



Shearn Delamore & co.

## Legal Update

APRIL 2021

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# Tax & Revenue

## Income tax

The technical guideline [Garis Panduan Berhubung Permohonan Pengecualian Cukai Pendapatan Kepada Institusi Atau Organisasi Keagamaan Yang Layak Di Bawah Perintah Cukai Pendapatan \(Pengecualian\) 2020 \[P.U.\(A\) 139/2020\]](#) (available in Malay language only) has been published on 25 March 2021 on the [Inland Revenue Board of Malaysia's official website](#).

## Service tax

The following policies have recently been published on the [Royal Malaysian Customs Department's MySST website](#):

- (i) **Service Tax Policy No. 9/2020 (Amendment No. 2)** issued on 18 March 2021; and
- (ii) **Service Tax Policy No. 2/2019 (Amendment No. 1)** issued on 5 April 2021.

## Tourism tax

The [Tourism Tax \(Digital Platform Service Provider\) Regulations 2021](#) have been gazetted on 31 March 2021 and Parts II and V, and regulations 16 and 17 have come into operation on 1 April 2021 whereas Parts III, IV and VI except for regulations 16 and 17 will come into operation on 1 July 2021.

**CONTACT US FOR FURTHER INFORMATION REGARDING TAX & REVENUE LAW MATTERS.**

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# Financial Services

## BNM Revises the Foreign Exchange Notices

On 15 April 2021, BNM revoked, and issued, revised Foreign Exchange Notices to reflect certain liberalisations that were announced on 31 March 2021.

The key changes has been summarised by BNM as follows:

- Notice 4 — Payment and Receipt which are
  - as resident exporters can settle domestic trade in goods and services in foreign currency with other residents involved in the global supply chain;
  - resident entities can pay or receive foreign currency to or from non-residents for settlement of foreign currency-denominated derivatives hedging (excluding exchange rate derivatives).
- Notice 5 — Securities and Financial Instruments
  - Licensed onshore banks can offer and transact ringgit-denominated interest rate or profit rate Islamic derivative with non-resident banks without any underlying commitment directly or through its Appointed Overseas Offices.
- Notice 7 — Export of Goods
  - Removal of export conversion requirement;
  - Resident exporters can offset or write-off export proceeds for any

approved reason set out in Appendix B to Notice 7;

- Resident exporters can expend the period for repatriation of export proceeds from six to 24 months in the circumstances set out in Appendix C to Notice 7.

**CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.**



