



Effective Tax Planning for Companies: Transfer Pricing Guidelines, Real Property Gains Tax & Sales and Service Tax

INTRODUCTION

In today's inflationary times, the cost of doing business is escalating at an alarming rate. Amongst other things, tax payers including companies have to manage their cash and assets reserves in an optimum and efficient manner in order to carry on business.

Tax planning and management is an issue that is receiving close attention from the Inland Revenue Board and its impact on the companies as taxpayers, as it is now the responsibility of the taxpayer to derive the chargeable income and pay the resultant tax thereon.

LEARNING OUTCOME:

Participants should be able to acquire sufficient (not exhaustive and comprehensive) knowledge on the types or classes of income, expenses, exemptions, incentives, capital allowances, that need to be considered in deriving at chargeable income, for their respective companies.

Key Benefits of the program:-

- Introduction to company taxation system
- Learn the difference of tax avoidance and tax evasion
- Learn about Real Property Gains Tax
- Learn the basics of transfer pricing guidelines
- Enhance your knowledge on Sales & Service Tax

KEY CONTENTS

Module 1: Basis of Malaysian Company Taxation System

- Income Tax Act 1967
- Taxability of Receipts and Gains
- Type of income under the income tax act 1967
- Tax rate for SME and Non – SME
- Taxation for companies
- Type of tax rate for different type of forms of companies
- Calculation of chargeable income

Module 2: Companies as taxpayers

- Treatment on company losses
- Payments to shareholders
- Position prior to 2008 under the imputation system
- Undistributed profits
- Payment of tax by instalments
- Limited liability partnership

Module 3: Basic of assessment and tax accounting

- Assessment and basis period
- Tax accounting and management accounting
- Production of audited accounts for tax submission
- Change of accounting date
- Allocation of profits to accounting period
- Trading stock

Module 4: Tax avoidance and Evasion Part 1

- Meaning of evasion
- Meaning of avoidance
- Anti-avoidance provisions
- Transactions which alter the incidence of tax

Module 5: Tax avoidance and evasion Part 2

- The principles established by court decisions on anti-avoidance legislation
- Director General's power under S 140
- Power to substitute the price and disallowance of interest on certain transaction
- Power to disregard and recharacterize structures in a controlled transaction

Module 6: Tax avoidance and evasion – Part 3

- Income from transactions with non-residents
- Other tax avoidance provisions
- The beginning of an investigation by IRB
- Detection
- The Director General's sources of information
- Determination of undisclosed income

Module 7: Tax avoidance and evasion – Part 4

- Gross profit analysis by IRB
- The investigator's scrutinising eye
- Things to do as a taxpayer
- Settlement
- Criminal proceedings
- Non-disclosure of specific items

Module 8: Real Property Gain Tax – Part 1

- The general provision for RPGT
- Who is chargeable for RPGT
- Jointly and severally liable for RPGT
- Definition of chargeable Assets
- Chargeable gains and allowable losses

Module 9: Real Property Gain Tax – Part 2

- The acquisition price
- The disposal price
- Treatment of gifts
- Disposal price deemed to be acquisition price

Module 10: Real Property Gain Tax – Part 3

- Disposer and acquirer
- Non-chargeability to tax
- Date of disposal and date of acquisition
- Penalty on disposer
- Transfers between companies

Module 11: Real Property Gain Tax – Part 4

- Transfer of assets to controlled persons
- Transfer of assets by partners to partnerships
- Acquisition and disposal of shares in Real Property Companies
- RPGT on private residences
- Rate of tax
- Exemptions on RPGT

Module 12: Transfer pricing – Part 1

- Introduction of transfer pricing
- Business transaction
- Arm's length principle

Module 13: Transfer pricing – Part 2

- Controlled transaction
- Contemporaneous TP documentation
- Intangible property
- Offences and penalties
- Sales of properties to shareholders

Module 14: Transfer pricing – Part 3

- Transfer pricing methodology
- Transfer pricing adjustment
- Cost contribution arrangement
- Earning Striping rules

Module 15: Sales & service tax – Part 1

- Introduction of sales & service tax (SST)
- Registration of SST
- Deregistration of SST
- Calculation of Tax
- Submission of Tax and payment of tax

Module 16: Sales & service tax – Part 2

- The chargeability of sales tax on goods
- Sales tax exemption
- Sales tax facilities from custom
- Sales tax deduction facility

Module 17: Sales & service tax – Part 3

- The designated area and special area
- Offences and penalties
- Bad debt and bad debt recovered
- Sales tax pricing and valuation method

Module 18: Service tax

- The introduction of service tax
- Type of chargeable service
- The service tax exemption facility
- Reimbursement and disbursement in service tax treatment

AUDIENCE

Accounting & Finance personnel involved in accounting and tax matters, Managers, Directors.

METHODOLOGY

Self-Paced e-Learning (Online TALENT LMS) - Audio, video, reading material, YouTube video and worksheets.