



# TaXavvy

2 February 2024 | Issue 4-2024

## Capital Gains Tax Return

[www.pwc.com/my/tax](http://www.pwc.com/my/tax)



## Capital Gains Tax Return

The Inland Revenue Board (IRB) has issued the sample capital gains tax return form (also referred to as “e-CKM Form”) and the Capital Gains Tax Return Form Filing Programme (“CGT Filing Programme”).

They provide information on capital gains tax (CGT) compliance obligations, including:

- CGT exemption for shares under section 15C of the Income Tax Act 1967 (ITA 1967).
- CGT return (not required) for disposals from 1 January 2024 to 29 February 2024, which are exempt from CGT.



### Recap on commencement date of CGT

Companies, limited liability partnerships (LLPs), co-operatives and trust bodies (including unit trusts) are subject to CGT on gains from:

- Disposal of shares of unlisted companies incorporated in Malaysia (“unlisted shares”)
- Disposal of shares of a controlled company incorporated outside Malaysia deriving value from real property in Malaysia pursuant to section 15C of the Income Tax Act 1967 (“section 15C shares”)
- Remittance into Malaysia of gains from disposal of capital assets situated outside Malaysia (“foreign capital assets”)

Under the Finance (No. 2) Act 2023, the above took effect from 1 January 2024.

However, the Income Tax (Exemption) (No. 7) Order 2023 (“Exemption Order”) which was gazetted on 29 December 2023, provides that disposal of unlisted shares during the period from 1 January 2024 to 29 February 2024 is exempted from CGT. It was essentially given to maintain the commencement date of 1 March 2024 (refer to [TaXavvy Issue 30-2023](#) for details).

The Finance Minister II has also announced that exemption from CGT will be provided to unit trusts (refer to [TaXavvy Issue 1-2024](#) for details).

### CGT exemption for section 15C shares from 1 January 2024 to 29 February 2024

The Exemption Order does not specify that section 15C shares are within the scope of its exemption. However, the IRB has via its CGT Filing Programme, stated that companies, LLPs, co-operatives and trust bodies are also exempt from CGT on disposal of section 15C shares from 1 January 2024 to 29 February 2024.

### What are the compliance obligation in relation to CGT?

- Tax returns are to be filed electronically within 60 days from the date of each disposal using the e-CKM Form via the MyTax portal.
- The CGT is to be paid within 60 days from the date of disposal.
- Records of the disposal are to be kept for 7 years.

### Key information on IRB's requirement in relation to CGT compliance obligations from the CGT Filing Programme and Sample e-CKM Form in relation to CGT compliance obligations

#### 1. CGT return for disposals exempt from CGT (Item E19 of the sample e-CKM Form)

For disposals which have been granted an exemption from CGT, the e-CKM Form requires the gain to be computed, and the relevant subsidiary legislation (gazette order / exemption order) to be stated.

#### 2. CGT return not required to be submitted for disposals from 1 January 2024 to 29 February 2024 ("Exemption Period")

The CGT Filing Programme states that CGT Return is not required to be submitted for disposals of unlisted shares and section 15C shares which are exempt from CGT during the Exemption Period.

This is a welcomed move as the exemption granted during the Exemption Period is essentially given to maintain the commencement date to 1 March 2024. Therefore, there is no requirement to submit CGT return for disposals during the Exemption Period although the disposals are exempt from CGT under an exemption order.

#### 3. CGT return for unit trusts

No information is given on the filing requirement in relation to the announced CGT exemption for unit trusts. Details on the CGT exemption is pending issuance of subsidiary legislation. It is natural to expect the subsidiary legislation or the IRB to specify that the CGT return in relation to the announced CGT exemption will also consequently be dispensed. Further announcement is pending.

#### 4. CGT return for foreign capital assets

The sample e-CKM Form and CGT Filing Programme only cover unlisted shares and section 15C shares. They do not cover disposal of foreign capital assets.

In view that gain from disposal of foreign capital assets is only subject to CGT upon remittance into Malaysia, guidance is required from the IRB on the approach that will be adopted.

Foreign-sourced income which is also subject to tax upon remittance into Malaysia is currently reported in the annual corporate income tax return. Will similar approach be adopted by the IRB?

#### 5. Labuan companies

A Labuan company, Labuan limited liability partnership, Labuan foundation, and Labuan trust that elects or is subject to tax under the ITA 1967 is subject to CGT and is required to submit the e-CKM Form.



**6. Grace period for the payment of tax from additional assessments**

Where an additional assessment is raised, the tax shall be paid within 30 days from the date of assessment. Nevertheless, a grace period of 7 days is given. This is consistent with the grace period given for additional assessment raised for income tax under the IRB’s Return Form (RF) Filing Programme for the Year 2024.

**7. e-CKM Form (to be submitted electronically) accessible from MyTax portal from 1 March 2024**

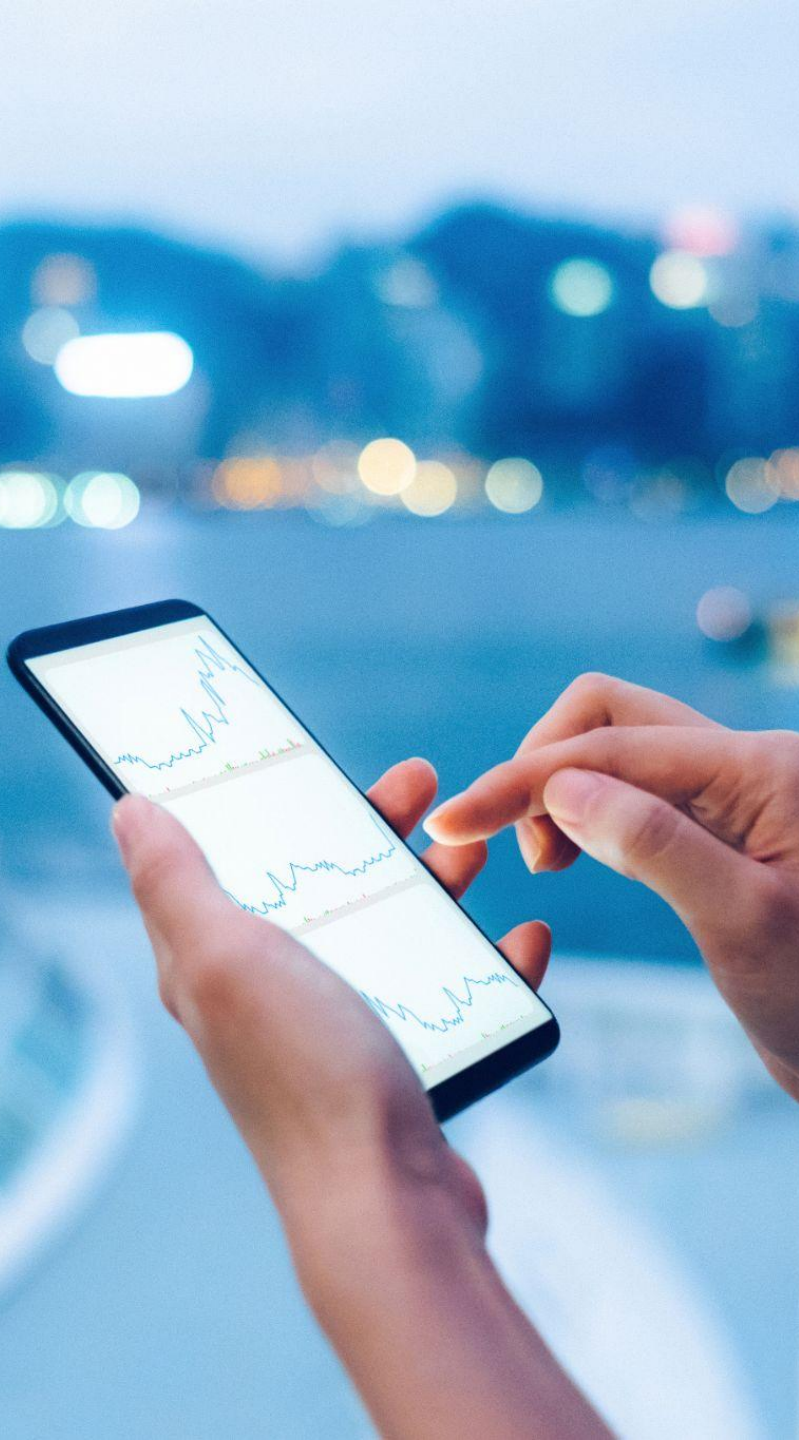
For reference, a PDF version of the sample e-CKM Form together with its Explanatory Notes have been made available by the IRB on the IRB’s website [www.hasil.gov.my](http://www.hasil.gov.my) (Home > Forms > Download Forms > Capital Gains Tax).

The CGT Filing Programme sets out the following category of taxpayers which are required to submit the e-CKM Form through the e-Filing system from 1 March 2024:

Category of taxpayer	File type
Company	C
LLP	PT
Unit Trust / Property Trust	TC
Co-operative Society	CS
Trust Body	TA
Real Estate Investment Trust	TR
Business Trust	TN

Licensed tax agents can be appointed to submit the e-CKM Form.

The CGT Filing Programme is available on the IRB’s website [www.hasil.gov.my](http://www.hasil.gov.my) (Home > Forms > CGT Return Form (RF) Filing Programme).



## Connect with us

### Our Offices

#### Kuala Lumpur

##### Jagdev Singh

jagdev.singh@pwc.com

+60(3) 2173 1469

#### Penang & Ipoh

##### Kang Gaik Hong

gaik.hong.kang@pwc.com

+60(4) 238 9225

#### Melaka & Johor Bahru

##### Benedict Francis

benedict.francis@pwc.com

+60(7) 218 6000

#### Kuching

##### Lee Yuien Siang

yuien.siang.lee@pwc.com

+60(8) 252 7202

#### Cynthia Ng

cynthia.hh.ng@pwc.com

+60(3) 2173 1438

#### Labuan

##### Jennifer Chang

jennifer.chang@pwc.com

+60(3) 2173 1828

### Corporate Tax Compliance & Advisory

#### Consumer & Industrial Product Services

##### Margaret Lee

margaret.lee.seet.cheng@pwc.com

+60(3) 2173 1501

##### Steve Chia

steve.chia.siang.hai@pwc.com

+60(3) 2173 1572

##### Clifford Yap

clifford.eng.hong.yap@pwc.com

+60(3) 2173 1446

##### Taariq Murad

taariq.murad@pwc.com

+60(3) 2173 1580

##### Hee Sien Yian

sien.yian.hee@pwc.com

+60(3) 2173 0222

##### Cynthia Ng

cynthia.hh.ng@pwc.com

+60(3) 2173 1438

##### Alvin Woo

alvin.jm.woo@pwc.com

+60(3) 2173 1820

#### Emerging Markets

##### Fung Mei Lin

mei.lin.fung@pwc.com

+60(3) 2173 1505

##### Michelle Chuo

michelle.sy.chuo@pwc.com

+60(3) 2173 1289

#### Financial Services

##### Jennifer Chang

jennifer.chang@pwc.com

+60(3) 2173 1828

##### Lim Phaik Hoon

phaik.hoon.lim@pwc.com

+60(3) 2173 1535

##### Lorraine Yeoh

lorraine.yeoh@pwc.com

+60(3) 2173 1499

##### Tan Tien Yee

tien.yee.tan@pwc.com

+60(3) 2173 1584

#### Energy, Utilities & Mining

#### Technology, Media & Telecommunications

##### Heather Khoo

heather.khoo@pwc.com

+60(3) 2173 1636

##### Lavindran Sandragasu

lavindran.sandragasu@pwc.com

+60(3) 2173 1494

##### Keegan Ong

keegan.sk.ong@pwc.com

+60(3) 2173 1684

##### Aurobindo Ponniah

aurobindo.ponniah@pwc.com

+60(3) 2173 3771

##### Ang Wei Liang

wei.liang.ang@pwc.com

+60(3) 2173 1597

##### Zarina Othman

zarina.sheikh.othman@pwc.com

+60(3) 2173 1615

#### Services & Infrastructure

##### Lim Phaik Hoon

phaik.hoon.lim@pwc.com

+60(3) 2173 1535

## Connect with us

### Specialist services

---

#### Capital Allowance

##### Richard Baker

richard.baker@pwc.com  
+60(3) 2173 0644

#### China Desk

##### Lorraine Yeoh

lorraine.yeoh@pwc.com  
+60(3) 2173 1499

#### Corporate Services

##### Lee Shuk Yee

shuk.yee.x.lee@pwc.com  
+60(3) 2173 1626

#### Dispute Resolution

##### Tai Weng Hoe

weng.hoe.tai@pwc.com  
+60(3) 2173 1600

##### Chris Tay

christopher.h.tay@pwc.com  
+60(3) 2173 1143

#### Individual Tax

##### Michelle Chuo

michelle.sy.chuo@pwc.com  
+60(3) 2173 1289

#### Indirect Tax

##### Raja Kumaran

raja.kumaran@pwc.com  
+60(3) 2173 1701

##### Abd Gani Othman

abdgani.othman@pwc.com  
+60(3) 2173 1648

##### Geeta Balakrishnan

geeta.b.balakrishnan@pwc.com  
+60(3) 2173 1652

##### Annie Thomas

annie.thomas@pwc.com  
+60(3) 2173 3539

#### International Tax Services / Mergers and Acquisition

##### Gan Pei Tze

pei.tze.gan@pwc.com  
+60(3) 2173 3297

##### Lim Chee Keong

chee.keong.lim@pwc.com  
+60(3) 2173 0639

##### Lee Boon Siew

boon.l.lee@pwc.com  
+60(3) 2173 0932

#### Japanese Business Consulting

##### Yuichi Sugiyama

yuichi.sugiyama@pwc.com  
+60(3) 2173 1191

##### Clifford Yap

clifford.eng.hong.yap@pwc.com  
+60(3) 2173 1446

#### Korea Desk

##### Keegan Ong

keegan.sk.ong@pwc.com  
+60(3) 2173 1684

#### Tax Reporting & Strategy

##### Lavindran Sandragasu

lavindran.sandragasu@pwc.com  
+60(3) 2173 1494

##### Pauline Lum

pauline.ml.lum@pwc.com  
+60(3) 2173 1059

##### Mohd Haizam Abdul Aziz

mohd.haizam.abdul.aziz@pwc.com  
+60(3) 2173 5355

#### Tax Technology

##### Yap Sau Shiung

sau.shiung.yap@pwc.com  
+60(3) 2173 1555

##### Joey Chong

joey.chong@pwc.com  
+60(3) 2173 0092

#### Workforce Tax

##### Kartina Abdul Latif

kartina.a.latif@pwc.com  
+60(3) 2173 0153

##### Mohammad Iesa Morshidi

iesam.morshidi@pwc.com  
+60(3) 2173 3136

#### Worldtrade Management Services

##### Chandrasegaran Perumal

chandrasegaran.perumal@pwc.com  
+60(3) 2173 3724

#### Transfer Pricing

##### Anushia Soosaipillai

anushia.joan.soosaipillai@pwc.com  
+60(3) 2173 1419

##### Jagdev Singh

jagdev.singh@pwc.com  
+60(3) 2173 1469

##### Desmond Goh

desmond.goh.keng.hong@pwc.com  
+60(3) 2173 1439

##### Lim Ying Tian

ying.tian.lim@pwc.com  
+60(3) 2173 0291

##### Ong Ai Ling

ai.ling.ong@pwc.com  
+60 (3) 2173 0711

##### Lilia Edlina Azmi

lilia.edlina.azmi@pwc.com  
+60(3) 2173 1498



[www.pwc.com/my/tax](https://www.pwc.com/my/tax)

**TaXavvy** is a newsletter issued by PricewaterhouseCoopers Taxation Services Sdn Bhd. Whilst every care has been taken in compiling this newsletter, we make no representations or warranty (expressed or implied) about the accuracy, suitability, reliability or completeness of the information for any purpose. PricewaterhouseCoopers Taxation Services Sdn Bhd, its employees and agents accept no liability, and disclaim all responsibility, for the consequences of anyone acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Recipients should not act upon it without seeking specific professional advice tailored to your circumstances, requirements or needs.

© 2024 PricewaterhouseCoopers Taxation Services Sdn Bhd. All rights reserved. "PricewaterhouseCoopers" and/or "PwC" refers to the individual members of the PricewaterhouseCoopers organisation in Malaysia, each of which is a separate and independent legal entity. Please see [www.pwc.com/structure](https://www.pwc.com/structure) for further details.