

e-MIT No 21/2006

Dear Member

**A. TECHNICAL**

**A1. Public Ruling No 6/2006**

The Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has released the Public Ruling No 6/2006 on Tax Treatment of Legal and Professional Expenses. This Ruling is effective from year of assessment of 2006.

This Public Ruling is available for downloading from the Institute's website.

**A2. MIT-MIA Budget Hotline 2007**

The Malaysian Institute of Taxation (MIT) in collaboration with the Malaysian Institute of Accountants (MIA) will hold a Budget Hotline 2007 for the public which is scheduled to be held on Saturday, 2 September 2006. The hotline will operate from 9.00 a.m to 12.00 noon.

The hotline will be manned by a panel of tax consultants from major accounting firms. The main purpose of the said hotline is to provide a convenient channel for the public to seek advice from tax experts on the effects of any changes to the income tax law affecting individuals and businesses, investment incentives, import / export duties, sales and service tax and other pertinent issues. The number to call is 03-2274 4447.

**B. CONTINUING PROFESSIONAL DEVELOPMENT**

**B1. 2007 Budget Highlights  
Saturday, 2 September 2006, Holiday Villa Subang**

Be among the first to listen to a comprehensive analysis of the 2007 Budget at a seminar jointly organised by the Institute and the Malaysian Institute of Accountants (MIA).

Mr Harpal Singh Dhillon and Mr Chow Chee Yen will present to you the key issues contained in the 2007 Budget Proposals as well as the effects of the 2006/2007 budget on tax planning.

For further details, please visit the Institute's website or the MIA's website at [www.mia.org.my](http://www.mia.org.my)

**B2. 2007 Budget Talk by Datuk Aziyah bt Bahauddin  
Monday, 4 September 2006, Best Western Premier Seri Pacific Hotel, Kuala Lumpur**

The Institute will be organising its annual budget event on **Monday, 4 September 2006** and the key speaker is **Datuk Aziyah bt Bahauddin**, Secretary, Tax Analysis Division of the Ministry of Finance.

Panelists: En Che Omar bin A Rahaman, Timbalan Ketua Pengarah (Pematuhan), Lembaga Hasil Dalam Negeri Malaysia

Dato' Hj Ahmad Akbar bin Zahari, Pengarah Kastam Bahagian Perkhidmatan Teknik, Kastam DiRaja Malaysia

Chairman: Dr Veerinderjeet Singh, Council Member & Chairman of Technical and Public Practice Committee, MIT

Payments are made payable to MIT- CPE.

The brochure is available for downloading from the Institute's website. To register, please fax the registration form to 03-2162 8990.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

e-MIT No 22/2006

Dear Member

\*\*\*NOTICE\*\*\*

Please be informed that the Secretariat **will be CLOSED on Tuesday 22/8/2006** from **8-30 am to 2 pm** as all staff will be on duty at PWTC for the opening of the NTC 2006.

## TECHNICAL & CPD

### A. TECHNICAL

#### A1. Public Ruling 6/2006

Based on the Minutes of the Technical Dialogue with the LHDNM held on 15 March 2006, the LHDNM confirmed that the concession for the deduction of secretarial and tax fees would be withdrawn from year of assessment 2006. The recently released PR6/2006 on Tax Treatment of Legal and Professional Expenses, which is effective from year of assessment 2006, has indicated that secretarial fees and cost of filing of tax returns and tax computations are examples of non-deductible professional fees. The Institute has included as one of the proposals in the 2007 Joint Budget Memorandum with MIA, MICPA and MAICSA that recurring compliance fees such as tax agent's fees and secretarial fees be legislated as specific deductions. The joint memorandum was recently published in the Tax Nasional Q2/2006. The Institute is following up with the Ministry of Finance on this matter.

#### A2. HASIL Tax Seminar 2006

Due to numerous enquiries from members, we wish to remind that one of the conditions stipulated in the Guidelines for the Application and Renewal of a Tax Agent is the requirement to attend the latest budget seminar organized by the LHDNM. The guidelines are available in the Technical Section – Guidelines/Rulings at [www.mit.org.my](http://www.mit.org.my).

### B. CPD

## 2007 BUDGET HIGHLIGHTS

DATE : SATURDAY , 2 SEPTEMBER 2006

TIME : 9.00 AM TO 5.00 PM

VENUE : HOLIDAY VILLA SUBANG

The Honorable Prime Minister and Finance Minister, YAB Dato' Seri Abdullah Hj Ahmad Badawi will present to the Dewan Rakyat the 2007 Budget Proposals on 1<sup>st</sup> September 2006. In conjunction with that, to update and share with our members the key issues contained in the 2007

Budget Proposal, the Malaysian Institute of Taxation (MIT) and the Malaysian Institute of Accountants (MIA) are organizing a series of roadshows the first of which is as stated above. For other venues and dates please refer to [www.mit.org.my](http://www.mit.org.my) or [www.mia.org.my](http://www.mia.org.my).

Do not miss this opportunity to obtain a comprehensive analysis of the 2007 Budget. Register Now. SEATS ARE LIMITED!!

The Programme Outline includes

- |          |  |
|----------|--|
| 8:15 am  | Registration   |
| 9:00 am  | <b>2007 Budget Highlights</b>  |
| 10:30 am | Morning Refreshments   |
| 11:00 am | <b>2007 Budget Highlights</b>  |
| 12:30 pm | Lunch  |
| 2:00 pm  | <b>Tax Planning – “Has Anything Changed Since The 2006 Budget?”</b> <ul style="list-style-type: none"><li>• A Comparative Analysis of the 2006 &amp; 2007 Budgets.</li></ul> |
| 4:30 pm  | Afternoon Refreshments and End of Seminar  |

SPEAKERS:

**HARPAL SINGH DHILLON**

**CHOW CHEE YEN**

Regards  
Harpal Singh Dhillon  
Honorary Secretary  
Malaysian Institute of Taxation

**e-MIT No 23/2006**

Dear Member

**A. TECHNICAL**

**A1. Budget 2007**

The Budget 2007 speech and appendices are now available for downloading from the Institute's website.

**A2. MIT-MIA Budget Hotline 2007**

The Malaysian Institute of Taxation (MIT) in collaboration with the Malaysian Institute of Accountants (MIA) will hold a Budget Hotline 2007 for the public which is scheduled to be held on Saturday, 2 September 2006. The hotline will operate from 9.00 a.m to 12.00 noon.

The hotline will be manned by a panel of tax consultants from major accounting firms. The main purpose of the said hotline is to provide a convenient channel for the public to seek advice from tax experts on the effects of any changes to the income tax law affecting individuals and businesses, investment incentives, import / export duties, sales and service tax and other pertinent issues. The number to call is 03-2274 4447.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

Dear Member

**A. Appointment of new Chief Executive Officer of the Inland Revenue Board of Malaysia**

Puan Hasmah binti Abdullah has been appointed as the Chief Executive Officer of the Inland Revenue Board of Malaysia effective from 19 October 2006.

Her appointment has been gazetted under the Appointment of Chief Executive Officer under Section 6A Order (P.U. (B) 223.)

**B. CPD Programmes in September and October 2006**

**1. Workshop on Investment Incentives  
Friday, 22 September 2006, MIT Training Room**

Mr Harvindar Singh will be speaking on several issues pertaining to investment incentives in this workshop. He will also discuss some of the latest incentives introduced under the 2007 Budget Proposals.

[Click here for more information or visit our website.](#)

**2. Workshop on Financing Corporate Growth  
Wednesday, 27 September 2006, MIT Training Room**

The focus of the workshop is to give participants an in-depth understanding of tax issues to be considered when undertaking funding schemes.

Highlights of the workshop includes detailed discussion on Islamic instruments and tax considerations, Bank Negara requirements and cross border funding issues.

[Click here for more information or visit our website.](#)

**3. Workshop on Tax Cases and Legislations**

A workshop to discuss the salient features of tax cases and legislations will be conducted by Dr Nakha Ratnam Somasundaram, former State Director of Inland Revenue Board Kelantan. A review of recent tax cases and tax appeals will also be discussed at this workshop.

This workshop will be held in Johor Bahru, Penang, Kota Kinabalu and Kuching in the month of October.

[Click here for more information or visit our website.](#)

**4. Workshop on Cross Border Transactions**  
**Wednesday, 18 October 2006, MIT Training Room**

Tax issues pertaining to cross border transactions ie withhholding tax and permanent establishment considerations, DTA's, transfer pricing considerations and financing issues will be considered at the workshop.

Mr Harvindar will share with you his experience on this topic and practical examples will be discussed so that participants can apply their knowledge in their day to day work.

[Click here for more information or visit our website.](#)

Please call Cik Nur/Ms Latha at 03-2162 8989 ext 106/108 should you require further information on the CPD programmes.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

e-MIT No 25/2006

Dear Member

**A. Bank Negara Malaysia's Guidelines**

Bank Negara Malaysia has issued the following guidelines:-

- Guidelines on the establishment of International Islamic Bank
- Guidelines on the establishment of International Takaful Operator
- Guidelines on the establishment of International Currency Business Unit;  
and
- Guidelines on the establishment of International Currency Business Unit  
(Takaful Operator).

The above guidelines set out the eligibility criteria, scope of business as well as the submission requirements for the establishment of new entities in the Malaysian International Islamic Financial Centre. Copies of the guidelines are available at [www.bnm.gov.my](http://www.bnm.gov.my).

**B. CPD Programmes in October 2006**

**1. Workshop on Tax Cases and Legislations**

A one day workshop to discuss the salient features of tax cases and legislations will be conducted by Dr Nakha Ratnam Somasundaram, former State Director of Inland Revenue Board Kelantan. A review of recent tax cases and tax appeals will also be discussed at this workshop.

This workshop will be held at the following places:

6 October 2006 – Hyatt Regency, Johor Bahru  
7 October 2006 – Bayview Hotel Georgetown, Penang  
14 October 2006 – Hyatt Regency Hotel, Kota Kinabalu  
16 October 2006 – Grand Continental Hotel, Kuching

Click [here](#) [MIT Workshop -Tax Cases and Legislations.doc](#) for more information or visit our website.

**2. Workshop on Cross Border Transactions  
Wednesday, 18 October 2006, MIT Training Room**

Tax issues pertaining to cross border transactions ie withhholding tax and permanent establishment considerations, DTA's, transfer pricing considerations and financing issues will be considered at the workshop.



Mr Harvindar will share with you his experience on this topic and practical examples will be discussed so that participants can apply their knowledge in their day to day work.

Click [here MIT-Workshop On Cross Border Transaction.doc](#) for more information or visit our website.

Please call Cik Nur/Ms Latha at 03-2162 8989 ext 106/108 should you require further information on the CPD programmes.

**C. Survey on MIT Members' Acceptance of Electronic Tax Filing (e-Filing)**

Puan Fatimah Alwi, a lecturer from University Technology Mara, Johor is conducting a research to find out MIT members views, acceptance and comments about e-filing.

We would appreciate if you could participate in this survey. The questionnaire consists of 5 pages and will take approximately 15-20 minutes to complete. Kindly complete the questionnaire and fax to Dr Lai Ming Ling at 03-5544 4921 latest by **30 September 2006**.

Please click here [email\\_Q.doc](#) for the questionnaire.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

e-MIT No 26/2006

Dear Member

**A. TECHNICAL**

**1. Budget 2007: Guidelines on the Application for the 50% Excise Duty exemption on locally assembled 4WD vehicles for tour operators**

The above guidelines is available for downloading from the Treasury's website at [www.treasury.gov.my](http://www.treasury.gov.my)

**2. Post Budget Dialogue**

The Institute participated in a Post Budget Dialogue between the professional bodies and the Lembaga Hasil Dalam Negeri Malaysia on 5 October 2006.

**3. Tax Review Panel**

The Institute attended a meeting organised by the Tax Review Panel on 4 October 2006 to discuss issues pertaining to the structure and guidelines on Advance Ruling.

**B. CPD PROGRAMMES**

**1. Workshop on Tax Cases and Legislations**

The former State Director of Inland Revenue Board Kelantan will discuss the salient features of tax cases and legislations in a workshop on Tax Cases and Legislation to be conducted in Sabah and Sarawak.

A review of recent tax cases and tax appeals will also be discussed at this workshop.

This workshop will be held at the following places:

14 October 2006 – Hyatt Regency Hotel, Kota Kinabalu

16 October 2006 – Grand Continental Hotel, Kuching

[Click here](#) for more information or visit our website.

**2. Workshop on Cross Border Transactions  
Wednesday, 18 October 2006, MIT Training Room**

Tax issues pertaining to cross border transactions ie withhholding tax and permanent establishment considerations, DTA's, transfer pricing considerations and financing issues will be considered at the workshop.

Mr Harvindar will share with you his experience on this topic and practical examples will be discussed so that participants can apply their knowledge in their day to day work.

[Click here](#) for more information or visit our website.

### **3. Workshop on Corporate Tax Planning**

Mr Harvindar Singh will be conducting the above workshop in Ipoh and Melaka. The details of the workshop are as follows:

Thursday, 19 October 2006 – Heritage Hotel, Ipoh  
Thursday, 2 November 2006 – Equatorial Hotel, Melaka

[Click here](#) for more information or visit our website.

Please call Cik Nur/Ms Latha at 03-2162 8989 ext 106/108 should you require further information on the CPD programmes.

## **C. OTHERS**

### **1. Survey on MIT Members' Acceptance of Electronic Tax Filing (e-Filing)**

We have informed in our previous e-mail broadcast that Puan Fatimah Alwi, a lecturer from University Technology Mara, Johor is conducting a research to find out MIT members views, acceptance and comments about e-filing.

We would like to encourage members who have not participated in this survey to do so. The deadline to submit the questionnaire has been extended till **20 October 2006**. Please kindly return the completed questionnaire via e-mail or fax to:

Puan Fatimah bt. Alwi  
Faculty of Accountancy, University Technology MARA  
85009 Segamat, Johor.  
**e-mail: [timah\\_alwi@yahoo.com](mailto:timah_alwi@yahoo.com) or [fatim347@johor.uitm.edu.my](mailto:fatim347@johor.uitm.edu.my)**  
**fax: 07-9352288**

[Please click here](#) for the questionnaire.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

e-MIT No 27/2006

Dear Member

**A. TECHNICAL**

**1. Submission of Forms C and R for Financial Year Ended 31 March 2006**

The Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has informed that companies with the financial year ended 31 March 2006 are allowed to submit their Forms C and R for Year of Assessment 2006 **on or before 14 November 2006**. This approval includes the payment of taxes under Sections 103(1) and 108(6) of the Income Tax Act 1967.

Please refer to our website for a copy of the letter.

**2. Section 75A-Director's Liability**

The LHDNM has recently clarified the application of Section 75A of the Income Tax Act 1967.

Please refer to our website for a copy of the letter.

**B. OTHERS**

**1. Festive Greetings**

On behalf of the members of the Council and the staff of the Malaysian Institute of Taxation, I would like to wish you very warm season greetings to all Muslim and Hindu members. May all of you have a wonderful and prosperous Hari Raya and Deepavali.

Please note that the Institute will be operating from 8.30 am till 4.30 pm on Friday, 20 October 2006 and will be closed on Monday, 23 October 2006. The Institute will resume operations on Thursday, 26 October 2006.

Thank you.

Regards  
Harpal Singh Dhillon  
Honorary Secretary

e-MIT No 28/2006

Dear Member

**A. TECHNICAL**

**1. Operational and Technical Dialogue Issues**

An Operational and Technical Dialogue with the Lembaga Hasil Dalam Negeri will be convened shortly. In view of this the Institute would like to invite members to submit their issues and comments to the Secretariat by 1 December 2006 to the attention of Ms Eow Siew Lee via fax at 03-2162 8990 or e-mail to [technical@mit.org.my](mailto:technical@mit.org.my).

**B. PUBLICATIONS**

**1. Tax Nasional**

Please note that Tax Nasional is complimentary for members of the Institute. For members who wish to subscribe for additional copies or non members who wish to subscribe for a copy, please get in touch with our Publications Department at 03-2162 8989 ext 111 or e-mail to [publications@mit.org.my](mailto:publications@mit.org.my)

**D. OTHERS**

**1. Office Bearers 2006/2007**

At the recent Council Meeting, the following Council Members have been elected as the office bearers for the term 2006/2007:

President	:	Haji Abdul Hamid bin Mohd Hassan
Deputy President	:	Lim Heng How
Vice President(s)	:	Nujumudin bin Mydin Khoo Chin Guan

Thank you.

Regards  
MIT Secretariat

e-MIT No 29/2006

Dear Member

**A. TECHNICAL**

**1. Minutes of the 2007 Post Budget Technical Dialogue**

The Lembaga Hasil Dalam Negeri Malaysia has issued the above minutes pursuant to a dialogue with the professional bodies on 5 October 2006. A copy of the minutes can be downloaded from the Institute's website. The Institute's comments on selected issues are also included. However, please note that these comments should not be construed as advice on the applicability of any provision of the law to a given set of facts.

**2. Customs-Private Sector Consultative Panel Meeting**

The above meeting will be held on 20 December 2006. The Institute would like to invite members to submit their issues relating to policy matters only to the Secretariat by 24 November 2006 to the attention of Ms Eow Siew Lee via fax at 03-2162 8990 or e-mail to [technical@mit.org.my](mailto:technical@mit.org.my).

Thank you.

Regards  
MIT Secretariat

e-MIT No 30/2006

Dear Member

Dear All,

**Tax Nasional is the official quarterly journal of MIT.**

As many of you may already be aware, Tax Nasional is now being published in-house by MIT. It is an exciting move for MIT and I am very excited to be writing to you to invite you to subscribe to Tax Nasional for 2006/7!

Please take note that existing members and students of MIT will continue to receive their complimentary copies of the Tax Nasional as usual. However should members and or students of MIT wish to subscribe for an additional copy then please be informed that the annual subscription fee for Tax Nasional is RM137-00.

The annual subscription fee for Tax Nasional for non-members of MIT is RM152-00.

For 2006, we are charging a pro-rated applicable fee.

Eg. If you are not a member, then please pay  $RM152 \times 50\% = RM76-00$  for the last 2 issues of 2006.

Next January you can pay the full fee of RM152-00 for 2007.

NOTE: Please include your outstation cheque commission, if any, when you send us your payment.

Please find attached a copy of the subscription form for your attention and further action.

Lastly please be informed that the next issue of Tax Nasional is already out, so please send in your orders fast to enable us to post you your copy asap!!!

If you have any queries, suggestions on how to improve the journal or even topics which you would like to read about, please do not hesitate to contact us at "publications@mit.org.my".

We are also looking for contributors for the journal...articles, etc. Please feel free to enquire details from me.

Thank you.

MIT

**A. TECHNICAL**

**1. Minutes of the 2007 Post Budget Technical Dialogue**

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Thank you.

Regards  
MIT Secretariat