



Dear valued clients and friends,

We are pleased to bring you the latest legal update for the month of June 2020.

Tax and Revenue

Tax and customs matters during Movement Control Order ("MCO") and Conditional MCO period

The Inland Revenue Board ("IRB") has published an updated list of Frequently Asked Questions ("FAQ") on tax matters arising during the MCO and CMCO period. For the updated FAQ (as at 10 June 2020), please refer to <https://tinyurl.com/yavz548h>.

The Royal Malaysian Customs Department ("RMCD") has also recently issued two updated announcements pertaining to payment of taxes due during the MCO and CMCO period: <https://tinyurl.com/ybqrf8er> (as at 29 May 2020) and <https://tinyurl.com/ya765flw>.

Income tax

The following public rulings, guidelines, audit framework and practice note have recently been published on the [Inland Revenue Board of Malaysia's official website](#):

- i. **Tax Treatment of Stock In Trade Part I — Valuation of Stock (Public Ruling No. 2/2020)** issued on 3 June 2020;
- ii. **Tax Treatment of Stock In Trade Part II — Withdrawal of Stock (Public Ruling No. 3/2020)** issued on 3 June 2020;
- iii. **Tax Treatment of Any Sum Received and a Debt Owed that arises in respect of Services to be Rendered (Public Ruling No. 4/2020)** issued on 16 June 2020;
- iv. **Garis Panduan Permohonan untuk Kelulusan Ketua Pengarah Hasil Dalam Negeri Di Bawah Subseksyen 44(6) Akta Cukai Pendapatan 1967 Bagi Tabung Pembinaan Rumah Ibadat** (available in Malay language only) — issued on 8 June 2020;

- v. **Garis Panduan Permohonan untuk Kelulusan Ketua Pengarah Hasil Dalam Negeri Di Bawah Subseksyen 44(6) Akta Cukai Pendapatan 1967 Bagi Tabung Pembelian Rumah Ibadat** (available in Malay language only) — issued on 8 June 2020;
- vi. **Rangka Kerja Audit Pematuhan Di Bawah Subseksyen 44(6), 44(6B), 44(11D) dan P.U. (A) 139/2020 Akta Cukai Pendapatan 1967** (available in Malay language only) — issued on 15 June 2020; and
- vii. **Clarification on Determining the Gross Income from Business Sources of not more than RM50 million of a Company or Limited Liability Partnership (Practice Note No. 3/2020)** issued on 18 May 2020.

Service tax

The following guide and policy have recently been published on [RMCD's MySST website](#):

- i. **Specific Guide on Refund on the Acquisition of Services by Foreign Missions and International Organizations** (as at 23 June 2020); and
- ii. **Service Tax Policy No. 9/2020 (Amendment No. 1)** issued on 17 June 2020.

Refund of Goods and Services Tax ("GST")

The RMCD has also recently issued an announcement and a list of FAQ on the refund of GST: <https://tinyurl.com/yddwg8ht> and <https://tinyurl.com/y9zweno8>.

Labuan tax

The **Labuan Business Activity Tax (Exemption) Order 2020** has been gazetted on 2 June 2020 and is deemed to have come into operation on 1 January 2019.

For further information regarding tax and revenue matters, please contact our [Tax and Revenue Practice Group](#).

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