

IN THE COURT OF APPEAL IN PUTRAJAYA

(APPELLATE JURISDICTION)

CIVIL APPEAL NO: W-01-67-02/2013

CIVIL APPEAL NO: W-01-68-02/2013

CIVIL APPEAL NO: W-01-69-02/2013

**POSITIVE VISION LABUAN LIMITED
GA INVESTMENT LIMITED
AVENUES ZONE INC**

... APPELLANTS

AND

KETUA PENGARAH HASIL DALAM NEGERI

... RESPONDENT

Revenue Law – Income Tax Exemption - Irrevocable election – Interpretation of the Income Tax Act 1967, Labuan Offshore Business Activity Tax Act 1990, Income Tax (Exemption)(No.22) Order 2007

Issue : Whether the learned High Court judge had erred in law in ruling that the appellants are not entitled to the Income Tax Exemption provided under the Income Tax (Exemption)(No.22) Order 2007 upon the appellants making the irrevocable election to be taxed under the Income Tax Act 1967

Decision : The Appellants' appeal dismissed.

The Court of Appeal held that the words “chargeable offshore company” under Section 3B of the Income Tax Act 1967 refer to offshore companies which had made the election under Section 3A of the Labuan Offshore Business Activity Tax Act 1990.

The Income Tax (Exemption)(No.22) Order 2007 is clear in that it applies only to “offshore company” which must be interpreted as defined under the Income Tax Act 1967.

Status : The High Court's decision was upheld by the Court of Appeal and the Court of Appeal's Grounds of Judgment is available. The appellants had made further appeal to the Federal Court and currently pending decision of the appeal.

Date of Judgment: 27.6.2014