

TO ALL MEMBERS

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TECHNICAL

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Direct Tax

AMENDMENTS TO PUBLIC RULING NO. 10/2014 AND PUBLIC RULING NO. 1/2009

1) [Amendment to Public Ruling \(PR\) on Special Allowances for Small Value Assets \(PR No. 10/2014\)](#)

Paragraph 5.2 of the above [PR](#) was amended on 11 May 2016 by inserting the following note to the definition of Small and Medium Companies:-

*Note: With effect from the year of assessment 2016, the companies have to be incorporated in Malaysia as well.*

The above amendment is pursuant to an amendment in paragraph 19A(3), Schedule 3 of the Income Tax Act (ITA) 1967 which has effect for the year of assessment 2016 and subsequent years of assessment.

2) [Amendments to PR on Property Development \(PR No. 1/2009\)](#)

Paragraph 13 of the above [PR](#) was amended on 16 May 2016 as follows:-

*Interest income derived from the Housing Development Account should be assessed under paragraph 4(a)(c) the ITA.*

The above amendment is pursuant to Section 4B and Section 24(5) of the ITA 1967, as amended by [Act 755](#) of 2013, which have effect for the year of assessment 2013 and subsequent years of assessment;

The tax treatment is consistent with the IRBM's reply in item (b) on page 17 of the [minutes of post-2013 Budget dialogue](#); and item (c) on page 5 of the [PR No.3/2016 on Tax Treatment on Interest Income Received by a Person Carrying on a Business](#).

Members may view the amended PRs at the websites of the [Institute](#) and the [LHDNM](#).

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