



Tax Espresso A Snappy Delight

Greetings from Deloitte Malaysia Tax Services

Malaysia and China sign Exchange of Notes to DTA

On 1 November 2016, Malaysia and China signed an [Exchange of Notes](#) to the Malaysia-China Double Taxation Avoidance Agreement (DTA). This Exchange of Notes which comes into force and takes effect on 1 November 2016 lists out the institutions wholly owned by the respective Governments under Subparagraphs 5(a)(iv) and 5(b)(iii) of Article 11 (Interest) of the DTA which are eligible for tax exemption

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[Deloitte Malaysia](#)
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Takeaways:

Malaysia and China sign
Exchange of Notes to
DTA

Further clarification on
e-Filing of Form CP204
for tax estimate of less
than 85%

Gazette Orders

Income Tax (Deduction
For Investment In A
Bionexus Status
Company) Rules 2016
[P.U.(A) 306/2016]

Income Tax
(Exemption) (No.11)
Order 2016 [P.U.(A)
345/2016] and Income
Tax (Exemption)
(No.12) Order 2016
[P.U.(A) 346/2016]

under Paragraph 4 of Article 11
(Interest) of the DTA.

The institutions are :

In Malaysia,

- Export-Import Bank of Malaysia (Export-Import Bank Malaysia Berhad);
- National Trust Fund (Kumpulan Wang Amanah Negara);
- Retirement Fund (Kumpulan Wang Persaraan);
- Agricultural Bank of Malaysia (Agro Bank Malaysia Berhad);
- Small Medium Enterprise Bank of Malaysia (SME Bank Malaysia Berhad);
- Malaysia Development Bank (Bank Pembangunan Malaysia Berhad); and
- Khazanah Nasional Berhad.

In China,

- the China Development Bank Corporation;
- the Agricultural Development Bank of China;
- the Export-Import Bank of China;
- the National Council for Social Security Fund;
- the China Export & Credit Insurance Corporation;
- the China Investment Corporation; and
- the Silk Road Fund Co., Ltd.

Income Tax (Deduction For Expenditure On Issuance Of Retail Debenture And Retail Sukuk) Rules 2016 [P.U.(A) 347/2016]

Upcoming events

[Transfer Pricing: CbCR & New Reporting Requirements](#)

[Transfer Pricing: Audit Trends & New Reporting Requirements](#)

Important deadlines:

Due date for 2017 tax estimates for companies with March year-end (1 March 2017)

6th month revision of tax estimates for companies with August year-end (28 February 2017)

9th month revision of tax estimates for companies with May year-end (28 February 2017)

Statutory filing of 2016 tax returns for companies with July year-end (28 February 2017)

Further clarification on e-Filing of Form CP204 for tax estimate of less than 85%

The Compliance & Operations Working Group (COWG) of CTIM has obtained further clarification from the Inland Revenue Board (IRB) via [IRB's email dated 13 January 2017](#) on the e-Filing of the Form CP204 **effective from YA 2018** for a tax estimate of less than 85% of the tax estimate / revised tax estimate for the immediate preceding year of assessment, as stated below:

1. A company will have to submit a tax estimate of at least 85% by way of e-Filing and at the same time submit an appeal letter manually to the Information Processing Centre at Bandar Baru Bangi. IRB is in the planning stage of setting up an e-Rayuan system to facilitate such appeal process.
2. The time frame for the appeal letter to be processed would depend on the supporting documents submitted along. If the appeal letter and supporting documents are in order and complete, it would be processed in 15 working days.

Gazette Orders

[Income Tax \(Deduction For Investment In A Bionexus Status Company\) Rules 2016 \[P.U.\(A\) 306/2016\]](#)

P.U. (A) 306/2016 was gazetted on 7 December 2016 and will have effect from YA 2016 whereby Rule 3 allows a deduction of an amount equivalent to the actual value of investment made in a company approved by the Minister as a Bionexus status company.

[Income Tax \(Exemption\) \(No.11\) Order 2016 \[P.U. \(A\) 345/2016\]](#) and [Income Tax \(Exemption\) \(No.12\) Order 2016 \[P.U. \(A\) 346/2016\]](#).

P.U. (A) 345/2016 and P.U. (A) 346/2016 grant licensed tour operating businesses exemption on statutory income derived from group inclusive tour packages for foreign tourists and

domestic tour packages for local tourists respectively. These orders have been gazetted on 22 December 2016 and will have effect from YA 2016 until YA 2018. [Note: There may be a typo in Rule 5(3) of P.U. (A) 346/2016_and CTIM has written to the Ministry of Finance for clarification].

[Income Tax \(Deduction For Expenditure On Issuance Of Retail Debenture And Retail Sukuk\) Rules 2016 \[P.U.\(A\) 347/2016\]](#)

P.U. (A) 347/2016 was gazetted on 22 December 2016 and will have effect from YA 2016 until YA 2018. Additional expenses incurred on the issuance of retail debenture; and retail sukuk structured pursuant to the principles of Murabahah or Bai' Bithaman Ajil, Mudharabah, Musyarakah, Istisna', Ijarah, Wakalah or any approved Shariah principle will be allowed a deduction.

We invite you to explore other tax-related information at: <http://www2.deloitte.com/my/en/services/tax.html>

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