

In this Issue

- PR No. 7/2017 – Disposal of Plant or Machinery Part I – Other than Controlled Sales
- Guidelines on Deduction for Expenses in Relation to Secretarial Fee and Tax Filing Fee

PR 7/2017 – Disposal of Plant or Machinery Part I – Other than Controlled Sales

The Inland Revenue Board [“IRB”] has recently updated the Public Ruling [“PR”] 7/2017- Disposal of Plant or Machinery Part I – Other than Controlled Sales to include a new Example 9 in Paragraph 7.4. In this new example, it illustrates that in the case where the cost of the motor vehicle (non-commercial) does not exceed RM150,000 and the total instalment payments made (i.e. total qualifying expenditure incurred) has not exceeded RM100,000 at the time when it is disposed of, the disposal price of the vehicle need not be adjusted/restricted for the purpose of computing balancing allowance / balancing charge as was being done in Example 8.

Hyperlinks

- [Moore Stephens Malaysia](#)
- [Moore Stephens International](#)
- [Inland Revenue Board](#)

- [PR No. 7/2017 \(amended\)](#)

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Guidelines on Deduction for Expenses in Relation to Secretarial Fee and Tax Filing Fee

The IRB has issued the amended Guidelines on Deduction for Expenses in Relation to Secretarial Fee and Tax Filing Fee with the following changes:-

- i. Secretarial Fee (Paragraph 4.2.3 of the amended Guidelines)
 - To be eligible to claim for deduction of secretarial fee in the basis period for a year of assessment,
 - services must have been rendered;
 - liability has arisen (incurred) and can be charged to the income statement; and
 - fee has been paid in the same year of assessment or subsequent year of assessment
 - Previously, it was stated that deduction of secretarial fee for a year of assessment shall be allowed if the fee is incurred and paid in the same year of assessment
 - Examples 1 to 3 have been updated accordingly
- ii. Tax Filing Fee (Example 4 of the amended Guidelines)
 - The IRB has clarified that the tax filing fee for year of assessment ["YA"] 2015 which was incurred in YA 2016 and paid in YA 2017 will be allowed for tax deduction in YA 2017
 - Previously, the stance taken by the IRB was that the fee for YA 2015 must be paid in the basis period immediately following that year of assessment (i.e. YA 2016) to be eligible for deduction

Note: For further information, please refer to our Tax Flash – March 2017 and November 2017 issues.

Hyperlinks

- [Guidelines on Deduction for Expenses in Relation to Secretarial Fee and Tax Filing Fee \(Amended on 17.08.2018\)](#)
- [Tax Flash – March 2017](#)
- [Tax Flash – November 2017](#)

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