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# *TaXavvy*

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e-Filing available for Form e-C from 1 April 2016

Withholding tax on REIT distribution to non-residents

Stamp duty exemption for SMEs with Green Lane Policy incentive



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### ***e-Filing available for Form e-C from 1 April 2016***

The Inland Revenue Board (IRB) has issued a press release dated 31 March 2016 on the availability of the e-filing system for submission of income tax return forms for companies (Form e-C). The system is available from 1 April 2016.

Where the company is e-filing for the first time, the company director is required to be personally present at the nearest IRB branch to obtain the PIN for the organisation. The following must be presented:

- Identification card or passport
- Form 49
- Completed Form CP55B (application for organisation PIN)
- Letter of authorisation if the Form CP55B is signed by a person other than a company director

A letter of authorisation on the company's letterhead is required in cases where the company appoints a representative to make the application for the PIN on its behalf.

The press release is available on IRB's website [www.hasil.gov.my](http://www.hasil.gov.my).

### ***Withholding tax on Real Estate Investment Trust (REIT) distribution to non-residents***

The Chartered Tax Institute of Malaysia's (CTIM) has recently sought clarification from the IRB on the amendment to the withholding tax (WHT) rate under Paragraph 1(b) Part X, Schedule I of the Income Tax Act 1967 (ITA), in relation to distribution by REITs to non-resident companies under section 109D of the ITA, effective from year of assessment (YA) 2016.

The IRB has clarified that the application of the reduced rate should be based on the non-resident recipient company's basis period instead of the REIT's basis period. Thus, if the distribution from the REIT constitutes income of the non-resident company for YA 2015, the rate of 25% is still applicable. However, if the said income forms part of the non-resident company's income for YA 2016, the reduced rate of 24% is applicable.

### ***Stamp duty exemption for Small and Medium Enterprises (SMEs) with Green Lane Policy incentive***

The Stamp Duty (Exemption) Order 2016 gazetted on 23 March 2016 provides stamp duty exemption for any instrument of loan or financing according to syariah principles executed between a SME granted the Green Lane Policy incentive and prescribed financial institutions.

The said instrument must be executed on or after 1 January 2015 but not later than 31 December 2017.

## Let's talk

Our offices	Name	Email	Telephone
<b>Kuala Lumpur</b>	Jagdev Singh	jagdev.singh@my.pwc.com	+60(3) 2173 1469
<b>Penang / Ipoh</b>	Tony Chua	tony.chua@my.pwc.com	+60(4) 238 9118
<b>Johor Bahru</b>	Benedict Francis	benedict.francis@my.pwc.com	+60(7) 222 4448
<b>Melaka</b>	Teh Wee Hong Au Yong	wee.hong.teh@my.pwc.com paik.hup.au@my.pwc.com	+60(3) 2173 1595 +60(6) 283 6169
<b>Labuan</b>	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828

Our services	Name	Email	Telephone
<b>Corporate Tax Compliance &amp; Planning</b>			
▪ Consumer & Industrial Product Services	Theresa Lim Margaret Lee	theresa.lim@my.pwc.com margaret.lee.seet.cheng@my.pwc.com	+60(3) 2173 1583 +60(3) 2173 1501
▪ Emerging Markets	Fung Mei Lin	mei.lin.fung@my.pwc.com	+60(3) 2173 1505
▪ Energy, Utilities & Mining	Lavindran Sandragasu	lavindran.sandragasu@my.pwc.com	+60(3) 2173 1494
▪ Financial Services	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828
▪ Technology, InfoComm & Entertainment	Heather Khoo	heather.khoo@my.pwc.com	+60(3) 2173 1636
<b>GST / Indirect Tax</b>	Raja Kumaran Wan Heng Choon	raja.kumaran@my.pwc.com heng.choon.wan@my.pwc.com	+60(3) 2173 1701 +60(3) 2173 1488
<b>International Tax Services / Mergers and Acquisition</b>	Frances Po	frances.po@my.pwc.com	+60(3) 2173 1618
<b>Transfer Pricing, Tax Audits &amp; Investigations</b>	Jagdev Singh	jagdev.singh@my.pwc.com	+60(3) 2173 1469
<b>International Assignment Services</b>	Sakaya Johns Rani Hilda Liow	sakaya.johns.rani@my.pwc.com hilda.liow.wun.chee@my.pwc.com	+60(3) 2173 1553 +60(3) 2173 1638
<b>Corporate Services</b>	Lee Shuk Yee	shuk.yee.lee@my.pwc.com	+60(3) 2173 1626
<b>Japanese Business Consulting</b>	Junichi Fujii	junichi.fujii@my.pwc.com	+60(3) 2173 1480

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