



## **e-CIRCULAR TO MEMBERS**

**Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia**

**e-MIT No.01/2009**

**2 January 2009**

### **NEW YEAR MESSAGE FROM MIT PRESIDENT**

Dear Members,

On behalf of the Council, Management and staff of MIT, let me take this opportunity to extend my best wishes to all of you for 2009!

MIT will be 18 years old in 2009. We hope with your support we can further grow our membership so that all who have an interest in the field of taxation are members of the Institute. Over the past year, the Institute has strived to promote the tax profession and has been continuously contributing towards providing ideas towards improving and enhancing the Malaysian tax system. We shall continue to do this.

2008 has been a busy and productive year. Numerous dialogues were held with the tax authorities on various matters. The Institute had conducted tax seminars, workshops, budget seminars and practitioners' updates across the country for members to fulfil their CPD requirements.

The National Tax Conference held on 19-20 August with the theme "Together towards an excellent delivery system" was a great success and had drawn a crowd of 2,000 participants which comprised local and international delegates. The challenge continues to lie in executing all the ideas and plans.

Over the past years, MIT has been aggressively promoting its professional examinations in line with its commitment towards developing competent tax practitioners. We continue to exert our efforts in developing and regularly updating the examination syllabus. In doing so, the Institute is playing a critical role in producing competent and knowledgeable tax practitioners in the country.

On the international front, MIT had signed two Memorandums of Understanding with the Chinese Certified Tax Agent Association as well as the Taxation Institute of Australia. This will enable the organisations to share knowledge and expertise as well as look into adopting best practices in serving its members.

Our members outside the Klang Valley have also been active with a number of Branches organising Members' Dialogues and providing feedback to the Council. We have benefited from such discussions as well as from the exchanges of ideas and views.

I continue to believe that MIT will grow in profile and strength. I thank you for your unwavering support over the past year. I encourage you to continue to provide your constant feedback and opinions to the Institute.

A new year is always exciting as it provides us with a fresh start and new enthusiasm. Although 2009 will be a challenging year in terms of all that has unfolded to date, there are always opportunities and tax services will always be in demand as will various other financial services. I hope that this year will provide you with great opportunities. We must all be ready for new challenges in the tax arena in line with what has happened in the past few years where various tax measures have being introduced. On this note, let me once again wish you a happy and successful 2009.

Dr Veerinderjeet Singh

For more information, please contact the MIT Secretariat at 03-2162 8989 or visit our website at [www.mit.org.my](http://www.mit.org.my).

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## e-CIRCULAR TO MEMBERS

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 02/2009

5 January 2009

**TO ALL MEMBERS**

**TECHNICAL**

### 1. Compound for Non-Filing of Form E for Dormant Companies

In response to the submission of the professional bodies on the above matter, the Inland Revenue Board (IRB) has clarified that the compound notices were issued to active employers who failed to submit the Form E based on the records available with the IRB.

In view of the submission by the profession and the need for a practical resolution of the matter, the IRB has agreed to granting a concession whereby for cases which have not yet been settled, the IRB has agreed to withdraw the compound for employers with no employees or who are dormant or in the process of being wound up. The employer should, however, confirm its status via a letter signed by the director or the proprietor. Alternatively, the employer may submit any document that would support its claim that the business has been terminated or liquidated, etc.

The IRB has also reminded that an employer who has received a Form E must complete and file the Form on or before the due date, even if it is dormant, under liquidation or has no employees. Employers must inform the IRB if they are no longer active or are under liquidation so that the IRB can update its records. A copy of the IRB reply may be viewed at the MIT website or click [HERE](#).

### 2. Promotion of Investments (Promoted Activities and Promoted Products for Selected Industries) Order 2008 [P.U.(A) No. 458/2008]

The following activities and products are determined to be promoted activities or promoted products for the 5 selected industries below effective from the respective dates:

Industry	Activities/Products
(i) Machinery and equipment (effective 20 October 2001)	(1) Machine Tools (2) Plastic injection machines (3) Material handling equipment (4) Robotic and factory automation equipment (5) Parts and components for the above (1) to (4)
(ii) Specialised machinery and equipment (effective 21 September 2002)	(1) Specialised or process machinery or equipment for specific industry (2) Packaging machinery (3) Plastic extrusion machinery (4) Parts and components for the above (1) to (3)
(iii) Oil palm biomass (effective 13 September 2003)	(1) Utilisation of oil palm biomass to produce valued added products
(iv) Renewable energy (effective 1 October 2005)	(1) Generation of renewable energy

(v) Conservation of energy (effective 8 September 2007)	(1) Conservation of energy
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**3. Promotion of Investments (Criteria for the Grant of Investment Tax Allowance to a Small Company) Order 2008 [P.U.(A) No. 457/2008]**

**Promotion of Investments (Criteria for the Grant of Pioneer Status to a Small Company) Order 2008 [P.U.(A) No. 459/2008]**

With effect from 21 May 2003, the criteria for granting the above incentives are as follows:

- (i) the small company participates in a promoted activity or produces a promoted product and achieves at least 15% value added (i.e. total gross sales less cost of raw materials) in its activity or product; or
- (ii) the small company's participation in the promoted activity or production of a promoted product contributes towards the socio-economic development of the rural areas in Malaysia.

The Promotion of Investments (Criteria for the Grant of Pioneer Status to a Small Scale Company) Order 1990 [P.U.(A) No. 196/1990] is revoked.

**4. Group Relief – Treatment of Consideration Paid by Claimant Company to Surrendering Company**

In a Post-Budget Dialogue held on 15 March 2006, the Institutes had raised the above issue (refer item 2.6 of the Memorandum of the Post 2006 Budget Issues). The Institutes are of the view that such payment would not be taxable in the hands of the surrendering company and not deductible for the claimant company. The IRB had indicated that they would study the issue.

The IRB has responded to the query recently that it is of the opinion that payments received by the shareholders of the surrendering company are gains or profits taxable under Section 4(f) of the Income Tax Act. Such payments would not be allowable on the claimant company as they are not incurred in the production of income.

The Institute will seek further clarification from the IRB on this issue.

**5. Guidelines on Ascertaining the Amount of Set-off on Actuarial Surplus in the Life Fund of Insurance Companies**

The IRB issued the above Guidelines on 5 November 2008. The guidelines define participating fund and non-participation fund and illustrate the computation of the actuarial surplus. It further explains the operation of Section 110B of the ITA with an example. Members may download the guidelines from the IRB website at [www.hasil.gov.my/cP/Upload/InfoTax/GPanduanAmaun.pdf](http://www.hasil.gov.my/cP/Upload/InfoTax/GPanduanAmaun.pdf) or click [HERE](#).

**6. Implementation of e-Stamping**

The IRB has informed that e-stamping has been implemented with effect from 1 January 2009. Stamping of instruments may be evidenced by a computer generated stamp certificate or a special receipt. The old system of stamping by way of franking on the instrument itself and by official receipt (Kew 38) is now abolished. A copy of the IRB's letter and press release can be downloaded from the MIT website or click [HERE](#).

**7. Guidelines for Application of Sales Tax Exemption for the Local Bus Operators on the Purchase of Locally Assembled Buses with Pre-installed Air conditioners.**

Pursuant to the 2009 Budget proposal, the Ministry of Finance (MOF) issued the above guidelines on 3 November 2008. The guidelines illustrate the eligibility and procedures for the application of sales tax exemption and the conditions for exemption. The application form (Borang BAC/PB/2008) is attached together with the guidelines. Members interested in applying for the exemption may download the guidelines from the MOF website at [www2.treasury.gov.my/pdf/percukaian/B2009\\_pengusaha\\_bas.pdf](http://www2.treasury.gov.my/pdf/percukaian/B2009_pengusaha_bas.pdf) or click [HERE](#).

**8. Minutes of Customs-Private Sector Consultative Panel Meeting No.01/2008**

The minutes of the above meeting has been posted on the website of the Institute. Updates on the progress of the issues raised were also uploaded. (Refer to the document *Reply to CPSCP 01-08 minutes and issues raised for 02-08* and *Customs Reply to item 18 m s 23\_CPSCP 01-08 minutes*)

**9. Customs Valuation – Frequently Asked Questions**

To assist the taxpayers in valuing goods exported/imported, the Royal Malaysian Customs (RMC) has recently prepared the above document. Members may download it from the MIT website or click [HERE](#).

**10. Request for Feedback from Members on Indirect Tax**

**(i) Sales of taxable goods by licensed manufacturer to exempt person**

The RMC is currently in the process of drafting the Sales Tax (Exemption) Order 2008 to exempt sales tax on goods sold by traders/licensed manufacturers to exempt persons. Members are encouraged to comment or suggest a draft provision to the Technical and Public Practice Committee (TPPC) for further deliberation.

**(ii) Restriction in the usage of item No. 58 Customs Duties (Exemption) Order, 1988 and item No. 62 Sales Tax (Exemption) Order 1980**

The above orders allow for import/export exemption of duty/sales tax for goods that are solely used for the purpose of propaganda, research or demonstration. In practice, the RMC treats this facility as temporary imports.

The MOF is reviewing the conditions laid down in the above two orders. Members are requested to submit their comments and proposals in relation to the conditions and procedures for the facility.

**11. Request for Budget Proposals**

MIT is preparing a memorandum to be finalised by February 2009 and submitted to the Ministry of Finance (MOF) on issues to be considered when drafting the National Budget for 2010.

We invite members to submit views and suggestions on any proposals to be considered. Please include your rationale for all proposals or suggestions that you feel should be incorporated into the submission by the MIT. The TPPC will review all suggestions and proposals and where appropriate, include these in the memorandum for submission to the MOF.

Members are requested to submit all views and proposals on any issue to be considered in the Budget 2010 together with the rationale for the proposals and/or suggestions not later than 20 January 2009. Please submit all proposals to [kslim@mit.org.my](mailto:kslim@mit.org.my)

## 12. Request for Operations Issues

The IRB has informed that the first Operations Dialogue for 2009 will be held on Tuesday 24 February 2009. The IRB has requested the professional bodies to submit the operational issues on or before **15 January 2009**. The Institute has called for feedback and comments on operations issues earlier.

The Institute hopes that members will take this opportunity to submit their views and suggestions on any issues relating to operational matters relating to the implementation of the tax legislation. Please include your rationale for all proposals or suggestions that you feel should be raised in the Dialogue. The TPPC will review all suggestions and proposals and where appropriate, will include these in the memorandum for submission to IRB.

Members are requested to submit all views and proposals on any issue to be considered together with the rationale for the proposal and/or suggestions not later than 15 January 2009. Please submit all proposals to [kslim@mit.org.my](mailto:kslim@mit.org.my)

## UPCOMING EVENTS

<b>January 2009</b>
<b>IBFD International Tax Academy</b> <b>15% discount for MIT members</b>
IBFD, Your Portal to Cross-Border Tax Expertise

With over 18 years of experience, IBFD's International Tax Academy (ITA) is recognized worldwide as a **leading and prestigious training centre** in the field of **international taxation**.

Now with courses in **Kuala Lumpur and Singapore**, ITA is continuing to train a global audience in our authoritative expertise on cross-border taxation. Whether you require an introductory, intermediate, or advanced course, ITA has a course for you.

When registering for the course(s) of your choice, simply enter promotional code **KL13** on the order form, and you will receive a **15% discount**.\*

### **Upcoming courses in Asia-Pacific in 2009**

#### **International Tax Aspects of Permanent Establishments (Intermediate level)**

Date: 16-18 February 2009

Location: Kuala Lumpur

[More information / registration](#)

#### **India Seminar: Introduction to the Indian Tax System and Tax Planning**

Date: 16 March 2009

Location: Kuala Lumpur

[More information / registration](#)

#### **Introduction to Transfer Pricing (Introductory)**

Date: 26-27 March 2009

Location: Kuala Lumpur

[More information / registration](#)

#### **International Taxation of Expatriates (Introductory)**

Date: 27-29 July 2009

Location: Singapore

### **IBFD discussion forum**

- The EU Savings directive: bored bureaucrats, greater transparency or just another witch-hunt?

- European sovereign wealth funds... A target for the future?

- Switzerland - a tax haven?

Read and respond

### **In the spotlight**

#### **Global Tax Explorer**

Now with 125 country surveys, it save time when solving your daily tax issues with a unique country comparison tool for key features. Global Tax Explorer simplifies tax research.

[Free Trial](#)

#### **International Transfer Pricing Journal**

Combines reports on important domestic transfer pricing developments and comparative surveys of transfer pricing topics. [Read more](#)

### **Contact us**

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e-mail to [ibfdasia@ibfd.org](mailto:ibfdasia@ibfd.org) or fax

[More information / registration](#)

to +603 2287 0729.  
[Forward to a colleague](#)

We trust that one or more of the above courses are of interest to you and look forward to welcoming you to either Kuala Lumpur or Singapore.

Kind Regards,

Aurobindo Ponniah  
Head Asia-Pacific

IBFD

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## e-CIRCULAR TO MEMBERS

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 03/2009

13 January 2009

TO ALL MEMBERS

TECHNICAL

### 1. Disallowance of Filing of Tax Return in PDF Format

The Inland Revenue Board (IRB) has informed that with effect from Year of Assessment 2008, tax agents are not allowed to use tax return in pdf format for filing purposes. Tax agents are advised to use e-filing or manual filing through original printed tax return forms. This is because many of the pdf return forms have created technical difficulties for the IRB as these could not be scanned due to various reasons and the IRB staff has had to manually key in all the data from the tax return into the computer system which has created an administrative burden.

However, the PDF return form will still be available on the IRB website for the use of individual taxpayers who have not received the tax return forms and who face difficulties in coming personally to the IRB offices to obtain the original printed form. A copy of the IRB letter may be viewed at the MIT website or click [HERE](#).

### 2. The 2009 Schedular Tax Deductions (STD) and “Kalkulator PCB”

Please be informed that the IRB has issued the new STD schedules taking into account the 2009 Budget proposals. The new schedule is applicable to 2009 remuneration. Bonus and directors' fees **paid in 2009** must also be based on the new 2009 schedule.

For prior year remuneration paid in 2009, the old STD tables (issued in 2004) should be used. As a concession, employers with a large number of employees and/or using computerised payroll systems, may apply in writing to the relevant IRB branches handling their files, to continue using the old STD tables until March 2009.

In developing the new STD schedule, efforts have been taken to ensure a more accurate deduction to closely reflect the actual tax liability. Various reliefs enjoyed by the individual are now included as a factor in arriving at the deduction. Consequently, the new computation formulae may appear to be more complicated. Members are advised to read the explanatory notes carefully and familiarise themselves with the new STD rules. You may download the explanatory notes on [www.hasil.gov.my/melayu/pdf/NOTA\\_PENERANGAN\\_KPD\\_JADUAL\\_PCB\\_2009.PDF](http://www.hasil.gov.my/melayu/pdf/NOTA_PENERANGAN_KPD_JADUAL_PCB_2009.PDF) or click [HERE](#).

To assist employers and tax practitioners in computing the deduction, the IRB has made available the “Kalkulator PCB” on its website (<http://eapps.hasil.gov.my/pcbcalc/>). Employers who agree with an employee's request to claim allowable deductions and rebates under the Income Tax Act 1967 should use the Kalkulator PCB to ascertain the amount of STD. Employers using their own computerised payroll systems must obtain specification of the STD computerised calculation method and approval from the IRB



### **3. Stamping by Way of Franking and Official Receipt (Kew 38)**

With reference to e-MIT 02/2009, item No. 6, the Institute wishes to inform that the IRB has indicated that due to some complications, the old way of stamping by way of franking on the instrument itself and by official receipt (Kew 38) is still available until further notice. A copy of the IRB letter can be downloaded from the MIT website or click [HERE](#).

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## e-CIRCULAR TO MEMBERS

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 04/2009

20 January 2009

TO ALL MEMBERS

TECHNICAL

### 1. Extension of Time for Filing Form C & R due on 31 January 2009.

In response to the request by the Institute on the above (due to the forthcoming festive season), the Inland Revenue Board (IRB) has agreed to grant an **extension of time of 14 days** to companies with **financial year ended 30 June 2008** file their tax return Forms C & R. Members must ensure that the tax returns **reach the IRB on or before 14 February 2009** (Please refer to the 2009 Filing Programme attached at the end of this circular). This concession also applies to payment of tax under Section 103(1) of the Income Tax Act, 1967.

### 2. 14 Day Grace Period Granted for Filing Form C & R

Please be informed that a **14 day grace period** have been granted for the filing of Form C & R for companies with **financial years ending on 31 December 2008 and 31 January 2009**. Please refer to item 2 of the attachment.

### 3. Extension of Time for Filing the 2008 Form E

The filing deadline for the 2008 Form E has been extended to 31 March 2009. The IRB has also attached instructions for filling up the Form E in a TXT or Microsoft Excel format. Please refer to item 3 and the appendix in the attachment at the end of this circular.

### 4. Filing of Tax Returns in PDF Format

Further to the recent letter issued by the IRB on the above-stated matter and upon a clarification sought by the Institute, please take note that the IRB has now notified that, with effect from Year of Assessment (YA) 2008, **tax agents are not allowed** to use tax return Forms **B, BE, M, E, P, TP, TF** and **TJ** in PDF format for filing purposes. For **Forms C, R, C1, TA, and TC**, filing in PDF format is still acceptable for YA 2008. However, tax agents are advised to use e-filing or manual filing through original printed tax return forms as far as possible. This is because many of the PDF return forms have created technical difficulties for the IRB as these could not be scanned due to various reasons and the IRB staff has had to manually key in all the data from the tax return into the computer system which has created an administrative burden.

For **Forms C, R, C1, TA, and TC**, please be informed that the IRB **will not accept the PDF return form** with effect from **YA 2009**. Members are advised to prepare themselves for this change. Please refer to item 5 of the attachment at the end of this circular.

## 5. Extension of Time to Pay Schedular Tax Deductions (STD) and February 2009 Tax Instalments

In response to the Institute's request, the IRB has agreed to grant an extension of time to 14 February 2009 (instead of the normal deadline of 10 February 2009) for the payment of STD for the January 2009 remuneration of employees. The payment of the February 2009 tax instalment in respect of companies, cooperatives and trust bodies is also allowed to be made by 14 February 2009 instead of the normal timeline of 10 February 2009.

## 6. Launching of e-Filing Modules

Please refer to item 1 of the attachment below for the launch dates of the various e-filing modules.

Click here for attachment: [2009 Filing Programme](#)

## CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

### Seminar on "A Critique of Recent Tax Cases: Discerning the Judicial Mood" 17 February 2009, Equatorial Hotel, Kuala Lumpur

Our distinguished speakers will discuss the following areas/cases:

- (i) Latest development in the law related to the valuation and the assessment of customs duties in respect of royalties paid to the brand owners of the imported goods by local importers  
*Speaker: Mr. Maniam Kuppusamy, Messrs. Skrine & Co.*
- (ii) OPD Sdn Bhd v KPHDN (Rayuan PKCP 53/2006)  
*Speaker: Datuk D.P. Naban, Messrs. Lee Hishamuddin Allen & Gledhill*
- (iii) The Court of Appeal decision in Castrol (Aspac Lubricants (M) Sdn Bhd v KPHDN (2007) MSTC 4,271  
*Speaker: Mr. Anand Raj, Messrs. Shearn Delamore & Co*
- (iv) Kerajaan Malaysia v Kemayan Bina Sdn Bhd (2008) MSTC 4,334  
*Speaker: Mr. Andrew Davis, Messrs. Isaacs & Davis*
- (v) DD Dev Sdn Bhd v KPHDN (2008) MSTC 3,726  
*Speaker: Encik Nik Saghir bin Mohd. Nor, Messrs. Nik Saghir & Ismail*
- (vi) Richard Allen Sonnet & anor. v KPHDN  
*Speaker: Mr. Sudharsanan Thillainathan, Shook Lin & Bok*

	Early Bird (before 3 Feb 2009)	Normal Fee (after 3 Feb 2009)
<b>MIT Member</b>	RM375.00	RM425.00
<b>Member's Firm Staff</b>	RM425.00	RM475.00
<b>Non-Member</b>	RM495.00	RM545.00

**REPLY SLIP** (Please return by fax to 03-2162 8990)

*CLOSING DATE: 12 FEB 2009*

Name.....MIT Membership No.....

Designation.....Organisation.....

Address.....

Tel No.....Fax No.....E-mail .....

**Cheque payable to “MIT-CPE”**

**8** CPD POINTS

**Workshop: Withholding Tax & Cross Border Transactions (Re-Run)**

Date & Venue: 7 February 2009, PNB Darby Park, KL

Speaker: Mr. Chow Chee Yen

**Course Outline:**

- Purpose and objectives of withholding tax
- Payments subject to withholding tax
- Penalties for non-compliance
- Public Ruling on Special classes of income – S4A
- S109B vs S107A withholding tax
- New withholding tax section – S109F (Other gains or profits)
- S109B vs S109F withholding tax
- Practical issues in relation to withholding tax
- Double tax relief – bilateral and unilateral relief
- Determination of Malaysia vs Foreign sourced income
- Inbound investment – Branch vs Subsidiary
- What is Permanent Establishment?
- Case law developments

**Workshop: Corporate Restructuring & Tax Management**

Speaker: Mr. Harvinder Singh

<u>Date</u>	<u>Venue</u>
5 Feb 2009	PNB Darby Park, KL
16 Feb 2009	Impiana Casuarina Hotel, Ipoh
19 Feb 2009	Legacy Hotel, Malacca
5 Mar 2009	Mutiara Hotel, Johor Bahru
26 Mar 2009	Bayview Hotel, Penang
31 Mar 2009	Hyatt Regency, Kota Kinabalu
1 Apr 2009	Holiday Inn, Kuching

**Course Outline**

- The Self Assessment System and Managing the risks of Tax Audits
- Tax Audit and Investigations Framework – a discussion
- The Advance Rulings mechanism
- Tax Risk Management, which entails taxpayers identifying tax risks and putting in place methodologies to eliminate or substantially minimise such risks.
- Deductibility of expenses for business purposes

- Industry specific issues for property developers and contractors following the issuance of Special Regulations pursuant to Section 36 of the Income Tax Act, 1967
- One-tier taxation system and dividend distribution
- Latest updates on Operational, Technical and Compliance issues
- Restructuring - Mergers, acquisitions and pooling of resources – sale of assets vs sale of shares
- Transfer of fixed assets, stocks, debtors etc – Income Tax and Stamp Duty implications
- Exemptions available for income tax and stamp duty purposes
- New vehicle vs existing vehicle – tax considerations
- Sale and leaseback arrangements
- Related party arrangements – Transfer pricing issues
- Comparison of “Controlled Companies” for Transfer Pricing purposes as opposed to “Controlled Transfer purposes”
- Funding requirements in a Corporate Restructuring exercise and the related income tax implications
- Tax incentives – Issues to consider in carrying out the Corporate Restructuring exercise
- Cross Border issues
- Anti-avoidance vs Tax planning
- Case Studies

### **Workshop: Introduction to Corporate Taxation and Self Assessment System**

Date & Venue: 13 & 14 February 2009, PNB Darby Park, KL

Speaker: Mr. Chow Chee Yen

### **Course Outline**

- Overview of Self-Assessment System for companies
- Steps in computing chargeable income
- Taxable income
- Tax deductible expenses
- Common tax adjustments
- Capital allowances and industrial building allowances
- Steps in preparing corporate tax computation

For more information and brochures, kindly contact us at 03-2162 8989 and speak to our CPD Secretariat, Ms Latha (ext 108) Cik Ally (ext 113) and Cik Nur (ext 106) or email to [cpd@mit.org.my](mailto:cpd@mit.org.my).

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## e-CIRCULAR TO MEMBERS

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 05/2009

10 February 2009

TO ALL MEMBERS

TECHNICAL

### 1. Revised 2009 Filing Programme

The Institute has received a letter from the Inland Revenue Board (IRB) dated 5 February 2009 informing the revision of 2009 Filing Programme. The said revised filing programme can be viewed at

[http://www.hasil.gov.my/cP/upload/News/2009\\_Filing\\_Programme\\_for\\_Forms.pdf](http://www.hasil.gov.my/cP/upload/News/2009_Filing_Programme_for_Forms.pdf)

The key changes in the filing programme are as follows:

#### (i) Extension of Time to File Form CP 8D

Employers having problem in submitting Form CP 8D on or before 31 March 2009 are given extension of time till 31 May 2009 to submit the said Form. However, employers are reminded that they still have to submit Form E by 31 March 2009. Please refer to item 3.1(ii) of the Revised 2009 Filing Programme.

#### (ii) Submission of Form CP 8D by employer using e-filing

For employer submitting Form E via e-filing, Form CP 8D can be submitted via e-filing as well. Employers may also submit using text file on CD/Diskette or Excel file on CD/Diskette. Please refer to item 3.2(ii) of the Revised 2009 Filing Programme.

#### (iii) Procedure for Claiming Refund Under Section 110 (ITA 1967)/Section 51 (FA 2007)

The IRB has indicated that dividend vouchers need not be submitted. Taxpayers are required to submit the following work sheets together with the return form.

- (a) Work sheet HK 3;
- (b) Work sheet HK 6 and relevant documents in respect of other claim for Section 110 tax deduction;
- (c) Work sheet HK 8/ HK 9 (if applicable) and relevant documents pertaining to the foreign tax deducted in the country of origin.

However, taxpayers are still required to keep the original dividend vouchers for the purpose of tax audit. Please refer to item 6 of the Revised 2009 Filing Programme.

### 2. Layout and Explanatory Notes for CP 8D and Format for CP 8D

The IRB has uploaded the layout and explanatory notes for CP 8D as well as format of CP8D on its website recently. Members may view the documents on IRB's website at <http://www.hasil.gov.my/cP/upload/Form/Nyata/Panduan%20Maklumat%20CP%208D.pdf> & <http://www.hasil.gov.my/cP/upload/Form/Nyata/Format%20C.P.%208D.xls> respectively.

### 3. 2008 Indirect Tax Updates

A list of indirect tax legislation updates for the year 2008 is attached for your attention. Members interested may click HERE to view the list.

#### **4. New Revenue Stamp**

The IRB has informed via its letter dated 29 January 2009 that a new revenue stamp has been introduced effective from 1 February, 2009 for the purpose of stamp duty payment. The old revenue stamp may still be used until 31 July 2009. A copy of the letter and photo of the new revenue stamp may be viewed from the website of the Institute or click [HERE](#).

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## e-CIRCULAR TO MEMBERS

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 06/2009

12 February 2009

TO ALL MEMBERS

### EXTRAORDINARY GENERAL MEETING (EGM)

The Institute will be holding its Extraordinary General Meeting (EGM) on Saturday, 7 March 2009 as follows:

Time : 9.30a.m.  
Venue : Malaysian Institute of Taxation, Unit B-13-2, Block B, 13th Floor, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

Please click to view or download to print the [Notice of Extraordinary General Meeting and proxy form](#). These attachments will also be sent by post to members.

Kindly confirm your attendance using the slip below which can also be found in the [Notice of Extraordinary General Meeting's](#) attachments.

#### MIT EGM: CONFIRMATION OF ATTENDANCE SLIP

I,....., MIT Membership  
No.:..... am **able / unable** \* (**will / will not** \* be sending my proxy) to attend the  
Extraordinary General Meeting on 7 March 2009 at 9.30a.m. at Unit B-13-2, Block B, 13th  
Floor, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur .

*\*please delete where appropriate*

Signature:.....

Date:.....

*Please return the attendance slip by fax to 03-2162 8990 or email [egm2009@mit.org.my](mailto:egm2009@mit.org.my) before 25 February 2009 to enable us to make the necessary administrative arrangements.*

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## **e-CIRCULAR TO MEMBERS**

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No. 07/2009

17 February 2009

**TO ALL MEMBERS**

### **CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

#### **I. 2009 BUDGET SEMINAR**

*5 March 2009, Equatorial Hotel, Kuala Lumpur  
9.00 am – 5.00 pm*

*(10 CPD points)*

MIT is organising a special seminar on the 2009 Budget for members and practitioners who missed last year's IRB Budget Seminar. Members and tax practitioners who are currently applying for or renewing their tax agent's licence are required to attend the "Seminar Bajet Tahunan Terkini" organised by IRB in September 2008. For those members and practitioners who were unable to attend the seminar last year, please use this opportunity to attend this seminar sanctioned by the Ministry of Finance to fulfill the requirement.

#### **SPEAKERS:**

- Mr. Harpal Singh Dhillon
- Representative (s) from Inland Revenue Board

#### **Registration Fees**

Member: RM330      Member Firm's Staff: RM380      Non-Member: RM440

#### **II. 2009 SCHEDULAR TAX DEDUCTIONS (STD)**

*12 March 2009, Melia Hotel, Kuala Lumpur  
2.00 pm – 5.00 pm*

*(4 CPD points)*

The Inland Revenue Board of Malaysia (IRB) has posted the new Schedular Tax Deduction (STD) schedules on their website which take into account the various proposals announced in the 2009 Budget. These schedules are introduced to overcome the problem of over-deduction of tax by employers. This means employers and employees will have to do more to ensure that the right amount of tax is deducted. This half-day workshop will assist employers and employees understand the process of the new STD system which is applicable to remuneration paid in 2009.

**SPEAKER:** Representative (s) from Inland Revenue Board

#### **Registration Fees:**

Member: RM200      Member Firm's Staff: RM230      Non-Member: RM250

Kindly contact us at **03-2162 8989** and speak to our CPD Secretariat, Ms Latha (ext 108) Cik Ally (ext 113) and Cik Nur (ext 106) or email to [cpd@mit.org.my](mailto:cpd@mit.org.my) for more information and brochures.

*Note: Certificate of Attendance will only be issued upon full payment and full attendance*

## **TECHNICAL**

### **1. Addendum to Public Ruling on Living Accommodation Provided by Employer**

Please be informed that the IRB has issued an Addendum to Public Ruling (No. 3/2005) on Living Accommodation Benefit Provided for the Employee by the Employer on 5 February 2009. With effect from year of assessment 2009, for the purposes of determining the value of living accommodation benefit, the IRB has taken the position that the employee's gross income under section 13(1)(a) of the ITA excludes the amount of gross income in respect of the right to acquire shares in a company. A copy of the addendum is attached for your reference.

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## **e-CIRCULAR TO MEMBERS**

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No.08/2009

25 February 2009

**TO ALL MEMBERS**

**TECHNICAL**

### **1. Form EA (Form CP 8A)**

The Institute has just received a letter from the Inland Revenue Board (IRB) dated 24 February 2009 informing the following:

#### **(i) Scope of Part G**

The IRB has informed that the amount to be reported in Part G of the EA Form (Form CP 8A) includes allowances/perquisites/gifts/benefits which are already accorded exemption prior to the announcement of Budget 2009. Please refer to the Notes to Part G of Form EA attached to the 2008 Form E or to Part F at page 3 of the Explanatory Notes to the 2008 Form E.

#### **(ii) Concession on Compliance**

Members are informed that employers having problems complying with the new Form EA format (Form EA – Rev 2008) may file the Form EA using the old format (Form EA – Rev 2005). This effectively removes the need to disclose Part G of the EA Form. However, members are reminded that this concession is granted for filing of the form relating to income for the year 2008 only.

### **2. Procedures for Submission of Return Forms for Year of Assessment 2008 (Repayment/Refund cases)**

The IRB has issued guidelines setting out the procedures for submission of 2008 tax return forms relating to refund under Section 110 of the Income Tax Act 1967 or overpayment of tax. Members may view the guidelines here.

### **3. Submission of Form CP 8D**

To facilitate the submission of Form CP 8D, members are encouraged to use CD-ROM/diskette or e-filing.

### **4. Electronic Stamping Certificate and Receipt**

Further to our e-MIT No.2/2009 and 3/2009 respectively, the IRB has informed that with effect from 16 February, 2009, Electronic Stamping Certificate and Receipt will be used. This is however restricted to the stamping for transfers of property only. Verification of the authenticity of the Stamping Certificate and Receipt can be made via the IRB website at <http://pinharta.hasil.gov.my> using the Adjudication Number and Stamping Certificate/Receipt Number. A copy of the letter dated 17 February 2008 may be viewed from the website of the Institute or click HERE.

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## **e-CIRCULAR TO MEMBERS**

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No.09/2009

27 February 2009

**TO ALL MEMBERS**

### **CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

#### **1. 2009 Budget Seminar**

*(10 CPD points)*

We wish to inform that the 2009 Budget Seminar which is scheduled to be held on 5 March 2009 at Equatorial Hotel, Kuala Lumpur is **POSTPONED** to **18 MARCH 2009**. Time and venue remain the same.

Apart from the 2009 Budget issues, the speakers will also discuss tax issues in relation to the Mini Budget which will be tabled on 10 March by the Finance Minister of Malaysia.

#### **Speakers:**

- i) Mr. Harpal Singh Dhillon, Council Member of MIT
- ii) Cik Halijah Bulat, Director of Technical Department, Inland Revenue Board of Malaysia

#### **2. Practical Implications on New Public Rulings**

*10 March 2009, PNB Darby Park*

*9.00 am – 5.00 pm*

*Speaker: Mr Chow Chee Yen*

*(8 CPD points)*

The speaker will present the new public rulings and the latest developments on tax treatment of rental income.

**Do not miss the opportunity to participate in the above events in order to keep abreast with the latest tax developments.**

Kindly contact us at 03-2162 8989 and speak to our CPD Secretariat, Ms Latha (ext 108), Cik Ally (ext 113) and Cik Nur (ext 106) or email to [cpd@mit.org.my](mailto:cpd@mit.org.my) for more information and brochures.

### **EDUCATION & EXAMINATIONS**

The Malaysian Institute of Taxation will be releasing the results of the December 2008 Examinations on 27 February 2009. If you do not receive your result slip by 6 March 2009 or have any queries relating to your results, please call 03-2162 8989 ext 110.

The Malaysian Institute of Taxation would like to congratulate the following graduates of the December 2008 Examinations.

- | <b>No.</b> | <b>Name</b>   |
|------------|---------------|
| 1.         | Yeo Liu Choo  |
| 2.         | Sai Mee Siong |

3. Chong See Kon
4. Susie Tan Lai Lin
5. Leong Lai Yee
6. Ong Mun Yee
7. Wong Siew Ching
8. Choong Chee Keong
9. Sivelinggam Chelvom
10. Seah Siew Yun
11. Law Kien Khok
12. Chew Shung Terk
13. Ng Siew Eng
14. Quah Hock Gin
15. Lee Yoon Fei

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## **e-CIRCULAR TO MEMBERS**

Malaysian Institute of Taxation (225750-T)  
Institut Percukaian Malaysia

e-MIT No.10/2009

4 March 2009

**TO ALL MEMBERS**

**TECHNICAL**

### **1. Guidelines on Incentives for Last Mile Network Facilities Provider for Broadband Services**

The guidelines have been issued by the Ministry of Finance (MOF) and the details of the incentives granted are as follows:

- (i) An allowance equivalent to 100% of capital expenditure incurred on the Broadband infrastructure is given for a period of 5 years from the date the first capital expenditure is incurred. The allowance can be set-off against up to 70% of the statutory income for each year of assessment.

The exemption is restricted to capital expenditure on broadband infrastructure incurred during the period in which the licence issued by the Malaysian Communication and Multimedia Commission (MCMC) is still in force. The capital expenditure has to be incurred by way of cash or if it is by way of rental, it has to have an option to purchase at the end of the rental period. A list of the qualifying equipment is attached with the Guidelines.

The application for this incentive has to be made to the Tax Analysis Division of MOF, with a copy of the Network Facilities Provider licence and a declaration by MCMC attached.

- (ii) Exemption from Sales Tax and Import Duty for Access/Last Mile Equipment for Broadband Services. The application of this incentive has to be made to the Malaysian Industrial Development Authority (MIDA).

The above incentives which are available to Network Facilities Provider licensed by the MCMC to provide last mile network facilities for Broadband services are applicable to applications received from 8 September 2007 to 31 December 2010.

### **2. Guidelines on Application for Sales Tax and Import Duty Exemption on Equipment for Generating Energy Using Renewable Energy Resources**

Following the 2009 Budget proposal to provide incentives for the use of energy from renewable sources, the MOF has issued guidelines which are summarized as follows:

#### **(i) Photovoltaic System Equipment (PSE)**

Importers of PSE as well as service providers approved by the Energy Commission may be granted exemption from import duty and sales tax on condition that:

- the applicant has obtained a letter of confirmation from the Energy Commission that it is an importer of PSE or a service provider and that the PSE is a Renewable Energy equipment prior to the submission of the application; and
- the PSE is for the use of end users.

#### **(ii) Solar Heating System (SHS)**

Applications for sales tax exemption on locally manufactured SHS will be considered on condition that:

- the applicant has obtained a letter of confirmation from the Energy Commission that the SHS is a Renewable Energy equipment prior to the submission of application;
- the SHS is produced by local manufacturers; and
- the SHS is for the use of end users.

Only applications made on Form PC Services 2007 and received by MIDA from 30 August 2008 till 31 December 2010 will be considered. Members may click [HERE](#) to view the guidelines.

### 3. **Guidelines on Application for Sales Tax and Import Duty Exemption on Equipment for Energy Conservation/Energy Efficiency Activities**

Following the 2009 Budget proposal to provide incentives for the use of energy efficient equipment, the MOF has issued guidelines which are summarized as follows:

#### (i) **Energy Efficient Equipment (EEE)**

Importers of EEE, such as high efficiency motors and insulation materials as well as agents authorized by the Energy Commission, may be granted exemption from import duty and sales tax on condition that:

- the applicant has obtained a letter of confirmation from the Energy Commission that it is an importer of EEE or an authorized agent and that the equipment is an EEE prior to the submission of the application; and
- the EEE is for the use of end users.

#### (ii) **Energy Efficient Consumer Goods (EECG)**

Applications for sales tax exemption on locally manufactured EECG such as refrigerators, air conditioners, lightings, fans, televisions, etc., will be considered on condition that:

- the applicant has obtained a letter of confirmation from the Energy Commission that the EECG are EEE prior to the submission of application;
- the EECG is produced by local manufacturers; and
- the EECG is for the use of end users.

Only application made on Form PC Services 2007 and received by MIDA from 30 August 2008 till 31 December 2010 will be considered.. Members may click [HERE](#) to view the guidelines.

### 4. **Double Taxation Relief (The Government of the State of Qatar) Order 2008 [P.U. (A) 405/2008]**

Further to our e-MIT36/2008, please note that the DTA signed by Malaysia with the State of Qatar on 3 July 2008, [P.U. (A) 405/2008], has entered into force on 28 January 2009. In accordance with Article 29, the DTA is effective from the year of assessment beginning on or after 1 January 2010 for income tax and withholding tax whilst in respect of petroleum income tax, it will be effective from the year of assessment beginning on or after 1 January 2011.

### 5. **2<sup>nd</sup> Addendum to Public Ruling 01/2006 on Perquisites From Employment**

Please be informed that, as a result of the various exemptions on perquisites from employment introduced by the 2009 Budget, the IRB has issued a second addendum to the Public Ruling 01/2006 on Perquisites From Employment. The addendum addresses the provision by the employer to the employees of the following perquisites:

- (i) innovation and productivity award under Paragraph 25C, Schedule 6 of Income Tax Act 1967 (ITA);

- (ii) gift of a new personal computer under Income Tax (Exemption)(No.4) Order 2008,;and
- (iii) allowances, subsidised interest as well as gifts

The Institute would like to bring to the attention of members that the relevant income tax exemption order for items in category (iii) above has yet to be gazetted. A copy of the 2<sup>nd</sup> Addendum to Public Ruling 01/2006 may be viewed [HERE](http://www.hasil.gov.my/english/pdf/perquisitesAddendum012006.pdf) or at the IRB's website <http://www.hasil.gov.my/english/pdf/perquisitesAddendum012006.pdf>

**6. e-Filing of Forms BE, B, M, P and E for TAeF Module**

Please be informed that the Tax Agent Module (TAeF) for the e-filing of Forms BE, B, M, P and E is available with effect from 1 March, 2009. Members are encouraged to use the e-filing, especially those relating to repayment/ refund cases.

**CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

**Workshop: Practical Implications on New Public Rulings**

**Speaker: Mr. Chow Chee Yen**

**9.00 am – 5.00 pm**

**8 CPD Points**

<u>Date</u>	<u>Venue</u>
10 March 2009	PNB Darby Park, Kuala Lumpur
16 March 2009	Mutiara Hotel, Johor Bahru
23 March 2009	Bayview Hotel, Penang
31 March 2009	Impiana Casuarina Hotel, Ipoh
9 April 2009	Hyatt Regency Hotel, Kota Kinabalu
10 April 2009	Holiday Inn, Kuching
22 April 2009	Legacy Hotel, Malacca

**Workshop: Corporate Restructuring & Tax Management**

**Speaker: Mr. Harvindar Singh**

**9.00 am – 5.00 pm**

**8 CPD Points**

<u>Date</u>	<u>Venue</u>
5 March 2009	Mutiara Hotel, Johor Bahru
26 March 2009	Bayview Hotel, Penang
31 March 2009	Hyatt Regency, Kota Kinabalu
1 April 2009	Holiday Inn, Kuching

**Workshop: Income Reconstruction**

**Speaker: Tuan Haji Abdul Rahim**

**9.00 am – 5.00 pm**

**8 CPD Points**

<u>Date</u>	<u>Venue</u>
21 March 2009	Impiana Casuarina Hotel, Ipoh
28 March 2009	Legacy Hotel, Malacca



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