

6 February 2006

Circular No. 1/2006

TO ALL MEMBERS

1. Finance Act 2005

Please be informed that the Finance Act 2005 has been gazetted on 31 December 2005. A copy can be downloaded from www.mit.org.my under the Technical – Published Reports Section.

2. New Guidelines on the Application and Renewal of Tax Agent's License

The new Guidelines on the Application and Renewal of Tax Agent's License was issued by the Ministry of Finance (MOF) on Friday, 30 December 2005. Copies of the Guidelines and application forms can be downloaded from www.mit.org.my under the Technical – Guidelines/Rulings Section.

The Institute has collated feedback from its members and submitted a memorandum to MOF on issues relating to the new Guidelines. Copies of the memorandum can be downloaded from www.mit.org.my.

3. Invitation for Contribution on 2007 National Budget

The Ministry of Finance (MOF) is expected to invite the relevant Institutes and Associations to convene a pre-budget dialogue soon. The Institute, has in the past, presented a memorandum to the Minister for its due consideration in formulating the National Budget and will be presenting a memorandum for the 2007 National Budget.

The Institute therefore welcomes relevant proposals from its members to be incorporated into the memorandum. Members are cordially invited to submit their proposals to the Institute, to the attention of Ms Eow Siew Lee via fax at 03-2162 8990 or via e-mail, to siewlee@mit.org.my.

The Institute looks forward to receiving your comments and suggestions by 24 February 2006.

4. Operational Dialogue Issue

In view of the Operational Dialogue with the Inland Revenue Board that would be held later in the year, we would like to invite members to submit issues and comments to the Secretariat by the 28 February 2006.

Regards,

HARPAL SINGH DHILLON
Honorary Secretary

6 March 2006

Circular No. 2/2006

TO ALL MEMBERS

1. Public Rulings

The Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has released the following Public Rulings:

- Public Ruling No 1/2006 – Perquisites from Employment
- Public Ruling No 2/2006 – Tax Borne by Employers
- Second addendum to Public Ruling No 2/2004 entitled “Benefits-in-Kind”

Copies of the above Public Rulings are available for downloading at the Institute’s website at www.mit.org.my.

2. Extension of Time for Submission of 2005 Form E

Please be informed that the LHDNM has issued a letter to confirm that the deadline to submit the 2005 Form E is extended to 31 March 2006.

A copy of the LHDNM’s letter dated 21 February 2006 can be downloaded at the Institute’s website at www.mit.org.my.

Regards,

HARPAL SINGH DHILLON

Honorary Secretary

Dear Members

1. New Guidelines for the Application and Renewal of Tax Agent's License (Guidelines)

First and foremost, I would like to thank members of MIT for responding and giving us their thoughts on the Guidelines.

After going through your notes, I found that generally members of MIT have the same concerns with regards to the Guidelines.

Having collated the issues sent in by members, I have set out in a summary form, the main issues, as follows:

- (i) There should be no requirement for an interview when renewing a Section 153 license.
- (ii) There should be no requirement to provide a list of cases when applying to renew a Section 153 license.
- (iii) A committee should be formed to assess the applications (both new and renewals) and for transparency, this committee must have representation from the profession.

Our approach in drafting MIT's memorandum to Ministry of Finance (MOF) is to set out very simply the main areas of concern, as too much information may confuse the issue.

The memorandum (in the form of letters) which was sent to MOF on Friday, 20 January 2006, very clearly sets out the issues above. A copy of the memorandum may be found on MIT's website at www.mit.org.my. Comments raised in your e-mails pertaining to the Guidelines will be used in support of our arguments when we meet with MOF to discuss the matter.

As for the Continuing Professional Development (CPD), many issues have been raised but the most glaring it would seem is the need for a more diversified programme. Though a lot of pressure is being asserted on MOF to widen the number of CPD providers, currently only MIA, MIT, LHDN and MOF programmes are recognised for CPD points. As such MIT will strive to schedule sufficient training programmes for its members.

On behalf of MIT, I would like to assure members that the Council will do its utmost to protect the rights of MIT members and we will keep you posted on any information obtained from MOF / Government on this matter.

2. 1st Quarter CPD Programmes

MIT will be organising the following training programmes at Klang Valley in the 1st Quarter of 2006:

Date	Training Programme	Venue	Speaker
	Workshop: Taxation Course Part A		
11 Feb	Capital Allowances, Industrial Building Allowance & Other Tax Allowances	KL	Robin Noronha
15 Feb	Taxation for Sole Proprietor and Partnership	KL	Wong Yok Chin
25 Feb	Tax Audits & Investigations	KL	Harvinder Singh
11 March	Dividend, Interest, Rental and Royalty Income	KL	Harvinder Singh
25 March	Computation of Corporate Income Tax	KL	Harvinder Singh
	Workshop: Taxation Course Part B		
25 Jan	Incentives (Double Deduction & Reinvestment Allowance)	KL	Harvinder Singh
8 Feb	Incentives (Pioneer Statutes & Investment Tax Allowance)	KL	Harvinder Singh
18 Feb	Cross Border Transactions	KL	Harvinder Singh
2 March	Penalties and Offences	KL	Harvinder Singh
	Seminar		
28 Feb	Seminar: Real Estate Investment Trusts	KL	Various speakers
22 March	Seminar: Financial Reporting Standards & Tax Reporting	KL	Various speakers

All programmes are full day programmes

For more information on our programmes, please visit MIT's website at www.mit.org.my

3. Conclusion

Finally before I end this note, on behalf of the MIT, I would like to wish all our Chinese members "Gong Xi Fa Chai" and to the others "Happy Holidays".

Regards

Harpal Singh Dhillon
Honorary Secretary

e-MIT No 3/2006

Dear Member

TECHNICAL

1. Public Ruling 1/2006 & 2/2006

The LHDNM has released the following Public Rulings:

- Public Ruling No 1/2006 – Perquisites from Employment
- Public Ruling No 2/2006 – Tax Borne by Employers
- Second addendum to Public Ruling No 2/2004 entitled “Benefits-in-Kind”

Copies of the above Public Rulings are available for downloading at the Institute’s website at www.mit.org.my

2. Invitation for Contributions on the 2007 National Budget

The Ministry of Finance (MOF) is expected to invite the relevant Institutes and Associations to convene a pre-budget dialogue soon. The Institute has, in the past, presented a memorandum to the Minister for its due consideration in formulating the National Budget and will be presenting a memorandum for the 2007 National Budget.

The Institute therefore welcomes relevant proposals from its members to be incorporated into the memorandum. Members are kindly invited to submit their proposals to the Institute, for the attention of Ms Eow Siew Lee via fax at 03-2162 8990 or via e-mail, to siewlee@mit.org.my.

The Institute looks forward to receiving your comments and suggestions by 24 February 2006.

3. Dialogue on Operational Issues

The above-stated dialogue with Lembaga Hasil Dalam Negeri Malaysia (LHDNM) is usually held in the early part of the 2nd Quarter. Issues will have to be submitted to LHDNM within the 1st Quarter of 2006. We would like to invite members to submit issues and comments on such matters relating to the implementation of the relevant tax legislation, to the Institute, for the attention of Ms Eow Siew Lee via fax at 03-2162 8990 or via e-mail, to siewlee@mit.org.my by 28 February 2006.

MEMBERSHIP

1. Annual Subscription 2006

Please note that the deadline for payment of the annual subscription fees for 2006 is 15 March 2006. Members are advised to settle the annual subscription fees before the deadline.

CONTINUING PROFESSIONAL DEVELOPMENT

1. Workshop on Cross Border Transactions

Cross border transactions are steadily increasing as a result of globalisation strategies. Although many of the issues are the same as those arising with domestic transactions, the cross border perspective increases the level of uncertainty and risk.

Recent developments concerning cross border transactions such as double tax agreements and withholding tax implications will be discussed at a workshop on Saturday, 18 February 2006.

Members can register at a special rate of RM330.

2. Workshop on Tax Audits and Investigations

Due to numerous requests from the members, issues pertaining to tax audits and investigations will be revisited at a workshop conducted by Mr Harvinder Singh on Saturday, 25 February 2006. In this workshop, participants will have an understanding of the current tax enforcement strategies, settlement procedures and the penalties involved.

Members can register at a special rate of RM330.

3. Seminar on Real Estate Investment Trust (REITs)

The Institute and MAICSA have joined efforts to bring you a seminar on “Real Estate Investment Trust” to be held on Tuesday, 28 February 2006 at the Pan Pacific Hotel, Kuala Lumpur.

An impressive line up of speakers has been brought together to discuss the challenges in the 21st century for REITS. Members are encouraged to join this seminar to find out everything they need to know about REITs.

Members can register at a special rate of RM375.

For enquiries or registration, please call Nur or Latha at 03-2162 8989.

Regards
Harpal Singh Dhillon
Honorary Secretary
Malaysian Institute of Taxation

e-MIT No 4/2006

Dear Member

TECHNICAL

Extension of Time for Submission of 2005 Form E

Please be informed that the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has issued a letter to confirm that the deadline to submit the 2005 Form E is extended to 31 March 2006.

A copy of the LHDNM's letter dated 21 February 2006 can be downloaded at the Institute's website at www.mit.org.my.

Regards
Harpal Singh Dhillon
Honorary Secretary
Malaysian Institute of Taxation

e-MIT No 5/2006

Dear Member

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

1. Workshops

MIT will be organising the following workshops in the months of March and April 2006:

Date	Training Programme	Venue	Speaker
14 March	Workshop: GST	Cititel Hotel, Penang	Thomas Selva Doss
18 March	Workshop: Practical Applications in Preparing for A Tax Audit	City Bayview, Penang	Soh Lian Seng
23 March	Workshop: Exchange Control and its Impact on Business Today	PNB Darby Park, KL	Jennifer Chang & Lim Phaik Hoon
25 March	Workshop: Computation of Corporate Income Tax	MIT Training Room	Harvindar Singh
4 April	Workshop: Form B/BE Filing and E-Filing	MIT Training Room	Chow Chee Yen & LHDNM Officer
6 April	Workshop: Interpretation of Tax Statutes through Case Law	MIT Training Room	Renuka Bhupalan
6 April	Workshop: Application of Tax Cases for Appeals and Tax Advice	MIT Training Room	Renuka Bhupalan
12 April	Workshop: Investment Incentives	Kuching	Chow Chee Yen
18 April	Workshop: Investment Incentives	Kota Kinabalu	Chow Chee Yen

For more information on our programmes, please visit MIT's website at www.mit.org.my or call Nur / Latha at 03-2162 8989 (ext 106 / ext 108).

2. Seminars

MIT will be organising the following seminars in the months of March and April 2006:

- (a) Managing FRS Transition: Tax Perspective
Wednesday, 22 March 2006, Equatorial Hotel

Companies in Malaysia with financial years beginning on or after 1 January 2006 must comply with the Financial Reporting Standards (FRS) which is line with the International FRS. Adoption of the FRS will have an impact on the financial position of companies. Be one of the first to find out how FRS will affect your organisation, particularly taxation. Come join us in this seminar for some of the tax implications which would be relevant to your organisation.

Register before 9 March 2006 to enjoy the early bird fee at RM375.00

[Click here to view the brochure.](#)

- (b) Section 153 – The New Tax Agent Guidelines
Monday, 17 April, Pan Pacific Hotel, Kuala Lumpur

All that you need to know about the new Tax Agent Guidelines will be discussed at this half day seminar. Join this seminar to listen to Puan Khodijah bte Abdullah, Principal Assistant Secretary, Tax Analysis Division, MOF and a representative from LHNDM to provide you with the latest information on new Section 153 guidelines.

Chaired by Mr Lim Kah Fan, Council Member of MIT and Executive Director of Ernst & Young Tax Consultants, members are encouraged not to miss out on this seminar.

Members can register at a special rate of RM200.

[Click here to view the brochure.](#)

3. Asia Pacific Tax Conference Theme: Tax System – A catalyst for Economic Development 17 & 18 March 2006 at Karachi, Pakistan

The Income Tax Bar Association, Karachi, Pakistan will be organizing the Asia Pacific Tax Conference on 17 and 18 March 2006.

The tax experts, intellectuals, economists and policy makers from Asia Pacific Region are expected to attend the Conference. Eminent speakers and panelist will make presentations on many topics. Thus the Conference is expected to provide

an excellent opportunity to the participants to share and exchange their views and experiences in respect of taxation systems.

For more information on the conference, please contact Ms Mohana at 03-2162 8989 (ext 105).

Regards

Harpal Singh Dhillon
Honorary Secretary

e-MIT No 6/2006

Dear Member

CONTINUING PROFESSIONAL DEVELOPMENT

1. Workshop – Computation of Corporate Income Tax Saturday, 25 March 2006, MIT Training Room

Do you know how to compute corporate income tax?

Mr Harvinder Singh, a Senior Manager with Ernst & Young Tax Consultants will share with you his expertise and provide you with a practical guide in preparing corporate tax computation.

Course Outline

- Adjusted Income
- Statutory Income
- Aggregate Income
- Chargeable Income
- Total Income
- Taxable Income
- Tax Payable
- Tax Refund/Repayable

Fee

MIT Member	RM280
Member firm's staff	RM330
Non Member	RM380

2. Workshop – Form B/BE Training and E-Filing Tuesday, 4 April 2006, MIT Training Room

e-Filing, preparation of Form B/BE and latest Public Rulings – all of these will be discussed at a half day workshop.

Come and listen to an officer from Lembaga Hasil Dalam Negeri Malaysia explain to you what is e-filing, the procedures and the filing process. The session will also include the preparation of Form B/BE.

In addition, Mr Chow Chee Yen will update you on the recent tax developments which consist of discussion on some of the latest public rulings.

Do not miss this opportunity to join this value added workshop.

Fee

MIT Member	RM150
Member Firm's Staff/Supporting body	RM200
Non Member	RM250

To register for these workshops, kindly e-mail to cpd@mit.org.my or call Nur or Latha at 03-2162 8989 (ext 106/108) for more information.

Regards
Harpal Singh Dhillon
Honorary Secretary

e-MIT No 7/2006

Dear Member

TECHNICAL

Schedule of Filing Deadlines for Year of Assessment 2005

The Lembaga Hasil Dalam Negeri Malaysia has issued the schedule of filing deadlines for the year of assessment 2005. Please refer to the Institute's website at www.mit.org.my to download the schedule.

CONTINUING PROFESSIONAL DEVELOPMENT

Workshop – Exchange Control and Its Impact on Business Today Thursday, 23 March 2006, PNB Darby Park, KL

Course Outline

ECM 6 - Credit Facilities to Non-Residents

ECM 7 - Foreign Currency Accounts

ECM 8 - Domestic Loans to Non-Residents Controlled Companies

ECM 9 – Investments Abroad

ECM 10 – Foreign Currency Loan

ECM 11 – Intercompany Accounts

ECM 12 - Securities

Speaker's profile

JENNIFER CHANG is the Senior Executive Director of PricewaterhouseCoopers and has extensive tax experience both in Australia and in Malaysia.

LIM PHAIK HOON is the Executive Director of PricewaterhouseCoopers and has over 12 year's experience in the field of taxation specialising in the financial services industry.

Fee

MIT Member	RM200
Member firm's staff	RM250
Non Member	RM300

REPLY SLIP

(Exchange Control and Its Impact on Business Today) Kuala Lumpur – 23 March 2006

Please return fax (03-2162 8990)

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

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

Address.....

.....

Telephone No..... Fax No

E-mail.....

Cheque made payable to MIT-CPD

To register for these workshops, kindly complete the above reply slip and return via fax to 03-2162 8990. For more information call Nur or Latha at 03-2162 8989 (ext 106/108).

Regards
Harpal Singh Dhillon
Honorary Secretary

Course Outline

- Pioneer Status
- Investment Tax Allowance
- Reinvestment Allowance
- Research and Development Activities
- Double Deductions
- Export Incentives
- Incentives to Attract Foreign Direct Investments
 - MSC (Multimedia Super Corridor)
 - OHQ (Operational Headquarters)
 - VCC (Venture Capital Companies)
 - IPC (International Procurement Centre)
 - RDC (Regional Distribution Centre)
- Application Process and Procedures

Trainer: Mr Chow Chee Yen, Executive Director, Advent Tax Consultant Sdn Bhd

Fee

MIT Member	RM330
Member firm's staff	RM380
Non Member	RM440

REPLY SLIP

(Investment Incentives) Please return fax (03-2162 8990)

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

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

Address.....

.....

Telephone No..... Fax No

E-mail.....

Cheque made payable to MIT-CPD

2. Workshop on Form B/BE Training and E-Filing

Date: Thursday, 6 April 2006
Time: 2.00 – 5.00 pm
Venue: MIT Training Room

Programme Outline

Form B/BE Training

Latest Public Rulings and Recent Developments

- PR 1/2005 Computation of total income for individual
- PR 2/2005 Computation of income tax payable by a resident individual
- PR 3/2005 Living accommodation benefit provided for the employee by the employer
- PR 1/2006 Perquisites from employment
- PR 2/2006 Tax borne by employers

Preparation of Form B/BE

- Overview of Form B/BE
- Quick guide on how to complete Form B/BE

E-Filing

- What is E-filing
- The procedures and filing process
- Public Key Infrastructure

Speakers:

Representatives from Lembaga Hasil Dalam Negeri Malaysia
Chow Chee Yen, Executive Director, Advent Tax Consultant Sdn Bhd

Fee

MIT Member	RM150
ACCA Member/Member firm's staff	RM200
Non Member	RM250

REPLY SLIP

(Form B/BE Training & E-Filing)

Please return fax (03-2162 8990)

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

Organisation.....

Address.....

Telephone No..... Fax No

E-mail.....

Cheque made payable to MIT-CPD

To register for the above workshops, kindly complete the above reply slip and return via fax to 03-2162 8990. For more information call Nur or Latha at 03-2162 8989 (ext 106/108).

Regards
Harpal Singh Dhillon
Honorary Secretary

e-MIT No 9/2006

Dear Member

Public Ruling No 3/2006

Please be informed that the Lembaga Hasil Dalam Negeri Malaysia has released the Public Ruling No. 3/2006 on Property Development & Construction Contracts.

This public ruling is available for downloading from the Institute's website.

Regards
Harpal Singh Dhillon
Honorary Secretary

e-MIT No 10/2006

Dear Member

A. TECHNICAL

A1. Minutes of the Operations Dialogue 1/2006

An Operations Dialogue was held by the Lembaga Hasil Dalam Negeri Malaysia with the professional bodies on 10 April 2006.

A copy of the minutes is available for downloading from the Institute's website.

A2. Minutes of the Customs-Private Sector Consultative Panel 1/2006

The Royal Malaysian Customs has released the Minutes of the Customs-Private Sector Consultative Panel 1/2006 which was held on 6 February 2006.

A copy of the minutes is available for downloading from the Institute's website.

B. NATIONAL TAX CONFERENCE 2006

B1. The Institute will once again collaborate with the Lembaga Hasil Dalam Negeri Malaysia in bringing you the premier tax event of the year, **National Tax Conference 2006**. The theme for this year is "*Moving Forward, Managing Changes*".

Members are advised to take note that the conference has been rescheduled to be held on **22 & 23 August 2006 at Putra World Trade Centre, Kuala Lumpur**.

Mark your dates with us for this much awaited tax event of the year.

Pay only **RM700** if you register before **7 July 2006**. A copy of the brochure is available for downloading from the Institute's website.

Members are strongly encouraged to attend this conference to listen to leading practitioners and government officials talk on some of the latest tax issues.

Please note that you will be entitled for **25 CPD points** for attending this conference.

For more information on the conference, please call Nur/Latha at 03-2162 8989 (ext 106/108).

C. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The Institute will be organising the following CPD events in the month of May:

- C1. Workshop: Basic Corporate Tax Planning**
by Chow Chee Yen
4 May 2006, MIT Training Room
- C2. Workshop: Public Ruling on Property Developers and Constructions Contracts (KL)**
by Chow Chee Yen
15 May 2006, MIT Training Room
- C3. Workshop: Public Ruling on Property Developers and Construction Contracts (PJ)**
by Chow Chee Yen
17 May 2006, Summit Hotel, Subang
- C4. Workshop: Withholding Tax**
by Renuka Bhupalan
23 May 2006, MIT Training Room
- C5. Workshop: Advanced Corporate Tax Planning**
by Chow Chee Yen
29 May 2006, MIT Training Room
- C6. Seminar: Tax Cases and Critical Issues**
31 May 2006, Pan Pacific Hotel, Kuala Lumpur
Speakers/Panelist: Special Commissioners of Income Tax, Dr Arjunan Subramaniam, Mr Francis Tan, Dr Sivamoorthy and Mr S Vijayaretnam

Errata: All cheques should be made payable to **MIT-CPD** and not MT-CPD as stated in the brochure. We apologize for any inconvenience.

For more information on the above events, please visit the Institute's website or call Nur/Latha at 03-2162 8989 (ext 106/108) or e-mail to cpd@mit.org.my

Thank you.

Regards
Harpal Singh Dhillon
Honorary Secretary