

# INCOME TAX (AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION) (AMENDMENT) RULES 2017

PU (A) 404  
19 December 2017

IN the exercise of the powers conferred by paragraph 154(1)(c) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

## CITATION

- 1 These rules may be cited as the **Income Tax (Automatic Exchange of Financial Account Information) (Amendment) Rules 2017**.

## AMENDMENT OF RULE 3

- 2 Income Tax (Automatic Exchange of Financial Account Information) Rules 2016 [P.U. (A) 355/2016], which are referred to as the “principal Rules” in these Rules, are amended in subrule 3(1) by substituting for the definition of “Standard” the following definition:

“Standard” means the Common Reporting Standard set out in the Standard for Automatic Exchange of Financial Account Information in Tax Matters approved by the Council of the Organisation for Economic Co-operation and Development as amended from time to time;’.

## NEW RULE 3A

- 3 The principal Rules are amended by inserting after rule 3 the following rule:

### “Application of Standard

3A. For the purposes of these Rules; the Standard shall be applied consistently with the Commentaries on the Common Reporting Standard set out in the Standard for Automatic Exchange of Financial Information in Tax Matters approved by the Council of the Organisation for Economic Co-operation and Development as amended from time to time.’.

## AMENDMENT OF RULE 4

- 4 Rule 4 of the principal Rules is amended—

- (a) in subrule (4), by substituting for subrule (4) the following subrule:

“(4) The financial Account referred to in subrule (1) shall not include any Excluded Account—

(a) as defined in subparagraphs C(17)(a) to (f) of Section VIII of the Standard; and

(b) as defined in subparagraph C(17)(g) of Section VIII of the Standard and listed as an Excluded Account in Schedule 2 to these Rules.”;

- (b) in subrule (5), by substituting for the words “the Schedule shall be the dates specified in column (3) of the Schedule” the words “Schedule 1 shall be the dates corresponding against it as specified in column (3)”;

- (c) by inserting after subrule (10) the following subrule:

“(11) For the purposes of applying the due diligence procedure as specified in Section II to VII of the Standard, “Reportable Jurisdiction” stated in subparagraph D(4) of Section VIII of the Standard shall be any jurisdiction other than Malaysia.”.

## AMENDMENT OF RULE 7

5 Rule 7 of the principal Rules is amended—

- (a) in subrule (2), by substituting for the words “as at the closure of the account” the words “the closure of the account”; and
- (b) by inserting after subrule (5) the following subrule:

“(5A) For the purposes of the reporting obligation as specified in Section I of the Standard, “Reporting Jurisdiction” stated in subparagraph D(4) of Section VIII of the Standard shall be those jurisdictions contained in a list of Reportable Jurisdictions determined and published by the Director General.”.

## NEW RULE 13

6 The principal Rules are amended by inserting after rule 12 the following rule:

### **“Special provision for reporting of Preexisting Individual Accounts**

13. For the purpose of subrule 7(1), a Reporting Financial Institution shall furnish an information return to the Director General in relation to every Preexisting Individual Account identified by Reporting Financial Institution as a Reportable Account that is maintained by the Reporting Financial Institution on or before the following dates:

- (a) 31 July 2018 for a High Value Account; and
- (b) 31 July 2019 for a Low Value Account.”.

## AMENDMENT OF SCHEDULE

7 The principal Rules are amended by substituting for the heading of the Schedule the heading “SCHEDULE 1”.

## NEW SCHEDULE 2

8 The principal Rules are amended by inserting after SCHEDULE 1 the following Schedule:

**SCHEDULE 2**  
**[Paragraph 4(4)(b)]**

**Excluded Accounts**

For the purpose of the Standard, Excluded Accounts are as follows;

- (a) A depository account which is a dormant account (other than an Annuity Contract) —
  - (i) with a balance that does not exceed USD1000.00;
  - (ii) where the account holder has not initiated a transaction with regard to the account or any other account held by the account holder with the Reporting Financial Institution in the previous three years;
  - (iii) where the account holder has not communicated with the Reporting Financial Institution regarding the account or any other account held by the account holder with the Reporting Financial Institution in the previous six years; and
  - (vii) in relation to a Cash Value Insurance Contract, where the Reporting Financial Institution has not communicated with the account holder regarding the account or any other account held by the account holder with the Reporting Financial institution in the previous six years; or
- (b) A securities account which is a dormant account under rule 26.10 of the Rules of Bursa Malaysia Depository Sdn Bhd.”.