

MICPA Conversion Programme

Module Outline

Taxation 1

TAXATION 1

AIM

1. To introduce basic concepts, philosophy and practices of taxation in Malaysia
2. To understand and be able to compute the tax payable for an individual taxpayer and companies
3. To understand the principles of taxation of a partnership
4. To understand the mechanism of Sales & Service Tax (SST) and be able to compute it
5. To understand tax compliance and administration for individuals and companies

INTRODUCTION

This paper deals with the fundamentals of taxation in Malaysia in the perspective of an individual taxpayer, company and partnership. The main emphasis of this paper is to enable students to understand in depth the principles, foundation and the execution of income tax in Malaysia. Students will be introduced to the rights and obligation of a taxable person in Malaysia.

This paper also covers introduction to Sales & Service Tax (SST), tax compliance and administration for both individuals and companies.

EXAMINATION FORMAT

A 3-hour written paper comprising 5 – 6 compulsory questions

SYLLABUS WEIGHTING

SYLLABUS CONTENT AREA	WEIGHTING
Principles of Taxation	20%
Taxation of Income of Individuals and Companies	40%
Taxation of Partnerships	20%
Sales and Service Tax (SST)	10%
Tax Compliance and Administration	10%
Total	100%

SYLLABUS CONTENT

NO	TOPIC
1.	Principles of Taxation <ul style="list-style-type: none">a) Scope of income tax – chargeable persons, residence status, basis periods (including change of accounting dates)b) Distinction between capital and revenue receipts/expenses (including case law)
2.	Taxation of Income of Individuals and Companies <ul style="list-style-type: none">a) Ascertainment of gross income, adjusted income, statutory income aggregate income, total income and chargeable income (excluding bilateral/unilateral credits)b) Computation of capital allowances on plant and machinery and industrial building, including disposals of assets subject to controlc) Withholding taxes
3.	Taxation of Partnerships <ul style="list-style-type: none">a) Existence of a partnershipb) Ascertainment of provisional adjusted incomec) Divisible income and allocation of incomed) Limited Liability Partnership
4.	Sales and Service Tax (SST) <ul style="list-style-type: none">a) Sales Taxb) Service Tax
5.	Tax Compliance and Administration <ul style="list-style-type: none">a) Organisational hierarchyb) Self-assessmentc) Returnsd) Assessmentse) Collection and recoveryf) Appealsg) Offences and penalties

RECOMMENDED REFERENCE TEXTS

AUTHOR	TITLE	PUBLISHER
Dr Choong Kwai Fatt	Malaysian Taxation – Principles & Practice, 2021, 27 th Edition	Infoworld
Dr Choong Kwai Fatt	Advanced Malaysian Taxation: Principles & Practice, 2021, 22 nd Edition	Infoworld
Jeyapalan Kasipillai	A Guide to Malaysian Taxation, Fifth Edition, 2019	McGraw-Hill

Tax legislation/Guidelines (As Amended)

Finance Acts

Income Tax Act 1967 (Act 53)

Sales Tax Act 2018 (Act 806)

Service Tax Act 2018 (Act 807)

Various orders/rules/regulations made under the various tax legislations

Public Rulings and Guidelines issued by the Inland Revenue Board