Folks DFK & Co. (AF 0502) 60th Anniversary 1952-2012

azman, wong, salleh & co. (AF 0012)

Chartered Accountants

TAX BULLETIN

2013 BUDGET HIGHLIGHTS

Independent Member Firms of DFK INTERNATIONAL 50th Anniversary 1962-2012

PP10572/08/2013(032721)

DFK International

DFK International is a major international association of independent accounting firms and business advisers that has been meeting the needs of clients with interests in more than one country for 50 years. Our association now has over 300 offices across the world. The association is divided into three regions – The Americas, Asia-Pacific, and Europe, Middle East and Africa. Each region appoints a Regional Vice President who is a member of the Board and also the Executive Committee. Regional Vice Presidents have a particular responsibility for ensuring members comply with DFK's Membership Criteria.

An Executive Director, employed by the Board, is based in the DFK International Executive Office in London and is responsible to the President and the Board of Directors for all administration and development of the international association. In larger countries of the world where there are several DFK Member Firms, DFK has developed National Groups to respond to local clients' needs.

Each DFK member firm is an independent legal entity in its own country. A grouping of members who include DFK in their firm's name are classified as network firms in compliance with EU and IFAC requirements.

The association is a non-profit making incorporated organisation (Vereniging) in the Netherlands and its Executive Office is located in London.

Worldwide Statistics

	Europe, Middle East & Africa	The Americas	Asia-Pacific	DFK International
Number of offices	**195**	**129**	**66**	**390**
Number of partners	**522**	**520**	**166**	**1,208**
Number of other professional staff	**2,616**	**2,534**	**1,240**	**6,390**
Number of support staff	**723**	**749**	**359**	**1,831**
Total staff (including partners)	**3,785**	**3,803**	**2,452**	**10,040**
Fee income (US$million)	**408**	**587**	**112**	**1,108**

FOREWORD

The Budget proposals for 2013 were tabled in Parliament on Friday, 28 September 2012 by YAB Dato' Seri Mohd Najib Tun Abdul Razak, the Prime Minister and Minister of Finance of Malaysia.

The five main focus areas of the 2013 Budget are as follows:-

1. Boosting Investment Activity;
2. Strengthening Education and Training;
3. Inculcating Innovation, Increasing Productivity;
4. Fiscal Consolidation and Enhancing the Public Service Delivery; and
5. Enhancing the Well-Being of the Rakyat.

The 2013 Budget is aimed at improving the quality of life of the Rakyat, ensuring sustainable economic growth, spending prudently and reducing the fiscal deficit with the overall objective of prioritising the well-being of the Rakyat.

Some of the notable tax measures as proposed in the 2013 Budget are as follows :-

❖ Review of The Tax System

A thorough study on the transition from income based taxation system to a more comprehensive and fair taxation system in order to better reflect the household's financial position will be carried out. Implementation of the new tax structure is a national imperative to ensure the Government's finances remain strong for future generation and it will not be implemented hastily but through a thorough study and in an orderly manner.

❖ Reduction in Individual Tax Rates

It is proposed that the resident individual income tax rates be reduced by 1% for chargeable income bands up to RM50,000. The reduction in tax is aimed at providing tax savings especially to the middle income group and is a part of the process of transitioning from the current tax system, based on income to a tax system that is fairer by the Government.

❖ Limited Liability Partnership

Limited Liability Partnership Act 2012 has been enacted in Malaysia. Limited Liability Partnership ("LLP") is a hybrid between company and conventional partnership which gives the benefits of limited liability and at the same time allows its members the flexibility of organising internal structure as in a conventional partnership. LLP is a separate legal entity which has the unlimited capacity to hold property while the partners enjoy the limited liability status.

In view of the significant development of LLP in Malaysia, 2013 Budget has introduced a new definition of LLP into the Income Tax Act 1967 as a corporate entity chargeable to tax.

❖ Business Trust

Business Trust ("BT") has been introduced in the 2013 Budget and represents a unit trust scheme established under the Capital Markets & Services Act 2007 where the business operations and management of the scheme's property or asset is managed by a trustee-manager who acts as a trustee on behalf of the BT and the unit holders. A business operation through trust entities is expected to have certain advantages, particularly in enhancing their ability to obtain financial resources based on assets owned.

It is proposed that the transfer of any business, asset and real property to a BT be given stamp duty exemption and RPGT exemption at the early stage of the establishment of BT.

- Revision of Real Property Gains Tax

  The limited supply of real property especially in urban area has provided opportunities for speculative activities. To curb speculation it is proposed Real Property Gains Tax ("RPGT") be increased from 10% to 15% for real properties disposed within a period of two years from the date of acquisition, and 10% of disposal of real property in the third to fifth year.

The much discussed Goods and Services Tax ("GST") was excluded from the 2013 Budget. Although there is no clear indication of any specific date of implementation, the Government has made a concerted effort to review the current tax system in providing the Government, a new sustainable source of revenue to support the long term economic growth. The 1% reduction in resident individual income tax rate as highlighted earlier may be paving the way for the introduction of the GST.

To encourage home ownership, a 50% stamp duty exemption on the instruments for the purchase of the first residential property of up to RM350,000 was proposed in the 2009 Budget. It is proposed that the stamp duty exemption is extended to 31 December 2014 with the price limit on residential properties raised to RM400,000.

In the area of tax administration, it is proposed that the time barred period to make an assessment or additional assessment be reduced from six to five years except for cases of fraud, wilful default or negligence.

There are indications the Inland Revenue Board has moved in the direction of stricter enforcement of criminal provisions by going after tax evaders as its main focus next year. The criminal action will be taken based on provisions under the Income Tax Act 1967, Evidence Act 1950 and Criminal Procedure Code. It is also worthwhile to note that certain income tax offences are now included as serious offences under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001.

CONTENTS

CONTENTS

1. TAX SYSTEMS AND ADMINISTRATION

1.1 ***Review Of Time Bar For Income Tax Assessment***

Present

The Director General ("DG") may, within 6 years after the expiration of a year of assessment, make an assessment or additional assessment under the following circumstances:-

(i) It appears to the DG that no or no sufficient assessment has been made on a person chargeable to tax *[Section 91(1)]*;

(ii) The DG discovers that the whole or part of any repayment of tax to a person has been made by mistake *[Section 91(2)]*;

(iii) Any exemption, relief, remission or allowance granted to a person for any year of assessment has been withdrawn, revoked or cancelled *[Section 91(4)]*; or

(iv) The DG discovers that the adjusted loss surrendered under Section 44A(4) of the Income Tax Act ("Act") 1967 (Group Relief for Companies) ought not to have been deducted in arriving at the total income of the claimant company.

Proposed

The time bar to make assessment or additional assessment be reduced from 6 years to 5 years. The 5 years limitation does not apply in cases of fraud, willful default or negligence.

<u>Consequential amendments</u>

(i) The period for raising an assessment or additional assessment within 5 immediately preceding years of assessment under Section 25 of the Act for employment income received that relates to a time bar period be reduced to 4 immediately preceding years of assessment;

(ii) The period for raising an assessment or additional assessment within 5 immediately preceding years of assessment under Section 27 of the Act for interest, discount, rent or royalty or of any pension, annuity or other periodical payment received that relates to a time bar period be reduced to 4 immediately preceding years of assessment;

(iii) The period for raising an assessment or additional assessment under Section 44A(9)(a) of the Act in respect of the adjusted loss surrendered under Section 44A(4) of the Act ought not to have been deducted in arriving at the total income of the claimant company be reduced from 6 years to 5 years;

(iv) The time bar period under Section 111(2) of the Act for the claim of refund of tax overpaid be reduced from 6 years to 5 years;

(v) The time bar period under Section 131(1) of the Act for making an application for relief in respect of error or mistake in a return or statement be reduced from 6 years to 5 years;

1. TAX SYSTEMS AND ADMINISTRATION

1.1 *Review Of Time Bar For Income Tax Assessment* *(Cont'd)*

(vi) The period for re-computation of deduction in respect of capital expenditure from the cessation of working of a mine for each of the 5 immediately preceding years of assessment under Paragraph 15(a), Schedule 2 of the Act be reduced to 4 immediately preceding years of assessment;

(vii) The computation of agriculture charge in the event of disposal of an asset within 6 years under Paragraph 27, Schedule 3 of the Act be reduced to 5 years;

(viii) Adjustment in the ascertainment of the prospector's total income for any year of assessment within 6 years under Paragraph 15(b), Schedule 4 of the Act be reduced to 5 years; and

(ix) The period for raising an assessment or additional assessment under Paragraph 6, Schedule 7A of the Act in respect of income exempted under Paragraph 3 or dividend exempted in the hands of a shareholder under Paragraph 5 ought not to have been exempted be reduced from 6 years to 5 years.

Effective
1 January 2014.

1.2 *Review Of Time Bar For Real Property Gains Tax Assessment*

Present
Under Section 15 of the Real Property Gains Tax Act ("RPGT") 1976, the DG may, within 6 years after the expiration of a year of assessment, make an assessment or additional assessment under the following circumstances:-

(i) It appears to the DG that no or no sufficient assessment has been made on a person chargeable to tax;

(ii) Any assessment in respect of a person has been determined by the court on appeal or review; and

(iii) Any exemption granted to a person for any year of assessment has been withdrawn.

Proposed
The time period to raise assessments and additional assessments be reduced from 6 years to 5 years. The 5 years limitation does not apply in cases of fraud or willful default.

<u>Consequential amendments</u>

(i) The time bar period under Section 19(1) of the RPGT Act 1976 for making an application in writing to the DG for a revision of the assessment by reason of an error or mistake be reduced from 6 years to 5 years; and

(ii) The time bar period under Section 24(3) of the RPGT Act 1976 for the claim of refund of tax overpaid be reduced from 6 years to 5 years.

Effective Date
1 January 2014.

1.3 ***Appeal To The Special Commissioners For Amounts Not Liable To Be Paid Under Sections 109, 109B or 109F Of The Act***

Present
A payer who is of the opinion that he is not liable to make withholding tax payments in respect of an amount under Section 109, 109B or 109F of the Act has no avenue to appeal to the Special Commissioners.

Proposed
A new Section 109H be introduced to allow a payer (Malaysian resident that makes a payment to a non-resident in respect of an amount that in his opinion may not be subject to withholding tax under Section 109, 109B or 109F) to appeal to the Special Commissioners within 30 days from the date the potential withholding tax amount is due to be made to the DG.

This proposal shall not apply if:-

(i) An appeal has been filed to the Special Commissioners by the non-resident person to whom the payer was liable to pay the amount of interest or royalty, or payment under Section 4A or Section 4(f) of the Act to which the appeal relates;

(ii) Such payment to the non-resident made by the payer is disallowed as deduction under Section 39 in arriving at the adjusted income of the payer; or

(iii) The withholding tax due has not been made to the DG by the payer.

Effective
1 January 2013.

2. TAXATION - INDIVIDUALS

2.1 ***Review Of Income Tax Rates For Resident Individuals***

The income tax rates for resident individuals be reduced by 1% for chargeable income bands from RM2,501 to RM50,000 as follows:-

	Present		Proposed		Saving
Chargeable Income (RM)	Tax rate (%)	Tax payable* (RM)	Tax rate (%)	Tax payable* (RM)	**(RM)**
1 - 2,500	0	0	0	0	**0**
2,501 - 5,000	**1**	**0**	**0**	**0**	**0**
5,001 - 20,000	**3**	**75**	**2**	**0**	**75**
20,001 - 35,000	**7**	**1,125**	**6**	**800**	**325**
35,001 - 50,000	**12**	**3,325**	**11**	**2,850**	**475**
50,001 - 70,000	19	7,125	19	6,650	**475**
70,001 - 100,000	24	14,325	24	13,850	**475**
Exceeding 100,000	26		26		

** after personal tax rebate of RM400 for chargeable income up to RM35,000.*

Effective
Year of assessment 2013.

2.2 ***Increase In Tax Relief For Amount Deposited Into Skim Simpanan Pendidikan Nasional***

Present
A relief of up to RM3,000 a year is given to a taxpayer for deposits made by the taxpayer for his / her child into the Skim Simpanan Pendidikan Nasional account established under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997.

Proposed
The tax relief be increased to RM6,000.

Effective
Years of assessment 2012 to 2017.

2.3 ***Increase In Child Relief***

Present
A taxpayer is given relief of RM4,000 for each unmarried child above the age of 18 years who is pursuing full-time tertiary education at the following:-

(i) A recognized local institution of higher learning at diploma level and above; or

(ii) A recognized institution of higher learning abroad at degree level and above.

Proposed
The tax relief be increased to RM6,000.

Effective
Year of assessment 2013.

2.4 ***Taxability Of Withdrawal Of Contribution Made To A Private Retirement Scheme***

Present

A relief of up to RM3,000 a year is given on contributions made by an individual to any deferred annuity or a Private Retirement Scheme ("PRS") approved by the Securities Commission ("SC") in accordance with the Capital Markets and Services Act 2007.

However, there is no legislation to tax an individual on any contribution withdrawn from a PRS.

Proposed

Withdrawal of contributions by an individual from a PRS before the age of 55 (other than by reason of death or permanently leaving Malaysia) be subject to withholding tax at the rate of 8% on the amount of contribution withdrawn.

A new Section 109G be introduced whereby the private PRS provider (as approved under Section 139Q of the Capital Markets and Services Act 2007) is required to deduct the tax at the rate of 8% from the amount of contribution withdrawn by an individual and within 1 month after paying the amount of contribution, remit the tax deducted to the DG. The DG may under special circumstances allow extension of time for the amount of tax deducted to be paid over.

Failure to comply with the aforesaid provision will result in the payer being imposed with a penalty of 10% on the amount which he fails to remit.

Effective

1 January 2013.

3. TAXATION – COMPANIES & UNINCORPORATED BUSINESSES

3.1 ***Review Of Income Tax Rates For Co-Operative Society***

The income tax rates for co-operative society be reduced by 1% to 7% for the following chargeable income bands:-

	Present		Proposed		**Saving**
Chargeable Income (RM)	Tax rate (%)	Tax payable (RM)	Tax rate (%)	Tax payable (RM)	**(RM)**
1 - 20,000	0	0	0	0	**0**
20,001 - 30,000	2	200	0	0	**200**
30,001 - 40,000	6	600	5	500	**300**
40,001 - 50,000	9	900	5	500	**700**
50,001 - 60,000	12	1,200	5	500	**1,400**
60,001 - 75,000	12	1,800	10	1,500	**1,700**
75,001 - 100,000	16	4,000	10	2,500	**3,200**
100,001 - 150,000	20	10,000	15	7,500	**5,700**
150,001 - 250,000	23	23,000	20	20,000	**8,700**
250,001 - 500,000	26	65,000	22	55,000	**18,700**
500,001 - 750,000	26	65,000	24	60,000	**23,700**
Exceeding 750,000	26		25		

Effective
Year of assessment 2013.

3.2 ***Tax Exemption On Annuity Fund***

Present
Income of a life insurer or takaful operator in respect of an investment from a life fund or family fund in a deferred annuity scheme approved by Bank Negara Malaysia is taxed at 8%.

Proposed
The income received from an investment made out of a life fund or family fund in respect of a deferred annuity scheme established in accordance with the Retirement Savings Standards approved by Bank Negara Malaysia is to be tax exempted. The annuity funds must be maintained separately from the life funds or takaful family funds.

Effective
Year of assessment 2012.

3.3 ***Elimination Of Agriculture Charge***

Present
Where the business of a person consists wholly or partly of the working of a farm and in a basis period for a year of assessment, any sum of grant or other payment by the Government, a State Government or a statutory authority first becomes payable to him in that period, to relieve him of any capital expenditure incurred by him on that farm, an agriculture charge equal to the amount of the grant shall be made on him in relation to the source consisting of that business for that year.

Proposed
No agriculture charge shall be made on such a person in respect of a grant payable by the Government, a State Government or a statutory authority for capital expenditure incurred by him.

Effective Date
Upon coming into operation of the Finance (No.2) Act 2012.

3.4 ***Tax Treatment Of Limited Liability Partnerships***

Present
There is no specific provision in the Act governing the tax treatment of a limited liability partnership ("LLP") registered under the Limited Liability Partnership Act 2012.

Proposed
It is proposed that:-

(i) A LLP is excluded from the definition of "partnership". Instead, it is a taxable person for the purpose of the Act *[Section 2 of the Act]*.

(ii) A LLP is a tax resident in Malaysia if at any time during the basis year for a year of assessment, the management and control of its business or affairs are exercised in Malaysia by its partners *[Section 8 of the Act]*.

(iii) In arriving at the adjusted income of a LLP, no deduction is allowed in respect of any remuneration or any similar payment paid to the partner of the LLP where such remuneration or payment is not specified or provided in the agreement made in accordance with Section 9 of the LLP Act 2012 *[Section 39 of the Act]*.

(iv) A partnership or company which converts into LLP is allowed to carry forward its unabsorbed business losses and unabsorbed capital allowances to be utilized against the future income of the LLP *[Section 44 & Para 75AA, Schedule 3 of the Act]*.

(v) A compliance officer who is appointed by the partners of the LLP under the LLP Act 2012 shall be responsible for doing all acts and things required under the Act and the RPGT Act 1976 on behalf of the LLP and where no compliance officer is appointed, the partners of the LLP are jointly and severally responsible *[Section 75B of the Act & Para 5A, Schedule 1 of the RPGT Act 1976]*.

(vi) The following tax treatments for a LLP are similar to that of a company, trust body or co-operative society:-

a. Determination of basis period *[Section 21A of the Act]*;

b. Due date for filing of tax return and payment of balance of tax payable *[Sections 77A and 103 of the Act]*;

c. Furnishing of estimate of tax payable and payment of tax instalment *[Section 107C of the Act]*;

d. Tax rate including preferential tax rate on the first RM500,000 of the chargeable income *[Para 2D & 2E, Part I of Schedule 1 of the Act]*;

e. Controlled transfer provisions would apply *[Para 38, Schedule 3 of the Act]*; and

f. Profits paid, credited or distributed by a LLP to its partners are exempted from tax *[Para 12C, Schedule 6 of the Act]*.

Effective
Upon coming into operation of the LLP Act 2012, i.e. 9th February 2012.

3.5 ***Income Tax Treatment For Business Trust***

Present

Business Trust ("BT") is a unit trust scheme established under the Capital Markets & Services Act 2007 where the business operations and management of the scheme's property or asset is managed by a trustee-manager ("TM") who acts as a trustee on behalf of the BT and the unit holders.

There is no specific provision in the Act governing the tax treatment of a BT.

Proposed

It is proposed that:-

A. BT be given income tax, stamp duty and RPGT treatment similar to those of a company;

B. BT be given stamp duty exemption on instruments of transfer of businesses, assets or real properties acquired; and

C. The disposer of real properties or shares in a real property company to BT be given RPGT exemption.

Incentives for proposal (A) and (B) are provided on a one-off basis at the initial stage of the establishment of BT.

The following existing legislations are to be amended to incorporate the above proposal:-

(i) BT is included in the definition of "company". Hence, the tax treatment of a BT is meant to be similar to a company under the Act *[Section 2 of the Act]*.

(ii) BT is excluded from the following tax treatments which are applicable to a company which has a paid-up capital in respect of ordinary shares of RM2.5 million and less (SME) at the beginning of the basis period for a year of assessment *[Section 2(9) of the Act]*:-

   a. Exemption from filing of tax estimate for the first 2 years of assessment upon commencement of business *[Section 107C(4A) of the Act]*;

   b. Preferential tax rate of 20% on the first RM500,000 of chargeable income *[Para 2A, Schedule 1 of the Act]*; and

   c. Non-application of RM10,000 limit on the total qualifying assets claim under special allowances for small value assets *[Para 19A, Schedule 3 of the Act]*.

(iii) Any reference made to shares or ordinary share capital, shareholders and dividend in the Act will also include reference made to units or derivatives of units, unit holders and distributions, respectively in relation to BT *[Section 2(11) of the Act]*;

3.5 ***Income Tax Treatment For Business Trust*** *(Cont'd)*

(iv) The residence status of a BT is determined based on the residence status of the TM. The TM is resident in Malaysia if he carries on the business of the BT in Malaysia and the management and control of the BT business are exercised in Malaysia *[Section 8(1A) of the Act]*;

(v) The responsibility for doing all acts and things required to be done by or on behalf of the BT for the purpose of the Act shall lie jointly or severally with the TM *[Section 75B of the Act]*;

(vi) BT is subject to control transfer provision in the Act. Control for the purposes of a BT means the right to not less than 50% residual profits of the BT available for distribution, or not less than 50% of any residual assets of the BT available for distribution on a winding up *[Para 38(2), Schedule 3 of the Act]*.

Effective

Item (A) : Year of Assessment 2013;
Item (B) : For instruments executed from 1 January 2013;
Item (C) : For disposal of real properties or shares in real property company from 1 January 2013.

3.6 ***Tax Incentives For Issuance Of Agro-Sukuk, Retail Sukuk And Retail Bonds***

Present

Expenses incurred on the issuance of *Sukuk* including retail *Sukuk* are given tax deduction. However, expenses incurred on the issuance of bonds including retail bonds are not eligible for tax deduction.

Instruments in relation to the subscription of *Sukuk* and bonds in Bursa Malaysia are imposed with stamp duty at the rate of 0.1% on the value of the *Sukuk* and bonds subject to a maximum limit of RM200.

Proposed

The incentives be extended as follows:-

(i) Double deduction be given on expenses incurred on the issuance of Agro-*Sukuk* approved by SC or Labuan Financial Services Authority ("LFSA");

(ii) Double deduction be given on the additional expenses (i.e. rating rationale fee, underwriting and placement fees, facility agency fee, advertising cost and cost of printing prospectus) incurred on the issuance of retail S*ukuk* and retail bonds; and

(iii) Stamp duty exemption be given on instruments relating to the subscription of retail *Sukuk* and retail bonds executed by individual investors.

Effective

Item (i) : Year of assessment 2013 to 2015;
Item (ii) : Year of assessment 2012 to 2015;
Item (iii) : For instruments executed from 1 October 2012 to 31 December 2015.

3.7 ***Review Of Tax Incentives For Security Control And Surveillance Equipment***

Present
Accelerated Capital Allowance ("ACA") of 100% is given to the following taxpayer in respect of:-

A. Individual resident in Malaysia

Capital expenditure incurred from a source consisting of a business in relation to the installation of any security equipment (other than the Global Positioning System ("GPS") for vehicle tracking) at any building of permanent structure used for the purpose of that business; and

B. Company incorporated under the Companies Act 1965 and resident in Malaysia

Capital expenditure incurred from a source consisting of a business in relation to the installation of:-

(i) Any security control equipment (other than the GPS for vehicle tracking) for a factory of such company provided that such company is a company approved under the Industrial Co-ordination Act 1975; or

(ii) Any GPS for vehicle tracking for a container lorry of company bearing Carrier Licence A and for a cargo lorry of the company bearing Carrier Licence A or C issued under the Commercial Vehicle Licencing Board Act 1987 used for the business purposes of such company.

The security control and surveillance equipment eligible for ACA are as follows:-

- Anti-theft alarm system;
- Infra-red motion detection system;
- Siren;
- Access control system;
- Close circuit system;
- Video surveillance system;
- Security camera;
- Wireless camera transmitter;
- Time lapse recording and video motion detection equipment; and
- GPS for vehicle tracking.

The incentive is given from the years of assessment 2008 to 2012.

Proposed
The incentive for security control and surveillance equipment be extended for another 3 years and further enhanced as follows:-

(i) Extended to companies that install security control and surveillance equipment in residential areas; and

(ii) To include equipment such as safety mirrors and panic buttons.

Effective
Years of assessment 2013 to 2015.

3.8 ***Deduction For Expenditure On Treasury Shares***

Present
There are no specific provisions under the Act to allow the deduction of the cost of acquiring the company's own shares (i.e. treasury shares) in connection with an employees' equity-based remuneration scheme.

Proposed
It is proposed that:-

(i) A deduction be given to a company having business source income on the cost of acquiring treasury shares which are to be transferred to its employees under the employees' equity-based remuneration scheme;

(ii) The deduction shall be made in the basis period for a year of assessment where the employee exercises his rights to acquire the treasury shares;

(iii) The amount to be deducted shall be the cost of acquiring the treasury shares which are transferred to the employee, reduced by any amount payable by the employee for the treasury shares;

(iv) In the case where the amount payable by the employee exceeds the cost of the treasury shares incurred by the company, no deduction is allowed to the company;

(v) The surplus, however, will not be subject to tax, instead, it will be credited into an account for the purpose of applying the surplus to reduce the cost of the treasury shares which will be transferred to its employees in future;

(vi) A transfer of treasury shares is effected when the employee acquires the legal and beneficial interest in the treasury shares;

(vii) The cost of acquiring the treasury shares which are transferred to the employee shall be determined on the basis that the treasury shares acquired by the company at an earlier point in time are to be transferred first, i.e. first-in-first-out basis;

(viii) A holding company transferring its treasury shares to the employees of its subsidiary companies will not be allowed for deduction on the cost incurred in acquiring the treasury shares;

(ix) In the event that the holding company recovers the cost of acquiring the treasury shares from its subsidiary company for the transfer of the treasury shares, the subsidiary company will be entitled to deduction for the amount paid/payable to its holding company, reduced by any amount payable by its employees; and

(x) The deduction will be granted to the subsidiary company on the date of transfer of the treasury shares to the employees or on the date of payment to the holding company, whichever is the later.

"Treasury share" is defined as a share of a company that was previously issued but was repurchased, redeemed or otherwise acquired by the company and not cancelled.

Effective Date
Year of assessment 2013.

3.9 ***Tax Treatment On Assets Classified As "Assets Held For Sale"***

Present

There are no specific provisions under the Act governing the tax treatment on assets classified as "assets held for sale" in accordance with generally accepted accounting principles.

Proposed

It is proposed that:-

(i) Where in the basis period for a year of assessment an asset for which qualifying capital expenditure has been incurred is classified as "asset held for sale" in accordance with generally accepted accounting principles, such asset shall be deemed to have ceased to be used for the purpose of the business.

(ii) Where the asset classified as "asset held for sale" is <u>sold in the basis period</u>, the disposal value of the asset shall be an amount equal to its market value at the date it was classified as "asset held for sale" or the net proceeds of the sale, whichever is greater.

(iii) Where the asset classified as "asset held for sale" is <u>sold in the following basis period</u>, the disposal value of the asset shall be an amount equal to its market value at the end of the basis period it was classified as "asset held for sale" or the net proceeds of the sale, whichever is greater;

For the purpose of computing balancing charge or allowance, the residual expenditure of such asset in the basis period of the sale is the total qualifying expenditure reduced by an amount of annual allowance which would have been made to that person as if the asset has been in use in that following basis period, i.e. notional allowance.

(iv) Where the asset classified as "asset held for sale" is <u>not sold after the end of the following period</u>, the disposal value of the asset shall be the market value of the asset at the end of that following basis period;

If the above asset is subsequently brought into use by the person in his business, the person shall be deemed to have incurred qualifying capital expenditure for that asset equal to its market value at the date it is brought into use for the purpose of that business; and no initial allowance shall be made to that person in relation to that asset.

(v) If the asset is an industrial building, the "market value" shall be determined by a valuation officer employed by the Government.

Effective

Year of assessment 2013.

3.10 ***Tax Incentives To Revive Abandoned Housing Projects***

Present
There are no tax incentives given to support efforts to revive abandoned housing projects.

Proposed
The parties involved in the revival of abandoned housing projects be given the following tax incentives:-

A. Banking and financial institutions

Tax exemption on interest income received from the rescuing contractor.

B. Rescuing developer/contractor*

(i) Double deduction on interest expense and all costs involved in obtaining loans to revive the abandoned housing project;

(ii) Stamp duty exemption on instrument of loan agreements to finance the revival of the abandoned housing project; and

(iii) Stamp duty exemption on instruments of transfer of land or houses in the abandoned housing project.

* *Subject to confirmation by statutory order to be gazetted*

C. Original house purchaser in the abandoned project

(i) Stamp duty exemption on instrument of loan agreements for additional financing; and

(ii) Stamp duty exemption on instruments of transfer of the house.

Abandoned housing projects eligible for the above tax incentives must be certified by the Ministry of Housing and Local Government.

Effective

Item (A) and (B)(i)	:	For loans approved from 1 January 2013 to 31 December 2015 and applicable for 3 consecutive years of assessment from the year the loans are approved;
Item (B)(ii), (B)(iii) and (C)	:	Sales and purchase agreement executed from 1 January 2013 until 31 December 2015.

3.11 ***Taxability Of Interest Income***

Present

Section 24(5) states that interest income shall be treated as business income if:-

(i) The debentures, mortgage or other source to which the interest relates forms part of the stock in trade of a business of a person; or

(ii) The interest is in respect of a loan granted in the course of carrying on the business and the business is one which includes the regular lending of money.

In addition to the above, interest income may also be treated as business income depending on the relevant facts and circumstances.

Proposed

A new Section 4B be introduced where gains or profit from a business shall not include any interest income other than the interest that falls under the proposed amended Section 24(5).

Pursuant to the amended Section 24(5), interest income shall be treated as business income if:-

(i) The debentures, mortgage or other source to which the interest relates forms part of the stock in trade of a business of a person; or

(ii) The interest is in respect of a loan granted in the course of carrying on the business of lending of money and the business is one which is licensed under any written law.

Pursuant to the Savings and Transitional provisions, any unabsorbed loss and capital allowance of a person for the year of assessment 2012 in respect of interest from a business source prior to the introduction of the new Section 4B and amendment to Section 24(5) will be carried forward and deducted against the aggregate statutory income of that person from any other business source for the year of assessment 2013 and subsequent years of assessment until the amount is fully deducted.

In the case where that person has no aggregate statutory business income for the year of assessment 2013, the unabsorbed loss and capital allowance will be deducted against the adjusted income of that person from any other source of income until the amount is fully deducted.

Effective

Year of assessment 2013.

3.12 ***Control Transfer For REITs Or Property Trust***

Present

A company which disposes an industrial building to a unit trust which is approved by the SC as Real Estate Investment Trust or Property Trust Fund is subject to control transfer provisions under Paragraphs 39 and 40, Schedule 3 of the Act. Hence, the company will not be subject to any balancing charge or balancing allowance.

Proposed

The control transfer provisions will only be applicable to disposal of an industrial building by a company which holds not less than 50% of residual profits of the unit trust available for distribution or not less than 50% of any residual assets of the unit trust available for distribution on a winding up.

Effective

Year of assessment 2013.

3.13 ***Takaful Business***

Present

Pursuant to Section 60AA(15), any unabsorbed losses of the family fund shall only be available for deduction against the statutory income for the basis period for a year of assessment and subsequent years of assessment in respect of the family fund of the operator. The Act is silent on the treatment on adjusted loss and unabsorbed losses from the sources other than the business of a family fund of a takaful operator.

Proposed

A new Section 60AA(15A) be introduced where in arriving at the total income of a takaful operator, the adjusted loss from a source or sources other than from the family fund for the year of assessment shall only be available as deduction against the aggregate statutory income (excluding the statutory income from the family fund).

Any unabsorbed loss from a source or sources other than from the family fund for the year of assessment shall not be deducted against the statutory income of the family fund of the operator for the subsequent years of assessment.

Effective

Year of assessment 2012.

4. TAX INCENTIVES

4.1 ***Extending The Tax Incentives For Commercialisation Of Public Sector Research And Development (R&D) Findings***

Present
Tax incentives for commercialisation of resource-based R&D findings of public research institution or public institute of higher learning are as follow:-

(i) A company that invests in its subsidiary company engaged in the commercialisation of the R&D findings is given tax deduction equivalent to the amount of investment made in the subsidiary company; and

(ii) The subsidiary company that undertakes the commercialisation of the R&D findings is given Pioneer Status with 100% tax exemption on statutory income for 10 years.

The above incentives are subject to the following conditions:-

a. The equity of the company that invests in its subsidiary company that undertakes the commercialisation of R&D findings is at least 70% owned by Malaysians;

b. The company which invests should own at least 70% of the equity of the subsidiary company;

c. Only resource-based R&D findings are eligible; and

d. The commercialisation of the R&D findings should be implemented within 1 year from the date of approval of the incentive by Malaysian Investment Development Authority (“MIDA”).

Proposed
The tax incentives be extended to the commercialisation of non-resource based R&D findings.

The non-resource based activities / products are subject to the list of promoted activities / products under the Promotion of Investments Act 1986.

Effective
Applications received by MIDA from 29 September 2012 to 31 December 2017.

4.2 ***Tax Incentive For Investment In Refinery Activities On Petroleum Products***

Present
There are no tax incentives given for companies which invest in refinery activities pertaining to petroleum related products.

Proposed
It is proposed that Investment Tax Allowance of 100% be given for a period of 10 years to qualifying companies investing in refinery activities.

Effective Date
To be determined.

4.3 ***Tax Incentive For Angel Investor***

Present

A resident company or individual who invests in a venture company at seed capital financing, start-up financing and early stage financing is eligible to claim tax deduction on the value of investment made in computing the adjusted income from its business.

Proposed

The total value of investment made in a venture company by an angel investor be allowed as a deduction against all his business and non-business income.

The claim of the incentive is subject to the following criteria:-

A. Angel investor

(i) An individual who is not associated with the venture company prior to investing;

(ii) A tax resident with an annual income not less than RM180,000;

(iii) Holds at least 30% of the shares in the venture company for a period of at least 2 years; and

(iv) All his shares in the venture company must be paid in cash.

B. Venture company

(i) 51% of the shares in the venture company is owned by Malaysians;

(ii) Qualifying activities of venture company are approved by the Minister of Finance (“MOF”); and

(iii) Accumulated profit is not more than RM5 million and has a track record of less than 3 years (based on the latest financial report at the time of application).

Effective

For application received by MOF from 1 January 2013 until 31 December 2017.

4.4 ***Review Of Tax Incentives For Tour Operators***

Present

Tour operators licensed under the Tourism Industry Act 1992 to carry on a tour operating business were given the following tax incentives up to year of assessment 2011:-

(i) 100% income tax exemption on statutory income derived from group inclusive tours participated by not less than 500 inbound tourists per year; and

(ii) 100% income tax exemption on statutory income derived from domestic tours participated by not less than 1,200 local tourists per year.

4.4 ***Review Of Tax Incentives For Tour Operators*** *(Cont'd)*

"Group inclusive tour" means a tour package to or in Malaysia or any place within Malaysia undertaken by tourists from outside Malaysia inclusive of transportation by air, land or sea and accommodation.

"Domestic tour" means a tour package for travel within Malaysia undertaken by local tourists inclusive of transportation by air, land or sea and accommodation.

Proposed
The tax incentives be reintroduced to tour operators with the following revised criteria:-

(i) 100% income tax exemption on statutory income derived from group inclusive tours participated by not less than 750 inbound tourists per year; and

(ii) 100% income tax exemption on statutory income derived from domestic tours participated by not less than 1,500 local tourists per year.

Effective
Years of assessment 2013 to 2015.

4.5 ***Tax Incentives For Pre-School Education***

Present
Operators running private pre-school that are integrated with private primary school are given the following tax incentives:-

A. (i) Income tax exemption of 70% on statutory income for 5 years; and

(ii) Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of 5 years. The allowance is to be set-off against 70% of the statutory income for each year of assessment.

The incentive is for applications received by MIDA from 8 October 2011 until 31 December 2015.

B. Industrial Building Allowance with an annual allowance rate of 10% for school building.

Proposed
Private pre-school operators be given the tax incentives as follows:-

(i) Tax exemption at the statutory level on all income for a period of 5 years; and

(ii) Industrial Building Allowance with an annual allowance rate of 10% on pre-school buildings.

New and existing private pre-schools must be registered with the State Education Department.

Effective
Year of assessment 2013.

4.6 *Tax Incentives For Childcare Centres*

Present
Employers who provide childcare centres to their employees are given the following tax incentives:-

(i) Deduction on expenditure incurred for the provision and maintenance of childcare centres;

(ii) Deduction on childcare allowance given to employees; and

(iii) Industrial Building Allowance at an annual rate of 10% for buildings used as childcare centres.

However, there is no tax incentive provided to the operators of private childcare centres.

Proposed
The following tax incentives be given to promote the provision of childcare centres:-

A. <u>Tax incentives for employers be enhanced as follows:-</u>

(i) Double deduction on expenditure incurred for the provision and maintenance of childcare centres; and

(ii) Double deduction on childcare allowance given to employees.

B. <u>Tax incentives for operators of new and existing private childcare centres registered with the Social Welfare Department as follows:-</u>

(i) Tax exemption at the statutory level on all income for a period of 5 years; and

(ii) Industrial Building Allowance at an annual rate of 10% for buildings used as childcare centres.

Effective
Year of assessment 2013.

4.7 *Tax Incentives To Small Malaysian Service Providers To Merge Into Larger Entities*

Present
There are no tax incentives available for small Malaysian service providers to merge into large entities.

Proposed
The following tax incentives be given to small Malaysian service providers to merge into larger entities:-

(i) Flat tax rate of 20% on all taxable income for a period of 5 years (effective from date of the merger); and

(ii) Stamp duty exemption on the merger documents.

4.7 ***Tax Incentives To Small Malaysian Service Providers To Merge Into Larger Entities*** *(Cont'd)*

The eligibility criteria are:-

A. Enterprises that intend to merge must be:-

a. 100% Malaysian owned; and

b. Have annual sales turnover of less than RM5 million or full-time employees less than 50.

B. Sectors eligible for this incentive include:-

a. Professional services (accounting and taxation services, specialised medical & dental practices, architectural services, and engineering services);

b. Courier services;

c. Technical and vocational secondary education services (generic & special needs); and

d. Skills training services.

Effective
For application received by the Inland Revenue Board within 3 years from 3 July 2012.

4.8 ***Double Deduction For 1Malaysia Training Scheme Programme***

Double deduction is given on allowance and training expenses incurred on soft-skills training and on-the-job training provided to unemployed graduates by companies participating in the 1Malaysia Training Scheme Programme ["SL1M"].

The incentive given is subject to the following conditions:-

(i) Monthly allowances of not less than RM1,000;

(ii) Expenditure on provision of training other than capital expenditure;

(iii) Fee paid to a person to conduct approved soft skill training;

(iv) Total tax deduction for (ii) and (iii) above shall not exceed RM5,000 for each trainee per year; and

(v) Training programme must be implemented within 1 year from the date of approval.

Effective
For application approved by MOF from 1 June 2012 to 31 December 2016.

4.9 ***Tax Deduction For The Acquisition Of Foreign Companies***

Present
Previously, tax deduction equivalent to 20% of the acquisition cost of the investment over 5 consecutive years is given to Malaysian-owned companies which acquired foreign owned companies for the purposes of acquiring high technology for production within the country or acquiring new export markets for local products as approved by MIDA. The incentive is available for applications submitted to MIDA on or after 21 September 2002 but before 1 January 2009.

Effective 1 January 2009, there is no tax incentive available to encourage Malaysian-owned companies to acquire foreign companies for their state-of-the-art technology.

Proposed
It is proposed that the incentive for the acquisition of foreign companies be reintroduced.

Effective
To be determined.

4.10 ***Tax Incentives For Labuan International Commodity Trading Company***

Present
Labuan International Commodity Trading Company ("LITC") which fulfills the criteria under the Global Incentive for Trading ("GIFT") Programme is given tax incentives as follows:-

(i) A flat corporate tax rate of 3% on chargeable income;

(ii) 100% exemption on director fees paid to non-Malaysian director; and

(iii) 50% tax exemption on gross employment income for non-Malaysian professional traders.

The Labuan international commodity trading business is the trading of:-

- Petroleum and petroleum related products;
- Minerals;
- Carbon credits; and
- Any other commodities as may be approved by LFSA,

in any currency other than Ringgit under the GIFT programme.

Proposed
The incentives given under the GIFT programme be enhanced as follows:-

(i) 100% income tax exemption for the first 3 years of operation for liquefied natural gas trading companies; and

(ii) Commodity trading approved under the GIFT programme be extended to include other commodities such as agriculture, refined raw materials, base minerals and chemicals.

Effective
To be determined.

4.11 ***Tax Incentive For Co-operative Society***

Present
Co-operative society is given tax deduction in arriving at its chargeable income for a year of assessment as follows:-

(i) Any sum transferred or paid to a statutory reserve fund, educational institution, co-operative organisation established for the furtherance of co-operative principles, or to a Co-operative Education Trust Fund. The deductions is restricted to one-fourth of the co-operatives' audited net profit for the basis year; and

(ii) 8% of the members' funds.

Proposed
Income tax deduction be extended to include any sum transferred or paid to a Co-operative Development Trust Fund.

Effective
Upon coming into operation of the Finance (No.2) Act 2012.

5. REAL PROPERTY GAINS TAX

5.1 ***Review Of Real Property Gains Tax Rates***

Present

The effective RPGT rates are between 0% to 10% depending on the holding period of real properties as follows:-

Disposal	Effective RPGT rates		
	Companies	Individual (Citizen & Permanent Resident)	Individual (Non-citizen)
Within 2 years	10%	10%	10%
Exceeding 2 to 5 years	5%	5%	5%
Exceeding 5 years	0%	0%	0%

Proposed

The effective RPGT rates on the gains from disposal of real properties are to be revised as follows:-

Disposal	Effective RPGT rates		
	Companies	Individual (Citizen & Permanent Resident)	Individual (Non-citizen)
Within 2 years	15%	15%	15%
Exceeding 2 to 5 years	10%	10%	10%
Exceeding 5 years	0%	0%	0%

Effective

Disposal of real properties and shares in real property companies commencing from 1 January 2013.

5.2 ***Persons Jointly And Severally Liable To RPGT Payable By A Company***

Present

The manager or other principal officer in Malaysia, the directors or the secretary of a company shall be jointly and severally liable assessable and chargeable with the Company's tax payable under the RPGT Act 1976.

Proposed

The persons as defined under the existing provision be narrowed to only cover a director or any person who is occupying the position of director, including any person, who is concerned in the management of the company's business. It should also be noted that a director for this purpose includes any person who is, either on his own or with one or more associates, the owner of, or able directly or through the medium of other companies or by any other indirect means to control, more than 50% of the ordinary share capital of the company.

Effective

Upon coming into operation of the Finance (No.2) Act 2012.

5.3	***Notification Of Non-Chargeability Or Exemption From RPGT***	**Present** There is no provision under the RPGT Act 1976 to allow the taxpayer to notify the DG of his non-chargeability to tax. **Proposed** A new Section 13(6) be introduced where a person who disposes of a chargeable asset and is required to make a return to the DG may furnish with the return a notification in the prescribed form that such disposal is not subject to tax or exempt from tax. The disposer is required to serve the notification to the acquirer within 60 days from the date of disposal so that the acquirer does not have to withhold and remit tax in accordance with Section 21B. **Effective** Upon coming into operation of the Finance (No.2) Act 2012.
5.4	***Penalty For Incorrect Or Wrong Notification Of Non-Chargeability Or Exemption From RPGT***	**Present** There are no provisions relating to incorrect or wrong notification by the disposer resulting in failure of the acquirer to withhold and remit tax as required under Section 21B of the RPGT Act 1976. **Proposed** In the event of incorrect or wrong notification furnished to the acquirer that resulted in failure by the acquirer to retain and remit the 2% consideration to the DG, the RPGT payable by the disposer shall be increased by a sum of 10% on the amount of RPGT payable under the assessment **Effective Date** Upon coming into operation of the Finance (No.2) Act 2012.
5.5	***Real Property Gains Tax Exemption On Individuals***	**Present** Tax exemption amounting to RM10,000 or 10% of the chargeable gain, whichever is higher, is given in respect of a chargeable gain accruing to an individual on the disposal of a chargeable asset which is not or was not part of a larger chargeable asset at the time of the disposal. **Proposed** The exemption be extended to a chargeable asset which is partly disposed. The amount exempted in respect of such disposal shall be ascertained in accordance with the following formula:- $\frac{A}{B} \times C$ Where A is part of the area of the chargeable asset disposed; B is the total area of the chargeable asset; C is RM10,000 or 10% of the chargeable gain whichever is greater. **Effective** Upon coming into operation of the Finance (No. 2) Act 2012.

6. OTHERS

6.1 ***Review Of Stamp Duty Exemption For The Purchase Of First Residential Property***

Present
50% stamp duty exemption is given on the instrument of transfer and instrument of loan agreement in respect of the purchase of first residential property with a price not exceeding RM350,000 by a Malaysian citizen. A residential property includes a house, a condominium unit, an apartment and a flat built as a dwelling house.

The exemption given is subject to the following conditions:-

(i) The Sale and Purchase Agreement is executed on or after 1 January 2011 but not later than 31 December 2012;

(ii) The purchaser does not own any residential property at the date of execution of that Sale and Purchase Agreement; and

(iii) The exemption is to be claimed once only within the exemption period.

Proposed
The above stamp duty exemption be extended to 31 December 2014 and the ceiling price of residential property that is eligible for the 50% exemption be increased from RM350,000 to RM400,000.

Effective
For Sale and Purchase Agreements executed from 1 January 2013 to 31 December 2014.

6.2 ***Authorised Person To Compound Instrument***

Present
The Collector may authorise any banker, dealer, or insurer to compound for the payment of stamp duty on certain unstamped instruments.

Proposed
The authority be extended to:-

(i) The Registrar of Companies to compound for the payment of duty on unstamped Articles of Association and Memorandum of Association lodged with the Registrar; and

(ii) The principal officer of Tenaga Nasional Berhad (“TNB”) to compound for the payment of duty on the unstamped TNB Electricity Supply Form issued and supplied by TNB.

The authorised person shall pay the Collector the amount due and collected thereon as duties on such unstamped instrument on the 1st day of each calendar month. Where the authorised person fails to pay the amount on the specified date or within 14 days immediately thereafter, the authorised person shall pay a further amount of RM200 or 10% of the amount due, whichever is greater, as a debt due to the Government.

Effective
Upon coming into operation of the Finance (No. 2) Act 2012.

6. OTHERS

6.3	***Duty Of Keeping Records In Connection With The Issuance Of Licence***	**Present** The Minister may by licence authorise a person to pay stamp duty on any of the instruments specified in the Fifth Schedule by means of postal franking machine or digital franking machine. However, the Stamp Act 1949 is silent on the duty of the authorised person to keep records in connection with the issue of the licence for the purpose of inspection. **Proposed** A person authorised under a licence is required to keep and retain books, records and documents in connection with the issue of such licence for a period of 7 years from the year in which such licence is issued and the Collector or any person authorised by the MOF may, at all reasonable times, inspect such records. An authorised person who fails to comply with the conditions of licence issued shall be liable to a fine not less than RM4,000 and not more than RM10,000. **Effective Date** Upon coming into operation of the Finance (No.2) Act 2012.
6.4	***Penalty For Failure To Frank Documents***	**Present** Franking of instruments can only be done by a duly authorised person as provided under Section 8 of the Stamp Act 1949. Currently, the Stamp Act 1949 is silent on consequences to the authorised person for failure to frank any instruments as required by the law. **Proposed** Any authorised person who is required by law to frank any instruments and fails to do so within 30 days from the date the instrument is executed shall be liable to a fine of not less than RM200 and not more than RM2,000. **Effective Date** Upon coming into operation of the Finance (No.2) Act 2012.
6.5	***Extension Of Instruments Chargeable To Stamp Duty***	**Present** Under the First Schedule of the Stamp Act 1949, the security for securing the payment or repayment of money for the purchase of goods (within the meaning given under the First Schedule of the Hire Purchase Act 1967) in accordance with the Syariah principle of *Al Bai Bithamin Ajil* is chargeable to stamp duty of RM10. **Proposed** The above rate of stamp duty be extended to securities for securing the payment or repayment of money for the purchase of goods in accordance with any Syariah principles. **Effective** Upon coming into operation of the Finance (No. 2) Act 2012.

6. OTHERS

6.6 ***Power To Registrar Of High Court To Cancel Memorandum Of Sale***

Present
The Registrar of High Court is not included in the Second Schedule of the Stamp Act 1949 as a person empowered to cancel the adhesive stamps.

Proposed
The Registrar of High Court be included in the Second Schedule as an empowered person to cancel the adhesive stamps in respect of Memorandum of Sale.

Effective
Upon coming into operation of the Finance (No.2) Act 2012.

A publication by : **Folks Management Services Sdn Bhd (178398-K)**
Suite 1102, Wisma Tun Sambanthan
No.2, Jalan Sultan Sulaiman
50000 Kuala Lumpur
☏ 03-22732688
🖷 03-22742688

Printed by : **Akitiara Corporation Sdn Bhd**
1 & 3, Jalan TTP 1/3
Taman Industri Puchong
47100 Puchong, Selangor
☏ 03-80619988
🖷 03-80619933

FOLKS DFK & CO. (AF0502) / AZMAN, WONG, SALLEH & CO.(AF0012)

~ KUALA LUMPUR ~ (Headquarters)

Folks DFK & Co.
Azman, Wong, Salleh & Co.
Folks Taxation Sdn Bhd
Folks Management Services Sdn Bhd
Folks Corporate Services Sdn Bhd
Folks Consultancy Sdn Bhd
12th Floor, Wisma Tun Sambanthan
No 2, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Email : general@folksdfk.com
Tel : 03-22732688
Fax : 03-22742688

~ IPOH ~

Folks DFK & Co.
48A, Persiaran Greenhill
30450 Ipoh, Perak
Email : ipfolks@streamyx.com
Tel : 05-2551606, 05-2547807
Fax : 05-2535877

~ JOHOR ~

Folks Management Services Sdn Bhd
Suite 5-02, Level 5, Plaza DNP
59, Jalan Dato' Abdullah Tahir
80250 Johor Bahru
Tel : 07-3333502
Fax : 07-3333601

Azman, Wong, Salleh & Co.
Suite 2, 20th Floor, TAR Complex
(Letter Box 180), Jalan Wong Ah Fook
80000 Johor Bahru
Email : awsjb@tm.net.my
Tel : 07-2234753, 07-2234530
Fax : 07-2232723

~ AFFILIATES' OFFICES ~

We have affiliate offices in the following cities:

- PENANG
- KUCHING
- SIBU
- SARIKEI
- MIRI
- BINTULU
- KOTA KINABALU

Folks DFK & Co./ Azman, Wong, Salleh & Co. are independent member firms of **DFK International** with over 300 offices across the world

www.dfk.com