

In this Issue

- Guidelines on Treatment of Single-Tier Dividend and Income Derived from Investment in Deferred Annuity Scheme included under Actuarial Surplus and Transferred to Shareholders' Fund
- Tax Audit Framework
- GST – Guides
- GST – Frequently Asked Issues

Guidelines on Treatment of Single-Tier Dividend and Income Derived from Investment in Deferred Annuity Scheme included under Actuarial Surplus and Transferred to Shareholders' Fund

The Inland Revenue Board ["IRB"] has recently issued the Guidelines on Treatment of Single-Tier Dividend and Income Derived from Investment in Deferred Annuity Scheme included under Actuarial Surplus and Transferred to Shareholders' Fund. The Guidelines provide guidance on the tax treatment of single-tier dividend and income derived from investment in deferred annuity scheme included under actuarial surplus and method of computing the portion of single-tier dividend and income derived from investment in deferred annuity scheme to be deducted from the actuarial surplus transferred to shareholders' fund chargeable to tax.

The actuarial surplus that is transferred from the life fund to the shareholders' fund is subject to income tax under the shareholders' fund of an insurer. As the actuarial surplus may include single-tier dividend and income derived from investment in deferred annuity scheme which are tax-exempt, a proportion of the actuarial surplus transferred to the shareholders' fund as determined by using a prescribed formula provided in the abovementioned Guidelines shall be excluded from being subject to income tax.

Hyperlinks

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

- [Guidelines on Treatment of Single-Tier Dividend and Income Derived from Investment in Deferred Annuity Scheme included under Actuarial Surplus and Transferred to Shareholders' Fund](#)

Contact details

Advent MS Tax Consultants Sdn Bhd [703669-U]
Unit 3.3A, 3rd Floor, Surian Tower
No. 1 Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor, Malaysia

T +603 7728 1800
F +603 7728 9800
E tax@moorestephens.com.my
www.moorestephens.com.my



The above Guidelines replace the Guidelines on Treatment of Single-Tier Dividend in Actuarial Surplus Transferred to Shareholders' Fund issued on 27th July 2012.

Tax Audit Framework

The IRB has recently issued an English version of the revised Tax Audit Framework which has effect from 1st February 2015.

Note: For further information, kindly refer to our Tax Flash – April 2015 issue.

GST – Guides

The Royal Malaysian Customs Department ["RMCD"] has recently issued the following guides on Goods and Services Tax ["GST"] to provide an understanding of GST and its implications on various businesses/matters:-

- Industry Guides
 - Advertising Services (revised as at 20.05.2015)
 - Approved Trader Scheme (revised as at 06.05.2015)
 - Auction Services (revised as at 25.05.2015)
 - Duty Free Shop (revised as at 28.04.2015)
 - Repossession (revised as at 25.05.2015)
 - Tourist Refund Scheme (new as at 20.05.2015)
- Specific Guides
 - Import (revised as at 25.05.2015)
 - Tax Invoice and Records Keeping (revised as at 20.05.2015)
 - Transfer of Business as a Going Concern (revised as at 25.05.2015)
- Relief Order Guides
 - Guide on GST Relief for Acquisition of Services by Government (issued on 29.05.2015)
 - Guide on GST Relief Order 2013, Item 1, Second Schedule – Fund Raising (issued on 03.06.2015)

Hyperlinks

- [Tax Audit Framework \(English Version\)](#)
- [Tax Flash – April 2015](#)

GST – Frequently Asked Issues

The RMCD has recently issued the following panel decisions to provide clarification on GST frequently asked issues:-

- Director General’s Decision 4/2014 (issued on 25.05.2015)
- Director General’s Decision Amendments 2/2015 (issued on 25.05.2015)
- Director General’s Decision 3/2015 (issued on 25.05.2015)
- Director General’s Decision Amendments 3/2015 (issued on 25.05.2015)

Hyperlinks

- [DG’s Decision 4/2014](#)
- [DG’s Decision Amendments 2/2015](#)
- [DG’s Decision 3/2015](#)
- [DG’s Decision Amendments 3/2015](#)

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