

Financial Services

Bank Negara Malaysia seeks feedback on Alternative Reference Rate and Strategic Direction on KLIBOR and KLIRR

On 19 May 2021, Bank Negara Malaysia invited written feedback by 18 June 2021 on its Alternative Reference Rate and Strategic Direction on the Kuala Lumpur Interbank Offered Rate (“KLIBOR”) and the Kuala Lumpur Islamic Reference Rate (“KLIRR”) for the Malaysian Financial Markets discussion paper.

The discussion paper sets out, among others:

- the framework, design and features pertaining to the development of an alternative reference rate for Malaysia;
- the potential enhancements to KLIBOR; and
- the review of KLIRR.

Admission of Philippines to the ASEAN Collective Investment Schemes Framework

On 10 May 2021, a supplemental Memorandum of Understanding was signed by the Securities Commission Malaysia, Monetary Authority of Singapore, Securities and Exchange Commission of Thailand and Securities and Exchange Commission of Philippines to admit the Securities and Exchange Commission of Philippines as a signatory to the ASEAN Collective Investment Schemes (“CIS”) Framework (“the CIS Framework”).

The entry of Philippines into the CIS Framework would allow qualified investment companies in the Philippines and their fund managers to offer eligible funds to retail investors in the other three member jurisdictions (which are Malaysia, Singapore and Thailand) and *vice versa*.

CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.

Legal Updates

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Tax & Revenue

Operation of Revenue Offices During Total Lockdown Period

In view of the implementation of Total Lockdown in Malaysia, the Inland Revenue Board has issued a press release on 31 May 2021 on the operation of their offices during the Total Lockdown period from 1 to 14 June 2021. Click [here](#) to read the full press release.

Income tax

The following public ruling and operational guideline have recently been published on the [Inland Revenue Board of Malaysia's official website](#):

- (i) [Taxation of Unit Holders of Real Estate Investment Trusts/Property Trust Funds \(Public Ruling No. 1/2021\)](#) issued on 25 May 2021 to replace Public Ruling No. 9/2018 dated 12 October 2018; and
- (ii) [Garis Panduan Pampasan Kerana Kelewatan Memproses Bayaran Balik Lebihan Bayaran Cukai Pendapatan](#) (available in Malay language only) — issued on 21 May 2021.

Service tax

The [Service Tax Policy No. 1/2021](#) issued on 27 May 2021 in regard to the service tax exemption given to the Malaysia-Thailand Joint Authority and companies operating in the Joint Development Area has recently been published on the [Royal Malaysian Customs Department's MySST website](#).

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