



Student Guide

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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 consisting of: quarterly Tax Guardian, Rules and Regulations on Professional Conduct and Ethics and Budget Commentaries are useful references for examinations. These books are available in the Resource Centre for reference. All important notices for students will be published in the Institute's journal. Please ensure that you received a copy of the quarterly journal and have read all important notices relevant to the examination.

Communicating with the Institute

- Quote your registration number in any communication.
- Notify the Institute of any change of address immediately, amending and returning the subscription notice or by email: 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 a payment to the Institute by money order, credit card – VISA / MASTER, postal orders or cheques, state the name, registration number and the purpose for the payment
- **DO NOT SEND CASH.** All cheque or other bank payments must be made in Malaysian Ringgit and payable to '**CHARTERED TAX INSTITUTE OF MALAYSIA**'.

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 teachers. It contains general information about the Institute as well as details of student membership requirements.

Registered students should keep this guide and refer to it on all matters concerning their student membership. Notification of any changes in requirements or arrangements will be given in the Institute's postal notifications and/or e-ctim.

The Institute's 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, 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. Students who require a place to study are encouraged to use the public libraries.

TAXATION AS A CAREER

The Institute wishes to congratulate you in your interest in the field of taxation and as a New Student Member of the Institute. 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. As the saying goes, there is nothing in this world as certain as death and taxes.

The Chartered Tax Institute of Malaysia (CTIM) is the ONLY professional body in Malaysia to provide an entry into the world of taxation. 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 QUALIFICATIONS AND MEMBERSHIP

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

- Upon **completing the Intermediate level**, 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 recognised by Malaysian tax firms
- On **completion of the Final Level**, students will be awarded either/or the following categories of membership:
 - **Provisional member of the Chartered Tax Institute of Malaysia** while awaiting 5 years tax working experience.
 - **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 QUALIFICATIONS

The Institute has 3 categories of entry qualifications for its examinations, the categories are as follows:

1. **STPM, ITS EQUIVALENT AND NON-ACCOUNTING RELATED DIPLOMAS AND DEGREES**
2. **ACCOUNTING DIPLOMAS AND DEGREES – LOCAL AND OVERSEAS QUALIFICATIONS**
3. **PROFESSIONAL ACCOUNTING QUALIFICATIONS**

1. **STPM, ITS EQUIVALENT AND NON- ACCOUNTING RELATED DIPLOMAS AND DEGREES**

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

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

(Refer to the list of qualifications equivalent to the STPM in **Appendix 1**)

- d) **Non-accounting degrees, diplomas and professional qualification from both local and overseas institutions** - are considered as meeting entry requirements

(Refer **Appendix 2** for List of other entry level qualifications)

Note: Students with the above minimum entry qualification will not be granted any exemptions for the examination.

2. **ACCOUNTING DIPLOMAS, DEGREES AND PROFESSIONAL ACCOUNTING QUALIFICATIONS – LOCAL AND OVERSEAS QUALIFICATIONS**

Applicants who are **not members of Malaysian Institute of Accountants (MIA)** will be eligible for exemption at the discretion of the Council with the following qualifications:

- i. Recognised Degrees in Accounting – Local and overseas qualifications
- ii. Advance Diploma in Accounting – local and overseas qualifications

(Refer **Appendix 3** for list of recognised local institutions of higher learning)

3. **PROFESSIONAL ACCOUNTING QUALIFICATIONS** - Full members of Local and Overseas Accountancy Bodies with no taxation working experience will be eligible for subject exemptions at the discretion of the Council

(Refer **Appendix 4** for List of Professional Accountancy bodies recognised).

EXEMPTIONS:

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-relevant degree/diploma from both local and overseas institutions of higher learning, subject exemptions will be granted if the subject has been covered in the degree/diploma program for at least 2 semesters or one academic year.

All applications for exemption or evaluation of qualification for possible exemption must be made in prescribed forms available from the CTIM office at the time of registration as a student. Appropriate fees must be paid immediately upon receipt of the Exemption Invoice.

The Council may at its discretion grant additional exemptions to the Institute's examinations to registered students who have obtained relevant additional qualifications, abilities 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 Examinations 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 Examinations are 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) Advance Taxation 1
- (3020) Company and Business Law
- (3030) Revenue Law
- (3040) Advance Taxation 2

Fees & Subscription

	RM
Registration fees	265.00
Subscription (calendar year)	190.80

Exemption fees/ Examination fees

Intermediate Level	159.00
Final Level	190.80

EXAMINATION REGULATIONS

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 of 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.

2.0 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 post, fax or e-mail to CTIM. The application must be accompanied by:

2.1 The appropriate fee payable in respect of the examination.

2.2 A certificate in the form prescribed by the Examination Committee that the candidate is a fit and proper person to be admitted to the examination. The certificate is to be signed by his current employer or a member of the Institute.

3.0 Acceptance of Entries

Once the completed entry forms and payments are received it is updated into the database and an automatic receipt is generated. This official receipt is posted 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.

4.0 Refund of Examination Fees

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.

5.0 Time Limit to Complete Examination

The Institute's examinations must be completed within 16 years from the date 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

6.0 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.

7.0 Examination Results

7.1 Declaration of Results

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).

8.0 Prizes

Prizes are awarded to candidates whose performance in an examination is outstanding based on the following basis:

- 8.1** A prize for best performance will be awarded for all Taxation papers and other papers as determined by Council.
- 8.2** Best performance in the Intermediate Level/Final Level will be awarded to a student who have passed all papers in that level with the highest total marks as decided by the examination committee.

GENERAL EXAMINATION INFORMATION

1. Date of Examination

The Institute's examinations are 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 1 month 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, Kota Bharu, Johor Bahru, 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 examinations are 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. Students sitting for Revenue Law and Advance Taxation 2 papers are allowed to bring the Income Tax Act 1967 and the RPGT Act as references.

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. Preparation of financial statements and related supporting documents.

CONTENTS:

- (A) Accounting concepts and principles
- (B) Effect of business transactions
- (C) Double entry accounting systems
- (D) Books of original entry/types of ledger
- (E) Balancing off accounts and pre-adjusted Trial Balance
- (F) Bank reconciliation statement – errors/ timing and permanent difference
- (G) Other entries:
 1. Accruals and prepayments
 2. Depreciation and disposals of assets
 3. Provision for bad and doubtful debts
 4. Inventory valuation
- (H) Control accounts - Debtors and Creditors control account
- (I) Correction of errors - journalizing / suspense accounts and adjusting financial statements
- (J) Accounting treatment for shares and debentures
- (K) Conceptual framework Financial reporting
- (L) Preparations of financial statements for:
 1. Sole Traders
 2. Incomplete records
 3. Clubs and societies
 4. Partnerships (including LLB)
 5. Company
- (M) Manufacturing companies - manufacturing accounts
- (N) Company reconstructions – internal and external reconstruction and capital reduction
- (O) Branch accounts – separate and combined financial statement for head office and branch

(P) Preparation and analyzing statement of cash flow

(Q) 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. Wood, F. **Business Accounting 1** (Latest edition)
4. Wood, F. **Business Accounting 2** (Latest edition)
5. Betsy Li, Tan Sai Kim, Goh Ling Chin. **Principles of Accounts.** (Latest edition)
6. Jane Lazar & Huang Ching Choo. **Financial Reporting Standards for Malaysia**
(Latest edition)

INTERMEDIATE LEVEL PERSONAL TAXATION

OBJECTIVE:

1. To test the understanding of the basic concepts and principles of taxation.
2. To examine the application of tax fundamentals (including reference to case law) of Malaysian income tax of individuals.

CONTENTS:

(A) Scope and Basis

1. Taxation as a source of government revenue
2. Understanding of general system of taxation in Malaysia
3. Scope of charge
4. Classes of income chargeable to tax
5. Exemptions
6. Chargeable persons
7. Tax rates
8. Taxation of income from sole proprietorship

(B) Residence of Individuals

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

(C) Employment Income

1. Meaning of employment
2. Distinction between contract of service and contract for services
3. Gains or profits from employment
4. Basis of assessment
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

(D) Other Sources of income

1. Dividends
2. Interest
3. Discounts
4. Rents
5. Royalties
6. Premiums
7. Pensions
8. Periodical payments
9. Annuities
10. Other gains or profits
11. Basis of assessment
12. Deductible expenses (excluding business source)
13. Non-deductible expenses (excluding business source)

(E) Personal Reliefs and Rebates

(F) Computation of Tax Liability

1. Taxation of husband and wife
2. Determination of chargeable income
3. Computation of tax payable
4. Separate assessment and combined assessment

(G) Tax Administration

1. Organizational structure of the Ministry of Finance, Inland Revenue Board and the Royal Customs & Excise Department
2. Duties and powers of the Director General of Inland Revenue
3. Duties and Powers of Special Commissioners.
4. Returns and Assessments
5. Monthly deduction and final tax
6. Collection and recovery
7. Appeals
8. Offences and penalties

READING LIST- PERSONAL TAXATION

1. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
2. Veerinderjeet Singh. **Veerinder on Malaysian Tax Theory and Practice.** (Latest edition)
3. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
4. Alan Yeo. **Malaysian Taxation.** (Latest edition)
5. **Income Tax Act 1967** (Latest Reprint).
6. **Public Rulings and Operational Guidelines** (Latest Reprint).
7. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
8. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA.

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 2014.)

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 2014.)

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 2014.)

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 13, 14, 15, 16 and 17 in Mankiw 2014.)

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 18 in Mankiw 2014.)

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 23 and 24 in Mankiw 2014.)

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 25 and 26 in Mankiw 2014.)

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 29 of Mankiw 2014.)

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 30 of Mankiw 2014.)

J. Unemployment

1. The measurement of unemployment; labour force participation; natural rate of unemployment
2. Types of unemployment
3. Causes of unemployment
(Chapter 28 in Mankiw 2014.)

K. International Trade

1. Advantages of trade
2. Absolute and comparative advantage
3. Arguments for restricting trade
(Chapters 3 and 9 of Mankiw 2014.)

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 31 and 32 in Mankiw 2014.)

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 33 and 35 in Mankiw 2014.)

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 34 in Mankiw 2014.)

RECOMMENDED TEXT

1. N. Gregory Mankiw. **Principles of Economics** (7th edition) (2014), Cengage Learning.

(Note that earlier editions can also be used.)

INTERMEDIATE LEVEL BUSINESS TAXATION

OBJECTIVE:

To examine the principles and application of Malaysian income tax law on businesses. Reference is also made to case law

CONTENTS:

(A) Business Source

1. Definition of business
2. Badges of trade
3. Commencement and cessation of business
4. Basis of assessment
5. Capital and revenue receipts where cases are included
6. Deductibility of expenses; cases are included
7. Computation of business income

(B) Special Classes of Income

(C) Capital Allowances

1. Plant and Machinery:
 - i) Definition of plant and machinery
 - ii) Determination of Initial Allowance, Annual Allowance, Notional allowance, Balancing Allowance and Balancing Charge
 - iii) Claw back of Capital Allowances and the exception
2. Industrial Building Allowances (IBA):
 - i) Definition of Industrial Building
 - ii) Determination of Initial Allowance, Annual Allowance, Notional Allowances, Balancing Allowance and Balancing Charge
3. Agriculture Allowance
4. Forest Allowance
5. Controlled sales
6. Disposals subject to control

(D) Basis Periods

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

(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. Computation of partners total income, chargeable income and tax payable

(F) Limited Liability Partnership

1. Transition from partnership to LLP
2. Differences between partnership & company
3. Tax treatment of remuneration
4. Tax treatment of LLP

(G) Withholding Tax

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

(H) Corporate Taxation

1. Determination of residence status of companies
2. Significance of residence status
3. Self-assessment system

(I) Computation of Tax Liability

1. Treatment of losses
2. Determination of chargeable income
3. Computation of tax payable
4. Allowable and disallowed expenses
5. Double deductions
6. Specific deductions

READING LIST - BUSINESS TAXATION

1. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation**. (Latest edition)
2. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice**. (Latest edition)
3. Veerinderjeet Singh. **Veerinder on Taxation**. (Latest edition)
4. Alan Yeo. **Malaysian Taxation**. (Latest edition)
5. CCH Tax Editors. **Malaysian Master Tax Guide**. (Latest edition)
6. **Income Tax Act 1967** (Latest Reprint).
7. **Public Rulings and Operational Guidelines** (Latest Reprint)
8. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
9. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA

**FINAL LEVEL
ADVANCE TAXATION 1**

OBJECTIVE:

To examine the application of advanced aspects of Malaysian taxation and real property gains tax.

CONTENTS:

(A) Specialized Industry

1. Banking industry
2. Insurance industry
3. Sea and air transport undertaking

(B) Leasing

1. Legislation
2. Meaning of 'lease'
3. Leasing as a separate source of income (Regulation 2)
4. Gross income of lessor
5. Tax implication
6. Accounting treatment
7. Allocation of expenses between leasing and non-leasing business
8. Cross border leasing

(C) Co-operative societies

1. Exemption for co-operative societies Para 12, Schedule 6
2. Assessability of receipts
3. Special deductions

(D) Trade association and clubs

1. Definition
2. Residence status
3. Assessability of gross income
4. Deduction test
5. Income tax exemption
6. Trade union
7. Tax administration
8. Tax treatment
9. Exemption

(E) Charitable institutions

1. Legislation
2. Approved institution/ organization status
3. Tax treatment
4. Tax rate

(F) Trust

1. Trust bodies
2. Settlements
3. Estates
4. Unit trust
5. Real Estate Investment Trust (REIT)
6. Business Trusts

(G) Investment Incentives

1. Pioneer Status
2. Investment Tax Allowance
3. Reinvestment Allowance
4. Choice of incentives

(H) Real Property Gains Tax

1. Principles and scope of charge
2. Chargeable assets and persons
3. Exemptions
4. Computation of chargeable gains and allowable losses
5. Tax rates
6. Returns and assessments
7. Payment and recovery of tax
8. Real property company (RPC)

(I) Property Developers

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

(J) Investment Holding Company (IHC)

1. Definition
2. Listed & unlisted
3. Tax treatment

READING LIST - ADVANCE TAXATION 1

1. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
2. Jeyapalan Kasipillai. **A Guide to Advanced Malaysian Taxation.** (Latest edition)
3. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
4. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
5. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
6. Alan Yeo. **Malaysian Taxation.** (Latest edition)
7. Alan Yeo. **Advanced Malaysian Taxation.** (Latest edition)
8. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
9. **Income Tax Act 1967** (Latest Reprint).
10. **Public Rulings and Operational Guidelines** (Latest Reprint)
11. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
12. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA

**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. Memorandum and articles of association
5. Share capital, maintenance of capital, reduction of capital, share buyback and dividends
6. Appointment, removal and compensation of directors
7. Statutory duties, common law duties and powers of directors
8. Company meetings and rules for meetings
9. Company secretaries – 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

Recommended Text

1. Loganathan Krishnan, Parimaladevi Rajoo & Anne Chrishanthani Vergis. (2015). Principles of Business and Corporate Law, Malaysia. 2nd ed. CCH: Singapore

Further Reference Text

1. Chan Wai Meng. (2014). Company Law in Malaysia. 2nd ed. Cengage Learning Asia Pte Ltd: Singapore
2. Shanthy Rachangan, Janine Pascoe, Anil Joshi. (2010). Concise Principles of Company Law in Malaysia. 2nd ed. LexisNexis:

READING LIST - BUSINESS LAW

1. Loganathan Krishnan, Parimaladevi Rajoo & Anne Chrishanthani Vergis. (2015). Principles of Business and Corporate Law, Malaysia. 2nd ed. CCH: Singapore.
2. Abdul Majid and Krishnan Arjunan. (2014). Business Law in Malaysia. 2nd ed. LexisNexis: Petaling Jaya
3. Trakic, A., Andrews, P.L., Ramasamy, N., Sum, C.Y., Murugan, S.B., Pullikutthyayanar, V., and Chandran, K., (2014), Law for Business, Sweet & Maxwell Asia (Thomson Reuters): Subang Jaya
4. Wu Min Aun and Beatrix Vohrah. (2000).The Commercial Law of Malaysia. 2nd ed. Longman: Kuala Lumpur.
5. Lee Mei Pheng, Ivan Jeron Detta. (2005). General Principles of Malaysian Law. 5th ed. Oxford Fajar: Kuala Lumpur
6. Visu Sinnadurai. (1999). Law of Contract in Malaysia, Cases and Commentary. 2nd ed. Butterworths: Kuala Lumpur, 5th Impression.
7. Syed Ahmad Alsagoff. (2010). Principle of the Law of Contract in Malaysia. 3rd ed. LexisNexis: Petaling Jaya
8. Abdul Majid and Krishnan Arjunan. (2016). Sale of Goods Law in Malaysia. Sweet & Maxwell: Subang Jaya
9. Samsar Kamar Latif. (2008). Partnership Law in Malaysia. International Law Book Services: Kuala Lumpur
10. Salleh Buang. (2001). Malaysian Law on Hire-Purchase. 2nd ed. Sweet & Maxwell: Subang Jaya

FINAL LEVEL REVENUE LAW

OBJECTIVE:

To examine the understanding of the interpretation and application of income tax statutes and case law decisions.

CONTENTS:

Rules of Interpretation of tax statutes/legislation

(A) The Basis of Malaysian Taxation

1. Scope of charge
2. Derivation of Income
3. Classes of Income

(B) Employment Income

1. Residence of individuals
2. Concept of Profession and employment
3. Meaning of having or exercising an employment
4. Derivation of employment income
5. Gross income from employment
6. Adjusted income
7. Exemptions

(C) Business Income & Losses

Trading and adventure in the nature of trade:

1. Meaning of adventure or concern in the nature of trade
2. Badges of trade
3. Mutual trading
4. Illegal activities

(D) Partnerships & Trusts

1. Characteristics of partnerships
2. Types of partners
3. Existence of partnerships
4. Tax aspects

(E) Capital and Revenue Expenditure

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

(F) Deductions for Capital Expenditure

1. Capital Allowances and Charges:
 - i) Definition of qualifying capital expenditure on plant and machinery
 - ii) Determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charges
 - iii) Special cases
2. Controlled sales:
3. Industrial Building Allowances (IBA):
 - i) Definition of industrial building
 - ii) Determination of Initial Allowance, Annual Allowance, Balancing Allowance and Balancing Charge
4. Reinvestment Allowance

(G) Companies and bodies of persons

1. Residence status and its significance
2. Transfer pricing
3. Anti-avoidance provisions

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

1. Basis of assessment
2. Derivation
3. Gross income
4. Adjusted income
5. Exemptions

(I) Real Property Gains Tax

1. Principles and scope of chargeability
2. Chargeable assets and persons
3. Exemptions
4. Computation of chargeable gains and allowable losses
5. Treatment of gifts
6. Real property companies
7. Tax rates
8. Returns and assessments
9. Payments and recovery of tax

(J) Double Taxation Agreements

1. Interaction between domestic law and DTA
2. Business Article
3. Determination and definition of permanent establishment
4. Technical Fees or Fees for Technical Services article
5. Relief for withholding tax
6. Royalty article

(K) Returns, assessment and appeals

1. Tax returns
 - i) Statutory duty of taxpayer; obligation to failure to submit tax returns
2. Assessments
 - i) Time bar assessments, service of notice
3. Appeals
 - i) Special commissioners of Income Tax
 - ii) Relief for error or mistakes

(L) Collection and recovery

1. Liability to pay
2. Tax installments
3. Recovery of unpaid tax
4. Prevention from leaving Malaysia
5. Withholding tax

READING LIST - REVENUE LAW

1. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
2. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
3. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
4. DP Naban, S Saravana Kumar, Siti Fatimah Mohd Shahrom. **Malaysia and Singapore Tax Cases Digest.** (Latest edition)
5. Kasipillai, Jeyapalan. **A Guide to Malaysian Taxation.** (Latest edition)
6. Kasipillai, Jeyapalan. **A Guide to Advanced Malaysian Taxation.** (Latest edition)
7. Richard Thornton. **Thornton's Malaysian Tax Commentaries.** (Latest edition)
8. Alan Yeo. **Malaysian Taxation.** (Latest edition)
9. Alan Yeo. **Advanced Malaysian Taxation.** (Latest edition)
10. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
11. **Income Tax Act 1967** (Latest Reprint)
12. **Public Rulings and Operational Guidelines** (Latest Reprint)
13. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
14. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA
15. **List of Tax Cases**

Revenue Law – List of cases

Content	List of cases
<p>(A)</p> <p>The Basis of Malaysian Taxation</p> <p>1. Scope of charge 2. Derivation of Income 3. Classes of Income</p>	<p><u>Scope of charge</u></p> <p>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)</p> <p><u>Derivation of Income</u></p> <p>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</p> <p><u>Classes of Income</u></p> <p>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</p>
<p>(B)</p> <p>Employment Income</p> <p>1. Residence of individuals 2. Concept of Profession and employment 3. Meaning of having or exercising an employment 4. Derivation of employment income 5. Gross income from employment 6. Adjusted income 7. Exemptions</p>	<p><u>Residence of individuals</u></p> <p>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</p> <p><u>Concept of Profession and employment</u></p> <p>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</p> <p><u>Meaning of having or exercising an employment</u></p> <p>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)</p>

	<p><u>Derivation of employment income</u></p> <ul style="list-style-type: none"> 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 <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>Adjusted income</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 & Losses</p> <p>Trading and adventure in the nature of trade:</p> <ul style="list-style-type: none"> 1. Meaning of adventure or concern in the nature of trade 2. Badges of trade 3. Mutual trading 4. Illegal activities 	<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)

	<ul style="list-style-type: none"> 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)] xviii) F Housing Sdn Bhd v Director General of Inland Revenue [(1976) 2 MLJ 183] xix) Penang Reality Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(2006) MSTC 4,256] xx) Simmons v IRC [(1980) 1 WLR 1196 (HL)] xxi) Alf Properties Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri [(2005) MSTC 4,155] xxii) CGIR v LFY Sdn Bhd [(1983) 1 MLJ 43 (FC)] xxiii) Steven v Hudson Bay Co. xxiv) HCM v DGIR [(1993) 2 MSTC 539] <p><u>Mutual Trading</u></p> <ul style="list-style-type: none"> i) Styles v New York Life Insurance Co. (2 TC 460) ii) Municipal Mutual Insurance Ltd v Hills (16 TC 430) iii) National Association Of Local Government Officers v Watkins (18 TC 506) iv) English and Scottish Joint Co-operative Wholesale Society v Assam Agriculture Income Tax Commissioner [(1948) AC 405] v) Glasgow Corporation Water Commissioners v Miller (2 TC 131) vi) Carlisle and Silloth Golf Club v Smith (6 TC 48) vii) Ayshire Employees Mutual Insurance Association Ltd v CIR [HL (1946) 27 TC 33] <p><u>Illegal Activities</u></p> <ul style="list-style-type: none"> i) Mann v Nash (16 TC 523) ii) Hayes v Duggan [SC (I) 1928] iii) Southern v A.B. [(1933) 18 TC 59] iv) Lindsay, Woodward & Hiscox v CIR (18 TC 43)
<p>(D)</p> <p>Partnerships & Trusts</p> <ul style="list-style-type: none"> 1. Characteristics of partnerships 2. Types of partners 3. Existence of partnerships 4. Tax aspects 	<p><u>Partnership & Trusts</u></p> <ul style="list-style-type: none"> i) K.A Abdul Gaffar v R.E. Mohd Kassim [(1931-1932) FMS Law Rep19] ii) SK v Ketua Pengarah (1996) MSTC 2670 (Sp Comm) iii) John Gardner and Bowring Hardy & Co Ltd v CIR (15 TC 602) iv) Dickenson v Gross (11 TC 614) v) C.I.R v Williamson (14 TC 335) vi) Fenston v Johnstone (23 TC 29) vii) Comptroller of Income Tax v GB Roche [(1951 MLJ 87] viii) Re A (1953) FB XII

<p>(E)</p> <p>Capital and Revenue Expenditure</p> <p>1. The Capital/Revenue distinction</p> <p>2. Deductible expenses (general rule and specific provisions)</p> <p>3. Disallowed expenses</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> <p>x) Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd v Ketua Pengarah HDN</p> <p>xi) The Law Shipping Co Ltd v CIR</p> <p>xii) Odeon Associated Theatres Ltd v Jones</p> <p>xiii) Lurcott v Wakely and Wheeler</p> <p>xiv) Bulcroft Main Collieries Ltd v O'Grady Samuel Jones & Co v CIR</p> <p>xv) The North Borneo Timber Bhd v Ketua Pengarah Hasil Dalam Negeri</p> <p>xvi) Reynolds & Gibson v Crompton</p> <p>xvii) Reid's Brewery Co Ltd v Male</p> <p>xviii) English Crown Spelter Co Ltd v Baker</p> <p>xix) Charles Marsden & Sons Ltd v CIR</p> <p>xx) Allen v Farquharson Brothers & Co</p> <p>xxi) CIR v Alexander von Glehn</p> <p>xxii) CIR v EC Warnes & Co Ltd</p> <p>xxiii) Curtis v J & C Oldfield Ltd</p> <p><u>Disallowed expenses</u></p> <p>i) Mallalieu v Drummond</p> <p>ii) Piramid Intan Sdn Bhd v Ketua Pengarah HDN</p> <p>iii) UDI Sdn Bhd v DGIR</p> <p>iv) NV Alliance Sdn Bhd v Ketua Pengarah HDN</p> <p>v) Ketua Pengarah HDN v Eli Lili (M) Sdn Bhd</p> <p>vi) Ampat Tin Dredging Ltd v DGIR</p> <p>vii) Sharikat KM Bhd v DGIR</p> <p>viii) FCD Sdn Bhd v Ketua Pengarah HDN</p> <p>ix) Fenrite Sdn Bhd v Ketua Pengarah HDN</p>
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<p>(F)</p> <p>Deductions for Capital Expenditure</p> <p>1. Capital Allowances and Charges:</p> <p>i) Definition of qualifying capital expenditure on plant and machinery</p> <p>ii) Determination of Initial allowance, Annual allowance, Balancing Allowance and Balancing Charges</p> <p>iii) Special cases</p> <p>2. Controlled sales:</p> <p>3. Industrial Building Allowances (IBA):</p> <p>i) Definition of industrial building</p> <p>ii) Determination of Initial Allowance, Annual Allowance, Balancing Allowance and Balancing Charge</p> <p>4. Reinvestment Allowance</p>	<p><u>Capital allowances and charges</u></p> <p>i) Yarmouth v France</p> <p>ii) Daphne v Shaw</p> <p>iii) Dixon v Fitch Garage</p> <p>iv) Thomas v Reynolds</p> <p>v) Leeds v Permanent Building Society v Proctor</p> <p>vi) Cooke v Beach Station Caravan Ltd</p> <p>vii) MSDC Sdn Bhd v Ketua Pengarah HDN</p> <p>viii) Benson v Yard Arm club Sdn Bhd</p> <p>ix) Jerrold v John Good & Sons Ltd</p> <p>x) J Lyons & Co Ltd v Attorney General</p> <p>xi) CIR v Scottish & Newcastle Breweries Ltd</p> <p>xii) Ketua Pengarah HDN v Tropiland Sdn Bhd</p> <p>xiii) Ketua Pengarah HDN v OKA Concrete Industries Sdn Bhd</p> <p>xiv) DGIR v Teo Tuan Kwee</p> <p><u>Controlled sales</u></p> <p>i) SEOD Co S. A v Ketua Pengarah Hasil Dalam Negeri</p> <p><u>Industrial building allowance</u></p> <p>i) DGIR v C company of Malaysia Bhd</p> <p>ii) SMT Sdn Bhd v DGIR</p> <p>iii) Vibroplant Ltd v Holland</p> <p>iv) Bourne v Norwich Crematorium Ltd</p> <p>v) Kilmarnock Equitable Co-operative Society Ltd v CIR</p> <p>vi) CIR v Lambhill Ironworks Ltd</p> <p>vii) Abbot Laboratories Ltd v Carmody</p> <p><u>Reinvestment allowance</u></p> <p>i) Success Electronics and Transformer Manufacturer Sdn Bhd (2012) 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>1. Residence status and its significance</p> <p>2. Transfer pricing</p> <p>3. Anti-avoidance</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>provisions</p>	<ul style="list-style-type: none"> ix) Koitaki Para Rubber Estates v CIT (2 AITR 136). x) Bullock v The Unit Construction Co Ltd (38 TC 712). xi) Stanley v The Gramophone and typewriter Ltd (5 TC 358).\ xii) American Thread Co. V Joyce (6 TC 1). xiii) Todd v Egyptian Delta land & Investment Co. Ltd (14 TC 119). <p><u>Transfer pricing</u></p> <ul style="list-style-type: none"> i) Philips Software Centre (P) Ltd v ACIT [(2008) 26 SOT 226 (Bang)]. ii) UCB India Private Ltd v ACIT (2009)[TS-8-ITAT-2009(Mum)TP iii) DSG Retail Ltd v HMRC [2010] UKFTT 12 (TC). iv) Sony India v DCIT [2008] 114 ITD 448 (Delhi). v) E-Gain Communication v ITO [2008] 23 SOT 385 (Pune). vi) MM Sdn Bhd v KPHDN (2013) MSTC 10-046 <p><u>Anti-Avoidance</u></p> <ul style="list-style-type: none"> i) CIT v A.B. Estate [1967] 1 M.L.J. 89. ii) C.E.C. v CIT [1971] 2 M.L.J. 43. iii) Lahat Datu Timber Sdn Bhd v DGIR [(1981) 2 M.L.J. 97]. iv) Sabah Berjaya Sdn Bhd v KPHDN [(2000) MSTC 3771]. v) CIR v Challenge Corporation Ltd [(1986) STC 548]. vi) SBP Sdn Bhd v DGIR [(1988) 1 MSTC 243]. vii) YEHHSB v KPHDN [(2010) MSTC 10-007]. viii) Port Dickson Power Bhd v KPHDN [(2010) MSTC 30-045]. ix) SPS v KPHDN [(2011) MSTC 10-030]. x) Penny and Hooper v CIR [(2011) NZSC 95]. xi) AQQ v The Controller of Income Tax [(2011) SGITBR 1). xii) IRC v Duke of Westminster [1936] AC 1. xiii) DGIR v Hup Cheong Tomber Sdn Bhd [(1985) 2 M.L.J.]. xiv) Syarikat Ibraco-Peremba Sdn Bhd v KPHDN (2014) MSTC 30-084. xv) Ensco Gerudi Sdnbhd v KPHDN (2016) MSTC 30-131 xvi) KPHDN v Bee Garden Sdn Bhd (2014) MSTC 30-077 xvii) Bandar Utama City Corporation Sdn Bhd v. DGIR (1999) MSTC 3725
<p>(H)</p> <p>Dividends, Interest, Royalties, Annuities, Rents, Premiums, Discounts, Periodical Gains and Other Gains or Profits</p> <ul style="list-style-type: none"> 1. Basis of assessment 2. Derivation 3. Gross income 4. Adjusted income 5. Exemptions 	<p><u>Dividend</u></p> <ul style="list-style-type: none"> i) IRC v Trustees of Joseph Reid (Deceased) (30 TC 431). ii) Rae v Lazard Investments Co Ltd (41 TC 1). iii) IRC v Blott (8 TC 101). iv) Hill v Permanent Trustee Company of New South Wales [(1930) AC 720]. v) Pool v The Guardian Investment Trust Co Ltd (8 TC 167). vi) CIR v Burrel (9 TC 27). vii) CIR v Greenwood (8 TC 101). viii) TPT v DGIR [(1988) 1 MSTC 2058]. <p><u>Interest</u></p> <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).

	<ul style="list-style-type: none"> 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]. <p><u>Royalty</u></p> <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). <p><u>Annuities</u></p> <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). <p><u>Rent & Premium</u></p> <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]. <p><u>Discount</u></p> <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).
<p>(I)</p> <p>Real Property Gains Tax</p> <ul style="list-style-type: none"> 1. Principles and scope of chargeability 2. Chargeable assets and persons 3. Exemptions 4. Computation of chargeable gains and allowable losses 5. Treatment of gifts 6. Real property companies 7. Tax rates 8. Returns and assessments 	<p><u>Real Property Gains Tax</u></p> <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 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

9. Payments and recovery of tax	
<p>(J)</p> <p>Double Taxation Agreements</p> <ol style="list-style-type: none"> 1. Interaction between domestic law and DTA 2. Business Article 3. Determination and definition of permanent establishment 4. Technical Fees or Fees for Technical Services article 5. Relief for withholding tax 6. Royalty article 	<p><u>Double Taxation Agreements</u></p> <ol 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
<p>(K)</p> <p>Returns, assessment and appeals</p> <ol style="list-style-type: none"> 1. Tax returns <ol style="list-style-type: none"> i) Statutory duty of taxpayer; obligation to failure to submit tax returns 2. Assessments <ol style="list-style-type: none"> i) Time bar assessments, service of notice 3. Appeals <ol style="list-style-type: none"> i) Special commissioners of Income Tax ii) Relief for error or mistakes 	<p><u>Statutory duty of taxpayer</u></p> <ol 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] <p><u>Failure to submit tax return</u></p> <ol 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 Oh Teng Kim (f) [(1975) 3 MTJ 61] iv) Public Prosecutor v Mohd Isa bin Din v) Choon Shin Cheong v. Public Prosecutor (1995) 2 MSTC 3,446 <p><u>Time barred assessments</u></p> <ol 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]

	<p><u>Service of notice</u></p> <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 v) Kerajaan Malaysia v Syarikat Muliajaya Sdn Bhd (2010) MSTC 30-017 vi) Kerajaan Malaysia v Saratoga Sdn Bhd (2008) MSTC 4,343 <p><u>Special commissioners of Income Tax</u></p> <ul style="list-style-type: none"> i) Malayan United Industries Berhad v Ketua Pengarah Hasil Dalam Negeri & Kerajaan Malaysia (2005) MSTC 4,192 ii) Ketua Pengarah Jabatan Hasil Dalam Negeri v Rheem (Far East) Pte Ltd 1998 2 CLJ supp 351 iii) Comptroller of Income Tax v BC Co Ltd [1966] 1 MLJ 287 iv) Ngee Tai Shipping Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2008) MSTC 4,308 v) Ketua Pengarah Jabatan Hasil Dalam Negeri v Dr Arunjit Dutt (1995) 2 MSTC 3454 vi) Meton Properties Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (1998) MSTC 3691 vii) SL Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (2000) MSTC 3830 viii) Director General of inland Revenue v TCM (1988) 1 MSTC 3,006 ix) Lower Perak Co-operative Housing Society Bhd v Ketua Pengarah Hasil Dalam Negeri (1994) 2 MSTC 3,406 x) Edwards v Bairstow and Harrison [1956] AC 14 xi) Chua Lip Kong v Director-General of Inland Revenue [1982] 1 CLJ 398 xii) LFY Sdn Bhd v Comptroller General of Inland Revenue (1988) 1 MSTC 3059 xiii) Norman v Golder 26 TC 293 <p><u>Relief for error or mistake</u></p> <ul style="list-style-type: none"> i) J Sdn Bhd v Ketua Pengarah Hasil Dalam Negeri (1999) MSTC 3037 ii) AQP v Comptroller of Income Tax (2011) MSTC 70-011
<p>(L)</p> <p>Collection and recovery</p> <ul style="list-style-type: none"> 1. Liability to pay 2. Tax installments 3. Recovery of unpaid tax 4. Prevention from leaving Malaysia 5. Withholding tax 	<p><u>Liability to pay</u></p> <ul style="list-style-type: none"> i) Government of Malaysia v TCS (1989) 1 MSTC 3,089 ii) AP v Government of Malaysia (1950-1985) MSTC 224 iii) Lim Tian Huat v KPHDN [(2003) MSTC 3998] <p><u>Recovery of unpaid tax</u></p> <ul style="list-style-type: none"> i) SMT Co Ltd v Government of Malaysia (1950-1985) MSTC 136 ii) Kerajaan Malaysia v Abdul Rahim Mohd Aki (1995) 2 MSTC 3,437 iii) Government of Malaysia v Dato' Mahindar Singh (1996) MSTC 3,515 iv) Connaught Housing Development Sdn Bhd v Kerajaan Malaysia [2003] 8 CLJ 144 v) Kerajaan Malaysia v Sun City Development Sdn Bhd (2007) MSTC 4,269 vi) Kerajaan Malaysia v Kemayan Bina Sdn Bhd (2008) MSTC 4,334

- vii) Integrated Credit & Leasing Sdn Bhd v Kerajaan Malaysia (2009) MSTC 4,371
 - viii) The Government of Malaysia v Kamawang Enterprise Sdn Bhd (2009) MSTC 4,455
 - ix) Kerajaan Malaysia v Promet (Langkawi) Resort Sdn Bhd & Anor (2012) MSTC 30-051
 - x) Kerajaan Malaysia v United Axis Sdn Bhd (2009) MSTC 4,425
- Prevention from leaving malaysia
- i) TCY v The Government of Malaysia & Ors (1994) 2 MSTC 3,373
 - ii) Lim Moon Heng @ Lim Boon Siang v The Government of Malaysia & Anor (2002) MSTC 3957
 - 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
- Withholding Tax
- 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; Ketua Pengarah Hasil Dalam Negeri v Teraju Sinar Sdn Bhd (2014) MSTC 30-080
 - ix) Lembaga Hasil Dalam Negeri v Alam Maritim (M) Sdn Bhd (2012) MSTC 30-049
 - x) Ketua Pengarah Hasil Dalam Negeri v Alcatel Lucent Malaysia Sdn Bhd (2015) MSTC 31-101
 - xi) Ketua Pengarah Hasil Dalam Negeri v Damco Logistic Malaysia Sdn Bhd (2013)
 - xii) Ketua Pengarah Hasil dalam Negeri v Thomson Reuters Global Resources (2016) MSTC 30-124
 - xiii) EPM Inc v Ketua Pengarah HDN (2001) MSTC 3,306
 - xiv) Erria shipping v Carra Timber Transport Sdn Bhd [(1989) 1 MSTC 3075
 - xv) AIACL v KPHDN [(2002) MSTC 3438]

FINAL LEVEL ADVANCE TAXATION 2

OBJECTIVE:

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

CONTENTS:

Questions may involve more than one type of tax and the paper as a whole will contain questions requiring knowledge of all of the areas and taxes covered in Personal Taxation, Business Taxation, Advance Taxation 1 and Revenue Law and knowledge of other aspects of law, accountancy, reports, letters or computations that a tax practitioner may encounter.

(A) Double Deduction and Income Tax Incentives:

1. Double deduction for promotion of export
2. Double deduction for research expenditure
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

1. Criteria in approving tax incentives for ASP
2. Income tax exemption
3. Investment allowance
4. Tax planning- profit exemption or investment allowance
5. Industrial building allowance
6. Duty exemption on machinery and materials
7. Double deduction on promotion of export services
8. Double deduction for R & D
9. Double deduction on training
10. 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 SMEs
6. Withholding tax exemptions
7. Non-financial incentives
8. Administration

(D) Principle Hub

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

- (E) Tax Incentive on Commercialization of Research and Development Findings**
 - 1. Application
 - 2. Tax administration

- (F) 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

- (G) 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)

- (H) 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
 - 10. Thin capitalization issues

- (I) Taxation for Company Reorganization, Reconstruction and Amalgamation**
 - 1. Stamp duty and RPGT relief /exemption

- (J) Group Relief Companies**

- (K) Tax avoidance and evasion**
 - 1. Malaysian case laws: principles

- (L) Transfer pricing**
 - 1. Tax authorities' practice
 - 2. Method employed

- (M) Stamp Duty**
 - 1. Legislation
 - 2. Types of stamp duty
 - 3. Instrument chargeable with duty
 - 4. Stamp duty on transfer shares

(N) 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

(O) Goods and Service Tax (GST)

1. Introduction, mechanism and type of GST supplies
 - i) The imposition of GST Mechanism
 - a. Output tax
 - b. Input tax
 - c. Input tax credit(ITC)
 - ii) Types of supply
 - a. Standard rate
 - b. Zero rate
 - c. Exempt Supply
2. Elements of the scope of GST
 - i) Supply of goods and service
 - a. Meaning of supply
 - b. Determination of goods and services
 - c. Importation and reverse charge
 - ii) Business
 - a. Business test
 - iii) Taxable person
 - a. Meaning of persons
 - b. Determination of taxable persons
 - iv) Consideration and value
 - v) Time and place of supply
 - vi) Deemed Supply
3. Responsibilities of registered persons
 - i) Issuance of tax invoice
 - ii) Submission of returns
 - iii) Payment of tax
 - iv) Keeping of records
4. Registration
5. Tax Invoices
 - i) Debit Note & Credit Note
 - ii) Record Keeping
 - iii) Accounting Basis
 - iv) Taxable period
6. Acknowledgment and payment by non-taxable persons
 - i) Power to assess
 - ii) Anti-Avoidance Rules
 - iii) Offences and Penalties
 - iv) Types of Audits and GST Appeal Tribunal and Other Appeal Procedures
7. Input Tax Credit
 - i) Input Tax Credit
 - ii) Mechanisms to claim input tax
 - iii) Allowable input tax
 - iv) Criteria for claim
 - v) Blocked input tax
 - vi) Incidental exempt supply
 - vii) Input tax refunds
 - viii) Repayment of Input Tax

- ix) Input tax claim in certain circumstances
 - a. Pre-incorporation
 - b. Pre-registration
 - c. Late registration
 - d. De-registration
 - e. Post registration
- x) Input tax on Special Schemes
 - a. Transfer of going concern
 - b. Joint venture
- xi) Input tax on relating to own use
- xii) Input tax relating to change of use
- 8. Special Schemes
 - i) Approved Traders Scheme
 - ii) Approved Toll Manufacturer Scheme
 - iii) Approved Jeweler Scheme
 - iv) Relief on Second Hands Goods (margin scheme)
 - v) Warehousing scheme
 - vi) Tourist Refund Scheme(TRS)
 - vii) Flat Rate Scheme
- 9. Adjustment for credit note, debit note and bad debt relief
- 10. Partial exemption
- 11. Capital Goods Adjustment

(P) Tax Mitigation

(Q) Double Taxation Agreements (DTA)

1. Resident vs Source state taxation
2. Permanent establishment and business article Fees for technical services/Technical services
3. Royalty and Interest articles
4. Other Income article
5. Public Ruling 11/2011

(R) 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 for Proprietary Rights
5. Acquisition for Foreign-Owned Companies
6. Incentives for Wellness Zones
7. Venture Capital
8. Single & Double Deductions

(S) 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

READING GUIDE - ADVANCE TAXATION 2

1. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation.** (Latest edition)
2. Jeyapalan Kasipillai. **A Guide to Advanced Malaysian Taxation.** (Latest edition)
3. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice.** (Latest edition)
4. Choong Kwai Fatt. **Advanced Malaysian Taxation Principles & Practice.** (Latest edition)
5. Veerinderjeet Singh. **Veerinder on Taxation.** (Latest edition)
6. Richard Thornton. **Thornton's Malaysian Tax Commentaries.** (Latest edition)
7. Alan Yeo. **Malaysian Taxation.** (Latest edition)
8. Alan Yeo. **Advanced Malaysian Taxation.** (Latest edition)
9. CCH Tax Editors. **Malaysian Master Tax Guide.** (Latest edition)
10. **Income Tax Act 1967** (Latest Reprint)
11. **Public Rulings and Operational Guidelines.** (Latest Reprint)
12. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
13. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA
14. Guides issued by the Government on GST (Latest Reprint)

APPENDIX 1

LIST OF QUALIFICATIONS EQUIVALENT TO STPM

1. **Matriculation** Courses conducted by Universiti Kebangsaan Malaysia;
2. **Science Course** conducted by Pusat Asasi Sains, Universiti Malaya and
3. **Economics Matriculation** course conducted by Universiti Islam Antarabangsa or similar courses conducted by other Malaysian Institutions of Higher Learning.
4. **Singapore and United Kingdom General Certificate of Examination,**
5. **Advanced Level** (including Associated Examination Board (AEB) Examination), with results obtained in the same examination sitting.

The following examinations are also deemed equivalent to the STPM requirement provided the results obtained satisfy the admission requirement to a degree course offered by the recognised university in that country:

1. Australian or New Zealand High School Leaving Certificate Examination
2. (ii) South Australian Matriculation Examination
3. (iii) Canadian Grade 13 Program
4. Diploma in Banking & Finance from Institute of Bankers
5. Certificate of Business Studies from Polytechnic Ungku Omar or other Malaysian Polytechnics offering similar courses.
6. Diploma in Accounting from Malaysian Association of Productivity
7. Certificate in bookkeeping and Certificate in Data Processing from Polytechnic Sultan Haji Ahmad Shah or other Malaysian Polytechnics offering similar courses.
8. Certificate in Accounting with Business Computing from Kolej Tuanku Abdul Rahman
9. Certificate in Bookkeeping from Politeknik Kota Bharu or other Malaysian Polytechnics offering similar courses.
10. Diploma from Association of Business Executives
11. Licentiate/Associate/Fellow of Institute of Financial Accountants (UK) (only those who obtained membership through passing the IFA examination)
12. Third Level Group Diploma/Third Level Diploma in Business Studies/ Third Level Diploma in Managerial Principles from London Chamber of Commerce and Industry.
13. Unified Examinations Certificate from Chinese Independent Schools

Note:

- Applicants with any of the above qualifications must also satisfy the SPM requirements.
- The above list is not exhaustive.

APPENDIX 2

LIST OF OTHER ENTRY LEVEL QUALIFICATIONS

- A non-relevant degree from local universities
- A degree from the National University of Singapore
- Bachelor of Accountancy from Nanyang Technological University, Singapore
- Diplomas from Universiti Teknologi MARA :
 - i. Advanced Diploma in Law
 - ii. Diploma in Accountancy
 - iii. Diploma in Business Studies
 - iv. Diploma in Banking Studies
 - v. Diploma in Investment Analysis
 - vi. Advanced Diploma in Business Administration
 - vii. Advanced Diploma in Insurance
 - viii. Diploma in Public Administration
 - ix. Diploma in Law
- Diploma in Accountancy from Politeknik Kuching/Politeknik Ungku Omar/ Politeknik Sultan Haji Ahmad Shah (POLISAS) or similar Malaysian Politechnics offering similar courses
- Graduate or associate member of the Institute of Chartered Secretaries and Administrators
- Associate member of the Association of International Accountants (UK) (only those who obtained membership through passing the examination)
- Associate of the Institute of Bankers London
- A degree from overseas universities recognised by the Council
- Member of the Institute of Cooperative Auditors (ICA) (only those who obtained membership through passing the ICA examination)
- Advanced Diploma from Association of Business Executives Applicants must also satisfy the MCE/SPM requirements)
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of US State Boards of Accountancy
- Accounting Diploma from Tuanku Abdul Rahman College

APPENDIX 3

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

APPENDIX 4

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)