



Student Guide

Student Guide last updated: 20 January 2023

Amended syllabus effective date: December 2021 Examination



The Chartered Tax Institute of Malaysia

INSTITUTE's MISSION

To be the premier body providing effective institutional support to members and promoting convergence of interest with the government, using taxation as a tool for the nation's economic advancement; to attain the highest standard of technical and professional competency in revenue law and practice supported by an effective secretariat.

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IMPORTANT NOTICE TO STUDENTS

Students are advised to understand the Student Guide and use it as a source of reference. Other Institutes' publications - quarterly journal Tax Guardian, Rules and Regulations (on Professional Conduct and Ethics) and Budget Commentaries are useful references for examination.

Communicating with the Institute

- Quote your registration number in any communication.
- Notify the Institute of any change of email or address immediately by email to examination@ctim.org.my.

Annual Subscription Fee

- You are advised to pay the subscription promptly. The annual subscription is due on 31st January each year. Your registration is liable to be cancelled if the fee is not received by 31st March.
- When making payment to the Institute, state your name, registration number and the payment purpose.

Legislation

Questions involving knowledge of legislation will be based on Malaysian legislation and students are expected to have knowledge of any current changes in legislation. However, no questions on new legislation will be set until **at least 6 months have lapsed** since the last day of the month in which Royal Assent was given to the new legislation.

PREFACE

This guide provides information for students, their employers, career advisers and lecturers. It contains general information about the Institute as well as details of student requirement.

Registered students should refer to this guide on all matters concerning their student status.

The Institute office is open from 8.30 am to 5.30 pm from Monday to Friday.

RESOURCE CENTRE

Access

The Resources Centre is open to members and registered students of Chartered Tax Institute of Malaysia.

Resource Centre Hours

Monday - Friday 8:30 am - 5:30 pm

The **Chartered Tax Institute of Malaysia Resource Centre** is situated at the following address:

The Chartered Tax Institute of Malaysia
Unit B-13-1, Block B (Unit 1-5), 13th Floor
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

The materials in the Resource Centre are for reference only and borrowing is strictly not allowed. Students are required to register prior to usage of the Resource Centre.

TAXATION AS A CAREER

The Institute wishes to congratulate you in your interest in the field of taxation. Knowledge in taxation can provide the quantum leap and added value in whatever that you do in your career, either in the field of management, accounting, law or even as a tax agent.

The Chartered Tax Institute of Malaysia (CTIM) is the **ONLY** professional body in Malaysia that provides taxation qualification. Its objective is to train and build a pool of qualified taxation personnel as well as to foster and maintain the highest standard of professional ethics and competency among its members.

Tax is not just the application of simple rules. One has to be well versed in the legislation, have the ability to research into case law, keep in touch with the administrative/technical practices of the tax authorities, and be able to express thoughts and opinions in writing as well as exhibit diplomacy and tact in order to get the right results. It is in other words, an exciting profession. Practical training in the field of taxation will develop individuals to be planners, strategists and decision makers. Tax professionals are in demand because all organisations - whether small, medium or large conglomerates require taxation advice, whether in compliance work such as furnishing tax computations or in an advisory capacity in tax planning work. Other functions of a tax professional are:

- i. Advising on structuring of executive remuneration packages;
- ii. Advising on types of investment incentives provided by the government;
- iii. Advising on restructuring and reorganisation schemes which may involve transfers of shares, real property, trading stock, fixed assets, debtors, etc.;
- iv. Advising both local and foreign investors on the type of business structures that may be more tax efficient;
- v. Cross border tax planning.

The tax profession is interesting, well paid, and one can find employment in public accounting firms, the commercial sector or even the Inland Revenue Board or start your own tax practice.

CATEGORIES OF CTIM QUALIFICATION AND MEMBERSHIP

The Institute offers the following qualifications upon successful completion of the Institute's Professional Examinations:

- Upon **completing the Intermediate Level** (Personal Taxation and Business Taxation are compulsory papers to be completed by way of CTIM examination), a **tax technician certificate** will be awarded. With this certificate, the student should have sufficient capabilities to do tax compliance work such as filling of tax returns. The tax technical certificate is well recognised by Malaysian tax firms.
- Upon **completing the Final Level**, students will be awarded either/or the following category of membership:
 - i. **Provisional member of the Chartered Tax Institute of Malaysia** pending the completion of 5 years of tax working experience; or
 - ii. **Associate member of the Chartered Tax Institute of Malaysia** on completion of relevant 5 years tax working experience. This qualification carries the title **ACTIM** and denotes professional status.

ENTRANCE QUALIFICATION

The Institute has four categories of entry qualification for its examination, namely:

1. STPM, OR ITS EQUIVALENT;
2. NON-ACCOUNTING DEGREE OR DIPLOMA;
3. ACCOUNTING DEGREE OR DIPLOMA; and
4. PROFESSIONAL ACCOUNTING QUALIFICATION

1. **STPM, OR ITS EQUIVALENT**

Applicants with **STPM or its equivalent** are eligible to sit for the Institute's examination with the following requirements:

- i. Have attained the age of seventeen (17);
- ii. Have obtained SPM qualification with credits in English Language and Mathematics and an ordinary pass in Bahasa Malaysia or equivalent; and
- iii. Have obtained principal level passes in at least two subjects at STPM examination (excluding Kertas Am/Pengajian Am) or its equivalent.

Applicants with STPM or its equivalent will not be granted any exemption for the examination.

2. **NON- ACCOUNTING DEGREE OR DIPLOMA**

Applicants with **non-Accounting Degree or Diploma** will not be granted any exemption for the examination.

(Refer to the list of STPM equivalent and non-accounting qualifications in **Appendix 1**)

3. **ACCOUNTING DEGREE OR DIPLOMA**

Applicants with **Accounting Degree or Diploma** may be eligible for exemption at the discretion of the Council.

(Refer **Appendix 2** for the list of recognised institutions of higher learning)

4. **PROFESSIONAL ACCOUNTING QUALIFICATION**

Full members of Accountancy Bodies may be eligible for subject exemptions at the discretion of the Council.

(Refer **Appendix 3** for the list of recognised Professional Accountancy Bodies)

NOTE: THE LIST IN THE APPENDICES IS NOT EXHAUSTIVE.

EXEMPTION:

The Institute grants subject(s) exemptions based on the level of the qualifications attained and the relevance of the course content as determined by the Council. For non-accounting Bachelor Degree/Diploma from both local and overseas institution of higher learning, subject exemption will be granted if the subject has been covered in the Bachelor Degree/Diploma program for at least 2 semesters or one academic year.

The Council may at its discretion grant additional exemption to the Institute's examination to registered students who have obtained relevant additional qualification, ability or experience by producing evidence to the satisfaction of the committee.

DIRECT ENTRANCE TO CTIM ASSOCIATE MEMBERSHIP - ACTIM

The following persons are eligible to apply for membership to the Institute without having to sit for the CTIM Examination subject to the following requirements:

1. Any person who has passed the Advanced Course examination conducted by the Department of Inland Revenue or the Inland Revenue Board Malaysia or the relevant examination conducted by Royal Customs Malaysia, as determined by the Council, and who has not less than five (5) years' experience in practice or employment relating to taxation matters approved by the Council;
2. Any person whether in practice or in employment who for the purposes of the Income Tax Act, 1967 as amended or an advocate or solicitor of the High Court of Malaya, Sabah and Sarawak and who has had not less than three (3) years practical experience in practice or employment relating to taxation matters approved by the Council;
3. Any person who is registered with MIA as a Chartered Accountant with a Practising Certificate and who has had not less than three (3) years' experience in practice or employment relating to taxation matters approved by the Council;
4. Any person who is registered with MIA as a Chartered Accountant and who has had not less than three (3) years practical experience in practice or employment relating to taxation matters approved by the Council after passing the examinations specified in Part I of the First Schedule or the final examinations of the associations of accountants specified in Part II of the First Schedule to the Accountants Act 1967;
5. Any person who is registered with MIA as a Licensed Accountant and who has had not less than five (5) years practical experience in practice relating to taxation matters approved by the Council after admission as a licensed accountant of the MIA under the Accountants Act, 1967;
6. Any Registered Student or Provisional Member who has passed the examinations prescribed under Article 13 (unless the Council shall have granted exemption from such examinations or parts thereof in accordance with Article 14) and who has had not less than five (5) years practical experience in practice or employment relating to taxation matters approved by the Council;
7. Any person who is a full member of any professional body approved by the Council or who has any other relevant qualification approved by the Council and who had not less than five (5) years practical experience in practice or employment relating to taxation matters.

EXAMINATION STRUCTURE

The new examination syllabus which becomes effective December 2014 was undertaken with the recommendation by the Examination Committee and approved by the CTIM Council and endorsed in the AGM in June 2014.

The syllabus was revised to keep the syllabus current by incorporating the various changes in tax law. The examination was restructured to provide students with a new qualification after completing the intermediate level. The Institute hopes that these changes will bring value to the CTIM Professional Qualification and students receive the intended benefits.

The CTIM Examination is held bi-annually in June and December and comprises 2 levels, details are as follows:

INTERMEDIATE LEVEL

- (2010) Financial Accounting
- (2020) Personal Taxation
- (2030) Economics
- (2040) Business Taxation

Students are required to complete the Intermediate Level before proceeding to the Final Level.

FINAL LEVEL

- (3010) Advanced Taxation 1
- (3020) Company and Business Law
- (3030) Revenue Law
- (3040) Advanced Taxation 2

Fees & Subscription

| | RM |
|-------------------------------------|--------|
| Registration fee | 250.00 |
| Annual Subscription (calendar year) | 180.00 |

Exemption fee/ Examination fee

| | |
|--------------------|--------|
| Intermediate Level | 150.00 |
| Final Level | 180.00 |

EXAMINATION RULES AND REGULATION

1. Eligibility for Examination

1.1. No person shall be eligible to sit for any of the Institute's examination unless he is a registered student of the Institute. The Institute's examination structure comprises 2 levels: Intermediate Level and Final Level.

1.2. Intermediate Level

A student may not sit for the Intermediate Level Examination until three months qualifying period have elapsed since the date of registration.

1.3. Final Level

A student may not sit for the Final Level Examination unless he has passed or been granted exemption from all papers in the Intermediate Level Examination. Where such exemption has been granted, the student is eligible to attempt the Final Level Examination papers.

1.4. Qualifying Period

The qualifying period that a student must complete before he is entitled to present himself as a candidate for an examination refers to the period which has elapsed since the date of registration as a student of the Institute prior to the first day of the month in which the examination is held. For this purpose, the period is deemed to have commenced from the first day of the month in which the student was registered with the Institute.

2. Examination registration

Examination Notification and Entry Form will be sent to all active students notifying the dates of the examination and closing date for examination entry. Students are required to register for the examination by completing the examination entry forms and submitting the forms by hand or e-mail to CTIM with an appropriate fee payable in respect of the examination.

3. Acceptance of Entry

Once the completed entry form and payment are received it is updated into the database and an automatic receipt is generated. This official receipt will be sent to the student and this acknowledges acceptance of examination entry. Late entries will not be accepted for any examination and no allowance shall be made for any special circumstances nor for any error or omission by the candidate, or by any person acting on his behalf.

4. Refund of Examination Fee

If after payment of the examination fee, a candidate withdraws his examination entry, the fee may be wholly or partly refunded as follows:

- 4.1 A candidate whose request to withdraw from an examination is received **before the examination closing date**, a refund will be made after deducting 20% of the fee paid.
- 4.2 A candidate whose request to withdraw from an examination is received **after the examination closing date** – the fee paid will not be refunded.
- 4.3 a candidate who, by reason of illness, withdraws from an examination after the examination closing date or who is absent from all papers in an examination for which he has entered; the Committee may on receipt of satisfactory medical evidence grant refund in such circumstances as it may deem fit.
- 4.4 An application for such a refund of fees must be submitted, with supporting evidence, within twenty-eight days of the start of the examination for which the candidate has entered. A sum equivalent to 20% of the fee paid will be deducted from the fee paid when the refund is made.

5. Time Limit to Complete Examination

The Institute's examination must be completed within 16 years from the year of registration as a student. The Examination Committee may in specific circumstances, extend the number of attempts for a student following the completion of this time limit but such extension will be limited to no more than 3 attempts. If the student does not attempt any examination paper for a continuous period of 3 years the student will be deregistered following the end of the 3rd year. The Examination Committee may grant an exemption from this rule on special grounds on appeal by the student

6. Misconduct in Examination

Any candidate who is found guilty of misconduct in an examination shall be liable to disciplinary action being instituted against him by the Examination Committee/Council. Misconduct includes, inter alia: being in possession of any books, notes or other unauthorised material while in the examination room; aiding, or attempting to aid another candidate or obtaining, or attempting to obtain aid from another candidate; failing to obey any instruction of the invigilators; giving false or misleading information to the invigilators.

7. Examination Result

7.1 Declaration of Result

The decision of the Examination Committee in regard to a candidate's examination result is final and no correspondence shall be entered into with the candidate himself, his employer, his parents or any persons or organisations claiming interest.

7.2 Performance

Candidates will be advised of their performance in each paper classified as either a Pass (P) or Fail (F).

8. Prizes

Prizes are awarded to candidates whose performance in an examination is outstanding as determined by Council on the following basis:

8.1 Best performance for each Taxation paper;

8.2 Best performance for the Intermediate Level Taxation Papers. There are two Taxation Papers in the Intermediate Level and both papers must be attempted in the same sitting with the highest total marks.

8.3 Best performance for the Final Level Taxation Papers. There are three Taxation Papers in the Final Level and all three papers must be attempted in the same sitting with the highest total marks.

8.4 Best performance in the Intermediate Level papers and Final Level papers respectively. There are four papers in each level and all four papers must be attempted in the same sitting with the highest total marks.

GENERAL EXAMINATION INFORMATION

1. Date of Examination

The Institute's examination is held bi-annually, usually in the month of June and December.

2. Notice of Examination

An examination docket is sent to each examination candidate about 3 weeks before the examination date stating the examination number, the examination level, subjects entered and the location of the examination centre.

On receipt of this docket, a candidate should check carefully the information contained therein. Candidates are advised to read carefully the detailed instructions which accompany the docket. If he has any doubt, he should contact the Institute's Examination Officer immediately.

3. Rejected Application

Where an applicant has been refused permission to sit for any parts of the examination, he may make appeal in writing for reconsideration giving his reasons within 7 days of the notification. Such appeal shall be considered by the Examination Committee whose decision shall be final.

4. Examination Centre

The usual centres for the holding of the Institute's examinations are at Kuala Lumpur, Ipoh, Penang, Melaka, Johor, Kuantan, Kota Kinabalu and Kuching. A candidate may elect to sit at the centre of his choice. However, if the total number of candidates sitting for any paper at a particular centre is too few, the candidates will be instructed to go to another centre.

5. Medium of Examination

The Institute's examination is set in the English Language. A candidate may elect to write the examination in either the English Language or Bahasa Malaysia but he must ensure that only one language is being used throughout a particular examination paper.

6. At the examination hall

Students are required to present the docket, student registration card, Identity Card at the examination hall.

i) Candidates sitting for:

- a. **Personal Taxation;**
- b. **Business Taxation**

are allowed to bring **Income Tax Act 1967** into the Examination hall for reference.

ii) Candidates sitting for:

- a. **Advanced Taxation 1;**
- b. **Revenue Law;**
- c. **Advanced Taxation 2**

are allowed to bring into the Examination hall the following Acts for reference:

- i. **Income Tax Act 1967**
- ii. **Real Property Gains Tax Act 1976**
- iii. **Stamp Act 1949**
- iv. **Promotion of Investments Act 1986**
- v. **Sales Tax Act 2018 & Service Tax Act 2018**

iii) Candidates sitting for **Company and Business Law** are allowed to bring - into the Examination hall the following Acts for reference:

- i. **Companies Act 2016**
- ii. **Contracts Act 1950**
- iii. **Sale of Goods Act 1957**

EXAMINATION SYLLABUS & READING LIST

INTERMEDIATE LEVEL FINANCIAL ACCOUNTING

OBJECTIVES:

1. To develop knowledge and understand the underlying principles and concepts relating to financial accounting.
2. To apply knowledge and understanding of generally accepted accounting principles and practices in complying with the relevant accounting standards.

CONTENTS:

- (A) **Introduction to accounting concepts and principles, double entry systems, books of prime entry and ledgers.**
- (B) **Bank reconciliation statement** including errors/ timing and permanent differences.
- (C) **Adjusting entries such as** accruals and prepayments, bad debts and allowances for doubtful debts, correction of errors.
- (D) **Accounting for property, plant and equipment**, such as initial costs, subsequent measurement, depreciation, impairment and disposal of assets (MFRS116).
- (E) **Accounting for Intangible assets** such as initial costs, subsequent measurement, impairment and disposal of assets.
- (F) **Accounting for sole proprietor such as** preparing accounts from incomplete records, and preparation of final accounts i.e., income statement and statement of financial position.
- (G) **Accounting for non-profit organization, clubs and societies.**
- (H) **Accounting for conventional partnership such as change of partners, dissolution of partnership.**
- (I) **Accounting for Limited Liability Partnership.**
- (J) **Introduction to Financial Reporting, Regulatory Framework, Malaysia Financial Reporting standards and International Financial Reporting Standards.**
- (K) **Preparations of financial statements** for public and private limited companies including share capital, reserves, bonus and rights issues, presentation of financial statements (MFRS101), items in the statement of profit or loss and other comprehensive income, items in the statement of financial position and notes to the accounts (all relevant MFRSs).
- (L) **Preparation and analysis of statement of cash flows** in accordance with MFRS107 Statement of cash flows.
- (M) **Computation and analysis of financial ratios**, such as profitability, efficiency, liquidity, gearing/leverage ratios.

READING LIST - FINANCIAL ACCOUNTING

1. Malaysia Financial Reporting Standards (MFRS):
MFRS5, MFRS7, MFRS9, MFRS101, MFRS102, MFRS107, MFRS108, MFRS110, MFRS111, MFRS112, MFRS116, MFRS117, MFRS118, MFRS119, MFRS120, MFRS121, MFRS123, MFRS126, MFRS132, MFRS133, MFRS136, MFRS137, MFRS138, MFRS139, MFRS140.
2. International Financial Reporting Standards (IFRS): IFRS5, IFRS9, IFRS15
3. Frank Wood and Alan Sangster. **Frank Wood's Business Accounting 1**, Pearson (Latest edition).
4. Frank Wood and Alan Sangster. **Frank Wood's Business Accounting 2**, Pearson (Latest edition).
5. Jane Lazar & Huang Ching Choo. **Financial Reporting Standards for Malaysia**, McGraw Hill Education (Latest edition).
6. Tan Liong Tong. **Financial Accounting and Reporting in Malaysia**, Vol 1, CCH. (Latest edition).

INTERMEDIATE LEVEL PERSONAL TAXATION

OBJECTIVES:

1. To examine the understanding of the basic concepts and principles of taxation.
2. To examine the application of taxation principles for the computation of tax on income derived from Employment and other income. Section 4(b) to 4(f) of the Income Tax Act, 1967 ("the Act").
3. To examine the tax administrative aspects involving sole proprietor or partners in a partnership.

Note: Tax computation involving business income and adjustments for non-deductible items are not tested in this paper.

CONTENTS:

(A) Scope Of Charge and Basis of Taxation

1. Understanding the taxation system in Malaysia
2. Scope of charge (Section 3 of the Act)
3. Classes of income chargeable to tax (Section 4 of the Act)
4. Exemptions applicable to individuals (Schedule 6 of the Act)
5. Chargeable persons (Section 2 of the Act)

(B) Residence of Individuals (Section 7 of the Act)

1. Determination of residence status
2. Significance of residence status

(C) Employment Income [Section 4(b) & Paragraph 13(1) of the Act]

1. Meaning of employment
2. Distinction between contract of service and contract for services
3. Gains or profits from employment
4. Derivation of employment income
5. Valuation of benefits-in-kind
6. Deductible expenses
7. Compensation for loss of office
8. Gratuities, Golden handshakes
9. Share options, incentive schemes and profit sharing schemes
10. Exemptions specifically applicable to employment income (Schedule 6 Paragraph 21 of the Act)

(D) Other Sources of Income [Section 4(c) to Section 4(f) of the Act]

1. Dividends
2. Interest
3. Discounts
4. Rents
5. Royalties
6. Premiums
7. Pensions
8. Periodical payments
9. Annuities
10. Single-tier dividends
11. Distribution of income from Unit trust
12. Distribution of income from REIT
13. Derivation of other sources of income

14. Deductible expenses
15. Non-deductible expenses
16. Other gains or profits

(E) Personal Reliefs and Rebates (Section 46 to Section 49 & Section 6 of the Act)

(F) Computation of Tax Liability (Section 38 to Section 45 of the Act)

1. Taxation of individuals
2. Taxation of husband and wife
3. Determination of employment income and income from other sources
4. Computation of adjusted income, statutory income, aggregate income, total income, chargeable income, tax chargeable and tax payable from sole-proprietorship or partnership
5. Separate assessment and joint assessment

(G) Tax Administration

1. Organizational structure of the Ministry of Finance, Inland Revenue Board of Malaysia and the Royal Malaysian Customs Department
2. Duties and powers of the Director General of Inland Revenue Board of Malaysia
3. Returns and Assessments including deadlines for submission and payments
4. Monthly deduction and final tax
5. Collection and recovery (Section 103 of the Act)
6. Appeals process
7. Administrative aspects of non-resident and of residents i.e. employees and business owners
8. Compensation for late refund
9. Tax estimates, tax installments and underestimation of tax for sources other than employment income
10. Powers of the Director General of Inland Revenue Board of Malaysia to restrict persons leaving Malaysia
11. Key deadlines for submission of the return forms and payment
12. Penalties for late submission or late payment of outstanding tax
13. Offences and other penalties
14. Responsibilities to notify of chargeability to tax

READING LIST - PERSONAL TAXATION

1. **Income Tax Act 1967.** (as amended)
2. **Public Rulings and Operational Guidelines.**
3. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
4. Veerinderjeet Singh. **Veerinder on Malaysian Tax Theory and Practice.** (Latest edition)
5. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
6. Jeremy French. **Malaysian Taxation.** (Latest edition)
7. **Tax Guardian,** Journal of the Chartered Tax Institute of Malaysia

INTERMEDIATE LEVEL ECONOMICS

OBJECTIVE:

The objective of this course is to equip the student with a sound understanding of the fundamental principles of microeconomics and macroeconomics, and be able to apply models and concepts.

The course is divided into two parts – microeconomics and macroeconomics.

CONTENTS:

(A) Introduction to Economics

1. Why study economics? Economics as the study of scarcity and choice
 2. Microeconomics and macroeconomics: difference, objectives and scope
 3. The building blocks of economic analysis: assumptions; models; positive and normative analysis; graphs and curves; slope and elasticity; cause and effect
- (Chapters 1 and 2 of Mankiw 2021)

Microeconomics

(B) Demand and Supply: How Markets Work and Welfare Aspects

1. Market forces of demand and supply: determinants of individual demand and supply; interaction of demand and supply: market equilibrium
 2. Elasticity of demand and supply: concepts of elasticity of demand and supply, their determinants, calculations, and implications
 3. Demand, supply and government policies: taxes, and price controls
 4. Consumer surplus and producer surplus
 5. Taxation: deadweight loss of taxation and its determinants; tax revenue
- (Chapters 4, 5, 6, 7 and 8 of Mankiw 2021)

(C) Government Intervention in Markets

1. Externalities and market inefficiency: negative and positive externalities; private solutions to externalities; government intervention – regulations, taxes and subsidies, use of permits
 2. Public goods: nature of public goods; the free rider problem; common resources
- (Chapters 10 and 11 of Mankiw 2021)

(D) Firm Behaviour and the Organization of Industry

1. Costs of production: total cost, total revenue, and profit; opportunity costs; economic profit; production function and total cost curve; measures of costs (fixed, variable, average, marginal) and their relationships (including analysis of curves); short-run and long-run costs
 2. Firms in competitive markets
 3. Monopolistic competition
 4. Oligopoly
 5. Monopoly
- (Chapters 14, 15, 16, 17 and 18 in Mankiw 2021)

(E) Markets for Production Factors

1. Demand for labour: production function; marginal product of labour
 2. Labour market equilibrium: marginal productivity in equilibrium; labour demand and labour supply schedules
 3. Land and capital
- (Chapter 19 in Mankiw 2021)

Macroeconomics

(F) Measuring National Income and the Cost of Living

1. The measurement of Gross Domestic Product and Gross National Product; their components
2. Measuring the cost of living: real versus nominal measurements; accounting for inflation; the Consumer Price Index – its measurement and use; GDP deflator

(Chapters 24 and 25 in Mankiw 2021)

(G) The Real Economy in the Long Run, Saving and Investment, and Government Budgets

1. Economic growth and its determinants; production function
2. Importance of saving and investment; some important identities; market for loanable funds
3. Government budgets

(Chapters 26 and 27 in Mankiw 2021)

(H) The Monetary System

1. Money: what is money?; functions of money
2. The central bank: its functions and operations
3. Banks and the money supply process: fractional reserve banking; money creation through the banking system; money multiplier; tools of monetary control (reserve requirements; open market operations; discount rate etc.)

(Chapter 30 of Mankiw 2021)

(I) Inflation

1. Causes of inflation: money supply, money demand and equilibrium; price levels and value of money; money neutrality; quantity equation and velocity of money; Fisher effect
2. Costs of inflation

(Chapter 31 of Mankiw 2021)

(J) Unemployment

1. The measurement of unemployment; labour force participation; natural rate of unemployment
2. Types of unemployment
3. Causes of unemployment

(Chapter 29 in Mankiw 2021)

(K) International Trade

1. Advantages of trade
2. Absolute and comparative advantage
3. Arguments for restricting trade

(Chapters 3 and 9 of Mankiw 2021)

(L) Open Economy Macroeconomics

1. Introduction to balance of payments account
2. International flow of goods: imports and exports; trade balance
3. International flow of capital: net foreign investment
4. Relationship with saving and investment
5. Exchange rates: determination in market; real and nominal; exchange rate regimes – fixed and flexible
6. Equilibrium in the open economy

(Chapters 32 and 33 in Mankiw 2021)

(M) Aggregate Demand and Aggregate Supply

1. Business cycle/economic fluctuations: short-run and long-run
2. Aggregate demand curve
3. Relationship between aggregate demand and national income
4. Aggregate supply curve
5. Interaction of AD and AS curves
6. Causes of downturn/recession
7. Short-run trade-off between inflation and unemployment: Phillips curve; role of expectations and supply shocks

(Chapters 34 and 36 in Mankiw 2021)

(N) Impact of Monetary and Fiscal Policies on Aggregate Demand

1. Monetary policy: liquidity preference theory – money demand and money supply, money market equilibrium; changes in money supply; the central bank and interest rate
2. Fiscal policy: effects of government expenditure; multiplier effect; crowding-out phenomenon; impact of taxes
3. Stabilization policy: the case for and against; automatic stabilisers
4. Short-run and long-run economic outcomes

(Chapter 35 in Mankiw 2021)

READING LIST – ECONOMICS

N. Gregory Mankiw. **Principles of Economics** (9th edition) (2021), Cengage Learning.

(Note that earlier editions can also be used.)

INTERMEDIATE LEVEL BUSINESS TAXATION

OBJECTIVES:

1. To examine the understanding of the principles of basis period.
2. To examine the principles of deductible and non-deductible expenses.
3. To examine the computation of Schedule 3 Allowances of the Income Tax Act, 1967 ("the Act").
4. To examine the principles and application of Malaysian income tax law on businesses.
5. To examine the understanding of key principles in selected case laws (see *List of Cases* below).

CONTENTS:

(A) Business Source (Section 12, Section 24, Section 33, Section 34 & Section 39 of the Act)

1. Definition of business
2. Commencement and cessation of business
3. Derivation of business income
4. Capital and revenue receipts (*case laws are included*)
5. Deductibility of expenses (*case laws are included*)
6. Computation of business income

(B) Special Classes of Income (Section 4A of the Act)

(C) Capital Allowances (Schedule 3 of the Act)

1. Plant and Machinery
 - a. Definition of plant and machinery
 - b. Determination of Initial Allowance, Annual Allowance, Notional allowance, Balancing Allowance and Balancing Charge
 - c. Claw back of Capital Allowances and the exception
2. Industrial Building Allowances
 - a. Definition of Industrial Building
 - b. Determination of Initial Allowance, Annual Allowance, Notional Allowances, Balancing Allowance and Balancing Charge
3. Agriculture Allowance
4. Forest Allowance
5. Disposals subject to control

(D) Basis Periods

1. Commencement of accounting period
2. Changes of accounting date
3. Failure years and overlapping period

(E) Partnerships

1. Existence of a partnership
2. Characteristics of a partnership
3. Ascertainment of provisional adjusted income/loss, divisible income/loss
4. Change in partners
5. Allocation of capital allowance to partners
6. Computation of partners' total divisible income, chargeable income and tax payable

(F) Limited Liability Partnership

1. Tax treatment of remuneration of partners
2. Tax treatment of Limited Liability Partnership

(G) Withholding Tax

1. Section 107A of the Act: Contract payment to non-resident contractors in respect of services under a contract
2. Section 109 of the Act Payment of interest and royalty to non-residents
3. Section 109A of the Act Payment to non-resident public entertainers
4. Section 109B of the Act Payments to non-residents for:
 - a. Services in connection with use of property
 - b. Technical and non-technical services under Section 15(b) of the Act
 - c. Rents for use of movable property
5. Section 109F of the Act Gains and profits falling under Section 4(f) of the Act

(H) Corporate Taxation

1. Determination of residence status of companies
2. Significance of residence status
3. Self-assessment system
4. Computation of Tax Liability
5. Treatment of losses
6. Computation of tax payable
7. Allowable expenses (Section 33 & 34 of the Act)
8. Disallowable expenses (Section 39 of the Act)
9. Double deductions
10. Determination of adjusted income, statutory income, aggregate income, total income and chargeable income

(I) Tax Administration

1. Organizational structure of the Ministry of Finance, Inland Revenue Board of Malaysia and the Royal Malaysian Customs Department
2. Duties and powers of the Director General of Inland Revenue Board of Malaysia
3. Taxpayers' responsibilities to notify chargeability to tax and record-keeping
4. Returns and Assessments
5. Monthly tax installments and final tax
6. Compensation for late refund of income tax
7. Tax estimates and revised estimates, including deadlines and penalties
8. Collection and recovery
9. Appeals
10. Offences and penalties

READING LIST – BUSINESS TAXATION

1. **Income Tax Act 1967.** (as amended)
2. **Public Rulings and Operational Guidelines.**
3. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
4. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
5. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
6. Jeremy French. **Malaysian Taxation.** (Latest edition)
7. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
8. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia

Business Taxation – *List of Cases*

The following tax cases below may be tested in the Business Taxation paper where relevant.

1. Port Elizabeth Electric Tramway Co Ltd v CIR
2. Ward & Co Ltd v CIT
3. Ketua Pengarah Hasil Dalam Negeri v Multi-Purpose Holdings Bhd
4. The Law Shipping Co Ltd v CIR
5. Odeon Associated Theatres Ltd v Jones
6. Bullcroft Main Collieries Ltd v O'Grady
7. Samuel Jones & Co v CIR
8. English Crown Spelter Co Ltd v Baker
9. Charles Marsden & Sons Ltd v CIR
10. Allen v Farquharson Brothers & Co
11. CIR v Alexander von Glehn
12. Curtis v J&G Oldfield Ltd
13. Mallalieu v Drummond
14. UDI Sdn Bhd v DGIR
15. NV Alliance Sdn Bhd v Ketua Pengarah HDN
16. Ketua Pengarah HDN v Eli Lili (M) Sdn Bhd
17. Fernrite Sdn Bhd v Ketua Pengarah HDN

FINAL LEVEL ADVANCED TAXATION 1

OBJECTIVES:

1. To examine the application of advanced aspects of Malaysian taxation.
2. To examine the principle and tax treatments of specialized industries.
3. To examine the principle and tax treatment of Real Property Gains Tax.

CONTENTS:

(A) Estates

1. Allocation of income & tax computation - deceased individual & executor(s)
2. Domicile status of deceased & tax implications
3. Annuity & distribution
4. Remuneration of executor(s)
5. Time-frame to raise tax assessment on deceased individual
6. Filing of Tax Returns and Distribution of Income to beneficiaries

(B) Trusts

1. Residence status & significance
2. Fixed trusts
3. Discretionary trusts
4. Trust with accumulation
5. Distributable income
6. Statutory income from ordinary source
7. Mixed trusts
8. Tax credit for beneficiary
9. Resident trust & resident beneficiary Section 61(2) of the Income Tax Act ("the Act")
10. Tax Treatment of Trust Body and Beneficiary

(C) Settlements – Section 65(1) to (4) of the Act

(D) Unit Trusts

1. Special deduction for qualifying expenditure (at 10%)
2. Permitted expenses & fraction deductible
3. Tax Implications of Unit Trusts and scope of charge
4. Taxation of Unit Trusts and Unit Holders

(E) Real Estate Investment Trusts (REIT)

1. Sources of income – rent as business income
2. Exempt income
3. Deduction of expenses & capital allowances
4. Exemption of total income & requirements
5. Distribution of dividends & withholding tax implications

(F) Business Trusts – Resident Status / Taxation of Business Trusts

(G) Co-operative Societies

1. Exemption for co-operative societies – Schedule 6, Paragraph 12 of the Act
2. Determination of gross income – Receipts dealing with members, Business and Investment Income
3. Special deductions in arriving at chargeable income (Section 65A ITA 1967)

(H) Trade Association and Clubs & Societies

1. Definition
2. Residence status
3. Principles of Mutuality (Clubs & Society)
4. Dealings with Members & Non-Members
5. Determination & Assessability of gross income (Entrance Fees & Subscriptions, Business Income, Investment Income & Donations)
6. Income tax exemption

(I) Trade Union

1. Tax administration
2. Tax treatment
3. Exemption

(J) Charitable Institutions

1. Legislation
2. Approved institution/ organization status
3. Tax treatment on Income including business
4. Scope of Exempted Income
5. Tax rate

(K) Investment Holding Company (IHC)

1. **Unlisted IHC**
 - a. Definition and determination of IHC status
 - b. Permitted expenses & fraction deductible
 - c. Computation of tax payable
 - d. Differences in tax treatments (in comparison with listed IHC or investment dealing company)
2. **Listed IHC**
 - a. Deemed business
 - b. Allocation of common expenses & capital allowances
 - c. Disregarding of excessive expenses & unutilized capital allowances
3. **Tax Treatment**

(L) Leasing

1. Legislation & regulations
2. Meaning of lease
3. Leasing as a separate source of income (Regulation 2)
4. Tax treatment for lessor & lessee
5. Tax implication
6. Allocation of common expenses and capital allowances between leasing business and non-leasing business
7. Cross border leasing

(M) Property Developer & Construction

1. Commencement date
2. Pre-commencement expenses
3. Revenue recognition
4. Treatment of expenses
5. Stock withdrawal for own use
6. Transfer of assets into trading stock
7. Disposal of real property – whether carrying on a business

(N) Investment Incentives

The Government encourages investments in various types of qualifying economic activities and projects undertaken in Malaysia. In this regard, conducive tax incentives have been offered for manufacturing, agriculture and tourism activities. Students are required to keep abreast of the incentives. Tax incentives are predominantly available in the following forms:

1. Pioneer Status
2. Investment Tax Allowance
3. Reinvestment Allowance
4. Other tax Incentives provided for in the Income Tax Act 1967 among others double deductions, capital allowances, industrial building allowances and agriculture allowances.

Students will be tested on important areas of the incentives, among others:

1. Legislation
2. Application
3. Qualifying company & activities
4. Definitions & meaning of key terms in relation to the promoted product or promoted activity and incentives
5. Mechanisms and treatment of the Incentives
6. Computation of the exempted income

(O) Real Property Gains Tax

1. Conceptual framework and principles and scope of charge
2. Chargeable assets (including leases & options) and persons
3. Exemptions
4. Computation of chargeable gains and allowable losses
5. Tax rates
6. Circumstances of 'disposal price deemed equal to acquisition price' & 'no loss & no gains' treatment
7. Connected persons
8. Circumstances to apply market value
9. Conditional contract
10. Returns and assessments
11. Payment and recovery of tax
12. Responsibilities of disposer/acquirer
13. Consequences of non-compliance
14. Real property company (RPC)

(P) Taxation of Specialized Industry

Note: Students are expected to know the overall aspects. World scope, remittance basis, bilateral relief/unilateral relief are inclusive

1. **Banking industry**
2. **Insurance industry**
 - a. Life insurance
 - b. General insurance
3. **Sea and air transport undertaking**
 - a. Resident operator and exemption under s54A

(Note: These areas will be tested under Investment Incentives)

READING LIST – ADVANCED TAXATION 1

1. **Income Tax Act 1967.** (as amended)
2. **Public Rulings and Operational Guidelines.**
3. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
4. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
5. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
6. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
7. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
8. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia

FINAL LEVEL COMPANY AND BUSINESS LAW

OBJECTIVE:

1. Examine the understanding of the laws relating to limited companies, sole proprietorships, partnerships, limited liability partnerships and other business organizations.
2. Examine the understanding of the laws relating to contracts, agency contracts, negotiable instruments, sale of goods and hire-purchase.

CONTENTS:

(A) COMPANY LAW

1. Types of companies and corporate personality
2. Veil of incorporation
3. Formation and registration procedures
4. Constitution of a company
5. Share capital, maintenance of capital, reduction of capital, share buyback and dividends
6. Appointment, disqualification, resignation, removal and compensation of directors
7. Statutory duties, common law duties and powers of directors
8. Company meetings
9. Company secretaries and auditors – qualification, duties and liabilities
10. Reconstructions, mergers and take-overs
11. Liquidation

(B) BUSINESS LAW

1. Law of Contract
2. Negotiable instruments - bills of exchange and cheque
3. Laws relating to agency, sale of goods and hire purchase
4. Formation procedures of business organizations i.e. sole proprietorships, partnerships and limited liability partnerships (other than limited companies)

READING LIST - COMPANY AND BUSINESS LAW

READING LIST - COMPANY LAW

1. Loganathan Krishnan, Parimaladevi Rajoo & Anne Chrishanthani Vergis. (2018). Principles of Business and Corporate Law, Malaysia. 3rd ed. CCH: Singapore
2. Krishnan Arjunan. (2019). Modern Company Law in Malaysia. LexisNexis
3. Lee Mei Pheng & Ivan Jeron Detta. (2018). Business Law. 3rd ed. Oxford University Press.

READING LIST - BUSINESS LAW

1. Syed Ahmad Alsagoff. (2015). Alsagoff Principles of the Law of Contract in Malaysia. 4th ed. LexisNexis.
2. Abdul Majid and Krishnan Arjunan. (2014). Business Law in Malaysia. 2nd ed. LexusNexis.
3. Abdul Majid and Krishnan Arjunan. (2016). Sale of Goods Law in Malaysia. 2nd ed. Sweet & Maxwell.
4. Abdul Majid and Krishnan Arjunan. (2019). Contract Law in Malaysia. 2nd ed. LexisNexis.
5. Samsar Kamar Hj. Abd. Latif. (2009). Partnership Law in Malaysia. International Law Book Services.
6. Sheela Jayabalan. (2015). Understanding the Malaysian Law of Contract. LexisNexis.
7. Adnan Trakic, Paul Linus Andrews, Nagiah Ramasamy, Cheah You Sum, Sri Bala Murugan, Vijayganesh Pullikutthyayanar, and Kanchana Chandran. (2018). Law for Business. 2nd ed. Sweet & Maxwell.

FINAL LEVEL REVENUE LAW

OBJECTIVE:

To examine the understanding, interpretation and application of legal issues and case law decisions and the provisions of the income tax statutes.

1. To understand the legal basis of the various tax issues.
2. To apply case law principles in a given tax scenario to argue a case.
3. To compare and contrast conflicting case law decisions.
4. To critically evaluate tax issues of form vs substances and deliberation of issues by the court.

CONTENTS:

The following topics below are to be studied with reference to legal issues and case laws. Students are required to study the relevant cases listed in the *List of Tax Cases* provided below.

(A) The Basis of Malaysian Taxation

1. Scope of charge—derived scope, world scope and its advantages and disadvantage
2. Derivation of Income Section 3 of the Income Tax Act ("the Act")
3. Classes of Income Section 4, 4A, 4B and 4C of the Act

(B) Employment Income:

1. Determination of residence of individuals
2. Distinctions between profession and employment
3. Meaning of having or exercising an employment
4. Derivation of employment income
5. Gross income from employment
6. Deductible expenses
7. Exemptions

(C) Business Income

1. Business, trading and adventure in the nature of trade
2. Meaning of adventure or concern in the nature of trade
3. Badges of trade
4. Mutual trading
5. Illegal activities – issues of law, ethics, moral and revenue considerations

(D) Partnerships & Trusts

1. Legal aspects of Partnership and Trust
2. Types of partners
3. Legal existence of partnerships
4. Tax aspects

(E) Capital and Revenue Expenditure

1. The Capital/Revenue distinction and related case laws
2. Deductible expenses (general rule and specific provisions)
3. Disallowed expenses

(F) Deductions for Capital Expenditure

1. The law on Capital Allowances and Charges:
 - a. Definition of qualifying capital expenditure on plant and machinery
 - b. Special cases
2. Controlled sales
3. Industrial Building Allowances (IBA):
 - a. Legal Definition of industrial building and activities that do not fall within the definition - manufacturing, processing and processing
 - b. Study of litigated cases.
4. Reinvestment Allowance Intention of granting the allowances, principles and practice, study of recent cases on the related issues

(G) Companies and bodies of persons

1. Legal criteria in residence status and its significance for taxation
2. Transfer pricing and the rights of relevant countries to tax income
3. Anti-avoidance provisions - Court deliberations on form vs substances

(H) Dividends, Interest, Royalties, Annuities, Rents, Premiums, Discounts, Periodical Gains and Other Gains or Profits

1. Case law principles
2. Basis of assessment
3. Derivation
4. Gross income
5. Adjusted income
6. Exemptions

(I) Real Property Gains Tax

1. Principles and scope of charge
2. Chargeable assets (including leases & options) and persons
3. Exemptions
4. Computation of chargeable gains and allowable losses
5. Tax rates
6. Circumstances of 'disposal price deemed equal to acquisition price' & 'no loss & no gains' treatment
7. Connected persons
8. Circumstances to apply market value
9. Conditional contract
10. Returns and assessments
11. Payment and recovery of tax
12. Responsibilities of disposer/acquirer
13. Consequences of non-compliance
14. Real property company (RPC)

(J) Double Taxation Agreements and the Legal Principles

1. Double taxation and the role of tax conventions
2. Purpose of tax treaties and avoidance of double taxation
3. Concept of residence
4. Permanent establishment
5. Taxation of business profits
6. Taxation of interest
7. Taxation of royalties
8. Taxation of dependent personal services
9. Taxation of other income

(K) Returns, assessment and appeals

1. Tax returns-Statutory duty of taxpayer and failure to submit tax returns
2. Assessments - Time bar assessments, service of notice
3. Penalties
4. Appeals
 - a. Special commissioners of Income Tax
 - b. Relief for error or mistakes
 - c. Fraud and time barred

(L) Collection and recovery – legal aspects, conflict between payment and appeal against tax

1. Liability to pay and the application of Section 103 of the Act
2. Tax installments
3. Recovery of unpaid tax and the application Section 106 of the Act
4. Prevention from leaving Malaysia
5. Withholding tax

READING LIST – REVENUE LAW

1. **Income Tax Act 1967.** (as amended)
2. **Public Rulings and Operational Guidelines**
3. Dr Nakha Ratnam Somasundaram. **Revenue Law Tax Cases Digest.** (Latest edition)
4. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
5. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
6. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
7. DP Naban, S Saravana Kumar, Siti Fatimah Mohd Shahrom. **Malaysia and Singapore Tax Cases Digest.** (Latest edition)
8. Kasipillai, Jeyapalan. **A Guide to Malaysian Taxation.** (Latest edition)
9. Richard Thornton. **Thornton's Malaysian Tax Commentaries.** (Latest edition)
10. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
11. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
12. **List of Tax Cases**

Revenue Law – *List of cases*

| Content | List of cases |
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| (A) The Basis of Malaysian Taxation | <u>Scope of charge</u> i) Dickinson v Abel 45 TC 353 ii) Van den Berghs Ltd v Clark 19 TC 390 iii) CIR v British Salmson Aero Engines Ltd (1938) 2 KB 482 iv) CIT, Bengal v Shaw Wallace & Co (1932) 6 ITC 178 v) Mamor Sdn Bhd v DGIR (1981) 1 MLJ 117 (HC) <u>Derivation of Income</u> i) OA Pte Ltd v KPHDN (1996) MSTC 2286 ii) Willingale v International Commercial Bank Ltd 52 TC 242 (HL) iii) ROD Co Ltd v DGIR (1990) 1 MSTC 422 iv) GBH v Ketua Pengarah Jabatan Hasil Dalam Negeri (1994) 2 MSTC 579 v) KPHDN v Aneka Jasaramai Ekspres Sdn Bhd (2005) MSTC 4,095 vi) Kyros International Sdn Bhd v KPHDN (2013) MSTC 30-056 <u>Classes of Income</u> i) American Leaf Blending Co Sdn Bhd v DGIR (1950-1985) MSTC 33 ii) DGIR v Pan Century Edible Oils Sdn Bhd (1998) MSTC 3675 iii) GDPD Factory Sdn Bhd v KPHDN (1995) 2 MSTC 2264 iv) CKB Ltd v KPHDN (1996) MSTC 2695 v) SSBA v Minister of Finance (2001) MSTC 3851 vi) Avos (Malaysia) Sdn Bhd v KPHDN (2010) MSTC 30-019 vii) Petronas Penapisan (Terengganu) Sdn Bhd v KPHDN (2014) MSTC 30-078 viii) PCMSB v KPHDN (2016) MSTC 10-056 |
| (B) Employment Income | <u>Determination of residence of individuals</u> i) RAS & PAS v KPHDN (1997) MSTC 2933 ii) KPHDN v Richard Allen Sonnet & Anor (1998) MSTC 3714 (HC) iii) DGIR v Dr AMAQ (1998) 1 MSTC 3,068 iv) National Land Finance Co-operative v DGIR (1993) 2 AMR 52 v) LCC v KPHDN (2000) MSTC 3,381 <u>Distinctions between Profession and employment</u> i) AMC Sdn Bhd v KPHDN (2004) MSTC 3595 ii) Hall v Lorimer 66 TC 349 iii) Collins v Hertfordshire County Council and Another (1947) KB 598 iv) S Sdn Bhd v DGIR (1995) 2 MSTC 3,440 v) FY v DGIR (1988) 1 MSTC 288 <u>Meaning of having or exercising an employment</u> i) DM v KPHDN (2001) MSTC 3215 ii) NYK & Anor v Comptroller of Income Tax (2001) MSTC 5297 iii) X, Trustee of the Estate of Y (Deceased) v CIT States of Malaya (1967) 2 MLJ 166 iv) Calvert vs. Wainwright (27 TC 475) v) Herbert vs. Mc Quade (4 TC 489) vi) Cooper vs. Blackiston (5 TC 347) <u>Derivation of employment income</u> i) GBH v Ketua Pengarah Jabatan Hasil Dalam Negeri (1994) 2 MSTC 579 ii) St Aubyn (LM) & Others v AG (No. 2) (1951) 2 All ER 473 iii) Pritchard v Arundale 47 TC 680 iv) Hochstrasser v Mayes (1960) AC 376 |

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| | <p><u>Gross income from employment</u></p> <ul style="list-style-type: none"> i) H v Comptroller of Inland Revenue (1974) 2 MLJ 135 ii) AJHH v KPHDN (2008) MSTC 3,699 iii) Suasana Indah Sdn Bhd v KPHDN (2006) MSTC 4,208 iv) KPHDN v Dato' Hanifah Noordin (2003) MSTC 4007 v) KPHDN v Abdul Jalil bin Haji Hassan (2010) MSTC 30-009 <p><u>Deductible expenses</u></p> <ul style="list-style-type: none"> i) DGIR v LTS (1974) 1 MLJ 187 (HC) ii) Ralli Estates Ltd v CIT (1961) 1 WLR 329 (PC) iii) Aspac Lubricants (Malaysia) Sdn Bhd v KPHDN (2007) MSTC 4,271 iv) Commissioner for Inland Revenue v Lo & Lo (1984) 1 WLR 986 v) DGIR v KFY Co Ltd (1990) 1 MSTC 2,147 <p><u>Exemptions</u></p> <ul style="list-style-type: none"> i) Frank Edward Noah v KPHDN (1998) 4 MLJ 205 (HC) ii) Ho Soon Guan v KPHDN (2002) MSTC 3887 iii) H v Comptroller of Inland Revenue (1974) 2 MLJ 138 |
| <p>(C)</p> <p>Business Income</p> | <p><u>Meaning of adventure or concern in the nature of trade</u></p> <ul style="list-style-type: none"> i) CIR v Maxse (CA 12 TC 41) ii) FY v DGIR (1988 1 MSTC 278) iii) Patridge v Mallandaine (HL 2 TC 179) iv) Billam v Griffith (23 TC 757) v) CIR v The Forth Conservancy Board (16 TC 103) (HL) vi) E v Comptroller General of inland Revenue [1970] 2 MLJ 177 (FC)] vii) Lim Foo Yong Sdn Bhd v CGIR [1986] 2 MLJ 161 viii) Smith v Anderson [(1880) 15 Ch D 258] DEF v CIT (Singapore) [(1961) 21 MLJ 55] ix) Hesketh Estate Ltd v Craddock (25 TC 7) x) Ransom v Higgs [(1974) STC 539] xi) CIR v Forth Conservancy Board [(HIL) 16 TC 03] xii) Aditya Mills v Union of India [(1989) 73 STC 195] xiii) Leeming v Jones [(1930) 15 TC 333] <p><u>Badges of Trade</u></p> <ul style="list-style-type: none"> i) Lower Perak Co-operative Housing Society Bhd v Ketua Pengarah Hasil Dalam Negeri [(1994) 2 MLJ 713 SC] ii) Rutledge v CIR [(1929) 14 TC 490] iii) Cooke v Haddock (39 TC 64) iv) Mount Elizabeth (Pte) Ltd v Comptroller of Income Tax [(1987) 2 MLJ 130 (HC)] v) Wisdom v Chamberlain [(1968) 2 All ER 714] vi) Pickford v Quirke [13 TC 251] vii) Cape Brandy Syndicate v I.R. Commissioners (12 TC 358) viii) ALB Co Sdn Bhd v DGIR [1979] 1 MLJ 1 (PC) ix) International Investment Ltd v CGIR CGIR [1975] 2 MLJ 208 (FC) x) Martin v Lowry (11 TC 297) xi) KLE Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(1995) 2 MSTC 2,245] xii) Bukit Yew Sdn Bhd v Director General Of Inland Revenue [1987] 2 MLJ 379 xiii) SL Sdn Bhd v DGIR (1988) MSTC 198 (Sp Comm) xiv) California Copper Syndicate v Harris [(1904) 5 TC 159] xv) Kirkham v Williams [(1989) STC 333] xvi) SCL v CIT [(1991) 1 MSTC 5,032] xvii) Ketua Pengarah Hasil Dalam Negeri v Penang Reality Sdn Bhd [(2006) 3 MLJ 597] [(2007) 1 AMR 21] [(2006) 2 CLJ 835 (CA)] |

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| | <p>xviii) F Housing Sdn Bhd v Director General of Inland Revenue [(1976) 2 MLJ 183]</p> <p>xix) Penang Reality Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(2006) MSTC 4,256]</p> <p>xx) Simmons v IRC [(1980) 1 WLR 1196 (HL)]</p> <p>xxi) Alf Properties Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(2005) MSTC 4,155]</p> <p>xxii) CGIR v LFY Sdn Bhd [(1983) 1 MLJ 43 (FC)]</p> <p>xxiii) Steven v Hudson Bay Co.</p> <p>xxiv) HCM v DGIR [(1993) 2 MSTC 539]</p> <p><u>Mutual Trading</u></p> <p>i) Styles v New York Life Insurance Co. (2 TC 460)</p> <p>ii) Municipal Mutual Insurance Ltd v Hills (16 TC 430)</p> <p>iii) National Association Of Local Government Officers v Watkins (18 TC 506)</p> <p>iv) English and Scottish Joint Co-operative Wholesale Society v Assam Agriculture Income Tax Commissioner [(1948) AC 405]</p> <p>v) Glasgow Corporation Water Commissioners v Miller (2 TC 131)</p> <p>vi) Carlisle and Silloth Golf Club v Smith (6 TC 48)</p> <p>vii) Ayshire Employees Mutual Insurance Association Ltd v CIR [HL (1946) 27 TC 33]</p> <p><u>Illegal Activities</u></p> <p>i) Mann v Nash (16 TC 523)</p> <p>ii) Hayes v Duggan [SC (I) 1928]</p> <p>iii) Southern v A.B. [(1933) 18 TC 59]</p> <p>iv) Lindsay, Woodward & Hiscox v CIR (18 TC 43)</p> |
| <p>(D)</p> <p>Partnerships & Trusts</p> | <p><u>Partnership & Trusts</u></p> <p>i) SK v Ketua Pengarah (1996) MSTC 2670 (Sp Comm)</p> <p>ii) John Gardner and Bowring Hardy & Co Ltd v CIR (15 TC 602)</p> <p>iii) Dickenson v Gross (11 TC 614)</p> <p>iv) C.I.R v Williamson (14 TC 335)</p> <p>v) Fenston v Johnstone (23 TC 29)</p> <p>vi) Comptroller of Income Tax v GB Roche [(1951 MLJ 87]</p> <p>vii) Re A (1953) FB XII</p> |
| <p>(E)</p> <p>Capital and Revenue Expenditure</p> | <p><u>The capital and revenue distinction</u></p> <p>i) Atherton v British Insulated and Helsby Cables Ltd</p> <p>ii) Vallambrosa Rubber Co Ltd v Farmer</p> <p>iii) John Smith and Son v Moore</p> <p>iv) Mitchel v B W Noble Ltd</p> <p>v) Tucker v Granada Motorways Services Ltd</p> <p>vi) CIR v Carron Company</p> <p>vii) Anglo Persian Oil Co Ltd v Dale</p> <p>viii) The Sun Newspaper Ltd v The Federal Commissioner of Taxation</p> <p>ix) Broken Hill Theatres Pty Ltd v The Federal Commissioner of Taxation</p> <p>x) CIR v The Granite City Steamship Co Ltd</p> <p><u>Deductible expense (general expenses and specific provisions)</u></p> <p>i) UHG v Director General of Inland Revenue</p> <p>ii) Port Elizabeth Electric Tramway Co Ltd v CIR</p> <p>iii) Ward & Co Ltd v CIT</p> <p>iv) RB Bhd v Ketua Pengarah HDN</p> <p>v) Andermatt Investments Pte Ltd v CIT</p> <p>vi) SS construction Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri</p> <p>vii) Ben Odeco Ltd v Powlson</p> <p>viii) Avos (Malaysia) Sdn Bhd v Ketua Pengarah HDN</p> <p>ix) Ketua Pengarah Hasil Dalam Negeri v Multi-Purpose Holdings Bhd</p> |

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| | <ul style="list-style-type: none"> x) Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd v Ketua Pengarah HDN xi) The Law Shipping Co Ltd v CIR xii) Odeon Associated Theatres Ltd v Jones xiii) Lurcott v Wakely and Wheeler xiv) Bulcroft Main Collieries Ltd v O'Grady Samuel Jones & Co v CIR xv) The North Borneo Timber Bhd v Ketua Pengarah Hasil Dalam Negeri xvi) Reynolds & Gibson v Crompton xvii) Reid's Brewery Co Ltd v Male xviii) English Crown Spelter Co Ltd v Baker xix) Charles Marsden & Sons Ltd v CIR xx) Allen v Farquharson Brothers & Co xxi) CIR v Alexander von Glehn xxii) CIR v EC Warnes & Co Ltd xxiii) Curtis v J & C Oldfield Ltd <p><u>Disallowed expenses</u></p> <ul style="list-style-type: none"> i) Mallalieu v Drummond ii) Pyramid Intan Sdn Bhd v Ketua Pengarah HDN iii) UDI Sdn Bhd v DGIR iv) NV Alliance Sdn Bhd v Ketua Pengarah HDN v) Ketua Pengarah HDN v Eli Lili (M) Sdn Bhd vi) Ampat Tin Dredging Ltd v DGIR vii) Sharikat KM Bhd v DGIR viii) FCD Sdn Bhd v Ketua Pengarah HDN ix) Fenrite Sdn Bhd v Ketua Pengarah HDN |
| <p>(F)</p> <p>Deductions for Capital Expenditure</p> | <p><u>Capital allowances and charges</u></p> <ul style="list-style-type: none"> i) Yarmouth v France ii) Daphne v Shaw iii) Dixon v Fitch Garage iv) Thomas v Reynolds v) Leeds v Permanent Building Society v Proctor vi) Cooke v Beach Station Caravan Ltd vii) MSDC Sdn Bhd v Ketua Pengarah HDN viii) Benson v Yard Arm club Sdn Bhd ix) Jerrold v John Good & Sons Ltd x) J Lyons & Co Ltd v Attorney General xi) CIR v Scottish & Newcastle Breweries Ltd xii) Ketua Pengarah HDN v Tropiland Sdn Bhd xiii) Ketua Pengarah HDN v OKA Concrete Industries Sdn Bhd xiv) DGIR v Teo Tuan Kwee <p><u>Controlled sales</u></p> <ul style="list-style-type: none"> i) SEOD Co S. A v Ketua Pengarah Hasil Dalam Negeri <p><u>Industrial building allowance</u></p> <ul style="list-style-type: none"> i) DGIR v C company of Malaysia Bhd ii) SMT Sdn Bhd v DGIR iii) Vibroplant Ltd v Holland iv) Bourne v Norwich Crematorium Ltd v) Kilmarnock Equitable Co-operative Society Ltd v CIR vi) CIR v Lambhill Ironworks Ltd vii) Abbot Laboratories Ltd v Carmody <p><u>Reinvestment allowance</u></p> <ul style="list-style-type: none"> i) Success Electronics and Transformer Manufacturer Sdn Bhd (2012) |

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| | <p>MSTC 30-039</p> <p>ii) Syarikat Kion Hoong Cooking Oil Mills Sdn Bhd v KPHDN (2010) MSTC 30-006</p> <p>iii) KPHDN v OKA Concrete Industries Sdn Bhd (2015) MSTC 30-091</p> <p>iv) Penfabric Sdn Bhd v KPHDN (2013) MSTC 30-069</p> <p>v) KPHDN v Firgos (Malaysia) Sdn Bhd (2013) MSTC 30-065</p> <p>vi) KPHDN v Kualiti Alam (2017) MSTC 30-139</p> <p>vii) KPHDN v Marigold Industries (M) Sdn Bhd (2016) MSTC 30-116</p> <p>viii) Opto Sensors Sdn Bhd v KPHDN (2016) MSTC 30-121 (2012) MSTC 30-039</p> <p>ix) KPHDN v Bintulu Lumber Development Sdn Bhd (2016) MSTC 30-119</p> |
| <p>(G)</p> <p>Companies and bodies of persons</p> | <p><u>Residence status: Companies & bodies of persons</u></p> <p>i) The Cesena Sulphur Co. Ltd v Nicholson (1 TC 88)</p> <p>ii) The Calcutta Jute Mills Co. Ltd v Nicholson (1 TC 83)</p> <p>iii) Swedish Central Railway Co Lts v Thompson (9 TC 342)</p> <p>iv) BW Noble Ltd v Mitchell (11 TC372)</p> <p>v) De Beers Consolidated Mines Ltd v Howe (5 TC 198)</p> <p>vi) Union Corporation Ltd v CIR (34 TC 207)</p> <p>vii) Waterloo Pastoral Co Ltd v FCT (3 AITR 329)</p> <p>viii) The North Australian Pastoral Co Ltd v FCT (3 AITR 314)</p> <p>ix) Koitaki Para Rubber Estates v CIT (2 AITR 136)</p> <p>x) Bullock v The Unit Construction Co Ltd (38 TC 712)</p> <p>xi) Stanley v The Gramophone and typewriter Ltd (5 TC 358)</p> <p>xii) American Thread Co. V Joyce (6 TC 1)</p> <p>xiii) Todd v Egyptian Delta land & Investment Co. Ltd (14 TC 119)</p> <p><u>Transfer pricing</u></p> <p>i) DSG Retail Ltd v HMRC [2010] UKFTT 12 (TC)</p> <p>ii) Sony India v DCIT [2008] 114 ITD 448 (Delhi)</p> <p>iii) E-Gain Communication v ITO [2008] 23 SOT 385 (Pune)</p> <p>iv) MM Sdn Bhd v KPHDN (2013) MSTC 10-046</p> <p><u>Anti-Avoidance</u></p> <p>i) CIT v A.B. Estate [1967] 1 M.L.J. 89</p> <p>ii) Lahat Datu Timber Sdn Bhd v DGIR [(1981) 2 M.L.J. 97]</p> <p>iii) Sabah Berjaya Sdn Bhd v KPHDN [(2000) MSTC 3771]</p> <p>iv) CIR v Challenge Corporation Ltd [(1986) STC 548]</p> <p>v) SBP Sdn Bhd v DGIR [(1988) 1 MSTC 243]</p> <p>vi) YEHHSB v KPHDN [(2010) MSTC 10-007]</p> <p>vii) Port Dickson Power Bhd v KPHDN [(2010) MSTC 30-045]</p> <p>viii) SPS v KPHDN [(2011) MSTC 10-030]</p> <p>ix) Penny and Hooper v CIR [(2011) NZSC 95]</p> <p>x) AQQ v The Controller of Income Tax [(2011) SGITBR 1]</p> <p>xi) IRC v Duke of Westminster [1936] AC 1</p> <p>xii) DGIR v Hup Cheong Tomber Sdn Bhd [(1985) 2 M.L.J.]</p> <p>xiii) Syarikat Ibraco-Peremba Sdn Bhd v KPHDN (2014) MSTC 30-084</p> <p>xiv) Ensco Gerudi Sdnbhd v KPHDN (2016) MSTC 30-131</p> <p>xv) KPHDN v Bee Garden Sdn Bhd (2014) MSTC 30-077</p> <p>xvi) Bandar Utama City Corporation Sdn Bhd v. DGIR (1999) MSTC 3725</p> |
| <p>(H)</p> <p>Dividends, Interest, Royalties, Annuities, Rents, Premiums, Discounts,</p> | <p><u>Dividend</u></p> <p>i) IRC v Trustees of Joseph Reid (Deceased) (30 TC 431)</p> <p>ii) Rae v Lazard Investments Co Ltd (41 TC 1)</p> <p>iii) IRC v Blott (8 TC 101)</p> <p>iv) Hill v Permanent Trustee Company of New South Wales [(1930) AC 720]</p> <p>v) Pool v The Guardian Investment Trust Co Ltd (8 TC 167)</p> |

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| Periodical Gains and Other Gains or Profits | <ul style="list-style-type: none"> vi) CIR v Burrell (9 TC 27) vii) CIR v Greenwood (8 TC 101) viii) TPT v DGIR [(1988) 1 MSTC 2058] <u>Interest</u> <ul style="list-style-type: none"> i) CIR v Thomas Nelson & Sons Ltd (22 TC 175) ii) Lomax v Peter Dixon & Co Ltd (25 TC 353). iii) Westminster Bank v Riches (28 TC 159) iv) Schulze v Bensted (7 TC 30) v) Davies v Premier Investment Co Ltd (27 TC 27) vi) Hewetson v Carlyle (27 TC 27) vii) CIR v Ballantine (8 TC 595) viii) Avos (M) Sdn Bhd v KPHDN [(2010) MSTC 30-019] ix) I (M) Sdn Bhd v KPHDN [(2005) MSTC 3609] x) PPTSB v KPHDN [(2011) MSTC 10-015] <u>Royalties</u> <ul style="list-style-type: none"> i) Constantinesco v Rex (11 TC 73) ii) Mills v Jones (14 TC 769) iii) CIR v British Salmson Aero Engines Ltd (22 TC 29) iv) Jeffery v Rolls Royce Ltd (40 TC 443) v) Evans Medical Supplies Ltd v Moriarty (37 TC 540) vi) CIR v Longmans Green & Co (17 TC 272) vii) Hobbs v Hussey (24 TC 153) viii) Lucent Technologies International Inc v DCIT (2009 TIOL 161 ITAT Delhi) <u>Annuities</u> <ul style="list-style-type: none"> i) Foley v Fletcher [(1843-60) All ER Rep 953] ii) The Trustee of the Will of HK Brodie v CIR (17 TC 432) iii) Dott v Brown [(1936) 1 All ER 543] iv) Sir Andrew Scoble & Others v The Secretary of States of India (4 TC 618) v) CIR v Ramsay (20 TC 79) vi) CIR v Corporation of London (34 TC 293) <u>Rents & Premiums</u> <ul style="list-style-type: none"> i) EK Sdn Bhd v DGIR [1977] 2 M.L.J. 263 ii) Syarikat KM Bhd v DGIR [1972] 1 M.L.J. 224 iii) ALB Co Sdn Bhd v DGIR [1979] 1 M.L.J. 1 iv) P Securities Sdn Bhd v DGIR [(1995) 2 MSTC 2256] <u>Discounts</u> <ul style="list-style-type: none"> i) Lomax v Peter Dixon & Co Ltd (25 TC 353) ii) The National Provident Institution v Brown (8 TC 57) iii) Torren v CIR (18 TC 262) iv) Willingale v International Commercial Bank Ltd (52 TC 242) |
| (I) Real Property Gains Tax | <u>Real Property Gains Tax</u> <ul style="list-style-type: none"> i) ALF Properties Sdn Bhd V KPHDN (2005) MSTC 4,155 ii) Binastra Holdings Sdn Bhd V KPHDN (2000) MSTC 3,897 iii) KPHDN V The Pataling Rubber Estates Ltd (2011) MSTC 30-031 iv) LCW V DGIR (1950-1985) MSTC 171 v) Lower Perak Co-operative Housing Society Bhd V DGIR (1994) MSTC 3,407 vi) M Corporation Sdn Bhd V KPHDN (1998) MSTC 2,983 vii) Mount Pleasure Corporation Sdn Bhd V KPHDN (2005) MSTC 4,151 viii) Multi Purpose Holdings Bhd V KPHDN (2006) MSTC 4,218 ix) MR Properties Sdn Bhd V KPHDN (2005) MSTC 4,119 x) PPH V DGIR (1988) 1 MSTC 293 |

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| | <ul style="list-style-type: none"> xi) Teruntum Theatre V DGIR (2006) MSTC 4,250 xii) Yong MF V KPHDN (2003) MSTC 3,503 xiii) Yoon Lian Realty Sdn Bhd V DGIR (1994) MSTC 3,377 xiv) Bee Garden Sdn Bhd v DGIR xv) Mudek Sdn Bhd v DGIR |
| (J) Double Taxation Agreements and the Legal Principles | <u>Double Taxation Agreements</u> <ul style="list-style-type: none"> i) WW(S) Pte Ltd V DGIR (1988) 1 MSTC 2104 ii) TGRM V KPHDN (2015) MSTC 10-048 iii) OA Pte Ltd V KPHDN (1996) MSTC 2,752 iv) SGSS (Pte) Ltd V KPHDN (1998) MSTC 2,997 v) LHDN V Alam Maritim (M) Sdn Bhd (2013) MSTC 30-068 vi) KPHDN V Thomson Reuters Global Resources (2016) MSTC 30-124 vii) KPHDN V Teraju Sinar Sdn Bhd (2014) MSTC 30-080 viii) Damco Logistic Malaysia Sdn Bhd V KPHDN (2011) MSTC 30-033 ix) Esso Production Malaysia Inc. V KPHDN (2003) MSTC 4,016 x) KPHDN V Alcatel-Lucent Malaysia Sdn Bhd & Anor (2016) MSTC 30-134 xi) KPHDN V Mudah.my Sdn Bhd (2017) MSTC 30-137 xii) KPHDN V Nilai Cipta Sdn Bhd (2012) MSTC 30-043 xiii) DGIR v Euromedical Industries Ltd (1950-1985) MSTC 256 xiv) Hock Heng Company Sdn Berhad v DGIR [1979] 1 LNS 30 xv) UOB Ltd v KPHDN (1997) MSTC 3632 |
| (K) Returns, assessment and appeals | <u>Statutory duty of taxpayer</u> <ul style="list-style-type: none"> i) Ketua Pengarah Hasil Dalam Negeri v Lai Keng Chong & Anor (2012) MSTC 30-042 ii) CIT v Cheng Poh Seng [(1952) 18 MLJ 81] <u>Failure to submit tax return</u> <ul style="list-style-type: none"> i) Public Prosecutor v Choo Swee Huat (1950-1985) MSTC 292 ii) Public Prosecutor v Lee Seng Seh (1950-1985) MSTC 311 iii) Public Prosecutor v Mohd Isa bin Din iv) Choon Shin Cheong v. Public Prosecutor (1995) 2 MSTC 3,446 <u>Time barred assessments</u> <ul style="list-style-type: none"> i) Society of La Salle Brothers v Ketua Pengarah Hasil Dalam Negeri (2017) MSTC 30-135 ii) Infraquest Sdn Bhd v KPHDN (2016) MSTC 30-133 iii) Pensonic Sales & Services Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri iv) Government of Malaysia v GCL & Anor v) DD Dev Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2008) MSTC 3, 726 vi) EMSB v Ketua Pengarah Hasil Dalam Negeri (2010) MSTC 10-004 vii) PSSSB v Ketua Pengarah Hasil Dalam Negeri (2010) MSTC 10-009 viii) Integrated Credit & Leasing Sdn Bhd v Kerajaan Malaysia [(2009) MSTC 4,371] ix) USS Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(2009) MSTC 3,833] <u>Service of notice</u> <ul style="list-style-type: none"> i) Kerajaan Malaysia v Sun City Development Sdn Bhd [2007] AMTC 171 ii) Kerajaan Malaysia v Kemayan Bina Sdn Bhd [(2008) MSTC 4334] iii) Kerajaan Malaysia v Neraca Untung Sdn Bhd [(2009) MSTC 4,452] iv) Wong Kuok Ming v Government of Malaysia (2009) MSTC 4,431 |

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| | <p>v) Kerajaan Malaysia v Syarikat Muliajaya Sdn Bhd (2010) MSTC 30-017</p> <p>vi) Kerajaan Malaysia v Saratoga Sdn Bhd (2008) MSTC 4,343</p> <p><u>Special commissioners of Income Tax</u></p> <p>i) Malayan United Industries Berhad v Ketua Pengarah Hasil Dalam Negeri & Kerajaan Malaysia (2005) MSTC 4,192</p> <p>ii) Ketua Pengarah Jabatan Hasil Dalam Negeri v Rheem (Far East) Pte Ltd 1998 2 CLJ supp 351</p> <p>iii) Comptroller of Income Tax v BC Co Ltd [1966] 1 MLJ 287</p> <p>iv) Ngee Tai Shipping Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2008) MSTC 4,308</p> <p>v) Ketua Pengarah Jabatan Hasil Dalam Negeri v Dr Arunjit Dutt (1995) 2 MSTC 3454</p> <p>vi) Meton Properties Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (1998) MSTC 3691</p> <p>vii) SL Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2000) MSTC 3830</p> <p>viii) Director General of inland Revenue v TCM (1988) 1 MSTC 3,006</p> <p>ix) Lower Perak Co-operative Housing Society Bhd v Ketua Pengarah Hasil Dalam Negeri (1994) 2 MSTC 3,406</p> <p>x) Edwards v Bairstow and Harrison [1956] AC 14</p> <p>xi) Chua Lip Kong v Director-General of Inland Revenue [1982] 1 CLJ 398</p> <p>xii) LFY Sdn Bhd v Comptroller General of Inland Revenue (1988) 1 MSTC 3059</p> <p>xiii) Norman v Golder 26 TC 293</p> <p><u>Relief for error or mistake</u></p> <p>i) J Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (1999) MSTC 3037</p> <p>ii) AQP v Comptroller of Income Tax (2011) MSTC 70-011</p> |
| <p>(L)</p> <p>Collection and recovery – legal aspects, conflict between payment and appeal against tax</p> | <p><u>Liability to pay</u></p> <p>i) Government of Malaysia v TCS (1989) 1 MSTC 3,089</p> <p>ii) AP v Government of Malaysia (1950-1985) MSTC 224</p> <p>iii) Lim Tian Huat v KPHDN [(2003) MSTC 3998]</p> <p><u>Recovery of unpaid tax</u></p> <p>i) SMT Co Ltd v Government of Malaysia (1950-1985) MSTC 136</p> <p>ii) Kerajaan Malaysia v Abdul Rahim Mohd Aki (1995) 2 MSTC 3,437</p> <p>iii) Government of Malaysia v Dato' Mahindar Singh (1996) MSTC 3,515</p> <p>iv) Connaught Housing Development Sdn Bhd v Kerajaan Malaysia [2003] 8 CLJ 144</p> <p>v) Kerajaan Malaysia v Sun City Development Sdn Bhd (2007) MSTC 4,269</p> <p>vi) Kerajaan Malaysia v Kemayan Bina Sdn Bhd (2008) MSTC 4,334</p> <p>vii) Integrated Credit & Leasing Sdn Bhd v Kerajaan Malaysia (2009) MSTC 4,371</p> <p>viii) The Government of Malaysia v Kamawang Enterprise Sdn Bhd (2009) MSTC 4,455</p> <p>ix) Kerajaan Malaysia v Promet (Langkawi) Resort Sdn Bhd & Anor (2012) MSTC 30-051</p> <p>x) Kerajaan Malaysia v United Axis Sdn Bhd (2009) MSTC 4,425</p> <p><u>Prevention from leaving malaysia</u></p> <p>i) TCY v The Government of Malaysia & Ors (1994) 2 MSTC 3,373</p> <p>ii) Lim Moon Heng @ Lim Boon Siang v The Government of Malaysia & Anor (2002) MSTC 3957</p> |

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| | <ul style="list-style-type: none"> iii) Ong Bee Yam v pengarah Hasil dalam Negeri, Sarawak & Anor (2003) MSTC 3979 iv) Goh Eng Hwa v Ketua Pengarah Lembaga Hasil Dalam Negeri & Satu Lagi (2008) MSTC 4,348 v) Ronald Beadle v Hamzah HM Saman & Ors (2008) MSTC 4,275 vi) Hamzah HM Saman & 2 Ors v Ronald Beadle (2010) MSTC 30-011 |
| | <p><u>Withholding Tax</u></p> <ul style="list-style-type: none"> i) Ketua Pengarah Hasil Dalam Negeri v Alcatel-Lucent Malaysia Sdn Bhd & Anor (2016) MSTC 30-134 ii) Lembaga Hasil Dalam Negeri Malaysia v Alam Maritim (M) Sdn Bhd (2013) MSTC 30-068 iii) Ketua Pengarah Hasil Dalam Negeri v Mudah.My Sdn Bhd (2017) MSTC 30-137 iv) WW (S) Pte Ltd v Director General of Inland Revenue (1988) 1 MSTC 2104 v) ES Pte Ltd v CTT Sdn Bhd (1989) 1 MSTC 3,075 vi) BPS Ltd v Ketua Pengarah Hasil Dalam negeri (1997) MSTC 2847 vii) Esso Production Malaysia Inc v Ketua Pengarah Hasil Dalam Negeri (2008) MSTC 4,016 viii) TS Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2008) MSTC 3,707 ix) <i>Ketua Pengarah Hasil Dalam Negeri v Teraju Sinar Sdn Bhd</i> (2014) MSTC 30-080 x) Lembaga Hasil Dalam Negeri v Alam Maritim (M) Sdn Bhd (2012) MSTC 30-049 xi) Ketua Pengarah Hasil Dalam Negeri v Alcatel Lucent Malaysia Sdn Bhd (2015) MSTC 31-101 xii) Ketua Pengarah Hasil Dalam Negeri v Damco Logistic Malaysia Sdn Bhd (2013) xiii) Ketua Pengarah Hasil dalam Negeri v Thomson Reuters Global Resources (2016) MSTC 30-124 xiv) EPM Inc v Ketua Pengarah HDN (2001) MSTC 3,306 xv) Erria shipping v Carra Timber Transport Sdn Bhd [(1989) 1 MSTC 3075 xvi) AIACL v KPHDN [(2002) MSTC 3438] |

FINAL LEVEL ADVANCED TAXATION 2

OBJECTIVE:

To examine the ability of the candidates to provide a comprehensive and practical response to specific tax issues.

CONTENTS:

1. The syllabus incorporates the knowledge studied in earlier taxation papers and further develop the understanding of advanced aspects of Malaysian taxation.
2. Questions would test on areas of taxes covered in Personal Taxation, Business Taxation, Advanced Taxation 1 and Revenue Law, as well as reports, letters or computations that tax practitioners may encounter.
3. Candidates are required to demonstrate their understanding through application of tax knowledge, interpret and apply it to various scenarios and reporting where applicable.
4. Candidates are required to express clearly the tax implications and advise on the appropriate solutions to address the issues identified.
5. This paper comprises computational skills and interpreting the tax principles with a greater emphasis on the latter aspect.

(A) Double Deduction and Income Tax Incentives

1. Double deduction for promotions of exports
2. Double deduction for research expenditures
3. Double deduction for approved training
4. Deduction for pre-commencement of business training expenses
5. Income Tax (Deduction for Cost Acquisition of Proprietary Rights) Rules 2002
6. Income tax (Allowance for Increased Export) Rules 1999
7. Tax incentives for export
8. Malaysian International Trading Company (MITC)

(B) Approved Service Sector (ASP)

1. Criteria in approving tax incentives for ASP
2. Income tax exemption
3. Investment allowance
4. Reinvestment Allowance (focus on complex practical applications)
5. Tax planning including profit exemption and investment allowance
6. Industrial building allowance
7. Duty exemption on machinery and materials
8. Double deduction on promotion of export services
9. Double deduction for R & D
10. Double deduction on training
11. Tax administration

(C) Multimedia Super Corridor (MSC)

1. Income tax exemptions
2. Investment tax allowance (ITA)
3. Industrial building allowance (IBA)
4. Duty-free importation of multimedia equipment
5. Research and development grants for local SME
6. Withholding tax exemptions
7. Non-financial incentives
8. Administration

(D) Principal Hub and Global Trading Centre

1. Features
2. Incentives
3. Criteria
4. Additional Benefits

(E) Tax Incentives for Research and Development (R&D)

1. Application
2. Tax administration
3. Tax incentives for contract R&D, contributions to approved research institutes and in-house R&D
4. Special deduction on approved research expenses, investment in subsidiary company undertaking commercialization of resource-based R&D findings

(F) Specialised tax treatments

1. Joint - Development Areas (JDA) between Malaysia and Thailand
2. Section 12 of the Income Tax Act, 2967. Deeming provision – the understanding and application of the tax treatment on having “a place of business” in Malaysia
3. Specialised tax treatments for companies, individuals and cross-border workers as results of the Covid-19 crisis with regards to their residence status and place of management

(G) Labuan – International Business and Financial Centre (IBFC)

1. Scope of Chargeability in Labuan IBFC
2. Tax Treatment & Labuan Business Activity Tax Act (LBATA)
3. Substance Requirements in Labuan IBFC
4. Compliance and Administrative Provisions in LBATA & relevant rulings & Guidelines
5. Tax Incentives in Labuan IBFC

(H) International Tax Developments

Basis understanding of the international tax developments undertaken by the Organisation for Economic Co-operation and Development (“OECD”).

1. Based Erosion Profits Shifting (“BEPS”) 15 Action Plans
2. Multilateral Instrument (MLI)
3. Country-by-Country Reporting (CbCR)

(I) Field Audit and Understatement of Tax

1. Types of tax audit
2. Provision of reasonable facilities and assistance
3. Keeping of records
4. Understatement of tax
5. Directors' liabilities
6. Tax Audit Framework requirements.

(J) Back Duty Investigations

1. Matters that trigger off tax investigations
2. Test applied to discover tax evasion
3. Computation methods
4. Powers vested in the DGIR in investigation
5. Period of investigation and time bar
6. Reasonable care and responsibility of tax advisor
7. Offences and penalties
8. Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUA) (as amended)
9. Tax avoidance and evasion - Malaysian case laws and principles

(K) Tax Management for Companies

1. Commencement of business
2. Financing arrangement
3. Related party transactions
4. Disposal of assets
5. Controlled transfer and implications for disposer and acquirer
6. Distinction between business income and investment income
7. Investment income
8. Interest restriction
9. Investment strategy in a company – Equity and debt financing

(L) Taxation for Company Reorganization, Reconstruction and Amalgamation

1. Stamp duty and RPGT relief /exemption

(M) Group Relief Companies

(N) Transfer pricing

1. Tax authorities' practice
2. Types of methodologies used in transfer pricing
3. Anti-avoidance
4. Transfer Pricing Guidelines

(O) Stamp Duty

1. Legislation
2. Types of stamp duty
3. Instrument chargeable with duty
4. Stamp duty on transfer shares

(P) Tax Policies

1. Types of tax systems
2. Role of taxation in economic development
3. Design of tax policy
4. Tax reforms
5. Code of Ethics

(Q) Sales and Service Tax (SST ACT)

1. Scope of sales tax

- a. Rates, taxable goods, thresholds
- b. Registration
- c. Taxable period
- d. Furnishing of returns and payment of sales tax
- e. Recovery of sales tax
- f. Sales tax exemption
- g. Refunds, drawback and remission
- h. Special provisions relating to designated areas/special areas

2. Scope of Service Tax

- a. Rates, taxable person, taxable service & threshold
- b. Registration
- c. Taxable periods & returns
- d. Furnishing of returns and payment of service tax
- e. Recovery of service tax
- f. Exemption, refund and remission of service tax
- g. Special provisions relating to designated areas/special areas

(R) Double Taxation Agreements (DTA)

1. Double taxation and the role of tax conventions
2. Purpose of tax treaties and avoidance of double taxation
3. Concept of residence
4. Permanent establishment
5. Taxation of business profits
6. Taxation of interest
7. Taxation of royalties
8. Taxation of technical fees
9. Taxation of dependent personal services
10. Taxation of other income

(S) Investment Incentives for Specific Industry

1. Incentives for Services Sector - under Income Tax Exemption under Section 127 and Investment Allowance under Schedule 7B
2. Allowance for Increased Exports
3. Malaysian International Trading Companies
4. Acquisition of Proprietary Rights
5. Acquisition of Foreign-Owned Companies
6. Incentives for Wellness Zones
7. Venture Capital
8. Single & Double Deductions

(T) Professional Ethics

1. Form of practice and matters relating thereto
2. Obligations to clients and confidentiality
3. Matters relating to the affairs of new clients
4. Handling client work and all matters relating thereto
5. Charging for services
6. Matters giving rise to conflict of interest
7. Disclosures in tax returns, computations and correspondence with the Inland Revenue
8. Dealing with Inland Revenue errors in favor of taxpayers, tax evasion, tax avoidance and ethical/moral issues

(U) Digital Economy

1. E-Commerce Guidelines
2. Application of PE in the digital economy
3. Source and residence rules application in digital economy
4. New business models in digital economy as of the results of the evolution and expansion of information and communication technology (ICT) across the economy:
 - a. E-commerce including business-to-business (B2B), business-to-consumers (B2C) and consumer-to-consumer (C2C)
 - b. App stores
 - c. Digital advertising
 - d. Cloud computing

READING LIST – ADVANCED TAXATION 2

1. **Income Tax Act 1967.** (as amended)
2. **Promotion of Investments Act, 1986.** (as amended)
3. **Public Rulings and Operational Guidelines.**
4. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
5. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
6. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
7. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
8. Richard Thornton. **Thornton's Malaysian Tax Commentaries.** (Latest edition)
9. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
10. Arjunan Subramaniam. **Malaysian Stamp Duty Handbook** (Latest edition)
11. Arjunan Subramaniam. **Subject Index of Principles of Revenue Law** (Latest edition)
12. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
13. Transfer Pricing Guidelines
14. Tax Audit Framework
15. Tax Investigation Framework
16. Organization for Economic Co-operation and Development (OECD) on of the “Base Erosion and profit Shifting” (BEPS) on **Action 1- Tax Challenges Arising from Digitalisation- Interim Report 2018**

APPENDIX 1

LIST OF STPM EQUIVALENT AND NON ACCOUNTING QUALIFICATION

1. Matriculation Courses conducted by Malaysian Institutions of Higher Learning;
2. Advanced Level (including Associated Examination Board (AEB) Examination);
3. Unified Examinations Certificate from Chinese Independent Schools;
4. Singapore and United Kingdom General Certificate of Examination;
5. Canadian Pre-University Examination;
6. South Australian Matriculation Examination;
7. Australian or New Zealand High School Leaving Certificate Examination;
8. Third Level Group Diploma/Third Level Diploma in Business Studies/ Third Level Diploma in Managerial Principles from London Chamber of Commerce and Industry;
9. Licentiate/Associate/Fellow of Institute of Financial Accountants (UK) (only those who obtained membership through passing the IFA examination);
10. Banker Certificate from Asian Institute of Chartered Bankers;
11. Diploma from Association of Business Executives;
12. Member of US State Boards of Accountancy;
13. Member of the American Institute of Certified Public Accountants (AICPA);
14. Advanced Diploma from Association of Business Executives;
15. Member of the Institute of Cooperative Auditors (ICA) (only those who obtained membership through passing the ICA examination);
16. Associate member of the Association of International Accountants (UK) (only those who obtained membership through passing the examination);
17. Associate of the Institute of Bankers London;
18. Non Accounting Bachelor Degree, Diploma and other qualifications (local and oversea) recognised by Council.

Note:

Applicants with any of the above qualifications must also satisfy the SPM requirements or equivalent.

APPENDIX 2

LIST OF RECOGNISED INSTITUTION OF HIGHER LEARNING

1. List of Recognised Local Institutions of Higher Learning Pursuant to Part I First Schedule of the Accounts Act 1967 (Sections 14 And 15)

- Diploma in Accounting from University of Malaya;
- Bachelor of Accounting from University of Malaya;
- Bachelor of Accounting (Honours) from Universiti Kebangsaan Malaysia;
- Advanced Diploma in Accountancy from MARA Institute of Technology;
- Bachelor of Accounting from Universiti Teknologi MARA;
- Bachelor of Accounting (Honours) from Universiti Utara Malaysia;
- Bachelor of Accounting (Honours) from Universiti Pertanian Malaysia;
- Bachelor of Accounting (Honours) from Universiti Putra Malaysia;
- Bachelor of Accounting (Honours) from Universiti Islam Antarabangsa;
- Bachelor of Accounting (Honours) from Universiti Sains Malaysia;
- Bachelor of Accounting (Honours) (Information System) from Universiti Utara Malaysia;
- Bachelor of Accounting (Honours) from Universiti Tenaga Nasional-year 2002/2003 onwards;
- Bachelor of Accounting (Honours) from Universiti Multimedia-year 2002/2003 onwards;
- Bachelor of Accounting (Honours) from Kolej Universiti Sains dan Teknologi Malaysia;
- Bachelor of Accounting (Honours) from Universiti Malaysia Sabah;
- Bachelor of Accounting (Honours) from Universiti Industri Selangor;
- Bachelor of Accounting (Honours) from Universiti Sultan Zainal Abidin;
- Bachelor of Accounting (Honours) from Universiti Sains Islam Malaysia;
- Bachelor of Accounting (Honours) from Universiti Tunku Abdul Rahman;
- Bachelor of Accounting (Honours) from INTI International University;
- Bachelor in Accountancy (Honours) from Management and Science University-session November 2010 onwards.

2. Accounting Bachelor Degree and Diploma (local and oversea) recognised by Council.

APPENDIX 3

LIST OF PROFESSIONAL ACCOUNTANCY BODY

1. List of Professional Accountancy Bodies Recognised Pursuant to Part II First Schedule of The Accountants Act 1967 Section 14(1) (B) &15(B) [Am. Act A1099]

Full member of:

- Malaysian Association of Certified Public Accountants;
- Institute of Chartered Accountants of Scotland;
- Institute of Chartered Accountants in England and Wales;
- Institute of Chartered Accountants in Ireland;
- Association of Chartered Certified Accountants (United Kingdom);
- Institute of Chartered Accountants in Australia;
- Australian Society of Certified Practising Accountants;
- New Zealand Chartered Accountants;
- Canadian Institute of Chartered Accountants;
- Institute of Chartered Accountants of India;
- Chartered Institute of Management Accountants (United Kingdom).

2. Other Professional Accountancy Bodies (local and oversea) recognised by Council.