available in the Resource Centre for reference. All important notices for students will be published in the Institute's journal. Please ensure that you received a copy of the quarterly journal and have read all important notices relevant to the examination.

Communicating with the Institute

- Quote your registration number in any communication.
- Notify the Institute of any change of address immediately, amending and returning the subscription notice or by email: examination@ctim.org.my

Annual Subscription Fee

- You are advised to pay the subscription promptly. The annual subscription is due on 31st January each year, your registration is liable to be cancelled if the fee is not received by 31st March.
- When making a payment to the Institute by money order, credit card – VISA / MASTER, postal orders or cheques, state the name, registration number and the purpose for the payment
- **DO NOT SEND CASH.** All cheque or other bank payments must be made in Malaysian Ringgit and payable to '**CHARTERED TAX INSTITUTE OF MALAYSIA**'.

Legislation

Questions involving knowledge of legislation will be based on Malaysian Legislation and students are expected to have knowledge of any current changes in legislation. However, no questions on new legislation will be set until at **least 6 months have lapsed** since the last day of the month in which Royal Assent was given to the new legislation.

PREFACE

This guide provides information for students, their employers, career advisers and teachers. It contains general information about the Institute as well as details of student membership requirements.

Registered students should keep this guide and refer to it on all matters concerning their student membership. Notification of any changes in requirements or arrangements will be given in the Institute's postal notifications and/or e-ctim.

The Institute's office is open from 8.30 am to 5.30 pm from Monday to Friday.

RESOURCE CENTRE

Access

The Resources Centre is open to members and registered students of Chartered Tax Institute of Malaysia

Resource Centre Hours

Monday - Friday 8:30 am - 5:30 pm

The **Chartered Tax Institute of Malaysia Resource Centre** is situated at the following address:

The Chartered Tax Institute of Malaysia
Unit B-13-1, Block B, 13th Floor
Megan Avenue II
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur

The materials in the Resource Centre are for reference only and borrowing is strictly not allowed. Students are required to register prior to usage of the Resource Centre. Students who require a place to study are encouraged to use the public libraries.

TAXATION AS A CAREER

The Institute wishes to congratulate you in your interest in the field of taxation and as a New Student Member of the Institute. Knowledge in taxation can provide the quantum leap and added value in whatever that you do in your career, either in the field of management, accounting, law or even as a tax agent. As the saying goes, there is nothing in this world as certain as death and taxes.

The Chartered Tax Institute of Malaysia (CTIM) is the ONLY professional body in Malaysia to provide an entry into the world of taxation. Its objective is to train and build a pool of qualified taxation personnel as well as to foster and maintain the highest standard of professional ethics and competency among its members.

Tax is not just the application of simple rules. One has to be well versed in the legislation, have the ability to research into case law, keep in touch with the administrative/technical practices of the tax authorities, and be able to express thoughts and opinions in writing as well as exhibit diplomacy and tact in order to get the right results. It is in other words, an exciting profession. Practical training in the field of taxation will develop individuals to be planners, strategists and decision makers. Tax professionals are in demand because all organisations - whether small, medium or large conglomerates require taxation advice, whether in compliance work such as furnishing tax computations or in an advisory capacity in tax planning work. Other functions of a tax professional are:

- i. Advising on structuring of executive remuneration packages;
- ii. Advising on types of investment incentives provided by the government;
- iii. Advising on restructuring and reorganisation schemes which may involve transfers of shares, real property, trading stock, fixed assets, debtors, etc.;
- iv. Advising both local and foreign investors on the type of business structures that may be more tax efficient;
- v. Cross border tax planning.

The tax profession is interesting, well paid, and one can find employment in public accounting firms, the commercial sector or even the Inland Revenue Board or start your own tax practice.



CATEGORIES OF CTIM QUALIFICATIONS AND MEMBERSHIP

The Institute offers the following qualifications upon successful completion of the Institute's Professional Examinations

- Upon **completing the Intermediate level**, a **tax technician certificate** will be awarded. With this certificate, the student should have sufficient capabilities to do tax compliance work such as filling of tax returns recognised by Malaysian tax firms
- On **completion of the Final Level**, students will be awarded either/or the following categories of membership:
 - **Provisional member of the Chartered Tax Institute of Malaysia** while awaiting 5 years tax working experience.
 - **Associate member of the Chartered Tax Institute of Malaysia** on completion of relevant 5 years tax working experience. This qualification carries the title **ACTIM** and denotes professional status.

ENTRANCE QUALIFICATIONS

The Institute has 3 categories of entry qualifications for its examinations, the categories are as follows:

1. **STPM, ITS EQUIVALENT AND NON-ACCOUNTING RELATED DIPLOMAS AND DEGREES**
2. **ACCOUNTING DIPLOMAS AND DEGREES – LOCAL AND OVERSEAS QUALIFICATIONS**
3. **PROFESSIONAL ACCOUNTING QUALIFICATIONS**

1. **STPM, ITS EQUIVALENT AND NON- ACCOUNTING RELATED DIPLOMAS AND DEGREES**

Students with **STPM or its equivalent** are eligible to sit for the Institute's examinations with the following requirements:

- a) Has attained the age of seventeen (17)
- b) Has obtained a SPM with credits in English Language and Mathematics and an ordinary pass in Bahasa Malaysia or equivalent
- c) Has obtained principal level passes in at least two subjects (excluding Kertas Am/Pengajian Am) at the STPM examination or its equivalent.

(Refer to the list of qualifications equivalent to the STPM in **Appendix 1**)

- d) **Non-accounting degrees, diplomas and professional qualification from both local and overseas institutions** - are considered as meeting entry requirements

(Refer **Appendix 2** for List of other entry level qualifications)

Note: Students with the above minimum entry qualification will not be granted any exemptions for the examination.

2. **ACCOUNTING DIPLOMAS, DEGREES AND PROFESSIONAL ACCOUNTING QUALIFICATIONS – LOCAL AND OVERSEAS QUALIFICATIONS**

Applicants who are **not members of Malaysian Institute of Accountants (MIA)** will be eligible for exemption at the discretion of the Council with the following qualifications:

- i. Recognised Degrees in Accounting – Local and overseas qualifications
- ii. Advance Diploma in Accounting – local and overseas qualifications

(Refer **Appendix 3** for list of recognised local institutions of higher learning)

3. **PROFESSIONAL ACCOUNTING QUALIFICATIONS** - Full members of Local and Overseas Accountancy Bodies with no taxation working experience will be eligible for subject exemptions at the discretion of the Council

(Refer **Appendix 4** for List of Professional Accountancy bodies recognised).

EXEMPTIONS:

The Institute grants subject(s) exemptions based on the level of the qualifications attained and the relevance of the course content as determined by the Council. For non-relevant degree/diploma from both local and overseas institutions of higher learning, subject exemptions will be granted if the subject has been covered in the degree/diploma program for at least 2 semesters or one academic year.

All applications for exemption or evaluation of qualification for possible exemption must be made in prescribed forms available from the CTIM office at the time of registration as a student. Appropriate fees must be paid immediately upon receipt of the Exemption Invoice.

The Council may at its discretion grant additional exemptions to the Institute's examinations to registered students who have obtained relevant additional qualifications, abilities or experience by producing evidence to the satisfaction of the committee.

DIRECT ENTRANCE TO CTIM ASSOCIATE MEMBERSHIP - ACTIM

The following persons are eligible to apply for membership to the Institute without having to sit for the CTIM Examinations subject to the following requirements:

1. Any person who has passed the Advanced Course examination conducted by the Department of Inland Revenue or the Inland Revenue Board Malaysia or the relevant examination conducted by Royal Customs Malaysia, as determined by the Council, and who has not less than five (5) years' experience in practice or employment relating to taxation matters approved by the Council;
2. Any person whether in practice or in employment who for the purposes of the Income Tax Act, 1967 as amended or an advocate or solicitor of the High Court of Malaya, Sabah and Sarawak and who has had not less than three (3) years practical experience in practice or employment relating to taxation matters approved by the Council;
3. Any person who is registered with MIA as a Chartered Accountant with a Practising Certificate and who has had not less than three (3) years' experience in practice or employment relating to taxation matters approved by the Council;
4. Any person who is registered with MIA as a Chartered Accountant and who has had not less than three (3) years practical experience in practice or employment relating to taxation matters approved by the Council after passing the examinations specified in Part I of the First Schedule or the final examinations of the associations of accountants specified in Part II of the First Schedule to the Accountants Act 1967;
5. Any person who is registered with MIA as a Licensed Accountant and who has had not less than five (5) years practical experience in practice relating to taxation matters approved by the Council after admission as a licensed accountant of the MIA under the Accountants Act, 1967;
6. Any Registered Student or Provisional Member who has passed the examinations prescribed under Article 13 (unless the Council shall have granted exemption from such examinations or parts thereof in accordance with Article 14) and who has had not less than five (5) years practical experience in practice or employment relating to taxation matters approved by the Council;
7. Any person who is a full member of any professional body approved by the Council or who has any other relevant qualification approved by the Council and who had not less than five (5) years practical experience in practice or employment relating to taxation matters.

EXAMINATION STRUCTURE

The new examination syllabus which becomes effective December 2014 was undertaken with the recommendation by the Examination Committee and approved by the CTIM Council and endorsed in the AGM in June 2014.

The syllabus was revised to keep the syllabus current by incorporating the various changes in tax law. The examination was restructured to provide students with a new qualification after completing the intermediate level. The Institute hopes that these changes will bring value to the CTIM Professional Qualification and students receive the intended benefits.

The CTIM Examinations are held bi-annually in June and December and comprises 2 levels, details are as follows

INTERMEDIATE LEVEL

- (2010) Financial Accounting
- (2020) Personal Taxation
- (2030) Economics
- (2040) Business Taxation

Students are required to complete the Intermediate Level before proceeding to the Final Level.

FINAL LEVEL

- (3010) Advance Taxation 1
- (3020) Company and Business Law
- (3030) Revenue Law
- (3040) Advance Taxation 2

Fees & Subscription

	RM
Registration fees	265.00
Subscription (calendar year)	190.80

Exemption fees/ Examination fees

Intermediate Level	159.00
Final Level	190.80

EXAMINATION REGULATIONS

1. Eligibility for Examination

- 1.1. No person shall be eligible to sit for any of the Institute's examination unless he is a registered student of the Institute. The Institute's examination structure comprises of 2 levels; Intermediate Level and Final Level.

1.2. Intermediate Level

A student may not sit for the Intermediate Level Examination until three months qualifying period have elapsed since the date of registration.

1.3. Final Level

A student may not sit for the Final Level Examination unless he has passed or been granted exemption from all papers in the Intermediate Level Examination. Where such exemption has been granted, the student is eligible to attempt the Final Level Examination papers.

1.4. Qualifying Period

The qualifying period that a student must complete before he is entitled to present himself as a candidate for an examination refers to the period which has elapsed since the date of registration as a student of the Institute prior to the first day of the month in which the examination is held. For this purpose, the period is deemed to have commenced from the first day of the month in which the student was registered with the Institute.

2.0 Examination registration

Examination Notification and Entry Form will be sent to all active students notifying the dates of the examination and closing date for examination entry. Students are required to register for the examination by completing the examination entry forms and submitting the forms by post, fax or e-mail to CTIM. The application must be accompanied by:

- 2.1 The appropriate fee payable in respect of the examination.
- 2.2 A certificate in the form prescribed by the Examination Committee that the candidate is a fit and proper person to be admitted to the examination. The certificate is to be signed by his current employer or a member of the Institute.

3.0 Acceptance of Entries

Once the completed entry forms and payments are received it is updated into the database and an automatic receipt is generated. This official receipt is posted to the student and this acknowledges acceptance of examination entry. Late entries will not be accepted for any examination and no allowance shall be made for any special circumstances nor for any error or omission by the candidate, or by any person acting on his behalf.

4.0 Refund of Examination Fees

If after payment of the examination fee, a candidate withdraws his examination entry, the fee may be wholly or partly refunded as follows:

- 4.1 A candidate whose request to withdraw from an examination is received **before the examination closing date**, a refund will be made after deducting 20% of the fee paid
- 4.2 A candidate whose request to withdraw from an examination is received **after the examination closing date** – the fee paid will not be refunded
- 4.3 a candidate who, by reason of illness, withdraws from an examination after the examination closing date or who is absent from all papers in an examination for which he has entered; the Committee may on receipt of satisfactory medical evidence grant refund in such circumstances as it may deem fit.
- 4.4 An application for such a refund of fees must be submitted, with supporting evidence, within twenty-eight days of the start of the examination for which the candidate has entered. A sum equivalent to 20% of the fee paid will be deducted from the fee paid when the refund is made.

5.0 Time Limit to Complete Examination

The Institute's examinations must be completed within 16 years from the date of registration as a student. The Examination Committee may in specific circumstances, extend the number of attempts for a student following the completion of this time limit but such extension will be limited to no more than 3 attempts. If the student does not attempt any examination paper for a continuous period of 3 years the student will be deregistered following the end of the 3rd year. The Examination Committee may grant an exemption from this rule on special grounds on appeal by the student

6.0 Misconduct in Examination

Any candidate who is found guilty of misconduct in an examination shall be liable to disciplinary action being instituted against him by the Examination Committee/Council. Misconduct includes, inter alia: being in possession of any books, notes or other unauthorised material while in the examination room; aiding, or attempting to aid another candidate or obtaining, or attempting to obtain aid from another candidate; failing to obey any instruction of the invigilators; giving false or misleading information to the invigilators.

7.0 Examination Results

7.1 Declaration of Results

The decision of the Examination Committee in regard to a candidate's examination result is final and no correspondence shall be entered into with the candidate himself, his employer, his parents or any persons or organisations claiming interest.

7.2 Performance

Candidates will be advised of their performance in each paper classified as either a Pass (P) or Fail (F).

8.0 Prizes

Prizes are awarded to candidates whose performance in an examination is outstanding based on the following basis:

8.1 A prize for best performance will be awarded for all Taxation papers and other papers as determined by Council.

8.2 Best performance in the Intermediate Level/Final Level will be awarded to a student who have passed all papers in that level with the highest total marks as decided by the examination committee.

GENERAL EXAMINATION INFORMATION

1. Date of Examination

The Institute's examinations are held bi-annually, usually in the month of June and December.

2. Notice of Examination

An examination docket is sent to each examination candidate about 1 month before the examination date stating the examination number, the examination Level, subjects entered and the location of the examination Centre.

On receipt of this docket, a candidate should check carefully the information contained therein. Candidates are advised to read carefully the detailed instructions which accompany the docket. If he has any doubt, he should contact the Institute's Examination Officer immediately.

3. Rejected Application

Where an applicant has been refused permission to sit for any parts of the examination, he may make appeal in writing for reconsideration giving his reasons within 7 days of the notification. Such appeal shall be considered by the Examination Committee whose decision shall be final.

4. Examination Centre

The usual centres for the holding of the Institute's examinations are at Kuala Lumpur, Ipoh, Penang, Melaka, Kota Bharu, Johor Bahru, Kuantan, Kota Kinabalu and Kuching. A candidate may elect to sit at the centre of his choice. However, if the total number of candidates sitting for any paper at a particular centre is too few, the candidates will be instructed to go to another centre.

5. Medium of Examination

The Institute's examinations are set in the English Language. A candidate may elect to write the examination in either the English Language or Bahasa Malaysia but he must ensure that only one language is being used throughout a particular examination paper.

6. At the examination hall

Students are required to present the docket, student registration card, Identity Card at the examination hall. Students sitting for Revenue Law and Advance Taxation 2 papers are allowed to bring the Income Tax Act 1967 and the RPGT Act as references.

EXAMINATION SYLLABUS & READING LIST

INTERMEDIATE LEVEL FINANCIAL ACCOUNTING

OBJECTIVES:

1. To develop knowledge and understand the underlying principles and concepts relating to financial accounting.
2. Preparation of financial statements and related supporting documents.

CONTENTS:

- Accounting concepts and principles
- Effect of business transactions
- Double entry accounting systems
- Books of original entry/types of ledger
- Balancing off accounts and pre-adjusted Trial Balance
- Bank reconciliation statement – errors/ timing and permanent difference
- Other entries
 - Accruals and prepayments
 - Depreciation and disposals of assets
 - Provision for bad and doubtful debts
 - Inventory valuation
 - Adjusted Trial balance
- Control accounts - Debtors and Creditors control account
- Correction of errors - journalizing / suspense accounts and adjusting financial statements
- The Framework of accounting/Objectives of Financial reporting
- Introduction to computerized accounting systems
- Preparations of financial statements for:
 - Sole Traders
 - Incomplete records
 - Clubs and societies
 - Partnerships
- Manufacturing companies - manufacturing accounts
- Sole trader and Partnership conversion to Limited Liability Company
- Characteristics of a company
- Company formation, prospectus and published accounts
 - Accounting treatment for classes of shares
 - Issue of shares/bonus right issues
 - Reserves. Retained profits, dividend and taxation
 - Share splits, share buyback, earnings per share
 - Types of debentures, issue , redemptions of debentures
 - Preparation and presentation of financial statements and
 - Director's and auditor's report
- Company reconstructions – internal and external reconstruction and capital reduction
- Joint ventures – nature and accounting treatment for simple joint ventures

- Branch accounts – separate and combined financial statement for head office and branch
- Analyzing and evaluation of financial statements
 - Cash flow statement
 - Ratios
 - Capital requirements

READING LIST - FINANCIAL ACCOUNTING

1. Wood, F. (2015). **Business Accounting 1**. 13th ed, Pearson Education Limited.
2. Betsy Li, Tan Sai Kim, Goh Ling Chin. (2007). **Principles of Accounts**. 5th ed. Marshall Cavendish Education.
3. Roy Dodge. (1997). **Foundations of Business Accounting**. 2nd ed. International Thomson Press.
4. Melville Alan. (1999). **Financial Accounting**. 2nd ed. Pearson.
5. Jane Lazar, Tan Lay Leng. (2011). **Company and Group Financial Reporting**. 7th ed. Pearson Malaysia.
6. Tan Liong Tong. (2013). **Consolidated Financial Statements**. 7th ed. CCH.
7. Jane Lazar, Tan Lay Leng. (2003). **Company Accounts and Reporting**. 5th ed. Prentice Hall.
8. Ng Eng Juan. (1997). **Consolidated Accounts - Malaysia. Singapore**. Financial Times.
9. Ng Eng Juan. (1994). **International Accounting Standards - Malaysia. Singapore**. Longman.
10. Malaysian Accounting Standards Board. MASB Standards.
Website address: <http://www.masb.org.my>

INTERMEDIATE LEVEL PERSONAL TAXATION

OBJECTIVE:

- To introduce to the students about the basic principles of taxation.
- To have a better understanding about the basic concepts of taxation.
- To examine the basic concepts (including reference to case law) of Malaysian income tax and its application to individuals as well as ethical practice

CONTENTS:

Scope and Basis

- Taxation as a source of government revenue
- Understanding of general system of taxation in Malaysia
- Scope of charge
- Classes of income chargeable to tax
- Exemptions
- Chargeable persons
- Tax rates
- Special classes of income

Residence of Individuals

- Determination of residence status
- Significance of residence status

Sources of Income:

Employment

- Meaning of employment
- Distinction between contract of service and contract for services
- Gains or profits from employment
- Basis of assessment
- Valuation of benefits-in-kind
- Deductible expenses
- Compensation for loss of office
- Gratuities, Golden handshakes
- Share options, incentive schemes and profit sharing schemes
- Exemptions

Other Sources

- Dividends
- Interest
- Discounts
- Rents
- Royalties
- Premiums
- Pensions
- Periodical payments
- Annuities
- Other gains or profits
- Basis of assessment
- Deductible expenses
- Non-deductible expenses

Personal Reliefs includes

- Self
- Spouse
- Child
- EPF
- Life Insurances
- Child and Medical Insurances
- Medical expenses for parents
- Course fees
- Disabled person
- Purchase of books, personal computer, sports equipment

Rebates

- Individuals
- Zakat, Fitrah or other Islamic religious dues

Computation of Tax Liability

- Taxation of husband and wife
- Determination of chargeable income
- Computation of tax payable
- Separate assessment and combined assessment
- Monthly deduction and final tax

Tax Administration by Malaysian Government

- Organizational structure of the Ministry of Finance, Inland Revenue Board and the Royal Customs & Excise Department
- Duties and powers of the Director General of Inland Revenue
- Duties and Powers of Special Commissioners.
- Returns and Assessments
- Collection and recovery
- Appeals
- Offences and penalties

Professional Ethics**This will include the following:**

- Form of practice and matters relating thereto
- Obligations to clients and confidentiality
- Matters relating to the affairs of new clients
- Handling client work and all matters relating thereto
- Charging for services
- Matters giving rise to conflict of interest
- Disclosures in tax returns, computations and correspondence with the Inland Revenue
- Dealing with Inland Revenue errors in favor of taxpayers, tax evasion, tax avoidance and ethical/moral issues

READING LIST- PERSONAL TAXATION

1. Jeyapalan Kasipillai. (2015). **A Guide to Malaysian Taxation**. 3rd ed. McGraw Hill.
2. Veerinderjeet Singh. (2015). **Veerinder on Malaysian Tax Theory and Practice**. 3rd ed. CCH
3. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia.
4. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH.
5. **Income Tax Act 1967** (Latest Reprint).
6. Public Rulings and Guidelines issued by the Inland Revenue Board.
7. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
8. Chartered Tax Institute of Malaysia. Rules & Regulations (On Professional Conduct and Ethics)
9. **Budget Commentary** & Tax Information issued by CTIM-MIA-MICPA.

INTERMEDIATE LEVEL ECONOMICS

OBJECTIVE:

The objective of this paper is to familiarize the students with the basic concepts of microeconomics and macroeconomics; and how they are applied in the real world.

CONTENTS:

Introduction to Economics

- Economics as the study of scarcity and choice
- Role of assumptions in economics
- Ten lessons from economics

The economics paper covers both microeconomics and macroeconomics.

Microeconomics

- **Supply and Demand I: How Markets Work**
 - Market forces of supply and demand
 - Elasticity of demand and supply and tax incidence
 - Supply, demand, and government policy
 - Consumers, producers and efficiency of markets
- **Supply and Demand II: Markets and Welfare**
 - Consumers, producers, and the efficiency of markets
 - Costs of taxation: deadweight loss of taxation and tax revenue
- **The Economics of the Public Sector**
 - Externalities, market inefficiency, solutions to externalities, including Pigouvian tax.
 - Public goods and commons resources
 - The design of tax system in Malaysia: financial overview of the sources of Government revenue; tax policies and economic growth; tax incidence and tax equity; goods and service tax (GST); corporate income tax
- **Firm Behavior and the Organization of Industry**
 - Costs of production: fixed and variable costs; opportunity cost; marginal costs; short-run and long-run costs; economies and diseconomies of scale
 - Firms in competitive markets
 - Monopoly
 - Business strategy in the contexts of prevailing economic conditions
 - Overview of competition policy
 - Monopolistic competition and oligopoly
 - Competition regulation in Malaysia

Macroeconomics

- **Measuring GNP and GDP**
- **Money and Inflation**
 - What is money?
 - Functions of money
 - Inflation of money growth
- **Open economy**
 - International flows of capital and goods; trade balance;
 - Exchange rates – (nominal and real)

- **Unemployment**
 - Real-wage rigidity and structural unemployment
 - Minimum wage laws
- **Economic growth**
 - Capital accumulation and population growth
 - Technology and policy
- **Business Cycle Theory**
- **Aggregate Demand**
 - Monetary and Fiscal policy
- **Government Debt**
- **Money Supply and Demand**
- **Fiscal Policy**

READING LIST – ECONOMICS

- N.G. Mankiw. (2016). **Principles of Economics**. 7th ed. (***Core Textbook***)
2. **Laporan Ekonomi / Economic Report**. Ministry of Finance
3. **Laporan Tahunan / Annual Report**. Bank Negara Malaysia

INTERMEDIATE LEVEL BUSINESS TAXATION

OBJECTIVE:

To examine the principles and application of Malaysian income tax law on businesses.
Reference is also made to case law

CONTENTS:

Business Source

- Definition of business
- Badges of trade
- Commencement and cessation of business
- Basis of assessment
- Capital and revenue receipts where cases are included
- Deductibility of expenses; cases are included
- Computation of business income

Deductions for Capital Expenditure

- **Capital Allowances and Charges:**
 - definition of plant and machinery
 - determination of Initial allowance, Annual allowance, Balancing allowance and Balancing charge
 - 10% rule
 - Claw back of Capital Allowances and the exception
- **Controlled sales:**
 - controlled transfer
- **Industrial Building Allowances (IBA):**
 - definition of Industrial Building
 - determination of Initial allowance, Annual allowance, Balancing allowance and Balancing charge
 - 75% rule
- **Agriculture Allowance**
- **Forest Allowance**
- **Mining allowance**
- **Disposals subject to control**

Basis Periods

- Commencement of accounting period
- Changes of accounting date
- Failure year and overlapping period
- Legislative changes

Single-tier Dividend System

- Advantages and disadvantages

Partnerships

- Existence of a partnership
- Characteristics of a partnership
- Ascertainment of provisional adjusted income/ loss, divisible income/ loss
- Limited Liability partnership
- Change in partners
- Computation of partners total income, chargeable income and tax payable

Corporate Taxation

- Determination of residence status of companies
- Significance of residence status
- Self-assessment system

Computation of Tax Liability

- Treatment of losses
- Determination of chargeable income
- Computation of tax payable
- Allowable and disallowed expenses
- Double deductions
- Specific deductions

READING LIST - BUSINESS TAXATION

COMPULSORY READING

1. Jeyapalan Kasipillai. (2015). **A Guide to Malaysian Taxation**. 3rd ed. McGraw-Hill.
OR
2. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH.

REFERENCES

1. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia.
2. **Budget Commentary** & Tax Information by CTIM-MIA-MICPA
3. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia

FINAL LEVEL ADVANCE TAXATION 1

OBJECTIVE:

To examine the application of advanced aspects of Malaysian taxation, including real property gains tax and indirect taxes.

CONTENTS:

Specialized Industry

- Petroleum industry
- Banking industry
- Insurance industry
- Sea and air transport undertaking

Leasing Companies:

- Legislation
- Meaning of 'lease'
- Leasing as a separate source of income (Regulation 2)
- Gross income of lessor
- Tax implication
- Accounting treatment
- Allocation of expenses between leasing and non-leasing business
- Cross border leasing

Co-operative societies:

- Exemption for co-operative societies Para 12, Schedule 6
- Assessability of receipts
- Special deductions

Trade association and clubs

- Definition
- Residence status
- Assessability of gross income
- Deduction test
- Income tax exemption
- Trade union
- Tax administration
- Tax treatment
- Exemption

Charitable institutions

- Legislation
- Approved institution/ organization status section 44(7B)
- Tax treatment
- IRB practice
- Tax rate

Trust

- Trust bodies, settlements and estates under administration
- Unit trust
- Property developers

Investment Incentives

- Pioneer Status:
- Investment Tax Allowance:
- Choice of Incentives: Pioneer Status or Investment Tax Allowance:
- Reinvestment Allowance
- Investment Incentives for specific industry

Real Property Gains Tax

- Principles and scope of charge
- Chargeable assets and persons
- Exemptions
- Computation of chargeable gains and allowable losses
- Tax rates
- Returns and assessments
- Payment and recovery of tax

Real Estate Investment Trust (REIT)

- Basis year
- Rental income
- Fraction of permitted expenses and special deduction for qualifying capital expenditure
- Distribution to unit holders
- Responsibility of REIT
- Exemption on RPGT
- Setting up REIT
- Exemption on stamp duty

READING LIST - ADVANCE TAXATION 1

COMPULSORY READING

1. Jeyapalan Kasipillai. (2015). **A Guide to Malaysian Taxation**. 3rd ed. McGraw-Hill.
2. Jeyapalan Kasipillai. (2015). **A Guide to Advanced Malaysian Taxation**. 3rd ed. McGraw-Hill.

REFERENCES

1. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia.
2. **Budget Commentary** & Tax Information by CTIM-MIA-MICPA
3. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH.
4. Chin Yoong Kheong. (1997). **Malaysian Taxation**. 4th ed. Kuala Lumpur. Butterworth Asia.
5. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia

FINAL LEVEL COMPANY AND BUSINESS LAW

OBJECTIVE:

To examine the understanding of the laws relating to limited companies, sole-Proprietorships, partnerships, limited liability partnerships and other business organizations.

CONTENTS:

(a) COMPANY LAW

- Types of companies and corporate personality
- Formation and registration procedures
- Powers of a company and its memorandum and articles of association
- Dividends and classes of shares
- Loans to directors and shareholders
- Corporate governance and duties of directors
- Appointment, removal and remuneration of directors
- Annual general meetings and other meetings
- Company secretaries - duties and liabilities
- Reconstructions, mergers and take-overs
- Liquidation

(b) BUSINESS LAW

- Laws relating to sole-proprietors, partnerships and limited liability partnership including law of agency
- Law of Contract
- Negotiable instruments - Bills of Exchange Act
- Laws relating to sale of goods, hire purchase and leasing
- Formation procedures of business organizations (other than limited companies)

READING LIST - COMPANY LAW

Recommended Text

1. Shanthy Rachangan, Janine Pascoe, Anil Joshi. (2010). **Concise Principles of Company Law in Malaysia**. 2nd ed. LexisNexis.

Further Reference Text

2. Chan Wai Meng. (2013). **Company Law in Malaysia**. 2nd ed. Cengage Learning Asia Pte Ltd.

READING LIST - BUSINESS LAW

3. Wu Min Aun and Beatrix Vohrah. (2000). **The Commercial Law of Malaysia**. 2nd ed. Kuala Lumpur: Longman.
4. Lee Mei Pheng, Detta Samen. (1997). **Commercial Law in Malaysia**. Malayan Law Journal.
5. Lee Mei Pheng, Ivan Jeron Detta. (2005). **General Principles of Malaysian Law**. 5th ed. Kuala Lumpur: Oxford Fajar.
6. P.S Atiyah, John N Adams, Hector Macqueen. (2005). **The Sale of Goods**. 11th edition. Pearson/Longman.
7. Else-Mitchell, R&R W.Parsons. (1968). **Hire-Purchase Law**. 4th ed. The Law Book Company Ltd.
8. Visu Sinnadurai. (1999). **Law of Contract in Malaysia, Cases and Commentary**. 2nd ed. Butterworths: Kuala Lumpur, 5th Impression.
9. Syed Ahmad Alsagoff. (2010). **Principle of the Law of Contract in Malaysia**. 3rd ed. Lexis Nexis.
10. Dr Samsar Kamar Latif. (2008). **Partnership Law in Malaysia**. International Law Book Services.
11. ER Hardy Ivamy, Vincent Powell-Smith. (1995). **Malaysian Law of Partnership Cases & Materials**. Butterworth Asia.
12. Salleh Buang. (2001). **Malaysian Law on Hire-Purchase**. 2nd ed. Sweet & Maxwell.

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
 - Commercial speculation
 - Trading in immovable property
- Commencement/Cessation of Business
- Derivation

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

1. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH
2. Choong Kwai Fatt. (2016). **Malaysian Taxation Principles & Practice** 22nd ed. Infoworld.
3. Choong Kwai Fatt. (2016). **Advanced Malaysian Taxation Principles & Practice** 17th ed. Infoworld.
4. DP Naban, S Saravana Kumar, Siti Fatimah Mohd Shahrom. (2013). **Malaysia and Singapore Tax Cases Digest**. CCH.
5. Kasipillai, Jeyapalan. (2015), **A Guide to Malaysian Taxation**. 3rd ed. McGraw-Hill, Malaysia
6. Kasipillai, Jeyapalan. (2015). **A Guide to Advanced Malaysian Taxation**. 3rd ed. McGraw-Hill, Malaysia.
7. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia.
8. **Income Tax Act 1967** (Latest Reprint)
9. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA
10. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia

FINAL LEVEL ADVANCE TAXATION 2

OBJECTIVE:

To examine the ability to provide a comprehensive and practical response to specific tax issues.

CONTENTS:

Questions may involve more than one type of tax and the paper as a whole will contain questions requiring knowledge of all of the areas and taxes covered in Personal Taxation, Business Taxation, Advance Taxation I and Revenue Law. Questions may also require knowledge of other aspects of law and accountancy that a tax practitioner may encounter. Questions may require reports, letters or computations.

Double Deduction and Income Tax Incentives:

- Double deduction for promotion of export
- Double deduction for research expenditure
- Double deduction for approved training
- Deduction for pre-commencement of business training expenses
- Income Tax (Deduction for Cost Acquisition of Proprietary Rights) Rules 2002
- Income tax (Allowance for Increased Export) Rules 1999
- Tax incentives for export
- Malaysian International Trading Company (MITC)

Approved Service Sector

- Criteria in approving tax incentives for ASP
- Income tax exemption
- Investment allowance
- Tax planning- profit exemption or investment allowance
- Industrial building allowance
- Duty exemption on machinery and materials
- Double deduction on promotion of export services
- Double deduction for R & D
- Double deduction on training
- Tax administration

Multimedia Super Corridor (MSC)

- Income tax exemptions
- Investment tax allowance (ITA)
- Industrial building allowance (IBA)
- Duty-free importation of multimedia equipment
- Research and development grants for local SMEs
- Withholding tax exemptions
- Non-financial incentives
- Administration

International Procurement Centre

- Definition
- Income Tax (Exemption)(No.42) Order 2005
- Investment of IPC
- Conditions for IPC status
- Mutually exclusive
- Administration

Regional Distribution Centre

- RDC Status
- Facilities available
- Tax incentives
- 10 years of exemption
- Transfer pricing
- Mutually exclusive
- Where to apply

Operational Headquarters in Malaysia

- Criteria of qualifying as an operational headquarters
- Tax incentives for OHQ
- Other facilities
- Tax incentive for non-citizen employees of an OHQ or regional office

Tax Incentive on Commercialization of Research and Development Findings

- Application
- Tax administration

Field Audit and Understatement of Tax

- Types of tax audit
- Provision of reasonable facilities and assistance
- Keeping of records
- Understatement of tax
- Directors' liabilities

Back Duty Investigations

- Matters that trigger off tax investigations
- Test applied to discover tax evasion
- Computation methods
- Powers vested in the DGIR in investigation
- Period of investigation and time bar
- Reasonable care and responsibility of tax advisor
- Offences and penalties
- Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA)

Tax Management for Companies

- Commencement of business
- Financing arrangement
- Related party transactions
- Disposal of assets
- Controlled transfer and implications for disposer and acquirer
- Distinction between business income and investment income
- Investment income
- Interest restriction
- Investment strategy in a company – Equity and debt financing
- Thin capitalization issues

Taxation for Company Reorganization, Reconstruction and Amalgamation

- Stamp duty and RPGT relief /exemption

Group Relief Companies**Tax avoidance and evasion**

- Malaysian case laws: principles
- Civil cases

Transfer pricing

- Tax authorities' practice
- Method employed

Stamp Duty

- Legislation
- Types of stamp duty
- Instrument chargeable with duty
- Stamp duty on transfer shares

Tax Policies

- Types of tax systems
- Role of taxation in economic development
- Design of tax policy
- Tax reforms

Indirect Taxes

- Role and powers of the Royal Customs & Excise Department
- Import duty
- Export duty
- Excise duty
- Sales tax
- Service tax
- Goods and service Tax (GST)
- Stamp duty

READING GUIDE - ADVANCE TAXATION 2

1. Kasipillai, Jeyapalan. (2015). **A Guide to Malaysian Taxation**. 3rd ed. McGraw-Hill.
2. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH.
3. Richard Thornton. (2015). **Thornton's Malaysian Tax Commentaries**. 6th ed. Wolters Kluwer.
4. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia Ltd.
5. **Budget Commentary** & Tax Information by CTIM-MIA-MICPA
6. **Income Tax Act 1967** (Latest Reprint)
7. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
8. **Customs Act 1967**, Customs Regulations 1977, Customs (Rules of Valuation) Regulations 1999, Customs (Customs Ruling) Regulations 2007 and Customs (Customs Appeal Tribunal) Regulations 2007
9. **Sales Tax Act 1972**, Sales Tax Regulations 1972, Sales Tax (Exemption from Licensing) Order 1997, Sales Tax (Rules of Valuation) Regulations 2002 and Sales Tax (Customs Ruling) Regulations 2007
10. **Service Tax Act 1975**, Service Tax Regulations 1975, Service Tax (Customs Ruling) Regulations 2007
11. **Excise Act 1976** and **Excise Regulations 1977**
12. **Free Trade Agreements** where Malaysia is a party
13. **Guides issued by the Government on GST**

APPENDIX 1

LIST OF QUALIFICATIONS EQUIVALENT TO STPM

1. **Matriculation** Courses conducted by Universiti Kebangsaan Malaysia;
2. **Science Course** conducted by Pusat Asasi Sains, Universiti Malaya and
3. **Economics Matriculation** course conducted by Universiti Islam Antarabangsa or similar courses conducted by other Malaysian Institutions of Higher Learning.
4. **Singapore and United Kingdom General Certificate of Examination,**
5. **Advanced Level** (including Associated Examination Board (AEB) Examination), with results obtained in the same examination sitting.

The following examinations are also deemed equivalent to the STPM requirement provided the results obtained satisfy the admission requirement to a degree course offered by the recognised university in that country:

1. Australian or New Zealand High School Leaving Certificate Examination
2. (ii) South Australian Matriculation Examination
3. (iii) Canadian Grade 13 Program
4. Diploma in Banking & Finance from Institute of Bankers
5. Certificate of Business Studies from Polytechnic Ungku Omar or other Malaysian Polytechnics offering similar courses.
6. Diploma in Accounting from Malaysian Association of Productivity
7. Certificate in bookkeeping and Certificate in Data Processing from Polytechnic Sultan Haji Ahmad Shah or other Malaysian Polytechnics offering similar courses.
8. Certificate in Accounting with Business Computing from Kolej Tuanku Abdul Rahman
9. Certificate in Bookkeeping from Politeknik Kota Bharu or other Malaysian Polytechnics offering similar courses.
10. Diploma from Association of Business Executives
11. Licentiate/Associate/Fellow of Institute of Financial Accountants (UK) (only those who obtained membership through passing the IFA examination)
12. Third Level Group Diploma/Third Level Diploma in Business Studies/ Third Level Diploma in Managerial Principles from London Chamber of Commerce and Industry.
13. Unified Examinations Certificate from Chinese Independent Schools

Note:

- Applicants with any of the above qualifications must also satisfy the SPM requirements.
- The above list is not exhaustive.

APPENDIX 2

LIST OF OTHER ENTRY LEVEL QUALIFICATIONS

- A non-relevant degree from local universities
- A degree from the National University of Singapore
- Bachelor of Accountancy from Nanyang Technological University, Singapore
- Diplomas from Universiti Teknologi MARA :
 - i. Advanced Diploma in Law
 - ii. Diploma in Accountancy
 - iii. Diploma in Business Studies
 - iv. Diploma in Banking Studies
 - v. Diploma in Investment Analysis
 - vi. Advanced Diploma in Business Administration
 - vii. Advanced Diploma in Insurance
 - viii. Diploma in Public Administration
 - ix. Diploma in Law
- Diploma in Accountancy from Politeknik Kuching/Politeknik Ungku Omar/ Politeknik Sultan Haji Ahmad Shah (POLISAS) or similar Malaysian Politechnics offering similar courses
- Graduate or associate member of the Institute of Chartered Secretaries and Administrators
- Associate member of the Association of International Accountants (UK) (only those who obtained membership through passing the examination)
- Associate of the Institute of Bankers London
- A degree from overseas universities recognised by the Council
- Member of the Institute of Cooperative Auditors (ICA) (only those who obtained membership through passing the ICA examination)
- Advanced Diploma from Association of Business Executives Applicants must also satisfy the MCE/SPM requirements)
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of US State Boards of Accountancy
- Accounting Diploma from Tuanku Abdul Rahman College

APPENDIX 3

LIST OF RECOGNISED LOCAL INSTITUTIONS OF HIGHER LEARNING PURSUANT TO PART I FIRST SCHEDULE OF THE ACCOUNT ACT 1967 (SECTIONS 14 AND 15)

- Diploma in Accounting from University of Malaya
- Bachelor of Accounting from University of Malaya
- Bachelor of Accounting (Honours) from Universiti Kebangsaan Malaysia
- Advanced Diploma in Accountancy from MARA Institute of Technology
- Bachelor of Accounting from Universiti Teknologi MARA
- Bachelor of Accounting (Honours) from Universiti Utara Malaysia
- Bachelor of Accounting (Honours) from Universiti Pertanian Malaysia
- Bachelor of Accounting (Honours) from Universiti Putra Malaysia
- Bachelor of Accounting (Honours) from Universiti Islam Antarabangsa
- Bachelor of Accounting (Honours) from Universiti Sains Malaysia Ijazah
- Bachelor of Accounting (Honours)(Information System) from Universiti Utara Malaysia
- Bachelor of Accounting (Honours) from Universiti Tenaga Nasional-year 2002/2003 onwards
- Bachelor of Accounting (Honours) from Universiti Multimedia-year 2002/2003 onwards
- Bachelor of Accounting (Honours) from Kolej Universiti Sains dan Teknologi Malaysia
- Bachelor of Accounting (Honours) from Universiti Malaysia Sabah
- Bachelor of Accounting (Honours) from Universiti Industri Selangor
- Bachelor of Accounting (Honours) from Universiti Sultan Zainal Abidin
- Bachelor of Accounting (Honours) from Universiti Sains Islam Malaysia
- Bachelor of Accounting (Honours) from Universiti Tunku Abdul Rahman

APPENDIX 4

LIST OF PROFESSIONAL ACCOUNTANCY BODIES RECOGNISED PURSUANT TO PART II FIRST SCHEDULE OF THE ACCOUNTANT ACT 1967 SECTION 14(1) (b) &15(b) [AM. ACT A1099]

Full member of:

- Malaysian Association of Certified Public Accountants
- Institute of Chartered Accountants of Scotland
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants in Ireland
- Association of Chartered Certified Accountants (United Kingdom)
- Institute of Chartered Accountants in Australia
- Australian Society of Certified Practicing Accountants
- New Zealand Chartered Accountants
- Canadian Institute of Chartered Accountants
- Institute of Chartered Accountants of India
- Chartered Institute of Management Accountants (United Kingdom)