e-CIRCULAR TO MEMBERS

CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

e-CTIM TECH-DT 43/2014 **03 July 2014**

TO ALL MEMBERS

TECHNICAL

Direct Tax

PUBLIC RULINGS No.4/2014 & No.5/2014

Please be informed that the Inland Revenue Board (IRB) has uploaded Public Rulings (PR) No.4/2014 and No.5/2014 on 26 June 2014 and 1 July 2014 respectively. Members may view the Public Rulings on the websites of the Institute and the IRB.

1. PR No.4-2014 on Deferred Annuity

The objective of this PR is to explain the following:

1.1 the deductibility of premiums paid by an individual for deferred annuity;

1.2 the exemption of annuity income for an individual; and

1.3 the exemption of income of a life insurer and takaful operator from an investment made out of a life fund or family fund in respect of deferred annuity.

2. PR No.5-2014 on Ownership and Use Of Asset For The Purpose Of Claiming Capital Allowances

The objective of this PR is to explain the ownership and use of asset and the effect on whether a person qualifies to claim capital allowances (CA) in respect of that asset in determining the statutory income from a business of the person.

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any concern or comments you may have on the above public rulings.