

## Subject Outline

### 1. Administrative Information

Subject Title	Taxation MY		
Duration	15-week study period, including 14 study weeks and 1 final assessment week.		
Credit points	27 credits		
Result type	Grade and Mark		
Mode of delivery	Online		
Core / Elective	Core		
Pre / Co-requisites	Core 1: Ethics and Business is a pre or co-requisite		
Assume knowledge	It is assumed that candidates would have a good understanding of fundamentals of taxation in Malaysia in the perspective of an individual taxpayer, company and partnership; basic principles and the ethical principles which apply to professional accountants.		
Subject Workload	The expected self-directed workload for this subject is about 10 hours per week over 14 teaching weeks, excluding scheduled assessments. Candidates are expected to undertake a further 5 hours per week of personal study and assessment preparation across the 15-week study period. Candidates are advised to plan their enrolment carefully around work and other commitments to ensure they can devote the time required to their studies.		
	Directed hours (Includes all directed learning, activities, whether facilitated or self-directed)	Study and assessment hours	Total subject hours
	10 hours per week for 14 weeks (140 hours)	5 hours per week for 15 weeks (75 hours)	215 hours
Pass requirement	To pass the subject a candidate must: <ul style="list-style-type: none"> <li>• complete all assessments</li> <li>• pass the final examination</li> <li>• pass the subject overall.</li> </ul>		
Contact details	The Malaysian Institute of Certified Public Accountants No 15 Jalan Medan Tuanku 50300 Kuala Lumpur Malaysia Tel: +603 2698 9622 Fax: +603 2698 9403 For student affairs: <a href="mailto:studentaffairs@micpa.com.my">studentaffairs@micpa.com.my</a> For enrolment and assessments: <a href="mailto:exam@micpa.com.my">exam@micpa.com.my</a> For subject content: <a href="mailto:education@micpa.com.my">education@micpa.com.my</a>		

## 2. Subject Description

This subject is designed to provide students a thorough understanding of the fundamental concepts and principles of the Malaysian taxation system and the relevance of taxation to personal and business decision making.

Candidates are expected to demonstrate an in-depth understanding of the impact of all major taxes on the transactions of individuals, companies and special undertakings and be able to identify, discuss and advise on the tax issues in a particular situation as well as planning opportunities to minimise potential tax liabilities.

Candidates must not only be fully conversant with the Malaysian income tax system but also a good understanding of real property gains tax, investment incentives and indirect taxation.

## 3. Subject Learning Outcomes (SLOs) mapped against Course Learning Outcomes (CLOs)

On successful completion of the subject, candidates will be able to:

Subject Learning Outcome/Objectives	CLO1	CLO2	CLO3	CLO4	CLO5	CLO6	CLO7	CLO8
SLO1 An in-depth knowledge and understanding of the concepts and principles of Malaysian taxation.	✓	✓			✓	✓		
SLO2 Able to solve practical problems which draw on the interaction of different taxes as well as case law.	✓	✓	✓		✓			
SLO3 Apply an ethical and socially responsible approach to determining taxation consequences.					✓	✓	✓	
SLO4 Evaluate future changes that impact the taxation environment.	✓					✓		✓

## 4. Contribution to the development of Graduate Attributes (GAs)

This subject contributes to the following graduate attributes of the Graduate Diploma in Chartered Accounting (GradDipCA), with emphasis on:

- GA 1 Ethics and integrity
- GA 2 Critical thinking and judgement
- GA 3 Adaptive mindset
- GA 4 Accounting technical expertise
- GA 5 Communication
- GA 7 Problem-solving and decision-making

This list of Graduate Attributes for the GradDipCA can be accessed via <https://www.charteredaccountantsanz.com/become-a-member/course-descriptions/ca-program>.

## 5. Learning and Teaching activities

Week	Chapter and topics	Effort and assessment
1	<p><i>Chapter 1: Scope of Tax and Basis of Assessment</i></p> <p>1.1 Scope of Income Tax 1.2 The Basic of Assessment 1.3 Determining Chargeable Income</p> <p><i>Chapter 2: Business Income and Expenditure</i></p> <p>2.1 Revenue or Capital Gains? 2.2 Definition of “Business” and “Trade” 2.3 Commencement of Business Operations 2.4 Derivation of Business Income – Section 12 2.5 Business Income 2.6 Gross Income of a Business     2.6.1 Interest Income     2.6.2 Tax Treatment on Income Receivable from Related Persons 2.7 Computation of Adjusted Income from Business – Sections 33/34</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours
2	<p><i>Chapter 2: Business Income and Expenditure</i></p> <p>2.8 Business Expenditure and Deductions 2.9 The General and Specific Rules on Deductibility 2.10 Expenses Qualifying for Double Deduction 2.11 Deductions Not Allowed – Section 39</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours
3	<p><i>Chapter 3: Taxation of Companies</i></p> <p>3.1 Rate of Income Tax for Companies     3.1.1 Limited Liability Partnerships     3.1.2 Business Trusts 3.2 Residence Status – Section 8 3.3 Capital Allowances 3.4 Company Losses and Capital Allowances Carried Forward 3.5 Imputation System – Section 108 (expired) 3.6 Single Tier System 3.7 Exempt Income Account 3.8 Controlled Companies 3.9 Self-assessment System for Companies</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours
4	<p><i>Chapter 4: Disposals Subject to Control</i></p> <p>4.1 Controlled Sales / Transfers 4.2 Disposal Date 4.3 Income Tax (Capital Allowances and Charges) Rules 1969</p> <p><i>Chapter 5: Agriculture and Forest Allowance</i></p> <p>5.1 Agriculture Allowance and Charge 5.2 Forest Allowance and Charge</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 1 – 5 Preparation of Assessment 1
5	<p><i>Chapter 6: Sea and Air Transport Undertakings</i></p> <p>6.1 Basis of Taxation 6.2 Resident Operators / Charterers – Section 54 6.3 Non-resident Operators / Charterers – Section 54(2)(B)</p> <p><i>Chapter 7: Insurance Business</i></p> <p>7.1 Scope of Charge</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours <b>Assessment 1 due:</b> written assignment

	<p>7.2 Types of Insurance Business 7.3 Fund Concept 7.4 Rate of Tax 7.5 Separate Business 7.6 Life Insurance Business 7.7 General Insurance Business 7.8 Inward Re-insurance Business 7.9 Offshore Insurance Business 7.10 Takaful Business (Islamic Insurance) 7.11 Exempt Account and Incidental Gross Income 7.12 Other Exemptions 7.13 Case Law Decision</p> <p><i>Chapter 8: Banking Business</i> 8.1 Scope of Charge 8.2 Interest Payment 8.3 Interest 8.4 Tax Rebate – Section 6B (expired) 8.5 Investments in Shares 8.6 Exemptions 8.7 Pawnbroking Business</p> <p><i>Chapter 9: Leasing Business</i> 9.1 Income Tax Leasing Regulations 1986 9.2 Common Expenses and Doubtful Debts 9.3 Capital Allowances</p>	
6	<p><i>Chapter 10: Co-operative Societies, Trade Associations, Clubs and Charitable Organisations</i> 10.1 Co-operative Societies 10.2 Trade Associations 10.3 Clubs 10.4 Charitable Organisations</p> <p><i>Chapter 11: Property Developers</i> 11.1 Income Recognition 11.2 Date of Commencement of Business 11.3 Treatment of Expenses 11.4 Abandoned Housing</p> <p><i>Chapter 12: Operational Headquarters Companies, Principal Hubs, Global Trading Centres and Investment Holding Companies</i> 12.1 Approved Operational Headquarters Companies (expired) 12.2 Principal Hub Incentive 12.3 Treasury Management Centre (expired) 12.4 Global Trading Centre (GTC) Incentive 12.5 Investment Holding Companies</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours
7	<p><i>Chapter 13: Unit Trusts</i> 13.1 Overview 13.2 Capital Allowance for Property Trusts – Section 63A 13.3 Permitted Expenses Deduction – Section 63B 13.4 Other Issues</p> <p><i>Chapter 14: Trusts</i> 14.1 Residence Status – Section 61(3) and Tax Computation 14.2 Trust with Only One Beneficiary – Section 61(4)(A)</p>	Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 6 – 16

	<p>14.3 Beneficiary's Income 14.4 Non-resident Trusts – Section 61(3) Proviso 14.5 Other Trusts</p> <p><i>Chapter 15: Estates Under Administration</i> 15.1 Income before date of Death 15.2 Income Accruing during the Period of Administration 15.3 Allocation of Income 15.4 Tax Computation</p> <p><i>Chapter 16: Settlements</i> 16.1 Settlement in General 16.2 Deemed Income</p>	
8	<p><i>Chapter 17: Withholding Taxes</i> 17.1 Withholding Tax in General 17.2 Non-Resident Contract Payments – Section 107A 17.3 Interest or Royalty – Section 109 17.4 Non-Resident Individual Entertainers and Artistes – Section 109A 17.5 Special Classes of Income – Section 109B 17.6 Further Issues Relating to Section 107A, 109 and 109B 17.7 Distribution of Income of a Real Estate Investment Trust (REIT) / Property Trust Fund (PTF) 17.8 Profit Distributions from Takaful Operators 17.9 Withholding Tax on Other Income [i.e. Section 4(f) Gains or Profits] 17.10 Withholding Tax on Withdrawals by Contributors from a Deferred Annuity or a Private Retirement Scheme (PRS) 17.11 Withholding Tax on Payments Made to Agents, Dealers, Distributors, etc. 17.12 Compliance Requirements</p> <p><i>Chapter 18: Double Taxation Agreements</i> 18.1 Double Taxation in General 18.2 Benefits of a DTA 18.3 Domestic Tax Legislation and DTAs 18.4 OECD Model 18.5 Layout of a DTA 18.6 Uses of DTAs in Tax Planning 18.7 Mutual Agreement Procedure</p> <p><i>Chapter 19: Double Taxation Relief</i> 19.1 Conditions for Double Taxation Relief 19.2 Bilateral Credit – Section 132 19.3 Unilateral Credit – Section 133 19.4 Tax Sparing Relief</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 17 – 19 Preparation of Assessment 2</p>
9	<p><i>Chapter 20: Real Property Gains Tax</i> 20.1 Basis of Charge 20.2 Scope of Tax 20.3 Computation of Chargeable Gain / Allowance Loss – Section 7 20.4 Date of Acquisition and Disposal – Para 15 20.5 No Gain, No Loss Provisions 20.6 Transactions Deemed to be at Market Price – Para 9 20.7 Treatment of Allowable Losses – Section 7 20.8 Exemptions – Schedule 3 and 4</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 20 – 21 <b>Assessment 2 due:</b> written assignment</p>

	<p>20.9 Tax Rates 20.10 Administrative Aspects 20.11 Legal Aspects</p> <p><i>Chapter 21: Real Property Companies</i> 21.1 Real Property Company 21.2 Chargeable Assets 21.3 Date of Acquisition 21.4 Share Acquisition Price</p>	
10	<p><i>Chapter 22: Investment Incentives: Pioneer Status and Investment Tax Allowance</i> 22.1 Pioneer Status 22.2 Special Treatment for Certain Industries Granted Pioneer Status 22.3 Investment Tax Allowance – Section 26 – 30 22.4 Summary of Pioneer Status and ITA Incentives</p> <p><i>Chapter 23: Investment Incentives: Other Incentives</i> 23.1 Double-deduction for Promotion of Exports – Section 41, PIA1986 23.2 Reinvestment Allowance (RA) – Schedule 7A 23.3 Allowance for Increased Exports (AIE) 23.4 Incentives for Service Sector – Schedule 7B / Section 127 Exemption 23.5 Group Relief 23.6 Malaysian International Trading Companies 23.7 Healthcare Services 23.8 Petroleum Refinery Activities 23.9 Acquisition of Proprietary Rights</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours</p>
11	<p><i>Chapter 23: Investment Incentives: Other Incentives</i> 23.10 Venture Capital 23.11 Other Exemptions 23.12 Exempt Income and Allocation of Expenses</p> <p><i>Chapter 24: Labuan – International Business and Financial Centre</i> 24.1 International Business and Financial Centre (IBFC) 24.2 Labuan Taxation Regime 24.3 Exemptions 24.4 Tax Incentives 24.5 Case Law</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 22 – 24</p>
12	<p><i>Chapter 25: Tax Audits and Investigations</i> 25.1 Tax Audits 25.2 Tax Investigations 25.3 Power of the Director General of Inland Revenue 25.4 Tax Investigation Procedures 25.5 Methods of Tax Investigation 25.6 Provision of Reasonable Facilities – Section 80(1) and 801(1A) 25.7 Concept of Reasonable Care – Section 114(1A)</p> <p><i>Chapter 26: Sales Tax</i> 26.1 Structure and Powers of the Royal Malaysian Customs Department 26.2 Scope of Charge</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours</p>

	<p>26.3 Rate of Tax 26.4 Sales Value 26.5 Registration 26.6 Keeping Records 26.7 Returns and Payments 26.8 Exemptions 26.9 Refund, Drawback and Remission</p> <p><i>Chapter 27: Service Tax</i> 27.1 Scope of Charge and Rate of Tax 27.2 Taxable Person and Taxable Service – Schedule 1 27.3 Determination Value of Taxable Service 27.4 Registration and Compliance Requirements 27.5 Exemption, Refund and Remission 27.6 Review and Appeal 27.7 Service Tax on Provision of Digital Services by Foreign Service Providers.</p>	
13	<p><i>Chapter 28: Customs Duties and Excise Duty</i> 28.1 Customs Duties 28.2 Excise Duty 28.3 Administrative Developments</p> <p><i>Chapter 29: Stamp Duty</i> 29.1 Chargeable Instruments 29.2 Scope of Duty 29.3 Imposition 29.4 Exemptions 29.5 Others</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours</p>
14	<p><i>Chapter 30: Tax Planning: Corporate</i> 30.1 Tax Evasion and Tax Avoidance 30.2 Objectives of Tax Planning 30.3 Anti-Avoidance Provisions 30.4 Areas to Consider for a Corporate Tax Plan 30.5 Inter-company Transactions – Planning Issues 30.6 Group Restructuring, Reorganisation and Amalgamation</p> <p><i>Chapter 31: Tax Planning: Individual</i> 31.1 Planning for the Self-Employed 31.2 Planning for an Employee’s Remuneration Package</p> <p><i>Chapter 32: Tax Policies and New Developments</i> 32.1 Criteria Used to Evaluate a Tax System 32.2 E-Commerce and Its Impact on Taxation 32.3 Transfer Pricing</p>	<p>Directed study: 10 hours Personal study and assessment preparation: 5 hours Recap for Chapter 25 – 32</p>
15		<p>Personal study and assessment preparation: 5 hours <b>Assessment 3 due:</b> invigilated examination</p>

## 6. Assessment tasks

Task	Description	Type	Weight -age	Week Due	SLO1	SLO2	SLO3	SLO4
1	Candidates will answer questions relating to a corporate income and expenses. (Chapter 1 – 5)	Written Assignment	20%	5	✓	✓		
2	Candidates will answer questions relating to a specialized industry and special cases. (Chapter 6 – 16)	Written Assignment	20%	9	✓	✓		
3	The examination will consist of a number of discrete, scenario-based questions in which candidates are required to complete tax calculations, or to apply technical knowledge to determine and respond to taxation consequences relating to a range of tax issues. (Chapter 17 – 32)	Invigilated Examination	60%	15	✓	✓	✓	✓

## 7. Assessment details

Detailed information about each assessment task, including the marking criteria, is provided in the assessment overview. All assessments are individual assessments.

## 8. Readings

Candidates must complete required readings to successfully complete the learning activities and assessments.

### *Required:*

Cheah, P. A., ed (2022). *Candidate Study Guide: Taxation MY 2023*. Malaysia: MICPA.

### *Recommended reference texts:*

Segaran, K. S., 39<sup>th</sup> ed (2022). *Malaysia master Tax Guide 2022*. Malaysia: CCH.

Choong, K. H., 27<sup>th</sup> ed (2021). *Malaysian Taxation: Principles & Practice*. Malaysia: Infoworld.

Choong, K. H., 23<sup>rd</sup> ed (2022). *Advanced Malaysian Taxation: Principles & Practice*. Malaysia: Infoworld.

### *Tax Legislation / Guidelines:*

Finance Acts

Income Tax Act 1967 (Act 53)

Real Property Gains Tax Act 1976 (Act 169)

Promotion of Investment Act 1986 (Act 327)

Labuan Business Activity Tax Act 1990 (Act 445)

Sales Tax Act 2018 (Act 806)



Service Tax Act 2018 (Act 807)  
Income Tax Leasing Regulations 1986  
Various orders / rules / regulations made under the various tax legislations  
Double Taxation Agreements  
Public Rulings and Guidelines issued by the Inland Revenue Board

## 9. Late submission of assessments

In accordance with the principle of equity and fairness where all candidates are afforded the same opportunities to demonstrate the achievement of learning outcomes, it is expected that all candidates will have the same time to prepare their assessment. It is therefore expected that, in ordinary circumstances, candidates will submit assessments in accordance with the published schedule for assessment submission.

The date and time that an assessment is submitted is recorded by MICPA. assessment items submitted after the scheduled due date, without an approved extension, will not be entertained.

Please note that it is the candidate's responsibility to keep appropriate copies / backups of all assignments submitted for assessment.

## 10. Length / duration of assessments

Each assessment is associated with length / duration requirements. These may be described as number of words or other metrics as appropriate to the type of assessment. To ensure fairness, all candidates are held to the same standard in relation to the length / duration of an assessment. For these reasons, penalties are applied to assessments that exceed the notified length / duration as follows:

- Assessments that are up to 10% longer than the approved length / duration: all material will be marked and no penalty will be applied.
- Assessments that are between 11% and 25% longer than the approved length / duration: all material will be marked and a 5% penalty will be applied to the final mark. For example, if the assessment is to be marked out of 100 marks, then 5% of the available marks (i.e. 5 marks) would be deducted.
- Assessments that are more than 25% longer than the approved length / duration: markers will only read and assess material up to 25% above the word limit and apply a 5% penalty to the final mark. For example, if the assessment is marked out of 100 marks, then 5% of the available marks (i.e. 5 marks) would be deducted. Any additional material will not be marked.

## 11. Referencing style

Candidates should use the Harvard referencing style in their assignment submissions. Information about the Harvard Referencing Style can be found in the Knowledge Centre.

## 12. Code of Conduct

All MICPA candidates are bound by the Code of Conduct. Candidates are expected to adhere to this code, including when making statements about the MICPA Program in public forums, including social media platforms. To read these policies, go to: <https://www.charteredaccountantsanz.com/become-a-member/ca-program-policies>

## 13. Enrolment

It is each candidate's responsibility to ensure that they are correctly enrolled in each subject. Enrolment can be checked through MICPA candidate portal or enrolment circular sent to candidate's registered email address.

## 14. Academic integrity

Academic integrity' refers to actions that are aligned with values of honesty, trust, fairness, respect and responsibility in learning, teaching and research. Ethical conduct and academic integrity are fundamental to the mission of MICPA and academic misconduct will not be accepted.

It is every candidate's responsibility to make sure that they understand what academic misconduct is and refrain from engaging in it. This means that every assessment a candidate submits/completes must be their own. It also means that all forms of academic dishonesty, including cheating (including contract cheating), plagiarism, collusion, falsification or fabrication of data, and copyright infringement are not acceptable and that penalties apply in cases of academic misconduct.

All candidates are expected to familiarise themselves with the Code of Conduct and the Candidate Academic Integrity Policy and Procedure, which are available from CA ANZ website, and to act in accordance with these.

### *Plagiarism and Plagiarism Monitoring*

Plagiarism is a form of academic misconduct that occurs when the work or intellectual property of another person is presented as one's own without appropriate acknowledgement or referencing. Plagiarism is a serious offence.

Turnitin plagiarism software is used at MICPA to help candidates ensure that their assignments do not contain plagiarised material and to help staff detect plagiarism in submitted work. Candidates can submit draft assignments to Turnitin for feedback concerning textual similarity or authoring issues before submitting the assignment for marking. This means that any issues that are detected can be corrected before submitting the assignment for assessment.

In accordance with the Candidate Academic Integrity Policy and Procedure, all assignments that are submitted for assessment may be subject to textual similarity review by Turnitin.com to detect plagiarism.

## 15. Disclaimer

This subject outline may be updated from time to time. To ensure candidates have the correct version, they should check at the beginning of the term.