



Self

Assessment

System

GUIDEBOOK

**INCOME TAX
OF AN
INDIVIDUAL**

**RESIDENT WHO DOES
NOT CARRIES
ON BUSINESS**

**RE
2011**

TOGETHER WE DEVELOP THE NATION

CONTENTS OF GUIDEBOOK

ITEMS	Page
Foreword	1
What Is Form BE Guidebook?	1
Reminder Before Filling Out The Form	2
Part 1 — Form B	
Basic Information	5
Part A : Particulars of Individual	5
Part B : Particulars of Husband / Wife	7
Part C : Statutory Income and Total Income	7
Part D : Deductions	10
Part E : Tax Payable	17
Part F : Status of Tax for Year of Assessment 2011	21
Part G : Income of Preceding Years Not Declared	22
Part H : Particulars of Executor of the Deceased Person's Estate	22
Declaration	23
Particulars of Tax Agent who Completes this Return Form	23
Reminder	23
Part 2 — Working Sheets	
HK-2 – Computation of Statutory Income from Employment	24
HK-2.1 – Receipts under Paragraph 13(1)(a)	26
HK-2.2 – Computation of Taxable Gratuity	27
HK-2.3 – Computation of Tax Allowance	28
HK-2.4 – Benefits-In-Kind (BIK) [Paragraph 13(1)(b)]	28
HK-2.5 – Benefit/Value of Accommodation Provided [Paragraph 13(1)(c)]	28
HK-2.6 – Refund from Unapproved Pension or Provident Fund, Scheme or Society	29
HK-2.7 – Computation of Taxable Compensation	29
HK-3 – Tax Deduction under Section 51 of Financial Act 2007 (Dividends)	30
HK-4 – Particulars of Properties/Assets and Total Rental	30
HK-5 – Computation of Statutory Income from Interest/Royalties	30
HK-6 – Tax Deduction under Section 110 (Others)	30

ITEMS		Page
HK-7 –	Not Applicable to Form BE (Not Enclosed)	-
HK-8 –	Income from Countries which have Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 132 Tax Relief	30
HK-9 –	Income from Countries Without Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 133 Tax Relief	30
HK-10 –	Instalments/Schedular Tax Deductions Paid	31
HK-11 –	Not Applicable to Form BE (Not Enclosed)	-
HK-12 –	Not Applicable to Form BE (Not Enclosed)	-
HK-13 –	Deduction for Maintenance of Unmarried Children	31
HK-14 –	Life Insurance Premiums/Contributions to Approved Provident or Pension Fund, Education and Medical Insurance	31

CONTENTS OF WORKING SHEETS

(Paper Marked Blue)

Series		Working Sheet Page
HK-2 –	Computation of Statutory Income from Employment	1
HK-2.1 –	Receipts under Paragraph 13(1)(a)	3
HK-2.2 –	Computation of Taxable Gratuity	4
HK-2.3 –	Computation of Tax Allowance	5
HK-2.4 –	Benefits-In-Kind (BIK) [Paragraph 13(1)(b)]	6
HK-2.5 –	Benefit/Value of Accommodation Provided [Paragraph 13(1)(c)]	7
HK-2.6 –	Refund from Unapproved Pension or Provident Fund, Scheme or Society	9
HK-2.7 –	Computation of Taxable Compensation	10
HK-3 –	Tax Deduction under Section 51 of Financial Act 2007 (Dividends)	11
HK-4 –	Particulars of Properties/Assets and Total Rental	13
HK-5 –	Computation of Statutory Income from Interest/Royalties	15
HK-6 –	Tax Deduction under Section 110 (Others)	16
HK-7 –	Not Applicable to Form BE (Not Enclosed)	-
HK-8 –	Income from Countries which have Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 132 Tax Relief	17

Series			Working Sheet
			Page
HK-9	–	Income from Countries Without Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 133 Tax Relief	18
HK-10	–	Instalments/Schedular Tax Deductions Paid	19
HK-11	–	Not Applicable to Form BE (Not Enclosed)	-
HK-12	–	Not Applicable to Form BE (Not Enclosed)	-
HK-13	–	Deduction for Maintenance of Unmarried Children	20
HK-14	–	Life Insurance Premiums/Contributions to Approved Provident or Pension Fund, Education and Medical Insurance	22

CONTENTS OF APPENDICES

(Paper Marked Brown)

Series			Appendix
			Page
Appendix B1	–	Gratuity	1
Appendix B2	–	Tax Allowance	4
Appendix B3	–	Benefits-In-Kind (BIK) [Paragraph 13(1)(b)]	6
Appendix B4	–	Benefit/Value Of Accomodation Provided [Paragraph 13(1)(c)]	11
Appendix B5	–	Compensation for Loss of Employment	15
Appendix C	–	Foreign Currency Exchange Rates (Yearly Average)	16
Appendix D	–	Not Applicable to Form BE (Not Enclosed)	-
Appendix E	–	Country Codes	18
Appendix F	–	Avoidance of Double Taxation Agreements (DTA)	23
Appendix G	–	Not Applicable to Form BE (Not Enclosed)	-
Appendix H	–	Director General's Public Rulings	26

Foreword

Lembaga Hasil Dalam Negeri Malaysia (LHDNM) expresses its appreciation towards individuals who have consistently performed their duty as responsible taxpayers in the settlement of their respective annual income tax. Their tax contributions have assisted in the development and improvement of the national socio-economic status.

To expedite and facilitate the performance by taxpayers of their respective tax responsibility, the government has entrusted its faith in them to assess and settle their income tax with the introduction of the Self Assessment System commencing from the year of assessment 2004 for individuals and non-corporate taxpayers.

Simplified forms with explanations and guides on how to fill out those forms and compute the chargeable income and income tax have been prepared to assist taxpayers.

What is Form BE Guidebook?

The following are contents of the Form BE Guidebook :

1. A complete guide on how to fill out the Form BE.
2. A series of Working Sheets (series HK-2 ...) for computing the statutory income from employment :
 - HK-2 - Computation of Statutory Income from Employment
 - HK-2.1 - Receipts under Paragraph 13(1)(a)
 - HK-2.2 - Computation of Taxable Gratuity
 - HK-2.3 - Computation of Tax Allowance
 - HK-2.4 - Benefits-In-Kind (BIK) [Paragraph 13(1)(b)]
 - HK-2.5 - Benefit/Value of Accommodation Provided [Paragraph 13(1)(c)]
 - HK-2.6 - Refund from Unapproved Pension or Provident Fund, Scheme or Society
 - HK-2.7 - Computation of Taxable Compensation
3. Nine (9) other Working Sheets are as follows :
 - HK-3 - Tax Deduction under Section 51 of Financial Act 2007 (Dividends)
 - HK-4 - Particulars of Properties/Assets and Total Rental
 - HK-5 - Computation of Statutory Income from Interest/Royalties
 - HK-6 - Tax Deduction under Section 110 (Others)
 - HK-7 - Not Applicable to Form BE (Not Enclosed)
 - HK-8 - Income from Countries which have Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 132 Tax Relief
 - HK-9 - Income from Countries Without Avoidance of Double Taxation Agreement with Malaysia and Claim for Section 133 Tax Relief
 - HK-10 - Instalments/Schedular Tax Deductions Paid
 - HK-11 - Not Applicable to Form BE (Not Enclosed)
 - HK-12 - Not Applicable to Form BE (Not Enclosed)
 - HK-13 - Deduction for Maintenance of Unmarried Children
 - HK-14 - Life Insurance Premiums/Contributions to Approved Provident or Pension Fund, Education and Medical Insurance

The husband's Form B/BE is as follows:

- i) Total income of husband - RM76,463
 - ii) Total income transferred from wife - RM60,000 (with business income)
 - iii) Tax payable in the name of the husband - RM20,000.00
 - iv) Instalments paid by the husband - RM10,000.00
 - v) Instalments paid by the wife - RM3,000.00
- } RM13,000.00

Part C

C16 (Form BE) TOTAL INCOME - SELF 7 6 4 6 3

OR **C34** (Form B)

C17 (Form BE) TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE * FOR JOINT ASSESSMENT 6 0 0 0 0

OR **C35** (Form B) * Type of income transferred from Husband / Wife 1 1 = With business income
2 = Without business income

C18 (Form BE) AGGREGATE OF TOTAL INCOME 1 3 6 4 6 3

OR **C36** (Form B)

Part F

F1 Tax payable (from E13) 2 0 0 0 0 0 0

LESS :

F2 Instalments/Monthly Tax Deductions Paid - SELF and HUSBAND / WIFE if joint assessment 1 3 0 0 0 0 0

F3 Balance of tax payable (F1 - F2) 7 0 0 0 0 0 0

F4 OR : Tax paid in excess (F2 - F1)

The wife does not have to fill in Parts D, E and F of her Form BE.

Please take note that the tax computation should be done separately for the husband and wife when using relevant working sheets. Record of separate tax computations for the husband and wife must be properly kept for reference/audit by Lembaga Hasil Dalam Negeri Malaysia.

(4) General Rules for Filling out the Form BE

- i. Part A : Particulars of Individual
Fill in relevant information only.
- ii. Part B : Particulars of Husband/Wife
Fill in relevant information only.

iii. Part C : Statutory Income and Total Income

This part has to be completed.

In the case of joint assessment, the individual who elects to be assessed in the name of the spouse is required to fill in until item C16 only. Items **C17** to **C18** need not be filled.

iv. Part D : Deductions

This part has to be completed. The individual who elects for joint assessment to be raised in the name of the spouse does not have to fill in this section.

v. Part E : Tax Payable

This part has to be completed. The individual who elects for joint assessment to be raised in the name of the spouse does not have to fill in this section.

vi. Part F : Status of Tax for Year of Assessment 2011

This part has to be completed. The individual who elects for joint assessment to be raised in the name of the spouse does not have to fill in this section.

vii. Part G : Income of Preceding Years Not Declared

Fill in relevant information only.

viii. Part H : Particulars of Executor of the Deceased Person's Estate

Fill in relevant information only.

ix. Declaration

This part has to be completed. If the form is not affirmed and duly signed, it will be returned to you and deemed not received by Lembaga Hasil Dalam Negeri Malaysia

x. Particulars of Tax Agent who Completes this Return Form

Fill in relevant information only.

Part I - Form BE

BASIC INFORMATION

Item	Subject	Explanation	Working Sheet	Appendix																																							
1	Name	Name as per identity card.	-	-																																							
2	Income Tax No.	<p>Income tax number.</p> <p>Enter SG or OG followed by the income tax number in the boxes provided.</p> <p><i>Example I:</i> For income tax no. SG 10234567080</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>S</td><td>G</td><td>1</td><td>0</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>0</td><td>8</td><td>0</td> </tr> </table> <p style="text-align: center;">▲ Enter SG or OG</p> <p><i>Example II:</i> For income tax no. SG 10234567081</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>S</td><td>G</td><td>1</td><td>0</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>0</td><td>8</td><td>1</td> </tr> </table> <p style="text-align: center;">▲ Enter SG or OG</p> <p><i>Example III:</i> For income tax no. OG 12345678090</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>O</td><td>G</td><td>0</td><td>0</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>0</td><td>9</td><td>0</td> </tr> </table> <p style="text-align: center;">▲ Enter SG or OG</p>	S	G	1	0	2	3	4	5	6	7	0	8	0	S	G	1	0	2	3	4	5	6	7	0	8	1	O	G	0	0	3	4	5	6	7	8	0	9	0	-	-
S	G	1	0	2	3	4	5	6	7	0	8	0																															
S	G	1	0	2	3	4	5	6	7	0	8	1																															
O	G	0	0	3	4	5	6	7	8	0	9	0																															
3	New Identity Card No.	New identity card number.	-	-																																							
4	Old Identity Card No.	Old identity card number.	-	-																																							
5	Police No.	Police number (if any).	-	-																																							
6	Army No.	Army number (if any).	-	-																																							
7	Current Passport No.	Passport number as per passport book.	-	-																																							
8	Passport No. Registered with LHDNM	This refers to the last passport number filed with LHDNM prior to the current passport.	-	-																																							

STATUS OF TAX

To facilitate the processing of return forms, please complete this section correctly based on the tax computed on page 5 of Form BE 2010. Enter 'X' in one relevant box only.

PART A :

PARTICULARS OF INDIVIDUAL

Item	Subject	Explanation	Working Sheet	Appendix
A1	Citizen	Enter "MY" if you are a citizen of Malaysian. If you are not a citizen of Malaysia, refer to the Appendix E to determine the country code.	-	Appendix E

Item	Subject	Explanation	Working Sheet	Appendix
A2	Sex	Enter "1" for male or "2" for female.	-	-
A3	Status as at 31-12-2011	Enter "1" for unmarried, "2" for married, "3" for a divorcee/widow/widower or "4" for deceased.	-	-
A4	Date of Marriage/Divorce/Dimise	Enter the date of marriage; or date of divorce/separation (in accordance with any law); or date of demise according to the sequence : day, month and year.	-	-
A5	Type of Assessment	<p>Enter:</p> <p>(i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items C17 and C18, Part D, Part E and Part F of her Form BE; or</p> <p>(ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items C17 and C18, Part D, Part E and Part F of his Form BE; or</p> <p>(iii) '3' if the individual and spouse elect for separate assessment; or</p> <p>(iv) '4' if the individual is married with a spouse who has no source of income or has income which is tax exempt.</p> <p>(iii) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person.</p> <p>Note: Conditions on eligibility to elect for joint assessment:</p> <p>(i) the husband and the wife were living together in the basis year for the year of assessment and did not in that basis year cease to live together;</p> <p>(ii) the husband or the wife must have total income to be aggregated with the total income of the spouse;</p> <p>(iii) must be a Malaysian citizen if not resident in Malaysia;</p> <p>(iv) the aggregation can be made with one wife only.</p>	-	-
A6	Compliance with Public Rulings	Public Ruling is a guide for the public which sets out the interpretation of the Director General of Inland Revenue in respect of a particular tax law, policy and procedure that are to be applied. Refer to Appendix H of the Form BE Guidebook for the list of Public Rulings. Details of each Public Ruling are available from the LHDNM website. Enter '1' for full compliance with Public Rulings or '2' if one or more rulings are not complied with.	-	Appendix H
A7	Approved by the Minister as a Knowledge Worker	Enter '1' if your application to be subject to tax under Paragraph 1 of Part XIV Schedule 1 of ITA 1967 as a knowledge worker is approved by the Minister; or '2' if not applicable. For further details, refer to P.U.(A) 344/2010 in the LHDNM website.	-	-
A7a	Date of Approval by the Minister	If A7 = 1, enter the date of approval by the Minister.	-	-
A8	Correspondence Address	Address to be used for any correspondence with LHDNM. Fill in this item if there is a change of address.	-	-
A9	Telephone No.	Telephone number of office/tax agent's firm/residence/handphone.	-	-
A10	Employer's No.	Enter the employer's E file reference number. <i>Example</i> : E 1023456708	-	-
A11	e-mail	e-mail address (if any).	-	-
A12	Name of Bank	For the purpose of tax refund (if any) by LHDNM, state the name of the bank through which the payment is to be made.	-	-
A13	Bank Account No.	Your account number at the bank concerned.	-	-

PART B :	PARTICULARS OF HUSBAND/WIFE
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Item	Subject	Explanation	Working Sheet	Appendix
B1	Name of Husband/Wife	Name of the husband/wife as per identity card.	-	-
B2	Income Tax No.	Fill in the income tax number of your husband/wife by entering SG or OG followed by the reference number in the boxes provided.	-	-
B3	New Identity Card No.	New identity card number of the husband/wife.	-	-
B4	Old Identity Card No.	Old identity card number of the husband/wife.	-	-
B5	Police No.	Police number of the husband/wife (if any).	-	-
B6	Army No.	Army number of the husband/wife (if any).	-	-
B7	Passport No.	Passport number of the husband/wife as per passport book.	-	-

Note : Where there is more than one (1) wife, please furnish the information as per format B1 to B7 by using attachment(s) and submit together with the Form BE.

PART C :	STATUTORY INCOME AND TOTAL INCOME
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Item	Subject	Explanation	Working Sheet	Appendix
C1	Employment	Amount from item N4 Working Sheet HK-2.	HK-2	Appendix B1-B5
C2	Dividends	Enter dividends / distribution of income received from companies and unit trust [other than real estate investment trust (REIT) and property trust funds (PTF)] which have been charged to tax at 25%. Please submit Working Sheet HK-3 together with your Form BE if you are entitled to a tax refund in item E14. Amount C(iii) from Working Sheet HK-3.	HK-3	-
C3	Interest and Discounts	Income in respect of interest received by individuals resident in Malaysia from money deposited with the following institutions is tax: (i) A bank or a finance company licensed or deemed to be licensed under the Banking and Financial Institutions Act 1989; (ii) A bank licensed under the Islamic Banking Act 1983; (iii) A development financial institutions prescribed under the Development Financial Institutions Act 2002; (iv) The Lembaga Tabung Haji established under the Tabung Haji Act 1995; (v) The Malaysia Building Society Berhad incorporated under the Companies Act 1965; (vi) The Borneo Housing Finance Berhad incorporated under the Companies Act 1965. Amount from item E Working Sheet HK-5.	HK-5	-

Item	Subject	Explanation	Working Sheet	Appendix
C7	Aggregate Income	C1 plus C6	-	-
C8	Gift of money to the Government, State Government, local authorities	Monetary gifts made to the Government, State Government, a local authority or an institution/organisation approved by the Director General of Inland Revenue. Subsection 44(6)	-	-
C8A	Gift of money to approved institutions or organisations	Gift of money to institutions / organizations approved by the Director General of Inland Revenue. Subsection 44(6) and proviso	Restricted to 7% of the aggregate income in item C7	
C9	Gift of money or cost of contribution in kind for any approved sports activity or sports body	Gift of money or cost of contribution in kind for any sports activity approved by the Minister or any sports body approved by the Commissioner of Sports appointed under the Sports Development Act 1997. Subsection 44(11B)		
C10	Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance	Gift of money or cost of contribution in kind for any project of national interest approved by the Minister. Subsection 44(11c)		
C11	Gift of artefacts, manuscripts or paintings	Gift of artefacts, manuscripts or paintings to the Government will be based on the value determined by the Director General of Museum Malaysia or the Director General of National Archives. Subsection 44(6A)	-	-
C12	Gift of money for the provision of library facilities or to libraries	Gift of money not exceeding RM20,000 for the provision of library facilities to public libraries or libraries of schools/ institutions of higher learning. Subsection 44(8)	-	-
C13	Gift of money or contribution in kind for the provision of facilities in public places for the benefit of disabled persons	An amount equal to the value of any gift of money or contribution in kind for the provision of public facilities for the benefit of disabled persons, will be determined by the relevant local authority. Subsection 44(9)	-	-
C14	Gift of money or medical equipment to any healthcare facility approved by the Ministry of Health	Gift of money or medical equipment not exceeding RM20,000 in value given by an individual to any healthcare facility approved by the Ministry of Health. Subseksyen 44(10)	-	-
C15	Gift of paintings to the National Art Gallery or any state art gallery	An amount equal to the value of any gift of paintings to the National Art Gallery or any state art gallery, will be determined by the National Art Gallery or any state art gallery. Subsection 44(11)	-	-

Item	Subject	Explanation	Working Sheet	Appendix
C16	Total Income (Self)	C7 minus (C8 to C15). Enter "0" if the result of the computation is negative.	-	-
C17	Total Income Transferred from Husband/Wife* For Joint Assessment	<p>This item has to be filled in by the individual in whose name the joint assessment is to be raised.</p> <p>This item and item C18 need not be filled if:</p> <ol style="list-style-type: none"> 1. The individual is single/a divorcee/a widow/a widower 2. the spouse of the individual does not have any source of income or has income which is tax exempt 3. elect of separate assessment 4. elects for joint assessment to be raised in the name of his/her spouse 	-	-
	* Type of income transferred from Husband / Wife	Enter '1' if income transferred from husband / wife includes business source or '2' if not.		
C18	Aggregate of Total Income	C16 plus C17		

PART D:**DEDUCTIONS**

Item	Subject	Explanation	Working Sheet	Appendix
D1	Individual and dependent relatives	Relief of RM9,000 for an individual in respect of himself and his dependent relatives is granted automatically. Paragraph 46(1)(a)	-	-
D2	Medical treatment, special needs and carer expenses for parents	<p>Medical treatment, special needs and carer expenses incurred on parents is limited to RM5,000. Paragraph 46(1)(c)</p> <p>Medical expenses which qualify for deduction include:</p> <ol style="list-style-type: none"> (i) medical care and treatment provided by a nursing home; and (ii) dental treatment limited to tooth extraction, filling, scaling and cleaning but excluding cosmetic dental treatment expenses such as teeth restoration and replacement involving crowning, root canal and dentures. <p>Such claim must be evidenced by a medical practitioner registered with Malaysian Medical Council certifying that the medical condition of parents require medical treatment or special needs or carer. Parents shall be individuals resident in Malaysia.</p> <p>The medical treatment and care services are provided in Malaysia. In the case of carer, a written certification or receipt from, or work permit of, the carer.</p> <p>"carer" shall not include that individual, his wife or her husband or the child of the individual.</p>		
D3	Basic supporting equipment	The purchase of any supporting equipment for use by a disabled individual, husband, wife, child or parent, may be claimed up to a maximum of RM5,000. Basic supporting equipment includes haemodialysis machine, wheel chair, artificial leg and hearing aids but exclude optical lenses and spectacles. Paragraph 46(1)(d)	-	-
D4	Disabled person	An individual will be allowed an additional personal relief of RM6,000 if he is a disabled person. Paragraph 46(1)(e)	-	-

Item	Subject	Explanation	Working Sheet	Appendix
D5	Education fees (self)	An amount limited to a maximum of RM5,000 is deductible in respect of fees expended on any course of study up to tertiary level in any institution in Malaysia recognised by the Malaysian Government or approved by the Minister for the purpose of acquiring any skills or qualifications: (i) up to tertiary level (other than a degree at Masters or Doctorate level), for the purpose of acquiring law, accounting, Islamic financing, technical, vocational, industrial, scientific or technological skills or qualifications; or (ii) any course of study for a degree at Masters or Doctorate level. Paragraph 46(1)(f)	-	-
D6	Medical expenses on serious diseases	Medical expenses on serious diseases includes the treatment of acquired immune deficiency syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukaemia, and other similar diseases such as heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, brain tumour or vascular malformation, major burns, major organ transplant and major amputation of limbs. Amount expended on oneself, husband/wife or child is limited to a maximum of RM5,000. Paragraph 46(1)(g)	-	-
D7	Complete medical examination	Complete medical examination refers to thorough examination. Amount expended on oneself, the spouse or child is deductible up to a maximum of RM500 but the total of both deductions (D6 and D7) is limited to a maximum of RM5,000. Paragraph 46(1)(h)	-	-
D8	Purchase of books/magazines	An amount limited to a maximum of RM1,000 is deductible in respect of the purchase of books, magazines, journals or other similar publications (in form of hardcopy or electronic but exclude newspapers or banned reading materials) for enhancing the knowledge of the individual, husband/wife or child. Paragraph 46(1)(i)	-	-
D9	Purchase of personal computer for individual	An amount limited to a maximum of RM3,000 is deductible in respect of the purchase of personal computer. No deduction will be granted if the computer is used for business purpose. This deduction is allowed once in 3 years. Paragraph 46(1)(j)	-	-
D10	Net deposit in Skim Simpanan Pendidikan Nasional (SSPN)	Amount deposited in SSPN by an individual for his children's education is deductible up to a maximum of RM3,000. The allowable deduction is limited to the net amount deposited in that basis year only. Example: For year 2011, Balance brought forward: RM4,500 Total deposit: RM2,000 Total withdrawal: RM1,500 Allowable deduction is RM500 (RM2,000 – RM1,500). The balance brought forward of RM4,500 is not taken into account.	-	-

Item	Subject	Explanation	Working Sheet	Appendix
D11	Purchase of sports equipment or any sports activity as defined under the Sports Development Act 1997	An amount limited to a maximum of RM300 is deductible in respect of expenses expended by the individual for the purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but excluding sports attire, e.g. swimsuits and sports shoes. Paragraph 46(1)(l)		
D12	Payment of broadband subscription	An amount limited to a maximum of RM500 is deductible in respect of expenses expended by the individual for the payment of broadband subscription under the individual's name. This deduction is only allowed for Years of Assessment 2010, 2011 and 2012. Paragraph 46(1)(m)	-	-
D13	Interest on housing loan	An amount limited to a maximum of RM10,000 is deductible for each basis year for a period of three consecutive years of assessment beginning from the date in which the interest is first expended. Conditions for eligibility: (i) an individual who is a citizen and resident; (ii) the purchase of the residential property is limited to one unit only; (iii) the Sale and Purchase Agreement has been executed 10 March 2009 to 31 December 2010; and from (iv) that residential property must not be rented out. Where: (a) 2 or more individuals are each entitled to claim deduction in respect of the same residential property; and (b) the total amount of interest expended by those individuals exceed the amount of deduction allowable for that relevant year, There shall be allowed to each of those individuals for that relevant year an amount to be determined in accordance with the following formula: $A \times \frac{B}{C}$ Where; A = total amount of deduction allowed for that relevant year; B = total interest expended in the basis year for the relevant year by that individual; and C = total interest expended in the basis year for that relevant year by all such individuals.	-	-
D14	Husband / Wife / Payment of alimony to former wife	Relief of RM3,000 is given in respect of a husband living together in the basis year provided that he has no total income or has elected for joint assessment. Section 45A Relief of RM3,000 is given in respect of a wife living together in the basis year provided that she has no income / total income or has elected for joint assessment. Paragraph 47(1)(a) Payment to a former wife is also deductible provided that the deduction for wife and alimony payments shall not exceed RM3,000 . Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify. Subsection 47(2) and 47(3)	-	-
D15	Disabled husband/ wife	Additional deduction of RM3,500 is given in respect of a disabled husband/wife living together with the individual. Paragraph 47(1)(b) & section 45A	-	-

Item	Subject	Explanation	Working Sheet	Appendix																								
D16	No. of children eligible for deduction	Enter the total number of children eligible for claim of child relief by the individual and husband/wife (including 50%* eligibility).	-	-																								
	No. of children claimed by own self	Enter the total number of children in respect of the deduction claimed by the individual in this item.	-	-																								
	No. of children claimed by husband/wife	Enter the total number of children in respect of the deduction claimed by the husband/wife for separate assessment.	-	-																								
		<p><u>100% Eligibility</u> This part has to be filled in by the individual who is entitled to claim the whole of the allowable deduction.</p> <p><u>50% Eligibility</u> Where two or more individuals (not husband and wife living together) are each entitled to claim a deduction for payment made in respect of the same child, each of those individuals is entitled to claim 50% of that whole deduction. Subsection 48(4)</p> <p>Refer Working Sheet HK-13 for computation.</p> <p>For Separate Assessment, the deduction in respect of each child may be claimed by either the individual or his spouse. Example: Ali and his wife may claim the deduction in respect of their children as follows:</p>	HK-13	-																								
		<table border="1"> <thead> <tr> <th></th> <th>Ali</th> <th>Wife</th> <th></th> <th>Ali</th> <th>Wife</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>5</td> <td>0</td> <td>(iv)</td> <td>2</td> <td>3</td> </tr> <tr> <td>(ii)</td> <td>4</td> <td>1</td> <td>(v)</td> <td>1</td> <td>4</td> </tr> <tr> <td>(iii)</td> <td>3</td> <td>2</td> <td>(vi)</td> <td>0</td> <td>5</td> </tr> </tbody> </table>		Ali	Wife		Ali	Wife	(i)	5	0	(iv)	2	3	(ii)	4	1	(v)	1	4	(iii)	3	2	(vi)	0	5		
	Ali	Wife		Ali	Wife																							
(i)	5	0	(iv)	2	3																							
(ii)	4	1	(v)	1	4																							
(iii)	3	2	(vi)	0	5																							

D16a	Child - Under the age of 18 years	<p>Child relief of RM1,000 is allowed if the individual pays for the maintenance of each unmarried child under the age 18 years at any time in that year. Paragraph 48(1)(a) & 48(2)(a)</p> <p><i>Example:</i></p> <p>Mr. A claimed deduction for children in respect of the following:</p> <p>The eldest child studying at Sekolah Rendah Taman Desa is seven (7) years old while the second child who is five (5) years old is studying at Tadika GCC.</p> <p>Computation of child relief:</p>	-	-																								
		<table border="1"> <thead> <tr> <th colspan="2">100%</th> <th colspan="2">Eligible Rate</th> <th colspan="2">50%</th> </tr> </thead> <tbody> <tr> <td>No.</td> <td></td> <td>No.</td> <td></td> <td></td> <td></td> </tr> <tr> <td><input type="text" value="2"/></td> <td>$\times 1,000 =$</td> <td><input type="text" value="2"/></td> <td>$\times 500 =$</td> <td><input type="text" value=""/></td> <td><input type="text" value="2,000"/></td> </tr> <tr> <td></td> <td><input type="text" value="2,000"/></td> <td></td> <td><input type="text" value=""/></td> <td></td> <td><input type="text" value=""/></td> </tr> </tbody> </table>	100%		Eligible Rate		50%		No.		No.				<input type="text" value="2"/>	$\times 1,000 =$	<input type="text" value="2"/>	$\times 500 =$	<input type="text" value=""/>	<input type="text" value="2,000"/>		<input type="text" value="2,000"/>		<input type="text" value=""/>		<input type="text" value=""/>		
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	<input type="text" value="2,000"/>		<input type="text" value=""/>		<input type="text" value=""/>																							

Item	Subject	Explanation	Working Sheet	Appendix										
D16b	Child - 18 years & above and studying	<p><input type="checkbox"/> Relief for each unmarried child of 18 years and above who is receiving full-time education is RM1,000. Paragraph 48(1)(b) & 48(2)(a)</p> <p><input type="checkbox"/> Relief of RM4,000 for each unmarried child of 18 years and above on condition that:</p> <ul style="list-style-type: none"> (i) receiving further education in Malaysia in respect of an award of diploma or higher (excluding matriculation/ preparatory courses). (ii) receiving further education outside Malaysia in respect of an award of degree or its equivalent (including Master or Doctorate). (iii) the instruction and educational establishment shall be approved by the relevant government authority. <p>Subparagraph 48(3)(a)(i)</p> <p><i>Example:</i></p> <p>Mr. A claimed the following child relief for the year 2011:</p> <p>The eldest child who is 25 years old (unmarried), is taking a degree course at Boston University.</p> <p>The second child who is 23 years old (unmarried), is pursuit of a diploma course at UiTM.</p> <p>The third child who is 22 years old (unmarried), is taking a diploma course at the University of New Haven.</p> <p>The forth child who is 20 years old (unmarried), undertakes a matriculation course at UKM.</p> <p>Mr. A and his former wife claimed a deduction of 50% each on the expended amount in respect of the fifth child who is 18 years old and studying at Sekolah Menengah Wangsa Maju.</p> <p>Computation of child relief:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Eldest child:</td> <td style="text-align: right;">RM4,000</td> </tr> <tr> <td>Second child:</td> <td style="text-align: right;">RM4,000</td> </tr> <tr> <td>Third child:</td> <td style="text-align: right;">RM1,000</td> </tr> <tr> <td>Forth child:</td> <td style="text-align: right;">RM1,000</td> </tr> <tr> <td>Fifth child:</td> <td style="text-align: right;">RM500</td> </tr> </table>	Eldest child:	RM4,000	Second child:	RM4,000	Third child:	RM1,000	Forth child:	RM1,000	Fifth child:	RM500	-	-
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Item	Subject	Explanation	Working Sheet	Appendix																			
D16c	Child - Disabled child	<p>An individual is entitled to a relief of RM5,000 if the child is disabled. Paragraph 48(1)(d) & 48(2)(b).</p> <p>An additional relief of RM4,000 is given for each disabled child of 18 years and above on condition that:</p> <ul style="list-style-type: none"> (i) receiving further education in Malaysia in respect of an award of diploma or higher (excluding matriculation/ preparatory courses). (ii) receiving further education outside Malaysia in respect of an award of degree or its equivalent (including Master or Doctorate). (iii) the instruction and educational establishment shall be approved by the relevant government authority. <p>An individual is entitled to a total relief of RM9,000 if the above condition is complied with.</p> <p>Subparagraph 48(3)(a)(ii)</p> <p>Example:</p> <p>Mr. B claimed the child relief as following for the year 2011 : The eldest child who is 30 years old, is disabled (unmarried) and unemployed.</p> <p>The second child who is 22 years old, is also disabled but pursuing a degree course at USM.</p> <p>Computation of child relief:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Eldest child:</td> <td style="width: 50%;">RM5,000</td> </tr> <tr> <td>Second child:</td> <td>RM9,000</td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px;">1</td> <td style="padding: 2px;">x 5,000 =</td> <td style="border: 1px solid black; padding: 2px;">5,000</td> <td style="padding: 2px;">x 2,500 =</td> <td style="border: 1px solid black; padding: 2px;">2,500</td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">1</td> <td style="padding: 2px;">x 9,000 =</td> <td style="border: 1px solid black; padding: 2px;">9,000</td> <td style="padding: 2px;">x 4,500 =</td> <td style="border: 1px solid black; padding: 2px;">4,500</td> </tr> <tr> <td colspan="4"></td> <td style="border: 1px solid black; padding: 2px;">14,000</td> </tr> </table> </div>	Eldest child:	RM5,000	Second child:	RM9,000	1	x 5,000 =	5,000	x 2,500 =	2,500	1	x 9,000 =	9,000	x 4,500 =	4,500					14,000	-	-
Eldest child:	RM5,000																						
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1	x 5,000 =	5,000	x 2,500 =	2,500																			
1	x 9,000 =	9,000	x 4,500 =	4,500																			
				14,000																			
D17	Insurance and provident fund	<ul style="list-style-type: none"> <input type="checkbox"/> Insurance premiums paid for policies taken on the life of an individual, husband or wife are allowable deductions. Insurance premiums on the life of the child does not qualify. <input type="checkbox"/> Contributions to the Employees Provident Fund or other provident funds or pension schemes approved by the Director General of Inland Revenue. <input type="checkbox"/> Total relief for the payment of life insurance premiums and contributions to the Employees Provident Fund (EPF) or other approved schemes is limited to RM6,000 each for the individual and his wife who are assessed separately. If the husband or wife elects for joint assessment, the deduction for insurance premiums and EPF contributions is limited to RM6,000. 	HK-14	-																			

Item	Subject	Explanation	Working Sheet	Appendix																				
		<p>Paragraphs 49(1)(a)/ 49(1)(b)/ 49(1)(c)/ subsection 49(1A)</p> <p>Refer to Working Sheet HK-14 for computation.</p> <p>Example:</p> <p>The taxpayer elects for joint assessment and the insurance premiums paid are RM300 for the husband and RM6,500 for the wife. The allowable deduction is limited to RM6,000 and not RM6,800.</p> <p>In situations where the husband has no total income and the wife is assessed separately as an individual, any expenditure on insurance premium incurred by the husband shall be deemed to have been paid by the wife and is allowable up to the limited amount only.</p> <p>However, if the husband has no total income but contributes to EPF, the wife is not allowed to claim a deduction from her own income in respect of the husband's EPF contribution. Likewise if the wife has no total income.</p> <p>Subsections 50(2) and 50(3)</p>																						
D18	Deferred Annuity	<p>A further deduction is given in respect of any payment of premium for deferred annuity contracted on or after 01/01/2010, the total deduction for D17 and D18 is limited to a maximum of RM7,000. However, the total deduction in respect of life insurance premium and EPF contribution (item D17) is limited to RM6,000. Subsection 49(1A).</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Individual</th> <th>Life Insurance and EPF (RM)</th> <th>Deduction Allowed [Item D17] (RM)</th> <th>Deferred Annuity/ Addition To Initial Deferred Annuity Purchase On Or After 01/01/2010 (RM)</th> <th>Total Deduction Allowed (RM)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>6,500</td> <td>6,000</td> <td>1,200</td> <td>7,000</td> </tr> <tr> <td>B</td> <td>8,000</td> <td>6,000</td> <td>800</td> <td>6,800</td> </tr> <tr> <td>C</td> <td>5,000</td> <td>5,000</td> <td>1,500</td> <td>6,500</td> </tr> </tbody> </table>	Individual	Life Insurance and EPF (RM)	Deduction Allowed [Item D17] (RM)	Deferred Annuity/ Addition To Initial Deferred Annuity Purchase On Or After 01/01/2010 (RM)	Total Deduction Allowed (RM)	A	6,500	6,000	1,200	7,000	B	8,000	6,000	800	6,800	C	5,000	5,000	1,500	6,500	-	-
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A	6,500	6,000	1,200	7,000																				
B	8,000	6,000	800	6,800																				
C	5,000	5,000	1,500	6,500																				
D19	Education and medical insurance	<p>A relief not exceeding RM3,000 is available on insurance premiums paid in respect of education or medical benefits for an individual, husband, wife, or child. Subsection 49(1B)</p> <p>Refer to Working Sheet HK-14 for computation.</p>	HK-14	-																				
D20	Total relief	Sum of amounts from items D1 to D19	-	-																				

PART E: TAX PAYABLE

Item	Subject	Explanation	Working Sheet	Appendix
E1	Chargeable income	C16 minus D20 or C18 minus D20	-	-

E2 Chargeable Income Subject to Part XIV of Schedule 1 **FILL IN THIS ITEM IF A7 = 1.** Only an individual who has been approved by the Minister as knowledge worker is qualified to fill in this item.

$\frac{\text{Gross income from employment with a designated company}}{\text{Total gross income from all sources}} \times \text{Chargeable income (from E1)}$
--

This item need not be completed if A7 = 2

TAX SCHEDULE

CATEGORY	RANGE OF CHARGEABLE INCOME (a)	COMPUTATION RM (b)	RATE % (c)	TAX RM (d)
A	0 - 2,500	First 2,500	0	0
B	2,501 - 5,000	Next 2,500	1	25
C	5,001 - 10,000	First 5,000 Next 5,000	3	25 150
D	10,001 - 20,000	First 10,000 Next 10,000	3	175 300
E	20,001 - 35,000	First 20,000 Next 15,000	7	475 1,050
F	35,001 - 50,000	First 35,000 Next 15,000	12	1,525 1,800
G	50,001 - 70,000	First 50,000 Next 20,000	19	3,325 3,800
H	70,001 - 100,000	First 70,000 Next 30,000	24	7,125 7,200
I	Exceeding 100,00	First 100,000 For every next ringgit	26	14,325

Item	Subject	Explanation	Working Sheet	Appendix
E2b & E2c	Income Tax Computation In Respect of Chargeable Income Subject to Part I of Schedule 1	Match the chargeable income which is not subject to Part XIV of Schedule 1 (E2a) with the range of chargeable income as provided in the tax schedule.	-	-
E3	Total Income Tax	E2a plus E2b plus E2c	-	-

EXAMPLE ON HOW TO FILL IN THE ITEMS E2a, E2b AND E2c

Example I:

A7 = 2
 Chargeable income (E1) : RM220,000

Item E2a need not be completed as it is not applicable.

Chargeable Income Subject to Part I of Schedule 1 = RM220,000
 [Refer category I of the tax schedule]

Enter in items E2a, E2b, E2c and E3 in Form BE as follow:

E2a	=	<input type="text"/>	At Rate 15%	<input type="text"/>
E2b	Tax on the first	<input type="text" value="100000"/>	At Rate (%)	<input type="text" value="1432500"/>
E2c	Tax on the balance	<input type="text" value="120000"/>	26	<input type="text" value="3120000"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)		E3	<input type="text" value="4552500"/>

Example II:

A7 = 1
 Chargeable income (E1) : RM220,000
 Chargeable income from employment with a designated company : RM250,000
 Total gross income from all sources : RM250,000

Chargeable income subject to Part XIV of Schedule 1 (15%)

$$= \frac{250,000}{250,000} \times 220,000$$

$$= 220,000$$

Items E2b and E2c need not be completed as it is not applicable.

Item	Subject	Explanation	Working Sheet	Appendix
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Enter in items E2a, E2b, E2c and E3 in Form BE as follow:

E2a	=	<input type="text" value="220000"/>	At Rate 15%	<input type="text" value="330000"/>
E2b	Tax on the first	<input type="text"/>		<input type="text"/>
E2c	Tax on the balance	<input type="text"/>	At Rate (%) <input type="text"/>	<input type="text"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)		E3	<input type="text" value="330000"/>

Contoh III:

A7 = 1

Chargeable income (E1)	:	RM220,000
Chargeable income from employment with a designated company	:	RM180,000
Total gross income from all sources	:	RM250,000

Chargeable income subject to Part XIV of Schedule 1 (15%)

$$= \frac{180,000}{250,000} \times 220,000$$

$$= \text{RM158,400}$$

Chargeable income subject to Part I of Schedule 1

$$= \text{RM220,000} - \text{RM158,400}$$

$$= \text{RM61,600 [Refer category G of the tax schedule]}$$

Enter in items E2a, E2b, E2c and E3 in Form BE as follow:

E2a	=	<input type="text" value="158400"/>	At Rate 15%	<input type="text" value="237600"/>
E2b	Tax on the first	<input type="text" value="50000"/>		<input type="text" value="332500"/>
E2c	Tax on the balance	<input type="text" value="11600"/>	At Rate (%) 19	<input type="text" value="220400"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)		E3	<input type="text" value="292890"/>

E4	Tax rebate for individual	A rebate of RM400 is granted to an individual whose chargeable income does not exceed RM35,000. Paragraph 6A(2)(a)	-	-
E5	Tax rebate for husband/wifel	A rebate of RM400 is granted to an individual whose chargeable income does not exceed RM35,000 and where he/she has been allowed a deduction of RM3,000 for the spouse. Paragraph 6A(2)(b) / 6A(2)(c)	-	-
E6	Zakat or fitrah	A rebate is granted for payments of any zakat, fitrah or other obligatory Islamic religious dues in the basis year. Subsection 6A(3)	-	-

Item	Subject	Explanation	Working Sheet	Appendix
E7	Total rebate	Sum of amounts from items E4 to E6 Amount in E7 is restricted to the amount in E3.	-	-
E8	Total tax charged	E3 minus E7	-	-
E9	Tax deduction under section 51 of Finance Act 2007 (dividends)	Use Working Sheet HK-3 for computation. Please submit Working Sheet HK-3 if you are entitled to a tax refund. Amount from item D Working Sheet HK-3	HK-3	-
E10	Tax deduction under section 110 (others)	Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A income and income from trust bodies. Please submit Working Sheet HK-6 if you are entitled to a tax refund. Amount from item B Working Sheet HK-6	HK-6	-
E11	Section 132 tax relief	Relief from double taxation on foreign income brought into Malaysia. Refer to Appendix F (Guidebook BE) for the list of countries which have Avoidance of Double Taxation Agreements (DTA) with Malaysia. Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.	HK-8	Appendix F
E12	Section 133 tax relief	Relief from double taxation on foreign income brought into Malaysia. These countries do not have Avoidance of Double Taxation Agreements (DTA) with Malaysia. Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.	HK-9	-
E13	Tax Payable	E8 minus (E9 to E12)	-	-
E14	Tax Repayable	(E9 to E12) minus E8. This item is applicable if the amount in E9 to E12 exceeds the amount in E8. Submit Working Sheet HK-3/HK-6/HK-8/HK-9 together with the Form BE. (For a 'Tax repayable' case, fill in items A12 and A13 on page 2 of Form BE 2011).	HK-3/HK-6 HK-8/HK-9	-

PART F :

STATUS OF TAX FOR YEAR OF ASSESSMENT 2011

The tax payable and tax paid (through the instalment or Schedular Tax Deduction scheme) are set-off in this section.

Item	Subject	Explanation	Working Sheet	Appendix
F1	Tax payable	Amount from item E13 Enter "0" in this box if entitled to a tax refund as per item E14.	-	-
F2	Instalments/ Monthly Tax Deductions paid - SELF and Husband/ Wife if joint assessment	Use Working Sheet HK-10 for computation. This excludes payments made in respect of outstanding tax for previous years of assessment. Monthly Tax Deduction made in 2011 in respect of bonus or director's fee (including bonus's or director's fee for previous years of assessment paid in 2011) has to be included in this item. Transfer the amount from item E of Working Sheet HK-10 to this item For Joint Assessment - enter the total amount of instalment/ Schedular Tax Deductions paid by the husband/wife in this item.	HK-10	-
F3	Balance of tax payable	F1 minus F2 The balance of tax payable must be paid within the stipulated period. Payment can be made as follows: (a) Bank - Counters of CIMB Bank Berhad (CIMB), Public Bank Berhad (PBB), Malayan Banking Berhad (Maybank), EON Bank and Affin Bank Berhad (ABB) by using the bank payment slip. - CIMB, PBB, Maybank, EON Bank internet banking and Maybank phone banking. - Auto Teller Machine (ATM) of PBB, Maybank & CIMB, PBB Cheque Deposit Machine and CIMB Cash Deposit Machine. (b) LHDNM - e-Payment through FPX (Financial Process Exchange) at LHDNM website, http://www.hasil.gov.my - Payment counters of LHDNM or by mail and use the Remittance Slip (CP501) provided with the form (a) Pos Malaysia Berhad - counter and Pos Online If the sum of amounts in F2 exceeds the amount in F1, enter "0" in this item.	-	-
F4	Tax paid in excess	F2 minus F1	-	-

After computing the tax from Part C to Part E, you are reminded to complete the 'Status of Tax' section on page 1 of Form BE 2011 by entering 'X' in one relevant box only.

PART G :**PRECEDING YEARS' INCOME NOT DECLARED**

Item	Subject	Explanation	Working Sheet	Appendix
G1 - G3		<p>Income received in respect of any earlier year not declared. With effect from Year of Assessment 2009, bonus or director's fee shall, when received in the basis year, be treated as part of the gross income from employment for the basis year in which it is received and assessed as such.</p> <p><i>Example:</i> Payment of salary in arrears, dividends paid in the year 2010 but vouchers are received in the year 2011. Fill in the type of income, year for which paid, gross amount received and Provident and Pension Fund Contribution (if any) in the boxes provided.</p> <p>Use attachment(s) as per format G1 to G5 in case of insufficient writing space.</p>	-	-

PART H :**PARTICULARS OF EXECUTOR OF THE DECEASED PERSON'S ESTATE**

Item	Subject	Explanation	Working Sheet	Appendix
H1	Name of the Administrator	Name of the appointed executor of the deceased person's estate.	-	-
H2	New Identity Card No.	New identity card number of the executor.	-	-
H3	Old Identity Card No.	Old identity card number of the executor.	-	-
H4	Police No.	Police number of the executor (if any).	-	-
H5	Army No.	Army number of the executor (if any).	-	-
H6	Passport No.	Passport number of the executor as per passport book.	-	-

DECLARATION

If the return form is not affirmed and duly signed, it shall be deemed incomplete and returned to you. The use of signature stamp is not allowed. Penalty will be imposed in case of late resubmission of the return form to Lembaga Hasil Dalam Negeri Malaysia.

Item	Subject	Explanation	Working Sheet	Appendix
	This return form is made on my own behalf	Enter "1" if this return form is signed by the individual himself.	-	-
	This return form is made on behalf of the above individual	Enter "2" if this return form is signed by a representative of the individual.	-	-

PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM

Item	Subject	Explanation	Working Sheet	Appendix
a	Name of Firm	Name of the appointed tax consultancy firm responsible for filling out this Form BE.	-	-
b	Address of Firm	Corresponding address of the tax consultancy firm.	-	-
c	Tax Agent's Approval No.	This item is to be filled in only by a tax agent approved under the provision of paragraphs 153(3)(b) and 153(3)(c) ITA 1967	-	-

Please take note of the reminder of the Form BE before signing it. Fill in the date and designation clearly.

Part 2 - Working Sheets

HK-2 :

COMPUTATION OF STATUTORY INCOME FROM EMPLOYMENT

This working sheet is prepared for the purpose of computing the statutory income from employment.

Use separate working sheet HK-2 for each employment source.

Item	Subject	Explanation	Working Sheet	Appendix
A	Receipts under paragraph 13(1)(a)			
1.	Cash receipts	Monetary receipts in respect of having or exercising an employment include: Gross salary Fees Perquisites Wages Commissions Awards/rewards Leave pay Bonuses Allowances Overtime pay Gross tips Amount from item R Working Sheet HK-2.1. Benefits or amenities convertible into money Receipts such as shares given free or offered at lower than market price by the employer.	HK-2.1	-
2.	Gratuity	Refer to the explanation in Appendix B1 Amount from item E4(vi) Working Sheet HK-2.2.	HK-2.2	Appendix B1
3.	Tax allowance/ Tax borne by the employer	Refer to the explanation in Appendix B2 Amount from item C7 Working Sheet HK-2.3.	HK-2.3	Appendix B2
4.	Total	Sum of amounts from items A1 to A3.	-	-
B	Benefits-in-kind	Refer to the explanation in Appendix B3 Amount from item K Working Sheet HK-2.4.	HK-2.4	Appendix B3
C	Value of living accommodation benefit	Refer to the explanation in Appendix B4 Amount Z from item J1 / 2.1 / 2.2 / 2.3 / 3.1 / 3.2 (whichever applies) Working Sheet HK-2.5.	HK-2.5	Appendix B4
D	Refund from unapproved Pension or, Provident Fund Scheme or Society	Amount as reported by the employer in the Form EA / EC. Amount to be taxed shall be the amount paid out from the employer's contribution in such fund, scheme or society to the employee. <i>Example :</i> Amount received from an unapproved pension scheme :- Employer's contribution RM24,000 Employee's contribution <u>RM30,000</u> Total <u>RM54,000</u> Taxable amount is RM24,000 Enter the employer's contribution in this box. Amount from item A Working Sheet HK-2.6.	HK-2.6	-

Item	Subject	Explanation	Working Sheet	Appendix				
E	Compensation for loss of employment	Refer to the explanation in Appendix B5 Amount from item D Working Sheet HK-2.7.	HK-2.7	Appendix B5				
F	Total gross employment income	Sum of amounts from items A to E.	-	-				
G	Subscriptions to professional bodies	Compulsory membership subscriptions paid to professional bodies to ensure the continuance of a professional standing and practice such as those paid by those in the medical and legal profession.	-	-				
H	Entertainment expenditure	<p>Entertainment includes the provision of :</p> <ol style="list-style-type: none"> 1. food, drinks, recreation or hospitality of any kind ; or 2. accomodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in (1) above. <p>Section 18 Deduction is allowed if incurred in the discharge of official duties but shall not exceed the amount of entertainment allowance included as part of the gross employment income.</p> <p>Section 38A <i>Example :</i></p> <table> <tr> <td>Salary</td> <td>RM30,000</td> </tr> <tr> <td>Entertainment allowance</td> <td>RM 8,000</td> </tr> </table> <p>Amount expended in respect of entertainment is RM10,000. Deduction allowed is restricted to RM8,000.</p>	Salary	RM30,000	Entertainment allowance	RM 8,000	-	-
Salary	RM30,000							
Entertainment allowance	RM 8,000							
J	Travelling expenditure	<p>Travelling expenditure wholly and exclusively incurred in the production of gross employment income is deductible.</p> <ol style="list-style-type: none"> 1. The full amount of allowance must be included in the gross employment income irrespective of whether this expenditure is wholly or partly deductible. 2. Reimbursements received from the employer in respect of travelling is neither liable to tax nor deductible. 3. Travelling expenditure is not deductible if incurred in travelling to and from the house and place of work. <p><i>Example :</i></p> <table> <tr> <td>Annual salary</td> <td>RM30,000</td> </tr> <tr> <td>Annual travelling allowance</td> <td>RM 6,000</td> </tr> </table> <p>Amount expended on travelling in the discharge of official duties is RM5,000. Amount of deduction allowed is RM5,000.</p>	Annual salary	RM30,000	Annual travelling allowance	RM 6,000	-	-
Annual salary	RM30,000							
Annual travelling allowance	RM 6,000							

Item	Subject	Explanation	Working Sheet	Appendix
K	Expenditure related to the living accommodation provided by the employer	Expenditure paid by an employee in respect of the living accommodation provided by his employer, is deductible such as : 1. Rental (accommodation and furniture). 2. Quit rent, assessment and insurance. 3. Repairs/Maintenance of the premise. (However, the amount of claim is restricted to the sum of the value of living accommodation and related benefits/amenities provided to the employee) Paragraphs 38(1)(a) and 38(1)(b)	HK-2.5	Appendix B4
L	Total	Sum of amounts from items G, H, J and K5	-	-
M	Statutory income from employment	F minus L	-	-
N	SUMMARY OF STATUTORY INCOME FROM EMPLOYMENT		-	-
	1. Employment 1	Enter the amount from items M for Employment 1.		
	2. Employment 2	Enter the amount from items M for Employment 2.		
	3. Employment 3	Enter the amount from items M for Employment 3.		
	4. Total	Sum of amounts from items N1 to N3. Transfer the amount from items N4 to item C1 Form BE / C10 Form B.		

HK-2.1 :**RECEIPTS UNDER PARAGRAPH 13(1)(a)**

Before using this working sheet to compute, refer to Second and Third Addendum to Public Ruling No. 1/2006 (Perquisites From Employment), Income Tax (Exemption) (No. 4) Order 2008 [P.U. (A) 191/2008] and Income Tax (Exemption) Order 2009 [P.U. (A) 152/2009]

Item	Subject	Explanation	Working Sheet	Appendix
A	Gross salary/remuneration	Gross salary/remuneration as per Form EA / EC.	-	-
B	Wages	Payments received for work/services rendered.	-	-
C	Leave pay	Gains or profits for any period of leave attributable to the exercise of an employment in Malaysia, constitutes employment income derived from Malaysia.	-	-
D	Overtime pay	Payments received in respect of overtime work.	-	-
E	Fees	Fees received as per Form EA / EC.	-	-
F	Commissions	Commissions received as per Form EA / EC.	-	-
G	Bonuses	Bonuses received as per Form EA / EC.	-	-
H	Gross tips	Tips received from customers.	-	-

Item	Subject	Explanation	Working Sheet	Appendix
J	Perquisites	Benefits convertible into money received from the employer/third parties in respect of having or exercising the employment. With effect from year of assessment 2008, perquisite provided to employee pursuant to his employment, whether in money or otherwise, is exempted from tax up to maximum amount or value of RM2,000 in respect of: 1. past achievement award; 2. service excellence award, innovation award or productivity award; or 3. long service award provided that the employee has exercised an employment for more than 10 years with the same employer. (Paragraph 25C Schedule 6 of ITA 1967)	-	-
K	Awards/Rewards	Awards/Rewards received from the employer.	-	-
L	Allowances	Allowances received may be of various types such as motor vehicle allowance and housing allowance.	-	-
M	Fixed line telephone, mobile phone, pager or personal digital assistant (PDA)	A gift of fixed line telephone, mobile phone, pager or PDA (including the cost of registration and installation) registered under the employee's name is fully exempted from tax. However, the exemption is limited to 1 unit for each asset.	-	-
N	Monthly bills for fixed line telephone, mobile phone, pager, PDA or subscription of broadband	With effect from year of assessment 2008, the exemption given is limited to 1 line for each category of assets (including the cost of registration and installation). The amount to be taxed shall be the value (including the cost of registration and installation) of the unit(s) exceeding the exemption given.	-	-
P	Recreational club membership	Where the type of the membership is for individual, the taxable benefit shall be the amount paid/reimbursed by the employer for his employee's entrance fee and monthly/annual membership subscription fees for club membership and term membership.	-	-
Q	Other receipts	Other payments received for work/services rendered.	-	-
R	Total	Sum of amounts from items A to Q. Transfer the amount from item Q to item A1 Working Sheet HK-2.	HK-2	-

HK-2.2 :

COMPUTATION OF TAXABLE GRATUITY

Item	Subject	Explanation	Working Sheet	Appendix
A - D	Taxable gratuity	Refer to the explanation in Appendix B1.	-	Appendix B1
E		Transfer the amounts from items E4(i) to E4(v) for the preceding years of assessment to Part G Form B/BE.	-	-
F		Transfer the amount from item E4(vi) to item A2 Working Sheet HK-2.	HK-2	-

HK-2.3 : COMPUTATION OF TAX ALLOWANCE

Item	Subject	Explanation	Working Sheet	Appendix
A - C	Tax allowance	Refer to Appendix B2 for further explanation.	-	Appendix B2

HK-2.4 : BENEFITS-IN-KIND (BIK) [PARAGRAPH 13(1)(b)]

Item	Subject	Explanation	Working Sheet	Appendix
A - J	Benefits-in-kind	Enter the amount according to the type of benefit received. Refer to Appendix B3 for further explanation.	-	Appendix B3
K	Total	Transfer this amount to item B Working Sheet HK-2.	HK-2	-

HK-2.5 : BENEFIT / VALUE OF LIVING ACCOMMODATION PROVIDED [PARAGRAPH 13(1)(c)]

Item	Subject	Explanation	Working Sheet	Appendix
A	Job status	Enter " X " according to the current job status.	-	-
B	Type of accommodation	Enter " X " according to the type of accommodation provided.	-	-
C	Share of accommodation	Enter " X " in the relevant box. If shared - Indicate your share of the accommodation provided and the accommodation provided as a whole. <i>Example :</i> If your share of the accommodation provided = 1/4 Enter : Share of accommodation (X) <input type="text" value="1"/> (Y) <input type="text" value="4"/> If the accommodation is partly used to advance the interests of the employer - Indicate the portion of the premise used for such purpose and your share of the accommodation provided. <i>Example :</i> If your share of the accommodation provided = 1/2 Enter : Share of accommodation (X) <input type="text" value="1"/> (Y) <input type="text" value="2"/>	-	-
D	Period for which the accommodation is provided	State the length of the period for which the accommodation is provided (indicate in number of months).	-	-
E	Length of employment in the current year	State the length of employment in the current year (indicate in number of months).	-	-

Item	Subject	Explanation	Working Sheet	Appendix
F	Defined value	Enter the annual value of the accommodation provided.	-	-
G	Receipts under paragraph 13(1)(a)	Transfer the amount from item A5 Working Sheet HK-2	HK-2	-
G1	Amount from item A4 Working Sheet HK-2	Transfer the amount from item A4 Working Sheet HK-2	HK-2	-
G2	Gross income from perquisite in respect of any right to acquire shares	The amount of gross income in respect of the right to acquire shares in a company as provided under subsection 32(1A) is determined as follows: Number of share x (market value of share at date of exercise or market value of share at the exercisable date, whichever is lower less the offer price of the shares)		
G3	Total	G1 minus G2	-	-
H	1. 30% of G 2. 3% of G	Enter the result of G x 30/100 in this box. Enter the result of G x 3/100 in this box.	-	-
J1-3.2	Value of living accommodation subject to tax	Select the appropriate category, compute and enter the amount derived in the box provided. Refer to Appendix B4 for further explanation. Transfer the amount from item Z to item C Working Sheet HK-2.	HK-2	Appendix B4

HK-2.6 : REFUND FROM UNAPPROVED PENSION OR PROVIDENT FUND, SCHEME OR SOCIETY

Item	Subject	Explanation	Working Sheet	Appendix
A	Employer's contribution	Enter the amount of employer's contribution. Transfer this amount to item D Working Sheet HK-2.	HK-2	-
B	Employee's contribution	Enter the amount of employee's contribution.	-	-
C	Total	Sum of amounts from items A and B.	-	-

HK-2.7 : COMPUTATION OF TAXABLE COMPENSATION

Item	Subject	Explanation	Working Sheet	Appendix
A - D	Compensation	Refer to Appendix B5 for further explanation. Transfer the amount from item D to item E Working Sheet HK-2.	HK-2	Appendix B5

HK-3 : TAX DEDUCTION UNDER SECTION 51 OF FINANCE ACT 2007 (DIVIDENDS)

Item	Subject	Explanation	Working Sheet	Appendix
A - D	Tax deduction under section 51 of Finance Act 2007 (dividends)	This working sheet is provided for the purpose of computing the gross income from dividends and the tax to be deducted under section section 51 of Finance Act 2007 (dividends).	-	-

HK-4 : PARTICULARS OF PROPERTIES / ASSETS AND TOTAL RENTAL

Item	Subject	Explanation	Working Sheet	Appendix
A - D	Particulars of properties/assets and total rental	This working sheet is provided for the purpose of computing the statutory income from rents.	-	-

HK-5 : COMPUTATION OF STATUTORY INCOME FROM INTEREST / ROYALTIES

Item	Subject	Explanation	Working Sheet	Appendix
A - H	Interest/Royalties	This working sheet is provided for the purpose of computing the statutory income from interest/royalties.	-	-

HK-6 : TAX DEDUCTION UNDER SECTION 110 (OTHERS)

Item	Subject	Explanation	Working Sheet	Appendix
A - G	Tax deduction under section 110 (others)	Use this working sheet to compute the gross income and tax to be deducted under section 110 in respect of interest/royalties/ special classes of income under section 4A.	-	-

HK-8 : INCOME FROM COUNTRIES WHICH HAVE AVOIDANCE OF DOUBLE TAXATION AGREEMENT WITH MALAYSIA AND CLAIM FOR SECTION 132 TAX RELIEF

Item	Subject	Explanation	Working Sheet	Appendix
A - H	Section 132 tax relief	Use this working sheet to compute the income from countries with avoidance of double taxation agreement and claim for tax relief under section 132.	-	-

HK-9 : INCOME FROM COUNTRIES WITHOUT DOUBLE TAXATION AGREEMENT WITH MALAYSIA AND CLAIM FOR SECTION 133 TAX RELIEF

Item	Subject	Explanation	Working Sheet	Appendix
A - H	Section 133 tax relief	Use this working sheet to compute the income from countries without avoidance of double taxation agreement and claim for tax relief under section 133.	-	-

HK-10 : INSTALMENTS / MONTHLY TAX DEDUCTIONS PAID

Item	Subject	Explanation	Working Sheet	Appendix
A1	Employer's E No.	Enter the E file reference number of the employer who made the deductions.	-	-
A2	Period of Deduction	State the period of deduction for which the deductions were made in the current year.	-	-
A3	Monthly Tax Deductions (MTD)	Monthly Tax Deductions (MTD) made in the current year by the employer in respect of current year's income.	-	-
A4	CP38 Deductions	Deductions made by the employer according to the CP38 (Direction To Deduct From The Remuneration) for payment of the previous years' tax liability.	-	-
A5	Deductions for Zakat	Deductions for zakat made by the employer in the current year.	-	-
B1	Employer's E No.	Enter the E file reference number of the employer who deducts.	-	-
B2	Year/Period of Income	The year or period for which the previous year's income is paid.	-	-
B3	Monthly Tax Deductions (MTD)	Monthly Tax Deductions (MTD) made in the current year due to previous years' income.	-	-
C	Instalments paid in respect of CP500 or CP503	Instalment payments made under the direction of CP500 or CP503 in respect of current year's income.	-	-
D	Payments made for the current year other than A, B and C	Payments made in the current year other than A, B and C with regard to the current year's income.	-	-
E	Total	Sum of amounts from items A3, C and D. Transfer this amount to item F2 Form B/BE.	-	-

HK-13 : DEDUCTION FOR MAINTENANCE OF UNMARRIED CHILDREN

Item	Subject	Explanation	Working Sheet	Appendix
	Deduction for maintenance of unmarried children	This working sheet is provided for the computation of claim for deduction under section 48.	-	-

HK-14 : LIFE INSURANCE PREMIUMS / CONTRIBUTIONS TO APPROVED PROVIDENT OR PENSION FUND, EDUCATION AND MEDICAL INSURANCE

Item	Subject	Explanation	Working Sheet	Appendix
	Life insurance premiums /EPF, education and medical insurance	Use this working sheet to compute the claim for deduction of life insurance premiums/contributions made to an approved Provident or Pension Fund, insurance on education or for medical benefits.	-	-

HK-2 : COMPUTATION OF STATUTORY INCOME FROM EMPLOYMENT

Name

Income Tax No.

 I/C No.

Business Registration No.

Employment

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Year Of Assessment

▲ Enter 'X' in the relevant box

Item	Amount
------	--------

A. Receipts under paragraph 13(1)(a):	
1. Money/Benefits or amenities convertible into money	<input style="width: 100%;" type="text"/>
2. Gratuity	<input style="width: 100%;" type="text"/>
3. Tax allowance/Tax borne by the employer	<input style="width: 100%;" type="text"/>
4. TOTAL (A1 to A3)	<input style="width: 100%;" type="text"/>
B. Benefits-in-kind (BIK) [paragraph 13(1)(b)]	<input style="width: 100%;" type="text"/>
C. Value of living accomodation benefit [paragraph 13(1)(c)]	<input style="width: 100%;" type="text"/>
D. Refund from unapproved Pension or Provident Fund, Scheme or Society [paragraph 13(1)(d)] (amount attributable to employer's contribution only)	<input style="width: 100%;" type="text"/>
E. Compensation for loss of employment [paragraph 13(1)(e)]	<input style="width: 100%;" type="text"/>
F. TOTAL GROSS EMPLOYMENT INCOME (A to E)	<input style="width: 100%;" type="text"/>
LESS:	
G. Subscriptions to professional bodies	<input style="width: 100%;" type="text"/>
H. Entertainment expenditure (restricted—section 38A)	<input style="width: 100%;" type="text"/>
J. Travelling expenditure	<input style="width: 100%;" type="text"/>

K. Expenditure related to the living accomodation provided by the employer

1. Benefit of living accomodation taken into account:

(a) Value of benefits/amenities related to the living accomodation provided [amount as per total of item B Working Sheet HK-2.4 – subsection 32(1)]

(b) Value of living accomodation benefit [amount as per item C – subsection 32(2)]

(c) TOTAL [K1(a) + K1(b)]

2. Rental of living accomodation and furniture paid by the employee [paragraph 38(1)(a)]

3. Quit rent, assessment, insurance premiums and repairs/maintenance of the premise [paragraph 38(1)(b)]

4. TOTAL PAYMENT (K2 + K3)

5. Deductible expenditure: **K1(c) or K4 whichever is lower** [subsection 38(3)]

L. TOTAL (G, H, J and K5)

M. Statutory Income from Employment (F - L)

N. SUMMARY OF STATUTORY INCOME FROM EMPLOYMENT

1. Employment 1 (amount M from Employment 1)

2. Employment 2 (amount M from Employment 2)

3. Employment 3 (amount M from Employment 3)

4. TOTAL

Name

Income Tax No.

 I/C No.

Year Of Assessment

A. **Total gratuity** RM

B. **Date of payment**

Day Month Year

C. **Length of continuous service**

 to

 = ___ year(s) ___ month(s)
Day Month Year Day Month Year

D. **Basis of apportionment :**

1. Method 1
Apportionment according to time basis

 *
No. of complete days (D1) = _____ days

* Enter "X" in the relevant box

2. Method 2
Divided into 6 (six) years

 *

E. Apportionment of gratuity according to Year of Assessment

	1	2	3	4	5
	Apportionment	Period (days/years)	Computation	Amount RM	Year Of Assessment
(i)	Year		Method 1 : $A \times E2/D1$ (In Days) OR Method 2 : $A \times E2/6$ (In Years)		
(ii)	Year		as above		
(iii)	Year		as above		
(iv)	Year		as above		
(v)	Year		as above		
(vi)	Current year		as above		

F. Transfer the amount from item E4(vi) for the current year of assessment to item A2 Working Sheet HK-2.

Name

Income Tax No.

 I/C No.

Year of Assessment

BENEFITS-IN-KIND (BIK)

Item	Amount (RM)
------	-------------

A. Motorcars

(1) Value of motorcars and petrol

(2) Value of driver

B. Value of household benefits

(1) Semi-furnished with furniture in the lounge, dining room, or bedrooms

(2) Semi-furnished with furniture as in item B(1) and one or more of air-conditioners, curtains and alike; and carpets

(3) Fully-furnished with benefits as in items B(1) and (2) plus one or more of kitchen equipment, crockery, utensils and appliances

(4) Service charges and other bills such as water and electricity

C. Fixed line telephone, mobile phone, pager or personal digital assistant (PDA) including cost of registration and intallation

(registered under the employer's name) exceeding 1 unit for each asset

D. Monthly bills for fixed line telephone, mobile phone, pager, PDA or subscription of broadband including cost of registration and installation (registered under the employee's name) exceeding 1 line for each asset

E. Gardeners

F. Household servants

G. Monthly/Annual recreational club membership subscription fees for club membership (type of membership: corporate)

H. Leave passages

J. Other benefits: _____

K. TOTAL (A to J)

(Transfer this amount to item B Working Sheet HK-2)

HK-2.5 : VALUE OF LIVING ACCOMMODATION BENEFIT [PARAGRAPH 13(1)(c)]

Name

Income Tax No.

 I/C No.

Year Of Assessment

A. JOB STATUS *

- 1. Employee (other than officer of a government/statutory body) or service director
- 2. Director of a controlled company

B. TYPE OF LIVING ACCOMMODATION *

- 1. Ordinary residential premise
- 2. Hotel, hostel or similar premise;
any premise on a plantation or in the forest; or
any premise which, although in a rateable area, is not subject
to public rates such.

C. SHARE OF LIVING ACCOMMODATION *

- 1. Not shared
- 2. Shared Share of living accommodation (X) (Y)
- 3. Partly used for advancing
the interests of the employer Share of living accommodation (X) (Y)

'X' is your share of the living accommodation provided.
'Y' is the living accommodation provided as a whole.

* Enter 'X' in the relevant box.

D. Period for which the living accommodation is provided (n) Month(s)

E. Length of employment in the current year (m) Month(s)

F. Defined value (rental per month x m)

G. Receipts under paragraph 13(1)(a)

- 1. Amount from item A4 Working Sheet HK-2
- Less:
- 2. Gross income from perquisite in respect of
any right to acquire shares in a company
- 3. **TOTAL (G1 - G2)**

- H. 1. 30% of G3 (G3 x 30/100) for item A2.
- 2. 3% of G3 (G3 x 3/100) for item A1.

J. VALUE OF LIVING ACCOMMODATION BENEFIT SUBJECT TO TAX

1. Employee (other than officer of a government/statutory body) or service director

An employee (other than officer of a government/statutory body) or a service director provided with living accommodation of type **B2**

Amount **H2** x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

2. Employee (other than officer of a government/statutory body) or service director

An employee (other than officer of a government/statutory body) or a service director provided with:

2.1 Living accommodation of type **B1** and the share of living accommodation is **C1**.

Amount **H1** or **F** (whichever is lower) x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

2.2 Living accommodation of type **B1** and the share of living accommodation is **C2**.

Amount **H1** or **F** x **X/Y** (whichever is lower) x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

2.3 Living accommodation of type **B1** and the share of living accommodation is **C3**.

Amount **H1** or **F** x **X/Y** (whichever is lower) x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

3. Director of a controlled company

A director of a controlled company provided with:

3.1 Living accommodation of type **B1** and the share of living accommodation is **C1**.

Amount **F** x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

3.2 Living accommodation of type **B1** and the share of living accommodation is **C2**.

Amount **F** x **X/Y** x n/m

Value of living accommodation benefit **Z**

(Transfer the amount from item Z to item C Working Sheet HK-2)

(Enter '0' if value is negative)

B. Computation of regrossed dividend and tax deemed deducted

If the rate of tax deducted as per dividend voucher/certificate differs from the current year's tax rate for corporations, please use the following formula to regross the net dividend received and compute the tax deemed deducted:-

(i) Dividend regrossed (X)

$$= \text{Net dividend} \quad \times \quad \frac{1}{(1 - Z^*)}$$

$$= \frac{\text{Net dividend}}{(1 - Z^*)} \quad \frac{\boxed{}}{\boxed{}}$$

$$= \quad \mathbf{(X)} \quad \boxed{}$$

Enter the amount of regrossed dividend in column 'X' under 'Gross Dividend'.

(ii) Tax deemed deducted (Y)

$$= \quad \mathbf{X} \quad \boxed{} \quad \times \quad \mathbf{Z^*} \quad \boxed{}$$

$$= \quad \mathbf{(Y)} \quad \boxed{}$$

* Where Z is the current year's tax rate for corporations.

C. Computation of statutory income from dividends

(i) Gross dividend (X)

Less:

(ii) Interest on loan employed in the production of gross dividend income

(iii) Statutory Income

D. Tax deduction under section 51 of Finance Act 2007 (dividends)
(as per amount Y above)

B. COMPUTATION OF STATUTORY INCOME FROM RENTS

(Compute separately for each source of rental income)

1. GROSS RENTAL INCOME (From item A1 or A2 or A3 A10)

LESS : Allowable Expenditure

- (i) Interest on loan employed in the production of gross rental income
- (ii) Assessment
- (iii) Quit rent
- (iv) Insurance

Other revenue expenditure:

- (v) Repairs and maintenance
- (vi) Renewal of tenancy agreement
-
-
-
-
-
-
-
-
-

2. Total Expenditure (i to vi)

C. STATUTORY INCOME FROM RENTS (B1 - B2)

D. SUMMARY OF STATUTORY INCOME FROM RENTS

- Source 1 (Amount from item C)
- Source 2 (Amount from item C)
- Source 3 (Amount from item C)
- Source 4 (Amount from item C)
-

Total statutory income from rents including rents received from partnership businesses

HK-8: INCOME FROM COUNTRIES WHICH HAVE AVOIDANCE OF DOUBLE TAXATION AGREEMENT WITH MALAYSIA AND CLAIM FOR SECTION 132 TAX RELIEF

Name

Income Tax No.

I/C No.

Business Registration No.

Year Of Assessment

A. List of Income

(note: *Income code: 1 = business, 2 = dividend, 3 = interest, 5 = royalty, 6 = section 4A income
7 = income from trust body, 8 = other relevant income)

No.	*Code	Gross Amount	Statutory Income	Tax Deducted In The Foreign Country
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
	Total			

(X)

(Y)

The relief due is amount **Y** or amount **U**, where amount U is computed using the following formula:

$\frac{\text{Total X}}{\text{Total income from all sources}} \times \text{Tax chargeable before set off or relief} = \text{U}$	<input style="width: 100%; height: 25px;" type="text"/>
--	---

- B. Relief claimed (**U** or **Y** whichever is the lower)
- C. Total gross dividends (income code = 2)
- D. Total gross interest (income code = 3)
- E. Total gross royalty (income code = 5)
- F. Total gross income under section 4A (income code = 6)
- G. Total income from trust bodies (income code = 7)
- H. Total gross income from other sources (income code = 8)

*NOTE: 1. Use the exchange rate provided in Appendix C if there is no other rate of exchange at the time the income was first received or credited.
2. Submit this Working Sheet together with documents pertaining to the foreign tax deducted if entitled to a tax refund.
3. Please refer to Public Ruling No. 11/2011 as a guide.*

NOTE:

CHILD RELIEF *(only one type of relief can be claimed on each child)*

100% Eligibility - Deduction is wholly allowed to the individual entitled to claim full child relief in respect of the child on whom the claim is made.

50% Eligibility - Where two or more individuals (not husband and wife living together eg. divorced parents and foster parents) are each entitled to claim a deduction for payments made in respect of the same child, the deduction allowed to each of those individuals is 50% of the allowable deduction.

Subsection 48(4)

CHILD - BELOW AGE OF 18 YEARS

Relief of **RM1,000** is given in respect of each unmarried child who at any time in the current year is below the age of 18 years.

Paragraphs 48(1)(a) and 48(2)(a)

CHILD - 18 YEARS & ABOVE; AND RECEIVING EDUCATION

- Relief for each unmarried child of age 18 years and above who is receiving full-time instruction is **RM1,000**.

Paragraphs 48(1)(b) and 48(2)(a)

- Relief of **RM4,000** for each unmarried child over the age of 18 years who is receiving full-time instruction at a university, college or other similar establishment of higher education (**excluding matriculation and pre-university level**); or is serving under articles or indentures with a view to qualifying in a trade or profession, is given provided:

(i) **in Malaysia** - the child is pursuing a course in respect of an award of diploma or higher

(ii) **outside Malaysia** - the child is pursuing a course in respect of an award of degree (including a degree at Master or Doctorate level) or the equivalent of a degree

(iii) the instruction and educational establishment is approved by the relevant government authority.

Subparagraph 48(3)(a)(i)

CHILD - DISABLED

- Relief of **RM5,000** is given in respect of each unmarried physically/mentally disabled child regardless of age and whether the child is receiving full-time instruction.

Paragraphs 48(1)(d) and 48(2)(b)

- Additional relief of **RM4,000** for each unmarried child over the age of 18 years who is receiving full-time instruction at a university, college or other similar establishment of higher education (excluding matriculation and pre-university level); or is serving under articles or indentures with a view to qualifying in a trade or profession, is given provided:

(i) **in Malaysia** - the child is pursuing a course in respect of an award of diploma or higher

(ii) **outside Malaysia** - the child is pursuing a course in respect of an award of degree (including a degree at Master or Doctorate level) or the equivalent of a degree

(iii) the instruction and educational establishment is approved by the relevant government authority.

* The individual is entitled to claim RM9,000 as deduction for child if the above conditions are met.

Subparagraph 48(3)(a)(ii)

NOTE:

A. LIFE INSURANCE AND EPF

- Deduction is allowed for payment of premiums on life insurance policy or deferred annuity contracted on own life, life of spouse(s) or joint lives of ownself and spouse(s). However, deduction is not allowable on premiums paid on life insurance policy or deferred annuity contracted for by the individual on the life of his child.
- Contribution to the Employees Provident Fund (EPF) or other provident fund/ pension scheme approved by the Director General.
- With effect from Year of Assessment 2005, the total deduction allowable for life insurance premiums and contributions to EPF or other approved provident fund/ pension scheme is restricted to RM6,000 for an individual and RM6,000 for the spouse who has total income. If the husband or wife elects for **joint assessment**, the deduction for life insurance premiums and EPF contribution is restricted to **RM6,000**.
Paragraphs 49(1)(a), 49(1)(b), 49(1)(c) and 49(1A)(b)

B. EDUCATION AND MEDICAL INSURANCE

Deduction for premiums paid in respect of insurance on education or medical benefits for an individual, spouse or child shall not exceed RM3,000.
Subsection 49(1B)

APPENDIX B1: GRATUITY

A. Gratuity

Gratuity is a gift for past services rendered. Gratuities are liable to tax **except** those listed in item **C**.

B. Computation Of Taxable Gratuity

In computing the amount of taxable gratuity, the basis periods for which it is paid have to be considered in accordance with the proviso to subsection 25(4).

Basis of apportionment :

Method 1

The amount of taxable gratuity shall be treated as accruing evenly over the period of continuous employment with the same employer or companies within the same group. (See Example I)

OR

Method 2

If the period of continuous employment with the same employer or companies within the same group commenced more than five (5) years before the commencement of the basis period in which the employment ceases, the amount of taxable gratuity shall be apportioned equally for the last six (6) years of assessment. (See Example II)

Example I

Period of continuous employment is less than five (5) years before the commencement of the basis period in which the employment ceased.

Period of employment	:	Commencement	01.07.2009
		Cessation	30.06.2011
Amount of gratuity	:	RM6,000	

Length of service is 731 days. Use Method 1.

Basis Period for the year ending 31.12.2009 (01.07.2009 - 31.12.2009)	=	184 days
Basis Period for the year ending 31.12.2010 (01.01.20010 - 31.12.2010)	=	365 days
Basis Period for the year ending 31.12.2011 (01.01.2011 - 30.06.2011)	=	<u>182 days</u>
Total		<u>731days</u>

Apportionment of gratuity according to the Year of Assessment

	1 Apportionment (year)	2 Period (days/year)	3 Computation	4 Amount RM	5 Year Of Assessment
(i)	2009	184 days	184/731 x 6,000	1,510	2009
(ii)	2010	365 days	365/731 x 6,000	2,996	2010
(iii)	-	-	-	-	-
(iv)	-	-	-	-	-
(v)	-	-	-	-	-
(vi)	2011	182 days	182/731 x 6,000	1,494	2011

Transfer amount 4(vi) for the current year of assessment to item A2 Working Sheet HK-2.

Example II

Period of employment : Commencement - 01.01.2000
 Cessation - 30.06.2011

Amount of gratuity : **RM25,000**

Age when ceased employment : 45 years old

Length of service is more than five (5) years before the commencement of the basis period in which the employment ceases. Use Method 2

	<u>Year Of Assessment</u>
Basis Period for the year ending 31.12.2006	2006
Basis Period for the year ending 31.12.2007	2007
Basis Period for the year ending 31.12.2008	2008
Basis Period for the year ending 31.12.2009	2009
Basis Period for the year ending 31.12.2010	2010
Basis Period for the year ending 31.12.2011	2011

Apportionment of gratuity according to the Year of Assessment

	1 Apportionment (year)	2 Period (months/year)	3 Computation	4 Amount RM	5 Year Of Assessment
(i)	2006	1 year	$1/6 \times 25,000$	4,167	2006
(ii)	2007	1 year	$1/6 \times 25,000$	4,167	2007
(iii)	2008	1 year	$1/6 \times 25,000$	4,167	2008
(iv)	2009	1 year	$1/6 \times 25,000$	4,167	2009
(v)	2010	1 year	$1/6 \times 25,000$	4,167	2010
(vi)	2011	1 year	$1/6 \times 25,000$	4,167	2011

Transfer amount 4(vi) for the current year of assessment to item A2 Working Sheet HK-2.

C. Exempted Gratuity

<p>1. Retirement gratuity</p>	<p>(a) The Director General is satisfied that the retirement is due to ill-health</p> <p>Or</p> <p>(b) Retirement on or after reaching the age of 55 years/ compulsory age of retirement and the individual has worked 10 years continuous employment with the same employer or companies within the same group</p> <p>Or</p> <p>(c) The retirement takes place on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55 and that employment has lasted for 10 years with the same employer or with companies in the same group:-</p>
<p>2. Gratuity paid out of public funds under any written law</p>	<p>Gratuity paid out of public funds on retirement from an employment</p>
<p>3. Gratuity paid to a contract officer</p>	<p>Gratuity paid out of public funds to a contract officer on termination of a contract of employment regardless of whether the contract is renewed or not.</p>
<p>4. Death gratuity</p>	<p>Sums received by way of death gratuity.</p>

APPENDIX B2 : TAX ALLOWANCE

Tax Allowance/Tax borne by the employer

Tax borne by an employer is TAX ALLOWANCE which is chargeable to tax pursuant to the provision of paragraph 13(1)(a) ITA 1967. Method of computing this allowance for a continuous employment differs from that for an employment which ceases in a particular year of assessment (Y/A).

Continuous Employment

Tax borne by an employer in respect of income for a particular year of assessment shall be taken into account as tax allowance for the following year of assessment. Tax borne by an employer in respect of employment income for the year 2010 (Y/A 2010) is taken into account as tax allowance for the year 2011 (Y/A 2011) because the amount of tax payable is determined in the year 2011.

Example I

Salary for the period from 01.01.2010 - 31.12.2010 - RM150,000

Taxpayer is single and only entitled to claim relief in respect of himself and his dependent relatives.

Tax computation for Y/A 2010 to determine the tax allowance for Y/A 2011

	RM	
Income for the year 2010	150,000	
Less: Relief for individual and dependent relatives	<u>9,000</u>	
Chargeable Income	<u>141,000</u>	
Tax on the first RM100,000	14,325.00	
Tax on the balance RM41,000 @ 26%	<u>10,660.00</u>	
Tax payable	<u>24,985.00</u>	(A)

Tax for the year 2010 is assessed on 31.05.2011 and paid by the employer. The tax payable of RM24,985.00 is the tax allowance to be taken into account as part of his income for the year 2011.

Transfer amount A to item A3 Working Sheet HK-2.

Additional tax raised for a particular year of assessment shall be taken into account for the year of assessment in which the notice of additional assessment is issued. For example, where the notice of additional assessment in respect of additional income for Y/A 2009 is issued in the year 2011, this additional tax shall be taken into account as tax allowance for Y/A 2011.

Example II

Income for the year 2010 including tax allowance [Y/A 2009 (original)] - RM150,000

Income for Y/A 2009:

Original income for the year 2009 - RM120,000

Additional income for the year 2009 (received in the year 2010) - RM 30,000

Tax computation for Y/A 2009 to determine the tax allowance for the year 2011 as the notice of additional assessment for 2009 is issued in the year 2011 (on 30.06.2011)

	RM	
Original income for the year 2009	120,000	
Bonus (additional) for the year 2009	<u>30,000</u>	
Total	150,000	
Less: Relief for individual and dependent relatives	<u>8,000</u>	
	<u>142,000</u>	
Tax on the first RM100,000	14,325.00	
Tax on the balance RM42,000 @ 27%	<u>11,340.00</u>	
Total	25,665.00	
Tax previously assessed	<u>17,565.00</u>	
Additional tax	<u>8,100.00</u>	(B)

Tax allowance for Y/A 2011 is:

Tax for the year 2010	25,985.00	(A)
Additional tax for the year 2009 (additional assessment)	<u>8,100.00</u>	(B)
Total	<u>33,085.00</u>	(C)

Transfer amount C to item A3 Working Sheet HK-2.

Cessation Of Employment

Tax for 2 years of assessment for an employment which ceases in or at the end of a year of assessment shall be taken into account in that year of assessment. For example, the tax allowance for Y/A 2011 of a foreign employee who ceases employment on 30.6.2011 is the total tax payable for Y/A 2010 and Y/A 2011.

Example III

Income for the year 2010 is as per **example I**.
Income for the year 2011 is RM70,000.

Tax computation for Y/A 2011:

	RM	
Income for the year 2011	70,000	
Tax allowance (Y/A 2010)	<u>24,985</u>	
Total	94,985	
Less: Relief for individual and dependent relatives	<u>9,000</u>	
	<u>85,985</u>	
Tax on the first RM70,000	7,125.00	
Tax on the balance RM15,985 @ 24%	<u>3,836.40</u>	
Tax payable	<u>10,961.40</u>	(D)

Tax allowance for Y/A 2011 :

Amount A (from example I):	24,985.00
Amount D (from example III):	<u>10,961.40</u>
Total	<u>35,946.40</u>

Transfer this amount to item A3 Working Sheet HK-2.

APPENDIX B3: BENEFITS-IN-KIND (BIK) [PARAGRAPH 13(1)(b)]

BENEFITS-IN-KIND (BIK)

- (i) These are benefits/amenities not convertible into money provided by/on behalf of the employer for the personal use/enjoyment by his employee, wife, family, servants, dependents or guests of that employee.
- (ii) The employer is required to report annually in his employee’s Statement of Remuneration and in the Form E for Employer, all values of the BIK provided to that employee.
- (iii) The value of the BIK determined according to **Public Ruling No. 2/2004** including its **four Addendum** (issued on 8th Nov 2004, 20th May 2005, 17th Jan 2006, 17th April 2009 and 19th April 2010 respectively) is to be taken as part of that employee’s gross employment income. This Public Ruling supercedes the Income Tax Ruling ITR 1997/2 (issued on 25 August 1997) with effect from year of assessment 2004.

VALUATION OF BIK PROVIDED TO THE EMPLOYEE BY THE EMPLOYER

- (i) The two methods which may be used to determine the value of BIK are:-
 - (a) the prescribed value method; and
 - (b) the formula method.
- (ii) Whichever method used as the basis of computing the benefit must be consistently applied throughout the period of the provision of the benefit.
- (iii) In any case where motorcar is provided with/without petrol, the employer is required to report the type, year of manufacture and model of the motorcar as well as the date on which it is provided, in the employee’s Statement of Remuneration.
- (iv) Toll fees paid by the employer is regarded as inclusive in the value of BIK on the motorcar. Maintenance costs such as servicing, repairs, annual road tax and annual insurance premium are not regarded as part of the benefit of the employee.

A. THE PRESCRIBED VALUE METHOD

1. Under this method, the value of the BIK can be abated if the BIK is:-
 - (i) provided for less than a year; or/and
 - (ii) shared with another employee.

However, there is no abatement on the value of the BIK provided to the employee for business usage or deduction for any expense incurred by the employee in acquiring the benefit.

2. PRESCRIBED VALUE OF MOTORCAR

- (i) The following table can be used to determine the value of benefit from the private usage of motorcar and petrol provided:

Cost of Motorcar when New RM	Annual Prescribed Benefit of:		Cost of Motorcar when New RM	Annual Prescribed Benefit of:	
	Motorcar RM	Petrol RM		Motorcar RM	Petrol RM
Up to 50,000	1,200	600	200,001 - 250,000	9,000	2,100
50,001 - 75,000	2,400	900	250,001 - 350,000	15,000	2,400
75,001 - 100,000	3,600	1,200	350,001 - 500,000	21,250	2,700
100,001 - 150,000	5,000	1,500	500,001 and above	25,000	3,000
150,001 - 200,000	7,000	1,800			

- (ii) Under this method, the valuation will be based on the actual cost of the motorcar inclusive of accessories but excluding financial charges, insurance premium and road tax at the time when it was new. This treatment is also applied to secondhand, leased or rented motorcars. New motorcar includes a reconditioned motorcar at the time when it was first registered in Malaysia.

Example I: Employee A is provided with a motorcar leased by his employer from a leasing company. His employer paid a monthly lease rental of RM3,000 for 48 months. The cost of the motorcar when new is RM90,000. The annual value of BIK taxable as part of J's gross employment income in respect of the motorcar is RM3,600 [from the table in item A2(i)]. Payment for the lease rental is ignored.

- (iii) The annual value of the BIK in respect of the motorcar can be reduced to half (1/2) of the prescribed value if the motorcar provided is more than five (5) years old.

3. DRIVER PROVIDED

The value of this benefit is fixed at RM600 per month. Where the driver is not specifically provided to the employee but comes from a pool of drivers provided by the employer solely for business purposes, no benefit will be taxable on the employee.

4. PRESCRIBED VALUE OF HOUSEHOLD FURNISHINGS, APPARATUS AND APPLIANCES

(i) To avoid detailed computation, please refer to the following table:

Category	Type of Benefit	Annual Value of BIK
(a)	Semi-furnished with furniture in the lounge, dining room or bedroom	RM 840
(b)	Semi-furnished with furniture as in 4(i)(a) above and one or two of the following:- air-conditioners, curtains and alike, carpets	RM1,680
(c)	Fully-furnished with benefits as in 4(i)(a) and 4(i)(b) above plus one or more of kitchen equipment, crockery, utensils and appliances	RM3,360
(d)	Service charges and other bills such as water and electricity	Service charges and bills paid by the employer

(ii) The value of the benefit can be adjusted accordingly depending on whether any or all of the furnishings, apparatus and appliances mentioned in items 4(i)(a), (b) and (c) have been provided. If an employee has been provided with all except those in item 4(i)(a), the value of the benefit to be assessed shall be RM2,520 (RM3,360 - RM840).

(iii) The value of the benefit can also be apportioned based on the period for which the benefit [items 4(i)(a), (b) or (c)] is provided. If an employee is provided with the benefit as per item 4(i)(a) from 01.04.2011, then the value of benefit for the period 01.04.2011 - 31.12.2011 to be assessed for the Year of Assessment 2011, shall be RM630 (RM840 x 9/12).

(iv) Reasonable adjustment on the value of the BIK can be made if the use of the benefit is shared with another employee.
Example II: Facts of the case are the same as in example 4(iii) above. If the benefit is shared equally with another employee, the value of the benefit for the Year of Assessment 2011 will be RM315 (RM630 x 1/2).

(v) Fans and water heaters are treated as part of the residential premise and therefore disregarded.

5. PRESCRIBED VALUE OF OTHER BENEFITS

Item	Type of Benefit	Value of BIK per Year
(a)	Gardener	RM3,600 per gardener
(b)	Household servant	RM4,800 per servant
(c)	Recreational club membership: Type of membership - Corporate	Entrance fee : Not taxable Monthly/Annual membership subscription fees for club membership paid by the employer
	Note: Type of membership - <i>Individual</i>	Entrance fee Monthly/Annual membership subscription fees for club membership Term membership <div style="display: inline-block; vertical-align: middle; border-left: 1px solid black; padding-left: 5px;"> Amount paid/reimbursed by employer is taxed under paragraph 13(1)(a) and not paragraph 13(1)(b) </div>

B. THE FORMULA METHOD

1. The value of BIK based on formula method can be abated if the BIK is:-

- (i) provided for less than a year; or/and
- (ii) shared with another employee; or/and
- (iii) used for the purpose of the employer's business.

2. Under this method, the value of each benefit provided is ascertained by using the formula below:

$$\frac{\text{Cost* of the asset provided as benefit/amenity}}{\text{Prescribed average life span* of the asset}} = \text{Annual value of the benefit}$$

* Note: (i) 'Cost' means the actual cost incurred by the employer.

(ii) 'Prescribed average life span' tabulated in item B5 must be applied for any benefit/amenity regardless of whether the asset is old or new.

3. Where a motorcar is provided,

(i) an abatement of 20% which is deemed to be the value of the motorcar at the time when it is returned to the employer by the employee, is given and the following formula is to be applied:

$$\frac{\text{Cost of the motorcar provided as benefit/amenity}}{8 \text{ (Prescribed average life span)}} \times 80\% = \text{Annual value of benefit of the motorcar}$$

(ii) no abatement is available if the motorcar provided is more than five (5) years old.

(iii) a reduction in the value of the benefits can be made if the employee is required to pay a sum of money to his employer for the benefits provided.

Example III:

Employee B is provided with a 3-year old used motorcar which was purchased by his employer for RM180,000 together with the amenity of free petrol. The cost of the motorcar when new was RM206,000.

The annual value of BIK for the year of assessment 2010 is computed as follows:

Type of BIK	Based on Formula Method RM	Based on Prescribed Value Method RM
Motorcar	$\frac{180,000}{8} \times 80\% = 18,000$	9,000

The value of benefit on motorcar chargeable to tax is:

- RM18,000 based on formula method; or
- RM9,000 based on prescribed value method.

4. OTHER ASSETS

Other assets provided to the employee for his entertainment, recreation or other purposes such as piano, organ, television, stereo set, swimming pool and others will be treated as additional benefits and have to be separately assessed based on the formula in item B2.

5. PRESCRIBED AVERAGE LIFE SPAN OF VARIOUS ASSETS PROVIDED BY EMPLOYERS TO EMPLOYEES:

Category	Assets	Prescribed Average Life Span (Years)
(a)	Motorcar	8
(b)	Furniture and fittings: Curtains and carpets Furniture, sewing machine Air-conditioner Refrigerator	5 15 8 10
(c)	Kitchen equipment (i.e. crockery, rice-cooker, electric kettle, toaster, coffee maker, gas cooker, cooker hood, oven, dish-washer, washing machine, dryer, food processor, etc.)	6
(d)	Entertainment and recreation: Piano Organ TV, video recorder, CD/ DVD player, stereo set Swimming pool (detachable), sauna	20 10 7 15
(e)	Miscellaneous	5

C. VALUE OF BENEFIT ON FREE PETROL *

Benefit on free petrol, whether in the form of petrol card provided by the employer or petrol bill paid by the employer, is benefit-in-kind received by the employee pursuant to his employment.

- (i) Where the employer is able to identify the amount of value of petrol provided to the employee for travel between home and place of work and / or in exercising employment; then the amount of benefit on free petrol exempted in respect of:-
 - (a) travelling from home to place of work and from place of work to home is limited to RM2,400 per year with effect from year of assessment 2008 to year of assessment 2010; and
 - (b) travelling in exercising an employment is limited to RM6,000 per year. However, if an employee receives free petrol exceeding RM6,000 in exercising his employment, a claim for deduction in respect of official duties can be made by the employee in computing his employment income. Records pertaining to the exempted amount claimed in respect of official duties must be kept for a period of 7 years for the purpose of examination by LHDNM.
- (ii) If the employer is unable to identify the amount of value of petrol provided to the employee for travel between home and place of work and / or in exercising employment; then the amount of benefit on free petrol exempted is limited to a maximum of **RM6,000** per year.
- (iii) With effect from year of assessment 2008, an employee who enjoys the benefit of motorcar with free petrol is given an option to determine the amount of free petrol to be taxed either based on:
 - (a) the annual prescribed value for petrol as per item A2(i) without exemption given; or
 - (b) the actual amount of petrol expenditure incurred by his employer with exemption claimed for the amount of petrol used as per item C(i) or C(ii). The exemption is not applicable to the benefit on motorcar. The value of benefit on motorcar chargeable to tax is determined based on the Prescribed Value Method or Formula Method.

D. TAX EXEMPT BENEFITS

- * (a) Medical benefit:
With effect from year of assessment 2008, the medical treatment benefit exempted from tax is extended to traditional medicine and maternity. Traditional medicine means Malay Traditional Medicine, Chinese Traditional Medicine and Indian Traditional Medicine given by a medical practitioner registered with bodies which are certified or registered in accordance with the rules governing traditional medicine as laid down by the Ministry of Health. Examples of traditional medical treatment are the Malay traditional massage, ayurvedic and acupuncture. Complimentary medicine and homeopathy are NOT INCLUDED in this exemption.
- (b) Dental benefit
- (c) Child-care benefit
- (d) Leave passage for travel (confined only to the employee and members of his immediate family i.e. spouse and children):
 - within Malaysia not exceeding three times in any calendar year (cost of fares, meals and accommodation); or
 - between Malaysia and any place outside Malaysia not exceeding one passage in any calendar year, is limited to a maximum of RM3,000 (only cost of fares);
- (e) The benefit is used by the employee solely for purposes of performing his employment duty;
- * (f) Discounted price for consumable business products of the employer:
Consumable business products of employer provided free or partly discounted price to the employee, his spouse and unmarried children are exempted up to a maximum of RM1,000. If the value of the discount exceeds RM1,000, only the amount exceeding RM1,000 will be taxable. The value of the goods is based on the sales price. Benefits received from a company within the same group of companies as his employer are not exempted from tax.
- * (g) Services provided free or at a discounted price by the employer to the employee, his spouse and unmarried children. Benefits received from a company within the same group of companies as his employer are not exempted from tax.
- (h) Food and drinks provided free of charge
- (i) Free transportation between pick-up points or home and the place of work (to and fro)
- (j) Insurance premiums which are obligatory for foreign workers as a replacement to SOCSO contributions
- * (k) Group insurance premium to cover workers in the event of an accident
- (l) Gift of fixed line telephone, mobile phone, pager or personal digital assistant (PDA) registered under the employer's name (including the cost of registration and installation) is fully exempted from tax. The exemption given is limited to 1 unit for each asset.
- * (m) Monthly bills paid by the employer for fixed line telephone, mobile phone, pager, PDA or broadband subscription (including the cost of registration and installation) registered under the employer's name is fully exempted from tax. The exemption given is limited to 1 line for each category of assets.

* Refer to the Note on appendix page - 14

NOTE:

Where an employer provides BIK of the type which qualify for exemption to his employee and that employee has control over his employer, the exemption is not applicable. Hence, the BIK received by that employee is taxable under paragraph 13(1)(b) of ITA 1967 and has to be taken into account as part of his gross income from employment.

'Control over his employer' means:

- (a) for a company, the power of an employee to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other company, or by virtue of powers conferred by the articles of association or other document regulating that or any other company, that the affairs of the first mentioned company are conducted in accordance with the wish of the employee;
- (b) for a partnership, the employee is a partner of the employer; or
- (c) for a sole proprietor, the employee and the employer are the same person.

APPENDIX B4 : BENEFIT / VALUE OF ACCOMMODATION PROVIDED [PARAGRAPH 13(1)(c)]

COMPUTATION OF THE VALUE OF LIVING ACCOMMODATION BENEFIT

Where an employer provides living accommodation for the use or enjoyment by his employee, the value of this benefit determined is to be taken as part of his employee's gross employment income under the provision of paragraph 13(1)(c) ITA 1967.

With effect from year of assessment 2009, gross perquisite income in respect of the right to acquire shares in a company **shall be excluded** from the gross employment income under paragraph 13(1)(a) when computing the value of living accommodation benefit.

Refer to Public Ruling No. 3/2005 and its Addendum (issued on 11th August 2005 and 5th February 2009 respectively) regarding computation.

The value of the living accommodation benefit is determined as follows:

- (i) **Category 1** - 3% x Gross employment income under paragraph 13(1)(a) **EXCLUDING** gross income in respect of any right to acquire shares in a company
- (ii) **Category 2** - 30% x Gross employment income under paragraph 13(1)(a) **EXCLUDING** gross income in respect of any right to acquire shares in a company **OR** the Defined value, whichever is lower
- (iii) **Category 3** - Defined value

For the following examples:-

* Gross employment income [paragraph 13(1)(a)] EXCLUDING gross income in respect of any right to acquire shares in a company	=	T
Value of the living accommodation provided	=	Z
Period for which the living accommodation is provided	=	n
Length of employment	=	m
Portion of the living accommodation provided	=	X
The living accommodation provided as a whole	=	Y
** Defined value (refer to footnote on page 18)	=	F

CATEGORY 1: Living accommodation provided for employee (other than officer of a Government/Statutory Body) / service director:-

Living accommodation provided in a:

- Hotel, hostel or similar premise;
- Premise on a plantation, in a forest or any premise which although in a rateable area, is not subject to public rates.

Value of the living accommodation = 3% x Gross employment income under paragraph 13(1)(a) **EXCLUDING** gross income in respect of any right to acquire shares in a company*

Example I

- Gross employment income * RM36,000 (T)
- Period for which the living accommodation is provided 12 months (n)
- Length of employment in the current year 12 months (m)

Computation of the value of living accommodation provided

$$\begin{aligned} \text{Value of the living accommodation (Z)} &= 3\% \times \text{T} \times \frac{\text{n}}{\text{m}} \\ &= \frac{3}{100} \times 36,000 \times \frac{12}{12} \\ &= \text{RM1,080} \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM1,080

Transfer amount Z to item C Working Sheet HK-2

Example II

If the living accommodation is provided for **less than 12 months in a year**, the value of the living accommodation is calculated **based on the period** the living accommodation is provided.

-	Gross employment income *	RM150,000	(T)
-	Period for which the living accommodation is provided	7 months	(n)
-	Length of employment in the current year	9 months	(m)

Computation of the value of living accommodation provided :

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 3\% \quad \times \quad T \quad \times \quad n/m \\
 &= 3/100 \quad \times \quad 150,000 \quad \times \quad 7/9 \\
 &= \text{RM3,500}
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM3,500

Transfer amount Z to item C Working Sheet HK-2

CATEGORY 2: Living accommodation provided for employee (other than officer of a Government/Statutory Body) or service director

Value of the living accommodation = 30% x Gross employment income under paragraph 13(1)(a) **EXCLUDING** gross income in respect of any right to acquire shares in a company*

Or

Defined value, whichever is lower

Example I: Living accommodation is not shared with any other employee

-	Gross employment income *	RM150,000	(T)
-	Period for which the living accommodation is provided	12 months	(n)
-	Length of employment in the current year	12 months	(m)
-	Rental of the living accommodation provided	RM2,000 per month	
-	Defined value [2,000 x 12 months (m)]	RM24,000	(F)

Computation of the value of living accommodation provided:

	30%	x	T] whichever is lower
=	30/100	x	150,000	
=	RM45,000			
OR	=	F		
	=	RM24,000		

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 24,000 \quad \times \quad n/m \\
 &= 24,000 \quad \times \quad 12/12 \\
 &= \text{RM24,000}
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM24,000

Transfer amount Z to item C Working Sheet HK-2

Example II: Living accommodation is shared equally with another employee

-	Gross employment income *		RM150,000	(T)
-	Period for which the living accommodation is provided		9 months	(n)
-	Length of employment in the current year		9 months	(m)
-	Rental of the living accommodation provided		RM3,000 per month	
-	2 persons sharing:	- portion of living accommodation provided	1	(X)
		- living accommodation provided as a whole	2	(Y)
-	Defined value [3,000 x 9 months (m)]		RM27,000	(F)

Computation of the value of living accommodation provided:

		30%	x	T] — whichever is lower
	=	30/100	x	150,000	
	=	RM45,000			
OR	=	F	x	X/Y	
	=	27,000	x	1/2	
	=	RM13,500			
Value of the living accommodation (Z)	=	13,500	x	n/m	
	=	13,500	x	9/9	
	=	RM13,500			

The taxable value of living accommodation benefit (Z) = RM13,500

Transfer amount Z to item C Working Sheet HK-2

Example III: Part of the living accommodation provided is for official use

-	Gross employment income *]		RM100,000	(T)
-	Period for which the living accommodation is provided		9 months	(n)
-	Length of employment in the current year		12 months	(m)
-	Rental of the living accommodation provided		RM4,000 per month	
-	1/3 is for official use	- Portion of living accommodation provided	2	(X)
		- Living accommodation provided as a whole	3	(Y)
-	Defined value [4,000 x 12 months (m)]		RM48,000	(F)

Computation of the value of living accommodation benefit:

		30%	x	T] — whichever is lower
	=	30/100	x	100,000	
	=	RM30,000			
OR	=	F	x	X/Y	
	=	48,000	x	2/3	
	=	RM32,000			
Value of the living accommodation (Z)	=	30,000	x	n/m	
	=	30,000	x	9/12	
	=	RM22,500			

The taxable value of living accommodation benefit (Z) = RM22,500

Transfer amount Z to item C Working Sheet HK-2

CATEGORY 3: Living accomodation provided for directors of controlled companies

For the director of a controlled company, the value of the living accommodation shall be the defined value of the living accommodation provided. There is no comparison with 30% of the gross employment income.

Example 1: Living accommodation is not shared

- Gross employment income *	RM200,000	(T)
- Period for which the living accommodation is provided	9 months	(n)
- Length of employment in the current year	10 months	(m)
- Rental of the living accommodation provided	RM3,000 per month	
- Defined value [3,000 x 10 months (m)]	RM30,000	(F)

Computation of the value of living accommodation provided:

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= F \quad \times \quad n/m \\
 &= 30,000 \quad \times \quad 9/10 \\
 &= RM27,000
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM27,000

Transfer amount Z to item C Working Sheet HK-2

Example 2: Living accommodation is shared equally with another director / employee

- Gross employment income *	RM200,000	(T)
- Period for which the living accommodation is provided	12 months	(n)
- Length of employment in the current year	12 months	(m)
- Rental of the living accommodation provided	RM3,000 per month	
- 2 persons sharing:		
- portion of living accommodation provided	1	(X)
- living accommodation provided as a whole	2	(Y)
- Defined value [3,000 x 12 months (m)]	RM36,000	(F)

Computation of the value of living accommodation provided:

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 36,000 \quad \times \quad XY \quad \times \quad n/m \\
 &= 36,000 \quad \times \quad 1/2 \quad \times \quad 12/12 \\
 &= RM18,000
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM18,000

Transfer amount Z to item C Working Sheet HK-2

**** DEFINED VALUE:**

- (i) where the accommodation is not affected by any written law providing for the restriction or control of rents and the person so providing the accommodation holds the accommodation on lease, the rent which is or would have been paid if the accommodation is or had been unfurnished and the lessor and the lessee were independent persons dealing at arm's length.
- (ii) in any other case, the rateable value or, in the absence of rateable value, the economic rent.

Where the rental includes the rental of furniture, the amount used to compute the defined value shall be net of the rental of furniture. The rental of furniture is a benefit-in-kind [paragraph 13(1)(b) ITA 1967].

APPENDIX B5 : COMPENSATION FOR LOSS OF EMPLOYMENT

1. INCOME FROM COMPENSATION

This is any amount received by an employee from his employer as compensation for loss of employment before or after his employment ceases.

2. EXEMPTED COMPENSATION

<input type="checkbox"/> Compensation received is due to ill-health	Full exemption is granted
<input type="checkbox"/> Compensation received due to reasons other than the above	(a) Cessation of employment before 1 July 2008 Exemption of RM6,000 is granted for each completed year of service with the same employer or companies in the same group. [example 2(a) is illustrated below]
	(b) Cessation of employment on or after 1 July 2008 Exemption of RM10,000 is granted for each completed year of service with the same employer or companies in the same group [example 2(b) is illustrated below]

3. TAXABLE COMPENSATION

<input type="checkbox"/> Compensation received by a director (not a service director) of a controlled company	The whole amount is subject to tax <i>(Transfer this amount to item E Working Sheet HK-2)</i>
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Example :

The service of an employee has been terminated under a Voluntary Separation Scheme (VSS).

	Example 2(a)	Example 2(b)
A. Length of Service :-		
1. Date of commencement	01.04.2001	01.04.2004
2. Date of cessation	30.06.2008	30.06.2011
3. No. of completed years of service	07 years	07 years
B. Amount of compensation	RM80,000	RM 80,000
C. Amount exempted	RM6,000 x 7 = RM42,000	RM10,000 x 7 = RM70,000
D. Taxable compensation	(RM80,000 - RM42,000) = RM38,000	(RM80,000 - RM70,000) = RM10,000

(Transfer amount D to item E Working Sheet HK-2)

APPENDIX C

APPENDIX C: FOREIGN CURRENCY EXCHANGE RATES (YEARLY AVERAGE)

YEAR OF ASSESSMENT	\$1 AUST.	1 DINAR BAHRAIN	\$1 BRUNEI	\$1 CANADA	1 RENMINBI CHINA	1 RIYAL ARAB SAUDI	1 RAND S.AFRICA	1 KRONE NORWAY	\$1 HK	1 RUPEE INDIA	1 RUPIAH INDONESIA	1 YEN JAPAN
2000 (STTS)	2.2350	10.0839	2.2270	2.5849	0.4636	-	-	0.4371	0.4925	0.0855	0.0005	0.0356
2001	1.9874	12.5202	2.1436	2.4793	0.4637	-	-	0.4274	0.4921	0.0814	0.0004	0.0316
2002	2.0851	10.0815	2.1434	2.4444	0.4637	1.0234	0.3665	0.4831	0.4921	0.0790	0.0004	0.0307
2003	2.4967	10.0812	2.2038	2.7407	0.4637	1.0234	0.5092	0.5433	0.4928	0.0824	0.0004	0.0331
2004	2.8277	10.0822	2.2708	2.9533	0.4637	1.0234	0.5978	0.5701	0.4927	0.0847	0.0004	0.0354
2005	2.9161	10.0891	2.2967	3.1529	0.4669	1.0199	0.6013	0.5955	0.4918	0.0869	0.0004	0.0348
2006	2.7885	9.8261	2.3305	3.2648	0.4646	0.9877	0.5522	0.5777	0.4772	0.0820	0.0004	0.0318
2007	2.9084	9.1412	2.3038	3.2396	0.4563	0.9265	0.4926	0.5932	0.4450	0.0844	0.0004	0.0295
2008	2.8526	8.8466	2.3768	3.1665	0.4846	0.8972	0.4116	0.6025	0.4322	0.0781	0.0003	0.0326
2009	2.8085	9.3478	2.4470	3.1239	0.5210	0.9490	0.4259	0.5672	0.4591	0.0739	0.0003	0.0381
2010	2.9890	8.5417	2.3859	3.1585	0.4807	0.8678	0.4444	0.5394	0.4189	0.0716	0.0004	0.0371
2011	3.1857	8.1129	2.4563	3.1243	0.4780	0.8238	0.4276	0.5511	0.3969	0.0666	0.0004	0.0388

YEAR OF ASSESSMENT	1 WON SOUTH KOREA	\$1 NEW ZEALAND	1 RUPEE PAKISTAN	1 PESO PHIL.	\$1 S'PORE	1 RUPEE SRI LANKA	1 FRANC SWITZERLAND	\$1 TAIWAN	BAHT THAI	£1 UK	\$1 USA	1 EURO
2000 (STTS)	0.0034	1.7557	0.0714	0.0874	2.2270	0.0500	2.2753	0.1230	0.0959	5.8211	3.8000	-
2001	0.0030	1.6148	0.0623	0.0753	2.1436	0.0430	2.2776	0.1137	0.0863	5.5292	3.8000	-
2002	0.0031	1.7790	0.0643	0.0745	2.1434	0.0402	2.4718	0.1113	0.0893	5.7623	3.8000	3.6254
2003	0.0032	2.2299	0.0665	0.0709	2.2038	0.0398	2.8512	0.1117	0.0925	6.2699	3.8000	4.3339
2004	0.0033	2.5495	0.0658	0.0685	2.2708	0.0379	3.0925	0.1150	0.0953	7.0348	3.8000	4.7725
2005	0.0037	2.6947	0.0642	0.0694	2.2969	0.0381	3.0796	0.1191	0.0951	6.9664	3.8034	4.7666
2006	0.0038	2.4063	0.0614	0.0722	2.3306	0.0356	2.9553	0.1139	0.0976	6.8176	3.7043	4.6479
2007	0.0037	2.5534	0.0571	0.0754	2.3040	0.0314	2.8937	0.1057	0.1007	6.9464	3.4721	4.7529
2008	0.0031	2.3904	0.0480	0.0758	2.3773	0.0310	3.1077	0.1067	0.1009	6.2176	3.3657	4.9339
2009	0.0028	2.2521	0.0437	0.0748	2.4471	0.0310	3.2813	0.1077	0.1036	5.5655	3.5590	4.9538
2010	0.0028	2.3449	0.0382	0.0721	2.3863	0.0288	3.1232	0.1032	0.1026	5.0305	3.2546	4.3224
2011	0.0028	2.4411	0.0358	0.0714	2.4567	0.0280	3.4901	0.1051	0.1014	4.9521	3.0894	4.2961

FOREIGN CURRENCY EXCHANGE RATES (YEARLY AVERAGE)

YEAR OF ASSESSMENT	1 DINAR KUWAIT	1 PESO ARGENTINA	1 PESO MEXICO	1 REAL BRAZIL	1 KYAT MYANMAR	1 KRONE DENMARK	1 RIAL IRAN	1 PAUN LEBANON	1 TAKA BANGLADESH	1 KRONE SWEDEN	1 DONG VIETNAM	1 NEW LIRA TURKEY
2008	12.5130	1.0552	0.3011	1.8439	0.5225	0.6592	0.0003	0.0022	0.0491	0.5145	0.0002	2.5792
2009	12.3469	0.9479	0.2614	1.7795	0.5531	0.6653	0.0004	0.0024	0.0518	0.4668	0.0002	2.2737
2010	11.3506	0.8245	0.2549	1.8319	0.5057	0.5804	0.0003	0.0022	0.0468	0.4523	0.0002	2.1436
2011	11.1851	0.7418	0.2469	1.8334	0.4801	0.5766	0.0003	0.0021	0.0418	0.4759	0.0001	1.8329

YEAR OF ASSESSMENT	1 DIRHAM U.A.E.	1 PESO CHILE	1 RIYAL QATAR	1 SHEKEL ISRAEL	1 NAIRA NIGERIA	1 RUBLE RUSSIA
2008	0.9074	0.0064	0.9157	0.9875		
2009	0.9595	0.0063	0.9680	0.8979	0.0238	0.1114
2010	0.8768	0.0063	0.8850	0.8538	0.0216	0.1062
2011	0.8327	0.0063	0.8400	0.8092	0.0198	0.1042

APPENDIX E:

COUNTRY CODES

Name of Country	Country Code	Name of Country	Country Code
Afghanistan	AF	Botswana	BW
Aland Islands	AX	Bouvet Island	BV
Albania	AL	Brazil	BR
Algeria	DZ	British Indian Ocean Territory	IO
American Samoa	AS	Brunei Darussalam	BN
Andorra	AD	Bulgaria	BG
Angola	AO	Burkina Faso	BF
Anguilla	AI	Burundi	BI
Antarctica	AQ	Cambodia	KH
Antigua and Barbuda	AG	Cameroon	CM
Argentina	AR	Canada	CA
Armenia	AM	Cape Verde	CV
Aruba	AW	Cayman Islands	KY
Australia	AU	Central African Republic	CF
Austria	AT	Chad	TD
Azerbaijan	AZ	Chile	CL
Bahamas	BS	China	CN
Bahrain	BH	Christmas Island	CX
Bangladesh	BD	Cocos (Keeling) Islands	CC
Barbados	BB	Colombia	CO
Belarus	BY	Comoros	KM
Belgium	BE	Congo	CG
Belize	BZ	Congo, The Democratic Republic of the	CD
Benin	BJ	Cook Islands	CK
Bermuda	BM	Costa Rica	CR
Bhutan	BT	Cote D'ivoire	CI
Bolivia	BO	Croatia (local name: Hrvatska)	HR
Bosnia and Herzegovina	BA	Cuba	CU

Name of Country	Country Code	Name of Country	Country Code
Cyprus	CY	Greece	GR
Czech Republic	CZ	Greenland	GL
Denmark	DK	Grenada	GD
Djibouti	DJ	Guadeloupe	GP
Dominica	DM	Guam	GU
Dominican Republic	DO	Guatemala	GT
East Timor	TP	Guernsey	GG
Ecuador	EC	Guinea	GN
Egypt	EG	Guinea-Bissau	GW
El Salvador	SV	Guyana	GY
Equatorial Guinea	GQ	Haiti	HT
Eritrea	ER	Heard and McDonald Islands	HM
Estonia	EE	Honduras	HN
Ethiopia	ET	Hong Kong	HK
Falkland Islands (Malvinas)	FK	Hungary	HU
Faroe Islands	FO	Iceland	IS
Fiji	FJ	India	IN
Finland	FI	Indonesia	ID
France	FR	Iran Islamic Republic of	IR
France, Metropolitan	FX	Iraq	IQ
French Guiana	GF	Ireland	IE
French Polynesia	PF	Israel	IL
French Southern Territories	TF	Italy	IT
Gabon	GA	Jamaica	JM
Gambia	GM	Japan	JP
Georgia	GE	Jersey (Channel Islands)	JE
Germany	DE	Jordan	JO
Ghana	GH	Kazakhstan	KZ
Gibraltar	GI	Kenya	KE

Name of Country	Country Code	Name of Country	Country Code
Kiribati	KI	Moldova, Republic of	MD
Korea, Democratic People's Republic of	KP	Monaco	MC
Korea, Republic of	KR	Mongolia	MN
Kuwait	KW	Montserrat	MS
Kyrgyzstan	KG	Morocco	MA
Laos People's Democratic Republic	LA	Mozambique	MZ
Latvia	LV	Myanmar	MM
Lebanon	LB	Namibia	NA
Lesotho	LS	Nauru	NR
Liberia	LR	Nepal	NP
Libyan Arab Jamahiriya	LY	Netherlands	NL
Liechtenstein	LI	Netherlands Antilles	AN
Lithuania	LT	New Caledonia	NC
Luxembourg	LU	New Zealand	NZ
Macao	MO	Nicaragua	NI
Macedonia, The Former Yugoslav Republic of	MK	Niger	NE
Madagascar	MG	Nigeria	NG
Malawi	MW	Niue	NU
Malaysia	MY	Norfolk Island	NF
Maldives	MV	Northern Mariana Islands	MP
Mali	ML	Norway	NO
Malta	MT	Oman	OM
Marshall Islands	MH	Pakistan	PK
Martinique	MQ	Palau	PW
Mauritania	MR	Palestinian Territory, Occupied	PS
Mauritius	MU	Panama	PA
Mayotte	YT	Papua New Guinea	PG
Mexico	MX	Paraguay	PY
Micronesia, Federated States of	FM	Peru	PE

Name of Country	Country Code	Name of Country	Country Code
Philippines	PH	Sri Lanka	LK
Pitcairn	PN	St. Helena	SH
Poland	PL	St. Pierre and Miquelon	PM
Portugal	PT	Sudan	SD
Puerto Rico	PR	Suriname	SR
Qatar	QA	Svalbard and Jan Mayen Islands	SJ
Reunion	RE	Swaziland	SZ
Romania	RO	Sweden	SE
Russian Federation	RU	Switzerland	CH
Rwanda	RW	Syrian Arab Republic	SY
Saint Kitts and Nevis	KN	Taiwan, Province of China	TW
Saint Lucia	LC	Tajikistan	TJ
Saint Vincent and the Grenadines	VC	Tanzania, United Republic of	TZ
Samoa	WS	Thailand	TH
San Marino	SM	Timor - Leste	TL
Sao Tome and Principe	ST	Togo	TG
Saudi Arabia	SA	Tokelau	TK
Senegal	SN	Tonga	TO
Serbia and Montenegro	CS	Trinidad and Tobago	TT
Seychelles	SC	Tunisia	TN
Sierra Leone	SL	Turkey	TR
Singapore	SG	Turkmenistan	TM
Slovakia (Slovak Republic)	SK	Turks and Caicos Islands	TC
Slovenia	SI	Tuvalu	TV
Solomon Islands	SB	Uganda	UG
Somalia	SO	Ukraine	UA
South Africa	ZA	United Arab Emirates	AE
South Georgia and the South Sandwich Islands	GS	United Kingdom	GB
Spain	ES	United States	US

Name of Country	Country Code	Name of Country	Country Code
United States Minor Outlying Islands	UM	Virgin Islands (U.S.)	VI
Uruguay	UY	Wallis And Futuna Islands	WF
Uzbekistan	UZ	Western Sahara	EH
Vanuatu	VU	Yemen	YE
Vatican City State (Holy See)	VA	Yugoslavia	YU
Venezuela	VE	Zambia	ZM
Vietnam	VN	Zimbabwe	ZW
Virgin Islands (British)	VG		

**APPENDIX F: DOUBLE TAXATION AGREEMENTS (DTA) -
WITHHOLDING TAX RATES ON PAYMENTS TO NON-RESIDENTS**

EFFECTIVE DOUBLE TAXATION AGREEMENTS

No.	Country	Interest %	Royalties %	Fees for Technical Services %
1	Albania	10	10	10
2	Australia	15	10	NIL
3	Austria	15	10	10
4	Bahrain	5	8	10
5	Bangladesh	15	10	10
6	Belgium	10	10	10
7	Brunei	10	10	10
8	Canada	15	10	10
9	Chile	15	10	5
10	China	10	10	10
11	Croatia	10	10	10
12	Czech Republic	12	10	10
13	Denmark	15	10	10
14	Egypt	15	10	10
15	Fiji	15	10	10
16	Finland	15	10	10
17	France	15	10	10
18	Germany	10	7	7
19	Hungary	15	10	10
20	India	10	10	10
21	Indonesia	10	10	10
22	Iran	15	10	10
23	Ireland	10	8	10
24	Italy	15	10	10
25	Japan	10	10	10
26	Jordan	15	10	10
27	Kazakhstan	10	10	10
28	Krygyz	10	10	10
29	Kuwait	10	10	10
30	Laos	10	10	10
31	Lebanon	10	8	10
32	Luxembourg	10	8	8
33	Malta	15	10	10
34	Mauritius	15	10	10
35	Mongolia	10	10	10
36	Morocco	10	10	10

No.	Country	Interest %	Royalties %	Fees for Technical Services %
37	Myanmar	10	10	10
38	Namibia	10	5	5
39	Netherlands	10	8	8
40	New Zealand	15	10	10
41	Norway	15	10	10
42	Pakistan	15	10	10
43	Papua New Guinea	15	10	10
44	Philippines	15	10	10
45	Poland	15	10	10
46	Qatar	5	8	8
47	Romania	15	10	10
48	Russia	15	10	10
49	San Marino	10	10	10
50	Saudi Arabia	5	8	8
51	Seychelles	10	10	10
52	Singapore	10	8	5
53	South Africa	10	5	5
54	South Korea	15	10	10
55	Spain	10	7	5
56	Sri Lanka	10	10	10
57	Sudan	10	10	10
58	Sweden	10	8	8
59	Switzerland	10	10	10
60	Syria	10	10	10
61	Thailand	15	10	10
62	Turkey	15	10	10
63	Turkmenistan	10	10	10
64	United Arab Emirates	5	10	10
65	United Kingdom	10	8	8
66	Uzbekistan	10	10	10
67	Venezuela	15	10	10
68	Vietnam	10	10	10

Note:

- (i) There is no withholding tax on dividends paid by Malaysian companies.
- (ii) To claim the DTA rate, please attach the Certificate of Tax Residence from the country of residence.
- (iii) Where the rate provided in the ITA 1967 is lower than the DTA rate, the lower rate shall apply.

GAZETTED DOUBLE TAXATION AGREEMENTS

No.	Country	Interest %	Royalties %	Fees for Technical Services %
1	Bosnia and Herzegovina	10	8	10
2	Senegal	10	10	10
3	Zimbabwe	10	10	10

LIMITED AGREEMENTS

No.	Country	Interest %	Royalties %	Fees for Technical Services %
1	Argentina	15 *	10 *	10 *
2	United States of America	15 *	10 *	10 *

* The withholding tax rate on interest, royalties and fees for technical services is as provided in the ITA 1967.

INCOME TAX EXEMPTION ORDER **

No.	Country	Interest %	Royalties %	Fees for Technical Services %
1	Taiwan	10	10	7.5

** (i) P.U. (A) 201 (1998)
(ii) P.U. (A) 202 (1998)

APPENDIX H: DIRECTOR GENERAL'S PUBLIC RULINGS

No.	Subject of Public Ruling	Issued/ Updated	Compliance	
			Yes	No
1/2000	Basis Period for a Non-Business Source	01/03/2000		
2/2000	Basis Period for a Business Source (Companies & Co-operatives)	01/03/2000		
3/2000	Basis Period for a Business Source (Individuals & Persons other than Companies/Co-operatives)	01/03/2000		
4/2000	Keeping Sufficient Records (Companies and Co-operatives)	01/03/2000		
4/2000 (Revised)	Keeping Sufficient Records (Companies and Co-operatives)	30/06/2001		
5/2000	Keeping Sufficient Records (Individuals & Partnerships)	01/03/2000		
5/2000 (Revised)	Keeping Sufficient Records (Individuals & Partnerships)	30/06/2001		
6/2000	Keeping Sufficient Records (Persons other than Companies or Individuals)	01/03/2000		
6/2000 (Revised)	Keeping Sufficient Records (Persons other than Companies or Individuals)	30/06/2001		
7/2000	Providing Reasonable Facilities and Assistance	16/06/2000		
8/2000	Wilful Evasion of Tax and Related Offences	30/12/2000		
1/2001	Ownership of Plant and Machinery for the Purpose of Claiming Capital Allowances	18/01/2001		
2/2001	Computation of Initial & Annual Allowances in respect of Plant & Machinery	18/01/2001		
3/2001 & Addendum	Appeal against an Assessment	18/01/2001 &		
4/2001	Basis Period for a Non-Business Source (Individuals & Persons other than Companies)	30/04/2001 18/05/2009		
5/2001	Basis Period for a Business Source (Co-operatives)	30/04/2001		
6/2001	Basis Period for a Business Source (Individuals & Persons other than Companies/Co-operatives)	30/04/2001		
7/2001	Basis Period for Business & Non-Business Source (Companies)	30/04/2001		
1/2002	Deduction for Bad & Doubtful Debts and Treatment of Recoveries	02/04/2002		
2/2002	Allowable Pre-operational And Pre-commencement of Business Expenses For Companies <i>(refer to Public Ruling No. 2/2010 with effect from year of assessment 2010)</i>	08/07/2002		
1/2003 & Addendum	Tax Treatment relating to Leave Passage	05/08/2003 & 23/08/2007		
2/2003	"Key-Man" Insurance	30/12/2003		

No.	Subject of Public Ruling	Issued/ Updated	Compliance	
			Yes	No
1/2004	Income from Letting of Real Property	30/06/2004		
2/2004, Addendum, Second Addendum, Third Addendum & Fourth Addendum	Benefits-In-Kind	08/11/2004, 20/05/2005, 17/01/2006, 17/04/2009 & 19/04/2010		
3/2004 & Addendum	Entertainment Expense <i>(refer to Public Ruling No. 3/2008 with effect from year of assessment 2008)</i>	08/11/2004 & 23/08/2007		
4/2004	Employee Share Option Scheme Benefit	09/12/2004		
5/2004 & Addendum	Double Deduction Incentive on Research Expenditure	30/12/2004 & 03/04/2008		
1/2005	Computation of Total Income for Individual	05/02/2005		
2/2005, Addendum & Second Addendum	Computation of Income Tax Payable by a Resident Individual	06/06/2005, 06/07/2006 & 03/01/2008		
3/2005 & Addendum	Living Accommodation Benefit Provided for the Employee by the Employer	11/08/2005 & 05/02/2009		
4/2005, Addendum & Second Addendum	Withholding Tax on Special Classes of Income	12/09/2005, 30/11/2007 & 04/01/2010		
5/2005	Deduction for Loss of Cash and Treatment of Recoveries	14/11/2005		
6/2005 & Addendum	Trade Association	08/12/2005 & 01/07/2009		
1/2006, Addendum, Second Addendum & Third Addendum	Perquisites from Employment	17/01/2006, 30/08/2007, 25/02/2009 & 30/07/2009		
2/2006	Tax Borne by Employers	17/01/2006		
3/2006	Property Development & Construction Contracts <i>(superseded by Public Ruling No. 1/2009 & 2/2009)</i>	13/03/2006		
4/2006	Valuation of Stock In Trade and Work In Progress Part I	31/05/2006		
5/2006	Professional Indemnity Insurance <i>(refer to Public Ruling No. 3/2009 with effect from year of assessment 2008)</i>	31/05/2006		
6/2006	Tax Treatment of Legal and Professional Expenses	06/07/2006		
1/2008	Special Allowances for Small Value Assets	27/03/2008		
2/2008	Reinvestment Allowance	03/04/2008		
3/2008	Entertainment Expense <i>(refer to Public Ruling No. 3/2004 prior to year of assessment 2008)</i>	22/10/2008		
1/2009	Property Development <i>(supersedes Public Ruling No. 3/2006)</i>	22/05/2009		
2/2009	Construction Contracts <i>(supersedes Public Ruling No. 3/2006)</i>	22/05/2009		

No.	Subject of Public Ruling	Issued/ Updated	Compliance	
			Yes	No
3/2009	Professional Indemnity Insurance <i>(refer to Public Ruling No. 5/2006 prior to year of assessment 2008)</i>	30/07/2009		
1/2010	Withholding Tax on Income under Paragraph 4(f)	19/04/2010		
2/2010	Allowable Pre-operational and Pre-commencement of Business Expenses <i>(refer to Public Ruling No. 2/2002 prior to year of assessment 2010)</i>	03/06/2010		
1/2011	Taxation of Malaysia Employees Seconded Overseas	07/02/2011		
2/2011	Interest Expense and Interest Restriction	07/02/2011		
3/2011	Investment Holding Company	10/03/2011		
4/2011	Income from Letting of Real Property <i>(refer to Public Ruling No. 1/2004 prior to year of assessment 2011)</i>	10/03/2011		
5/2011	Residence Status of Companies and Bodies of Persons	16/05/2011		
6/2011	Residence Status of Individuals	16/05/2011		
7/2011	Notification of Change in Accounting Period of a Company / Trust Body / Co-operative Society	23/08/2011		
8/2011	Foreign Nationals Working in Malaysia - Tax Treatment	16/11/2011		
9/2011	Co-operative Society	16/11/2011		
10/2011	Gratuity	05/12/2011		
11/2011	Bilateral Credit and Unilateral Credit	20/12/2011		
12/2011	Tax Exemption on Employment Income of Non-Citizen Individuals Working for Certain Companies in Malaysia	20/12/2011		