

Tax Consideration in Financing of Corporations

Date : 24 September 2024, Tuesday
Time : 9.00 am – 5.00 pm
Event Code : 24WS/030

IMPORTANT NOTES:

- Registration of participant will be confirmed upon receipt of full payment and settlement of previous outstanding dues (if any).
- Webinar Access Link – The webinar access link will be e-mailed to successfully registered participants 2 working days before the commencement of the event upon receipt of full payment.
- Cancellation - The Institute must receive cancellations in writing not less than 5 working days prior to the event. No refund will be given for cancellations received within less than 5 working days of the event.
- Recording - Video recording of the webinar organised by the Institute is not available for distribution.
- Disclaimer – The Organiser reserves the right to change the speaker, date or to cancel the event. A minimum of 3 working days notice will be given.

Registration Fees

CTIM Member	RM387.00
Member's Firm Staff	RM448.00
Non Member	RM509.00

*The above registration fees are inclusive of Service Tax.

Introduction

Basically, the three major sources of corporate financing are retained earnings, debt capital, and equity capital. Retained earnings is a generalized term that refers to any net income that remains after any expenses and obligations are paid off. The Malaysian Tax implication can be quite complex when it comes to corporate financing.

Debt or Equity Financing?

Both debt and equity financing can be risky. Debt financing obligates companies to repay creditors. Failure to repay can result in default or bankruptcy which can affect corporate credit scores. Interest deductibility issues revolving around deductibility, withholding tax, timing of taxability are very technical and a proper understanding of it will help participants appreciate the Malaysia tax implications.

As for equity financing, whilst companies are not obligated to repay any debts with equity financing, there are no direct tax benefits associated with equity financing. There's also a risk of dilution of ownership since it involves adding more shareholders to the mix. Investors (new and old) may also expect a share of corporate profits.

A discussion on the features of the one-tier system and its impact on dividend distribution by Malaysia companies as well as when dividend income is received from foreign companies will be discussed in details. A comparison with the imputation system of taxation will also be done.

Objectives

This course seeks to highlight the Malaysian Taxation implications related to equity financing, debt financing, using hybrid instruments such as redeemable preference share, bonds, loan stocks, ICULS etc.

Course Outline

1. Equity vs Debt financing
2. Loan financing and tax related issues –
 - deductibility of interest expense;
 - interest restriction
3. Loan financing and tax related issues –
 - earning stripping rules;
 - related party loans
4. Hybrid instruments
5. Preference Shares / Redeemable Preference Shares
6. Bonds, ICULS, loan stocks – taxability / deductibility of discounts or premiums and related issues
7. Case studies

Who Should Attend

- Accountants
- Chief finance officers
- Finance managers
- Companies Directors
- Tax Consultants
- Tax Managers/ Executives
- Company Auditors
- Tax Practitioners
- Business Owners
- Others who are interested to know more about financing in corporations

Speaker's Profile

Harvindar Singh is a Fellow of Chartered Association of Certified Accountants and is a member of the Malaysian Institute of Accountants (MIA) as well as the Chartered Tax Institute of Malaysia (CTIM). Harvindar was attached to the firms of PWC and E&Y as a tax consultant and is currently the Managing Partner of Harvey & Associates, a boutique firm that specialises in taxation consulting services as well as the Tax Partner in SCS Global Consulting (M) Sdn Bhd. Harvindar has more than 30 years of extensive experience in taxation advisory, transfer pricing documentation preparation, tax planning as well as tax audits and investigations and he serves as a Tax Specialist to numerous corporate entities such as SK International (M) Sdn Bhd and other MNEs and organisations. He is currently serving as the Chairman of the Editorial Board of the Budget Commentary and Tax Information Booklet which is produced jointly by MIA, CTIM and MICPA. Mr Harvindar is a Council Member of CTIM.

ONLINE REGISTRATION PROCESS

*Kindly follow the respective steps below



For Enquiries:

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Closing Date

2 days before the event date.

The CPD points awarded qualify for the purpose of application and renewal of tax agent license under Section 153, Income Tax Act, 1967.

