

e-CTIM No.54/2009

12 November 2009

TO ALL MEMBERS

TECHNICAL

Direct Taxation

1. INCOME TAX (EXEMPTION)(No. 4) ORDER 2009 [P.U.(A) 389/2009]

With effect from 1 January 2009, any gains or profits falling under Section 4(f) of the Income Tax Act 1967 (ITA) received by a non-resident from an offshore company shall be exempted from tax. Consequently, Section 109F of ITA shall not apply to the income exempted.

“Offshore company” means an offshore company incorporated under the Offshore Companies Act 1990, and includes a foreign offshore company registered under that Act, a licensed Malaysian offshore bank, an offshore limited partnership and an offshore trust.

2. STAMP DUTY (REMISSION) ORDER 2009 [P.U.(A) 391/2009]

The Ministry of Finance (MOF) has issued a circular dated 10 November 2009 informing that the above Order has been gazetted. The Order was issued pursuant to the notification by MOF that the stamp duty to be levied on service agreements executed from 15 September 2009 to 31 December 2010 will be up to RM50 only, and any stamp duty in excess of that amount shall be remitted. In line with this, service agreements executed between 15 September 2009 and 31 December 2010 may be stamped at any branch of the Stamp Duty Office, Inland Revenue Board, (at a rate) up to a maximum of RM50.00, without having to apply to the Ministry of Finance for a letter of approval.

Members may view the MOF circular dated 10 November 2009 from the Institute’s website at http://www.ctim.org.my/technical_techdev_direct.asp

CONTINUING PROFESSIONAL DEVELOPMENT

1. Half-Day Workshop: Technical Updates & Case Law Development
4 CPD Points

Date : 3 December 2009, Thursday
Time : 9.00 am – 5.00 pm
Venue : Equatorial Hotel, Kuala Lumpur

PROGRAMME:

8.30 am Registration

9.00 am Technical Updates
Speaker: Mr Lim Kah Fan
Executive Director, Ernst & Young Tax Consultants Sdn Bhd

10.30 am Morning Refreshments

- 11.00 am Case Law Development
Speaker: Mr Saravana Kumar
Advocate & Solicitor, Lee Hishammuddin Allen & Gledhill
- 12.30 pm Question & Answer Session
- 1.00 pm End of the Programme

2. Evening Talk: Thin Capitalisation Rules – Road Map Ahead
2 CPD Points

Date : 14 December 2009
Time : 5.00 pm - 7.00 pm
Venue : Best Western Premier Seri Pacific Hotel, Kuala Lumpur

PROGRAMME:

- 4.30 pm Registration
- 5.00 pm Chairman's Welcoming Speech
by:
Mr Lim Heng How
Council Member, Chartered Tax Institute of Malaysia
- 5.20 pm Thin Capitalisation Rules
- Basics
 - Where are we today
 - Update across the region
 - Road ahead – my thoughts
- by:*
Mr SM Thanneermalai
Council Member, Chartered Tax Institute of Malaysia/Senior Executive
Director, PricewaterhouseCoopers
- 6.20 pm Question & Answer Session
- 7.00 pm End of the Programme

For registration, kindly refer to the attached flyers.

Please visit www.ctim.org.my for the latest update on the events or contact CPD Secretariat, Ms Latha/Ms Ally/Ms Nur at 03-2162 8989 ext 108/113/106 for further information. Alternatively, you can email your enquiries to cpd@ctim.org.my.

For queries or feedback on the CTIM e-circular, please email secretariat@ctim.org.my.

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e-CTIM No.55/2009

30 November 2009

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TECHNICAL

Direct Taxation

1. INCOME TAX (DEDUCTION ON EXPENDITURE FOR ESTABLISHMENT OF AN ISLAMIC STOCK BROKING BUSINESS)(AMENDMENT) RULES 2009 [P.U.(A) 401/2009]

With effect from 1 January 2010, pursuant to Appendix 8 of the 2010 Budget proposals, establishment expenditure of an Islamic stock broking company resident in Malaysia shall be allowed a deduction in arriving at its adjusted income from business, provided that the application for approval for the Islamic stocking broking business was made to the Bursa Malaysia from 2 September 2006 until 31 December 2015.

"Establishment Expenditure" means consultancy and legal fees, cost of feasibility study, cost of market research, and cost of obtaining licence and business approval for the purpose of establishing an Islamic stock broking business.

"Islamic stock broking company" means a company incorporated under the Companies Act 1965 and is a dealer licensed under the Securities Industry Act 1983 which operates an Islamic stock broking business approved by the Bursa Malaysia.

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e-CTIM No.56/2009

2 December 2009

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TECHNICAL

Direct Taxation

JOINT TAX WORKING GROUP ON FINANCIAL REPORTING STANDARDS (JTWG-FRS)

Following our **e-CTIM No.46/2009** dated 30 September 2009, please be informed that the JTWG-FRS has further reviewed the following Financial Reporting Standards (FRS) and would like to circulate the draft write-ups on major tax implications related to the implementation of the FRS for your comments:

FRS 116 Property, Plant and Equipment
FRS 139 Financial Instruments: Recognition and Measurement

Please be informed that the above write-ups as attached can also be downloaded from the Institute's website at http://ctim.org.my/technical_pracstatement.asp.

Members are invited to review the above write-ups and submit their comments to the JTWG-FRS. Comments should be submitted in writing to the CTIM's Secretariat or email to kslim@ctim.org.my or technical@ctim.org.my by **23 December 2009** for the deliberation of the JTWG-FRS. You may also fax your comments to the Institute at 03-2162 8990.

Comments may refer to any specific principles, paragraphs or group of paragraphs and suggestions for alternative solutions or wordings with supporting reasons. These comments will be collated and, where appropriate, incorporated into the write-ups before finalisation.

The Institute looks forward to receiving your comments on the above matter.

Thank you.



ANN YONG
Executive Director

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