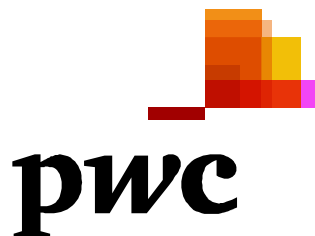


30 December 2014 | Issue 21-2014

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Price Control and Anti-Profiteering (Mechanism to Determine Unreasonably High Profit) (Net Profit Margin) Regulations 2014



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Price Control and Anti-Profiteering (Mechanism to Determine Unreasonably High Profit) (Net Profit Margin) Regulations 2014

The Price Control and Anti-Profiteering Act 2011 (“the Act”) makes it an offence for any person who, in the course of trade or business, profiteers in selling or offering to sell or supplying or offering to supply any goods or services. Profiteer is defined in the Act to mean making profit unreasonably high.

The regulations on the mechanism to determine unreasonably high profit have just been gazetted. Please refer to the official portal of the Attorney-General’s Chambers (<http://www.federalgazette.agc.gov.my>) for the Price Control and Anti-Profiteering (Mechanism to Determine Unreasonably High Profit) (Net Profit Margin) Regulations 2014 [P.U.(A) 347/2014].

The regulations prescribe that profit is unreasonably high for the period from 2 January 2015 to 30 June 2016 if there is an increment in the net profit (in Ringgit Malaysia) of any goods or services as compare to the net profit of the same description of goods or services as at 1 January 2015. However, the profit will not be regarded as unreasonably high during the above period if the increment in net profit is due to the reduction of costs and there is no increase in the selling price of the goods or services.

The regulations provide detailed formulae on how the net profit for the periods from 2 January 2015 to 31 March 2015 and from 1 April 2015 to 30 June 2016 is to be calculated for taxable person and non-taxable person.

The regulations also provide details on how the net profit on 1 January 2015 should be calculated if the goods or services are:

- on cheap sale / promotion; or
- new (i.e. not previously available in the market).

Let's talk

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