

Monthly Tax Update

-December 2019-

Highlights:

- 1.0 Public Ruling No. 7/2019
- 2.0 Public Ruling No. 8/2019
- 3.0 Public Ruling No. 9/2019
- 4.0 Public Ruling No. 10/2019
- 5.0 Public Ruling No. 11/2019
- 6.0 Public Ruling No. 12/2019
- 7.0 P.U. (A) 363
- 8.0 P.U. (A) 387
- 9.0 P.U. (A) 398
- 10.0 P.U. (A) 399
- 11.0 P.U. (A) 414
- 12.0 P.U. (A) 415

1.0 Public Ruling No. 7/2019

On 03 December 2019, Inland Revenue Board Malaysia issued second edition of Public Ruling on Taxation Of Foreign Fund Management Company.

This Public Ruling (PR) outlines the tax treatment of income received by a foreign fund management company that provides fund management services to foreign and local investors.

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/PR_07_2019.pdf

2.0 Public Ruling No. 8/2019

On 06 December 2019, IRBM issued second edition of Public Ruling on Notification Of Change Of Accounting Period By A Company / Limited Liability Partnership / Trust Body / Co-operative Society.

This PR explains the requirement to notify the Director General of Inland Revenue (DGIR) on any change of accounting period by a company, limited liability partnership, trust body or co-operative society, which has to make payment by instalments on an estimate of tax payable for a year of assessment.

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/PR_08_2019.pdf

3.0 Public Ruling No. 9/2019

On 06 December 2019, IRBM issued second edition of Public Ruling on Residence Status Of Companies And Bodies Of Persons.

This PR illustrates the determination of the residence status of companies and bodies of persons.

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/PR_09_2019.pdf

4.0 Public Ruling No. 10/2019

On 10 December 2019, IRBM issued third edition of Public Ruling on Withholding Tax On Special Classes Of Income.

This PR depicts:

- special classes of income that are chargeable to tax under section 4A of the Income Tax Act 1967 (ITA);
- deduction of tax from special classes of income; and
- consequences of not deducting and remitting the tax from special classes of income.

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/PR_10_2019.pdf

5.0 Public Ruling No. 11/2019

On 12 December 2019, IRBM issued second edition of Public Ruling on Benefits In Kind.

This PR describes:

- the tax treatment in relation to benefit in kind received by an employee from his employer for exercising an employment; and
- the method of ascertaining the value of benefit in kind in order to determine the amount to be taken as gross income from employment of an employee.

For more information, please refer to the link below:

http://lampiran2.hasil.gov.my/pdf/pdfam/PR_11_2019.pdf

6.0 Public Ruling No. 12/2019

On 13 December 2019, IRBM issued first edition of Public Ruling on Tax Treatment Of Foreign Exchange Gains And Losses.

This PR demonstrates the tax treatment for businesses in Malaysia in respect of foreign exchange gains and losses, which arise from cross border transactions denominated in foreign currency.

For more information, please refer to the link below:

http://lampiran2.hasil.gov.my/pdf/pdfam/PR_12_2019.pdf

7.0 P.U. (A) 363

On 17 December 2019, Attorney-General's Chambers (AGC) published Income Tax (Exemption) (No. 13) 2005 (Revocation) Order 2019 in e-Federal Gazette.

Effective 1 January 2020, the withholding tax exemption granted under Income Tax (Exemption) (No. 13) Order 2005 (P.U.(A)102/2005) on the following types of income received by a non-resident company from an approved MSC status company will be repealed:

- payment for technical advice or technical services;
- licensing fees in relation to technology development; and
- interest on loans for technology development.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191224_PUA363.pdf

8.0 P.U. (A) 387

On 30 December 2019, AGC published Income Tax (Deduction from Remuneration) (Amendment) Rules 2019 in e-Federal Gazette.

Effective 1 January 2020, the Income Tax (Deduction from Remuneration) (Amendment) Rules 1994 [P.U. (A) 507/1994] are amended in the Schedule, in subparagraph 4(1), by substituting Table 1.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191230_PUA387_2019.pdf4

9.0 P.U. (A) 398

On 31 December 2019, AGC published Income Tax (Deduction for Expenditure Incurred for Provision of Approved Internship Programme) Rules 2019 in e-Federal Gazette.

These Rules shall apply to a qualified person who conducts or has conducted:

- an approved internship programme in the year of assessment 2015 until the year of assessment 2016 for a student pursuing a diploma programme in a higher education institution and a student pursuing a qualified course being a vocational programme (minimum Malaysian Skills Certificate Level 4); and
- an approved internship programme for a student in the year of assessment 2017 until the year of assessment 2021.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191231_PUA398.pdf

10.0 P.U. (A) 399

On 31 December 2019, AGC published Income Tax (Exemption) (No. 3) 2014 (Amendment) Order 2019 in e-Federal Gazette.

Tax incentive for angel investor is extended to 31 December 2023.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191231_PUA399.pdf

11.0 P.U. (A) 414

On 31 December 2019, AGC published Income Tax (Exemption) (No. 8) (Amendment) Order 2019 in e-Federal Gazette.

Income tax deduction for employers on loan amount paid to Perbadanan Tabung Pendidikan Tinggi Nasional on behalf of employees is extended to 31 December 2021.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191231_PUA%20414.pdf

12.0 P.U. (A) 415

On 31 December 2019, AGC published Income Tax (Deduction for Payment of Educational Loan of Perbadanan Tabung Pendidikan Tinggi Nasional by Employers on behalf of Employees) (Amendment) Rules 2019 in e-Federal Gazette.

These rules have effect from the year of assessment 2019 until the year of assessment 2022.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20191231_PUA%20415.pdf

Disclaimer: interested parties are advised to contact the Company for further details after reading the contents of this tax update. Neither the company, partners nor member firms, their councils or any of their committees shall be held responsible or liable for any claims, loss, damages, costs or expenses arising in any way out of or in connection with any person relying upon such views without referring to the Company first.