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TaXavvy

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Additional deduction from salaries for settlement of tax arrears

Income tax exemption for fund management services to a business trust or REIT managed in accordance with the Syariah principles

Goods and Services Tax



Additional deduction from salaries for settlement of tax arrears

The Inland Revenue Board has announced on 2 June 2014 that salaried taxpayers with taxes in arrears will be subjected to additional monthly deductions from their salary effective from July 2014 to December 2014. The instruction to deduct salary (CP38 Instruction) will be issued to employers on 16 June 2014.

Income tax exemption for fund management services to a business trust or REIT managed in accordance with the Syariah principles

The *Income Tax (Exemption) Order 2014*, gazetted on 4 June 2014, provides income tax exemption to a resident qualifying company in respect of its statutory income from a business of providing fund management services to a business trust or real estate investment trust (REIT) in Malaysia which is managed in accordance with the *Syariah* principles.

The qualifying company is a company incorporated under the Companies Act 1965 which holds a Capital Markets Services Licence under the Capital Markets and Services Act 2007. This incentive is effective for the years of assessment 2014 to 2016.

Goods and Services Tax (GST)

The Royal Malaysian Customs Department (RMCD) recently uploaded the amended draft GST Specific Guide on Registration. Amendments were made to the draft guide as a result of the change in respect of penalty charge for late registration. The penalty charge will now range from RM1,500 to RM20,000 as provided in the GST Bill 2014.

The RMCD has also uploaded the new GST Industry Guide on Legal Practitioners and amended the GST Industry Guide on Investment Banking.

Let's talk

Our offices	Name	Email	Telephone
Kuala Lumpur	Jagdev Singh	jagdev.singh@my.pwc.com	+60(3) 2173 1469
Penang / Ipoh	Tony Chua	tony.chua@my.pwc.com	+60(4) 238 9118
Johor Bahru	Benedict Francis	benedict.francis@my.pwc.com	+60(7) 222 4448
Melaka	Teh Wee Hong Au Yong	wee.hong.teh@my.pwc.com paik.hup.au@my.pwc.com	+60(3) 2173 1595 +60(6) 282 6169
Labuan	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828

Our services	Name	Email	Telephone
Corporate Tax Compliance & Planning			
▪ Consumer & Industrial Product Services	Theresa Lim	theresa.lim@my.pwc.com	+60(3) 2173 1583
	Margaret Lee	margaret.lee.seet.cheng@my.pwc.com	+60(3) 2173 1501
▪ Emerging Markets	Fung Mei Lin	mei.lin.fung@my.pwc.com	+60(3) 2173 1505
▪ Energy, Utilities & Mining	Lavindran Sandragasu	lavindran.sandragasu@my.pwc.com	+60(3) 2173 1494
▪ Financial Services	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828
▪ Technology, InfoComm & Entertainment	Khoo Chuan Keat	chuan.keat.khoo@my.pwc.com	+60(3) 2173 1368
GST / Indirect Tax	Wan Heng Choon	heng.choon.wan@my.pwc.com	+60(3) 2173 1488
International Tax Services / Mergers and Acquisition	Frances Po	frances.po@my.pwc.com	+60(3) 2173 1618
Transfer Pricing, Tax Audits & Investigations	SM Thanneermalai	thanneermalai.somasundaram@my.pwc.com	+60(3) 2173 1582
International Assignment Services	Sakaya Johns Rani	sakaya.johns.rani@my.pwc.com	+60(3) 2173 1553
Corporate Services	Lee Shuk Yee	shuk.yee.lee@my.pwc.com	+60(3) 2173 1626
Japanese Business Consulting	Junichi Fujii	junichi.fujii@my.pwc.com	+60(3) 2173 1480
Worldtrade Management Services	Huang Shi Yang	shi.yang.huang@my.pwc.com	+60(3) 2173 1657

pwc.com/my

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