

Monthly Tax Update

- May 2020 -

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1.0 P.U. (A) 153

On 12 May 2020, Attorney-General's Chambers (AGC) published Income Tax (Exemption) (No. 3) Order 2020 in e-Federal Gazette.

The Minister exempts an individual from the payment of income tax in respect of withdrawal from approved private retirement scheme provider by the individual before reaching the age of fifty-five for the period from 30 April 2020 until 31 December 2020.

For more information, please refer to the link below:

http://www.federalgazette.agc.gov.my/outputp/pua_20200519_PUA%20153.pdf

2.0 P.U. (A) 162

On 15 May 2020, AGC published Income Tax (Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee) Rules 2020 in e-Federal Gazette.

These Rules outline secretarial fees and tax filing fees that are allowable for deduction.

For more information, please refer to the link below:

[http://www.federalgazette.agc.gov.my/outputp/pua_20200519_P.U.%20\(A\)%20162.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20200519_P.U.%20(A)%20162.pdf)

3.0 P.U. (A) 172

On 15 May 2020, AGC published Income Tax (Exemption) (No. 8) 2017 (Amendment) Order 2020 in e-Federal Gazette.

Until the Year of Assessment 2023, the Minister exempts a qualifying company in the basis period for a year of assessment from the payment of income tax in respect of statutory income derived from a qualifying project.

For more information, please refer to the link:

[http://www.federalgazette.agc.gov.my/outputp/pua_20200528_P.U.%20\(A\)%20172.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20200528_P.U.%20(A)%20172.pdf)

4.0 P.U. (A) 173

On 15 May 2020, AGC published Income Tax (Accelerated Capital Allowance) (Automation Equipment) 2017 (Amendment) Rules 2020 in e-Federal Gazette.

Until the Year of Assessment 2023, the qualifying company is entitled to claim 20% Initial Allowance (IA) and 80% Annual Allowance (AA).

For more information, please refer to the link below:

[http://www.federalgazette.agc.gov.my/outputp/pua_20200528_P.U.%20\(A\)%20173.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20200528_P.U.%20(A)%20173.pdf)

5.0 Practice Note No. 3/2020

On 18 May 2020, Inland Revenue Board Malaysia (IRBM) issued Clarification On Determining The Gross Income From Business Sources Of Not More Than RM50 Million Of A Company Or Limited Liability Partnership (LLP).

This Practice Note depicts additional criteria applicable to a company or LLP resident in Malaysia to be eligible for the tax treatment under paragraphs 2A and 2D, Part 1, Schedule 1 and subparagraph 19A(3), Schedule 3 of the ITA 1967.

For more information, please refer to the link below:

http://lampiran2.hasil.gov.my/pdf/pdfam/PN_3_2020.pdf

6.0 Guidelines On The Application Of Subsections 12(3) And 12(4) Of The Income Tax Act 1967 In Determining A "Place Of Business"

On 21 May 2020, Inland Revenue Board Malaysia (IRBM) issued Guidelines On The Application Of Subsections 12(3) And 12(4) Of The Income Tax Act 1967 In Determining A "Place Of Business".

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/GP_21052020_2.pdf

7.0 Public Ruling No. 1/2020

On 22 May 2020, IRBM issued second edition of Public Ruling on Tax Incentives For Bionexus Status Companies.

This Public Ruling (PR) outlines the tax treatment in respect of tax incentives for a BioNexus Status Company (BNX) in Malaysia.

For more information, please refer to the link below:

http://lampiran1.hasil.gov.my/pdf/pdfam/KU_01_2020_2.pdf

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