

From: Norlina Naem [norlina.n@hasil.gov.my]

Sent: Tue 24/2/2015 3:47 PM

To: Yamuna

Cc: Noraini Ismail; kslim@ctim.org.my'; veekean@ctim.org.my; tiruselvam@ctim.org.my; 'P Thomas Simon'

Subject: RE: Follow-up: Joint Memorandum to Inland Revenue Board Malaysia on Issues Arising From 2015 Budget & Financial Bill (No.2) & Other Technical Matters - item no. 2.11

Dear Miss Yamuna,

Referred to your email below and Mr. Vee's query pertaining to the P.U (A) 217/2014.

Yes, our Department confirmed that taxpayers are allowed to apply the understanding as set out in the LHDNM's email dated 10/11/2014. The amended draft copy has been send to the MOF for further action.

Please do not hesitate to call for further information. Thank you.

Regards

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ANDALAH WIRA NEGARA!

HASIL Teman Keceriaan Anda

From: Vee Kean [<mailto:Veekean@ctim.org.my>]

Sent: Monday, 26 January, 2015 12:51 PM

To: norainij@hasil.gov.my

Cc: noorazian_ahamid@hasil.gov.my; 'Noraini Ismail'; 'Dato' Siti Halimah bt Ismail'; 'Rosnita Ahmad'; 'Baharuddin Abdul Kadir'; 'Muna Liza Janis'; 'Aruljothi'; Poon Yew Hoe; wai.kuan.phan@my.pwc.com; 'Renuka Bhupalan'; 'Seah Siew Yun'; 'P Thomas Simon'; 'kslim@ctim.org.my'; 'yamuna@ctim.org.my'; 'tiruselvam@ctim.org.my'

Subject: FW: Joint Memorandum to Inland Revenue Board Malaysia on Issues Arising From 2015 Budget & Financial Bill (No.2) & Other Technical Matters - item no. 2.11

Dear Puan Nor'aini Ja'afar,

Thank you for the LHDNM's letter dated 19 January 2015 in response to clarifications sought on items 2.10 and 2.11 of other technical matters raised in the above-mentioned Joint Memorandum.

With reference to the LHDNM's response to item 2.11, the Institute would like to make the following requests:

1. The Institute understands from paragraph 3 of LHDNM's email dated 10 November 2014 that the "non-application" provision in paragraph 7 of P.U.(A) 217/2014 is to be applied on an asset basis; e.g. where any of the following incentives are currently claimed on the same asset: investment tax allowance, reinvestment allowance or income tax exemption equivalent to the cost of asset under any Income Tax Rules/gazette orders. As such, as taxpayer who qualifies for the deduction for statutory audit fees expenditure under the P.U. (A) 129/2006 (but not any other incentives on the asset) can claim the accelerated capital allowance under the P.U. (A) 217/2014 in the same year of assessment as long as the Rules listed in the P.U. (A) 217/2014 have been complied.

Paragraph 3 of the LHDNM's email dated 10 November 2014

la akan dipinda berasaskan kepada aset. Dengan ini, seseorang itu layak menuntut kedua-dua perbelanjaan audit di bawah Kaedah-kaedah Cukai Pendapatan (Perbelanjaan Audit) 2006 dan menuntut ACA bagi senarai aset yang tersenarai dalam (KKCP- P.U.(A) 217/2014) dalam tahun taksiran yang sama kecuali aset tersebut diberi elaun cukai pelaburan di bawah Akta Penggalakan Pelaburan 1986, elaun pelaburan semua di bawah Jadual 7A Akta Cukai Pendapatan 1967 atau pengecualian cukai bersamaan dengan kos aset di bawah mana-mana perintah cukai pendapatan.

The Institute would like to seek the LHDNM's confirmation that pending issuance of the relevant amendments to P.U. (A) 217/2014, taxpayers are allowed to apply the above understanding as set out in the LHDNM's email dated 10 November 2014 in their tax computations.

2. The Institute would like to request that the P.U. (A) 217/2014 be amended urgently.

We look forward to your early response in view that P.U.(A) 217/2014 is effective from the year of assessment 2014.

Thank you.

Warm regards,

Thong Vee Kean

Senior Manager, Technical and Public Practice Department

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