



Real Estate Industry Taxation Workshop

Module 1 – Thursday, 25 May 2017

Module 2 – Monday, 10 July 2017

Module 3 – Tuesday, 15 August 2017

9.00 a.m. – 5.30 p.m.

Deloitte Tax Services Sdn Bhd.
Meetpoint 1 & 2
Level 15, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia

Introduction

"Today, it takes more brains and effort to make out the income tax form than it does to make the income" - Alfred E. Neuman.

Half a century has passed since the Income Tax Act, 1967 was enacted. During that period, multiple amendments were made to the Act and the authorities have exercised the powers conferred by the Act to make multiple delegated legislations. Among those are two regulations made a decade ago to address some of the income tax matters of taxpayers engaged in the property development and construction industries. A public ruling was also issued in 2009 (amended in 2016) to shed light on the position adopted by the Inland Revenue Board in dealing with taxation of property developers.

Despite so, it remains to be seen whether the effort taken by the authorities is sufficient to keep abreast of an industry as vibrant as property development. The tax treatment for industry innovations such as the rent and purchase scheme, land reclamation projects, etc. remains ambiguous and is subject to interpretation.

It is trite that an ambiguity may act as a double-edged sword as the authorities may potentially adopt a position that conflicts with the one adopted by industry players. Further aggravating the matter, if a grey area of the legislation is brought to the courts, Section 17A of the Interpretation Acts, 1948 and 1967 compels the courts to adopt the interpretation method that would promote the purpose or object underlying the act of parliament. It is safe to surmise that the purpose of a taxing statute is to impose and collect taxes.

In view of the above, we cordially invite you to our series of real estate workshops where we will share our insights on real estate industry taxation, particularly for the topics on the right:-

Module 1

- Income vs capital (income tax vs real property gains tax)
- Tax treatment for rental income
- Tax implication on reclassification of land/property
- Real property company shares
- Tax treatment for compulsory acquisition
- Common tax issues faced in the real estate industry (part I)

Module 2

- Withholding tax and permanent establishment
- Stamp duty
- Potential tax incentives for property developers
- Common tax issues faced in the real estate industry (part II)

Module 3

- Tax issues for unincorporated joint venture vs incorporated joint venture
- Tax treatment for expenses incurred prior to commencement of operation
- Review of recent tax audit cases
- Goods & services tax (GST) issues faced by property developers

Agenda

Module 1

Time	Agenda
9.00 a.m.	Registration
9.30 a.m.	Income vs capital (income tax vs real property gains tax)
10.30 a.m.	Tea break
10.45 a.m.	<ul style="list-style-type: none"> Income vs capital (income tax vs real property gains tax) (cont'd) Tax treatment for rental income
12.30 p.m.	Lunch
1.30 p.m.	<ul style="list-style-type: none"> Tax implication on reclassification of land/property Real property company shares
3.00 p.m.	Tea break
3.15 p.m.	<ul style="list-style-type: none"> Tax treatment for compulsory acquisition Common tax issues faced in the real estate industry (part I)
5.00 p.m.	Q & A
5.30 p.m.	End

Module 3

Time	Agenda
9.00 a.m.	Registration
9.30 a.m.	Tax issues for unincorporated joint venture vs incorporated joint venture
10.30 a.m.	Tea break
10.45 a.m.	<ul style="list-style-type: none"> Tax treatment for interest expenses incurred prior to commencement of operation Review of recent tax audit cases
12.30 p.m.	Lunch
1.30 p.m.	Goods & services tax (GST) issues faced by property developers
3.00 p.m.	Tea break
3.15 p.m.	Goods & services tax (GST) issues faced by property developers (cont'd)
5.00 p.m.	Q & A
5.30 p.m.	End

Module 2

Time	Agenda
9.00 a.m.	Registration
9.30 a.m.	Withholding tax and permanent establishment
10.45 a.m.	Tea break
11.00 a.m.	Withholding tax and permanent establishment (cont'd)
12.30 p.m.	Lunch
1.30 p.m.	<ul style="list-style-type: none"> Stamp duty Tax incentives for property developer
3.00 p.m.	Tea break
3.15 p.m.	Common tax issues faced in the real estate industry (part II)
5.00 p.m.	Q & A
5.30 p.m.	End

Speaker's profile



Tham Lih Jiun

Real Estate Tax Leader

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Lih Jiun is the Real Estate Tax Leader at Deloitte Malaysia's tax practice and has more than 20 years of experience in the profession. She undertakes cross border tax structuring, M&A pre- and post-acquisitions advisory, group tax planning and other tax advisory assignments. She specialises in corporate taxation with emphasis on the real estate sector.

Lih Jiun has advised many multi-national companies in Malaysia as well as global conglomerates on various assignments including:-

- Advising on the acquisition of a major township development project in the Kuala Lumpur city centre. The engagement involved due diligence study, post-acquisitions investment and financing structuring, etc.
- Advising in structuring of overseas investments and projects, establishing international procurement and global employment centre.
- Assisting multi-national companies in realigning their business operation in the Asia Pacific region and venturing into new jurisdictions.
- Assisting multi-national companies in structuring their international distribution networks covering Asia and Middle East.
- Advising, preparing and submitting a customised incentive support package to the Ministry of Finance for newly reclaimed lands at Southern Johor, Iskandar Malaysia.



Chow Kuo Seng

Business Tax Audit & Investigation Leader

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Chow Kuo Seng is the Business Tax Audit & Investigation (A&I) Leader at Deloitte Malaysia's tax practice with more than 30 years' experience in tax audit and back duty investigations.

His experience in A&I controversy management includes providing tax advisory/consultancy and managing compliance work for local and multinational companies as well as high net-worth individual clients and prudential audit review for tax risk management purposes.

Chow is a Chartered Accountant and a licensed tax agent and has also passed the GST Examination conducted by the Royal Malaysian Customs Department.

Chow's profound engagement with the clients and the tax authorities has yielded exceptional resolutions, resulting in positive settlements and amicable closure of tax disputes. He was awarded the Malaysian Tax Controversy Leader in the International Tax Review 2015.

His approach has earned the tax authorities' acknowledgement of his uncompromising and yet mutually benefitting methodology, which respects the tax authorities' position and at the same time protects the taxpayers' right and responsibilities both under law and in adherence with local practices and policies.



Wong Poh Geng

GST & Customs Director

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Poh Geng currently advises clients on indirect tax matters, covering sales tax, service tax, customs and GST. Poh Geng has over 30 years' experience in indirect tax (i.e. customs audit, customs import / export, customs valuation and classification, sales tax, service tax, Free Trade Agreements, Free Zones, Licensed Manufacturing Warehouses and GST).

She has also previously worked with the Royal Customs Department, Malaysia for 14 years and 17 years with the Indirect Tax Unit of other "Big 4" firms.

Poh Geng has assisted companies in the preparation of GST memorandums (on oil and gas, education, air transportation, palm oil industry, investment banks) for consideration by the Tax Review Panel. She is actively involved in the GST impact study and implementation work for companies in various industries.

In her career, Poh Geng has worked with companies from various industries for GST and Customs matters which include the energy, property development, construction, logistics and services industries.



Gan Sin Reei

Senior Manager, Business Tax

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Sin Reei has more than 8 years of experience in the tax profession specialising in the real estate industry. She is a Senior Manager and currently attached with our Comprehensive Tax Services group. She has vast experience in corporate taxation with emphasis on corporate tax planning, group tax review, incentive and has assisted clients with GST advisory and implementation. She has served both local and multinational corporations in Malaysia and was engaged in various industries such as property development, construction, hotel, services, trading, manufacturing and investment holding.



Wendy Chin

Senior Manager, Indirect Tax

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Wendy Chin has more than 12 years of experience in GST, audit, corporate tax, customs and indirect tax advisory. She is extensively involved in GST implementation and advisory for MNCs and GLCs across industries which include property development, consumer business, retailing, toll, transportation, etc.



Wong Yu Sann

Senior Manager, Audit & Investigation, Business Tax

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Yu Sann is a Senior Tax Manager of Deloitte Malaysia's tax practice and has 10 years of professional experience. In addition to individual clients and Labuan companies, he also has experience in servicing corporate companies in a range of industries which include banking, insurance, manufacturing, property development, construction, trading, services and investment holding, etc. He has been involved in various assignments such as tax audit defence and prudential tax audit, back-duty tax investigations, tax appeal, application of tax incentives and corporate tax efficiency review.

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