

ICSA International Qualifying Scheme (IQS): Professional Part 1

TAXATION

SYLLABUS

AIM

To impart a thorough knowledge of the current law relating to taxation and its practical application to companies, partnerships, trust, estate settlement, body of persons and individuals.

LEARNING OUTCOME

After completing the Malaysian taxation module, the candidates should be able to:

- determine the resident status of individuals, be able to ascertain their eligibility for personal reliefs and rebates and compute their income tax liability;
- understand the specific tax provisions related to businesses enacted in the Income Tax Act 1967, Real Property Gains Act 1976, Promotion of Investment Act, 1986 Stamp Act 1949 as well as Goods and Service Tax Act 2014;
- compute the tax liability of companies;
- explain the tax incentives that are available to specialized industries and compute their tax liability; and understand the tax and non-tax incentives that are available to Labuan International Offshore Financial Centre.

LEARNING CONTENTS

SECTION A: INCOME TAX - INCOME TAX ACT 1967

Tax Administration In Malaysia

- Taxation as a source of Government revenue
- Understanding of the self assessment tax system in Malaysia

Scope Of Taxation

- Scope of charge
- Chargeable persons
- Resident status
- Basis period and change of accounting date
- Capital and revenue receipts/expenses
- Badges of trade
- Classes of income
- Exempt Income

Taxation Of Individual

- Residence Status
- Ascertainment of gross income, adjusted income, statutory income, aggregate income, total income and chargeable income.
- Personal reliefs and rebates
- Separate taxation and combined assessment

Taxation Of Business/partnership

- Definition
- Commencement and cessation of business
- Computation of divisible income/loss and capital allowance
- Deductibility of expenses

Taxation Of Company Under Self-assessment

- Computation of chargeable income/repayment
- Treatment of losses
- Allowances pertaining to Schedules 2-4 and controlled sales provisions
- Single tier system

Taxation Of Other Sources Of Income

- Dividend
- Interest
- Discount
- Rent
- Royalties
- Premium
- Pension
- Annuities
- Other gains or profits
- Special classes of income

Tax Compliance, Appeals, Collections & Penalties

- Submission of returns
- Assessment and appeals
- Collections, recovery and refund of tax
- Offences and penalties
- Public rulings

Taxation Of Non-resident And Double Tax Relief

- Principles of avoidance of double taxation
- Double Taxation Agreements
- Unilateral tax relief
- Withholding tax provisions

Tax Planning, Anti-avoidance And Investigation

- Tax planning for individuals and companies
- Anti-avoidance provisions
- Events that trigger investigation
- Capital statement and ascertainment of income understated and/or omitted
- Tax audit

SECTION B: CAPITAL GAINS TAX - REAL PROPERTY GAINS TAX ACT 1976

Real Property Gains Tax

- Principles and scope of charge
- Chargeable assets and persons

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- No gain no loss transactions and exemptions
- Computation of chargeable gains and treatment of losses
- Tax rate
- Returns and assessment
- Payment and recovery of tax
- Real property companies
- Transfer of assets within group of companies

SECTION C: TAX INCENTIVES - PROMOTION OF INVESTMENTS ACT 1986 - INCOME TAX ACT 1967

Tax Incentives

- Promotion of Investments Act, 1986 (PIA)
 - Pioneer status
 - Investment tax allowance
 - Infrastructure allowance
 - Double deductions
- Income Tax Act, 1967 (ITA)
 - Reinvestment allowance
 - Approved service projects
 - Operational headquarters
 - Foreign fund management companies
 - Double deductions

Any other legislation which may be enacted pursuant to PIA and ITA.

SECTION D: LABUAN TAX HAVEN - LABUAN OFFSHORE BUSINESS ACTIVITY TAX ACT 1990

Labuan As An Offshore Financial Centre

- Principles and scope
- Administration
- Abatement of tax
- Computation of tax
- Tax concessions

SECTION E: INDIRECT TAXES - GOODS AND SERVICES ACT 2014 - STAMP ACT 1949

Indirect Taxation And Stamp Duty

Goods and Service Tax 2014

- Scope of charge
- Taxable persons
- Rate of tax
- Accounting, Assessment and Recovery
- Exemptions, drawbacks and refunds
- Returns
- Offences and penalties
- Appeals

SECTION F: SPECIALISED INDUSTRIES - INCOME TAX ACT 1967

Specialised Industries

- Sea and air transport undertakings
- Banking
- Insurance
- Trade associations
- Co-operatives societies/clubs
- Leasing
- Housing/developers and contractors
- Trust, estate and settlement
- Unit trusts
- Venture capital companies
- Investment holding companies

RECOMMENDED READING

1. MAICSA Study Manual - Taxation
2. Kasipillai, J. (2015). A Guide to Malaysian Taxation (3rd ed.). Shah Alam, Malaysia: McGraw-Hill Education
3. Veerinderjeet S, 2013, "Veerinder on Malaysian Tax Theory and Practice", CCH,
4. Chong Kwai Fatt, 2015, Malaysian Taxation (Principles & Practice), Infoworld, Kuala Lumpur
5. CCH Publisher: Malaysian Master Tax Guide 2014
6. Malaysia Master GST Guide 2015, CCH, 2nd edition
7. Kasipillai, J. 2015. A Guide to Malaysian Goods and Services Tax, Shah Alam, Malaysia: McGraw-Hill Education