

e-CTIM TECH 86/2013

15 July 2013

TO ALL MEMBERS

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TECHNICAL

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Direct Taxation

[Dialogue with SME Corp Malaysia](#)

CTIM was invited to have a dialogue with SME Corp Malaysia on 10 July 2013 to discuss the introduction of a special tax rate to encourage small Malaysian service providers to merge into larger entities. The purpose of this incentive is to pool the resources and enhance competitiveness of the local small entities, in light of the Government's efforts to further liberalise the services sector.

CTIM representatives provided the management of the Economic and Policy Planning Division of SME Corp Malaysia with feedback on the development of the tax profession, the existing regulatory framework, and information and insight into taxation service practices in Malaysia. The focus of the discussion was the Malaysian Investment Development Authority (MIDA) [Guideline to "Encourage Small Malaysian Service Providers to Merge into Larger Entities"](http://www.mida.gov.my/env3/uploads/Forms/GD_ENT03072012.pdf) ([http://www.mida.gov.my/env3/uploads/Forms/GD\\_ENT03072012.pdf](http://www.mida.gov.my/env3/uploads/Forms/GD_ENT03072012.pdf)) dated 3 July 2012.

CTIM offered to provide further input/comments when requested. It was noted that the incentive mentioned will only be available to companies. The relevant gazettes are expected to be released in due course.

Members may view the MIDA Guidelines on [MIDA e-Services Portal](#) (MIDA > Home > Forms (Forms & Guidelines) > Services Sector) and CTIM website.

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