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# Taxavvy

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Exemptions for conversion  
to limited liability  
partnership

Certification Bodies under  
Section 34(6)(ma)



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## ***Exemptions for conversion to limited liability partnership***

The *Real Property Gains Tax (Exemption) Order 2014* and *Stamp Duty (Exemption) (No.2) Order 2014* were gazetted on 11 August 2014 to provide exemptions on the conversion of a conventional partnership or a private company to a limited liability partnership (“LLP”). The salient points of the exemptions are as follows:

	<b>Real Property Gains Tax (RPGT)</b>	<b>Stamp Duty</b>
Exemption	RPGT exemption on chargeable gains accruing on the conveyance of chargeable assets in relation to the conversion.	Stamp duty exemption on all instruments of transfer of land, businesses, assets and shares in relation to the conversion.
Conditions	<ul style="list-style-type: none"> <li>The conversion to an LLP must be registered on or after 1 January 2013 to 31 December 2017.</li> <li>A confirmation is required from the Companies Commission of Malaysia to affirm that at the date of registration of the LLP, the partners of the LLP are the same partners / shareholders of the conventional partnership or private company prior to conversion.</li> </ul> <p>A list of assets to be transferred has to be provided.</p>	<p>A list of land, businesses, assets and shares to be transferred has to be provided.</p> <p>The instruments of transfer must be executed within 12 months from date of registration of conversion.</p>
Effective date	Both gazette orders come into operation on 1 January 2013	

## ***Certification Bodies under Section 34(6)(ma)***

The Inland Revenue Board (“IRB”) has recently issued an updated list of Certification Bodies under Section 34(6)(ma) of the Income Tax Act 1967.

Section 34(6)(ma) allows a double deduction for revenue expenditure incurred for obtaining certification for recognised quality systems and standards, and halal certification as evidenced by a certificate issued by a Certification Body determined by the relevant authorities.

The latest list issued includes new Certification Bodies as well as extended validity dates for some of the existing Certification Bodies. The list can be obtained from the IRB’s website [www.hasil.gov.my](http://www.hasil.gov.my) (Laws and Regulations > Technical Guidelines).

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