

# **FINAL LEVEL**

## **ADVANCE TAXATION I**

### **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