

10.0 MALAYSIAN TAXATION I (3 HOURS)

AIM: *To examine the candidate's broad understanding of the principles of the Malaysia Tax System. This covers knowledge about the basic principles relating to taxation of income, computation of income tax liability for individuals and the rights and responsibilities of the taxpayers.*

Learning Outcomes:

Upon completion of this subject, the students should be able to:

- *Describe and explain the objective and principles of Taxation and the operations of the Malaysian Tax System;*
- *Prepare tax computations for individuals, employees, sole proprietorship, partnership and companies;*
- *Apply the taxation relief, rebates, capital allowance and exemptions in minimization of tax liabilities;*
- *Demonstrate a sound understanding of the submission of tax returns, assessment and appeals.*

SYLLABUS

10.1 Development of the Malaysian Income Tax Act 1967

Brief history and objective of taxation in Malaysia; attributes of a tax system; types of taxes; role of direct and indirect taxation; interpretation of statutes; administration of the Income Tax Act.

10.2 Basis of Income Tax System

The income tax structure: derived basis; remittance residence of individuals, companies and bodies of persons; importance of residence, self assessment.

10.3 Computation of Income

Gross adjusted, statutory and total incomes; personal relief and rebates: rate of taxation, capital allowances, deductions, etc.

10.4 Taxation of Employment Income

Basis period; profits and gains from employment; gift, perquisites; meaning of gain or profits from employment; annual value of accommodation provided by employers; expense allowances and benefits in kind; retirement benefits and compensation for loss office.

10.5 Taxation of Individuals and Partnerships

Computation of tax liability of individuals including repayment claims; computation of business profit including the basis of assessment; change in accounting date and treatment of losses; treatments of dividends, interests, rent and royalty income; meaning and existence of partnership, ascertainment of provisional adjusted income; allocation of divisible income, capital allowance and IBA and changes in partnership.

10.6 Submission, Assessment and Appeals

Submission of tax return, payment of tax instalments and revision of estimated income tax (including withholding taxes); tax recovery, offences and penalties; assessment and appeals.

RECOMMENDED READING LIST

- 1.0 Choong, K. F. (2018), *Malaysian Taxation: Principles and Practice*, (24th edition), Malaysia: Infoworld.
- 2.0 Sapiei, Noor Sharoja & Abdullah, Mazni (2015), *Veerinder on Malaysian Tax Theory and Practice*, Malaysia: CCH Asia Pte Ltd.
- 3.0 Singh, Veerinderjeet & Josef, Vincent (2016), *Malaysian Master Tax Guide 2016*, (33rd edition), Malaysia: CCH Asia Pte Ltd.
- 4.0 Thornton, R. (2017), *Thornton's Malaysian Tax Commentaries*, (7th edition), Wolters Kluwer/CCH.

STATUTE BOOKS

1. Malaysian Income Tax Act, 1967 – Malaysian Government