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Finance Act 2017

The Finance Act 2017 [Act 785] has been published in the Gazette on 16 January 2017. It comes into operation on 17 January 2017.

In this respect, the provisions in relation to the new definitions of royalty and public entertainer, and the widening of the scope of withholding tax becomes effective from 17 January 2017. Details on these provisions have been covered in our [TaXavvy Budget 2017 Edition \(Part II\)](#) which is available on our website www.pwc.com.my

There are no material changes to the provisions in the Finance Act 2017 compared to the Finance Bill 2016 except for the following:

Subject matter under original Finance Bill 2016	Amendment to Finance Bill 2016
<p>Tax exemption of interest income of unit trusts under Paragraph 35A of Schedule 6 of the Income Tax Act 1967 (ITA)</p> <p>[Amendment to Paragraph 35A of Schedule 6 of the ITA]</p>	<p>Proviso to the proposed amendment to Paragraph 35A has been amended to clarify that: in the case of a wholesale money market fund, the exemption is only applicable if that fund complies with the criteria set out in the relevant guidelines of the Securities Commission.</p>
<p>Personal income tax relief for purchase of breastfeeding equipment</p> <p>[New Section 46(1)(q) of the ITA]</p>	<p>Proviso to the proposed new Section 46(1)(q) is amended to clarify that the maximum relief of RM1,000 applies irrespective of the number of child.</p>
<p>Personal income tax relief for payment of childcare fees to child care centre or kindergarten</p> <p>[New Section 46(1)(r) of the ITA]</p>	<p>Proviso to the proposed new Section 46(1)(r) is amended to clarify that:</p> <ol style="list-style-type: none"> 1. the maximum relief of RM1,000 applies irrespective of the number of child, and 2. the deduction is allowed to either the wife or husband where the couple is assessed separately.

Let's talk

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