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

The Inland Revenue Board ["IRB"] has recently issued the Guidelines on Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee. The Guidelines provide clarification on the tax treatment for claiming of deduction for secretarial and tax filing fees granted under the Income Tax (Deduction for Expenses in relation to Secretarial and Tax Filing Fee) Rules 2014 ["the Rules"].

Salient points of the Guidelines include:-

i. Secretarial Fee

- The expenses allowed for tax deduction:-
 - include advisory provided relating to company's meeting, preparation of directors' resolution, issuance of shares, submission of forms prescribed under the Companies Act 1965 etc relating to the company's matters; and
 - exclude incidental expenses such as reimbursement of expenses / out-of-pocket expenses, telephone and facsimile, printing and stationery, postage, travelling and accommodation and expenses incurred for general meeting

Hyperlinks

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

- [Guidelines on Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee](#)

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ii. Tax Filing Fee

- Tax filing fee for forms prescribed under Section 107C of the Income Tax Act 1967 [“the Act”] [i.e. for year of assessment (“YA”) 2015 and subsequent years] (such as Forms CP204, CP204A and CP204B) will be granted tax deduction
- Fee for filing of Form GST-03 for the taxable period which falls within the basis period for the YA 2015 will be eligible for tax deduction in the YA 2016 provided that it is incurred and paid in the YA 2016
- The Guidelines specify that the deductible tax filing fee is restricted to fee for filing of tax form only (excludes fee for advisory services or preparation of tax computation). Incidental expenses such as reimbursement of expenses / out-of-pocket expenses, telephone and facsimile, printing and stationery, postage, travelling and accommodation are also excluded

Note : For further information relating to the Rules, kindly refer to our Tax Flash – January 2015 issue.

➤ Tax Flash – January 2015

Tax Exemption for Religious Institution or Organisation

Following the 2017 Budget announcement and the clarification given by the Ministry of Finance via Media Release on 10th January 2017, the Income Tax (Exemption) Order 2017 has been gazetted to exempt a religious institution or organisation from payment of income tax in respect of gross income derived from all sources and absolves such institution or organisation from complying with any requirement to furnish the income tax return form under Section 77 of the Act.

➤ Income Tax (Exemption) Order 2017

➤ Media Release on 10th January 2017

For the purpose of the above Order, “a religious institution or organisation” means a religious institution or organisation which is:-

- established in Malaysia exclusively for the purpose of religious worship or the advancement of religion and is not operated or conducted primarily for profit; and
- registered with the Registrar of Societies Malaysia or under any written law governing such institution or organisation.

The above Order shall have effect from the YA 2017.

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