
Answers

1 To: The Secretary
Rockhard Sdn Bhd

From: Messrs Swift and Smart

Date: 1 December 2008

REPORT ON THE INCOME TAX IMPLICATIONS OF PROPOSED RELOCATION TO A PROMOTED AREA

In response to your request on behalf of the board of directors we have pleasure in presenting our report on the income tax implications of the above matter covering the aspects specified in your letter of instruction.

(a) Incentives available

On relocating to a promoted area and complying with the requirements to qualify for the promoted area incentives, Rockhard Sdn Bhd will be eligible to choose between pioneer status and investment tax allowance.

(b) Features of the tax incentives in promoted areas and a comparison

The features of the incentives available to Rockhard Sdn Bhd for a promoted activity or product on relocating to a promoted area and qualifying for an incentive, by comparison with those enjoyable outside the promoted areas, are:

- (i) If pioneer status is chosen, the company may enjoy an exemption from income tax of 100% of statutory income, as opposed to only 70% for pioneer companies located outside the promoted areas. However, in each case, this is subject to any loss set off.
- (ii) If investment tax allowance is chosen, the company may claim the allowance at the rate of 100% of qualifying capital expenditure, as opposed to only 60% for companies located outside the promoted areas.
- (iii) In addition, if it enjoys the investment tax allowance, the company may use the allowance to exempt up to 100% of statutory income, as opposed to only 70% for companies located outside the promoted areas.
- (iv) Entitlement to incentives as a company relocated to a promoted area gives the company another round of incentives, initially for five years, whereas the present incentive period has already run for three years.
- (v) The company can also qualify for incentives under the second list of promoted activities and products, which is only applicable to companies located in the promoted areas.

(c) Factors that would influence the choice of incentive

The choice between pioneer status and investment tax allowance is influenced by the following factors:

- The gestation period of the project and the time when profits can be expected to arise. In the case of Rockhard Sdn Bhd, the existing project has already run for three years and become profitable.
- The level and timing of capital expenditure. The investment tax allowance exemption depends upon the amount of qualifying capital expenditure each year giving rise to the allowance, as well as upon the availability of statutory business income.
- The level of income relative to capital expenditure. The amount of pioneer status exemption is determined by the amount of the company's statutory business income. In general a company should choose pioneer status if its profitability is good and its capital spending is not large.
- Both incentives depend upon profitability. When there is no income neither will yield any tax exemption.

No information is given about the future plans or prospects for Rockhard Sdn Bhd but on the basis of past experience, it appears that the company is profitable and increasingly so. Therefore, pioneer status appears to be the best alternative.

(d) Tax results to date – years of assessment 2006, 2007 and 2008

The actual tax results for the years of assessment 2006, 2007 and 2008 can be summarised as follows:

Year of assessment	Chargeable income RM	Exempt account amount RM
2006	10,000	Nil
2007	277,800	Nil
2008	694,800	1,510,400

Details of the computations are shown in the appendix to this report.

(e) Comparison of actual and potential results

For this purpose, we refer to the computations shown in the appendix.

If Rockhard Sdn Bhd had been able to relocate to a promoted area from the outset and enjoy pioneer status, as described in section (b) above, the whole of the company's statutory business income would have been exempted rather than only 70% of it. The consequent enhancement of the incentive would have had a significant effect on the results achieved.

The results actually achieved and those potentially available for the years of assessment 2007 and 2008 by relocation to a promoted area are compared below: The amounts for the year of assessment 2006 will be unchanged.

	Actual RM	Potential RM
Chargeable income		
Year of assessment 2007	277,800	93,000
Year of assessment 2008	694,800	18,000
Transfer to exempt account		
Year of assessment 2007	Nil	116,000*
Year of assessment 2008	1,510,400	2,256,000

* 616,000 – 500,000 (pioneer loss)

(f) Conclusion

It is evident from the summary of results at (e) above that the financial position of Rockhard Sdn Bhd would have been substantially improved if the company had been able to relocate to a promoted area from the outset. There is no reason to believe that a move to a promoted area in the near future will not yield a substantial tax saving to the company in the form of lower amounts of chargeable income provided that the company continues to be profitable.

Appendix to the report to Rockhard Sdn Bhd dated 1 December 2008

Year of assessment	2006 RM	2007 RM	2008 RM
Computations			
<i>Chargeable income</i>			
Adjusted income	–	1,576,000	2,536,000
Capital allowances	–	(960,000)	(280,000)
Statutory business income	–	616,000	2,256,000
Less 70%	–	(431,200)	(1,579,200)
Deemed total income	–	184,800	676,800
Bank deposit interest	10,000	100,000	18,000
Aggregate income – non-pioneer	10,000	100,000	18,000
Approved donation – restricted to 7% of aggregate income	–	7,000	–
Deemed total income – pioneer	–	184,800	676,800
Total income and chargeable income	10,000	277,800	694,800
<i>Exempt account</i>			
70% of statutory income		431,200	1,579,200
Less pioneer loss (RM500,000) brought forward		(431,200)	(68,800)
Amount entering into exempt account		–	1,510,400
<i>Working – capital allowances</i>			
Machinery and plant – cost RM2,000,000			
Initial allowance – 20%	400,000		
Annual allowance – 14%	280,000	280,000	280,000
	680,000	280,000	280,000
Utilised	–	960,000	280,000

2 First League Tax Services Sdn Bhd
Plaza, Tingkat 60
Menara Tinggi
Pulau Penang

Mr R Winger and Mr L Winger
Wembley House
Penang

1 December 2008

Dear Sirs,

Proposed transfer of properties to Goalpost Sdn Bhd

We have considered the proposals outlined by you and present our advice on certain tax implications as requested by you.

(a) Stamp duty on the transfer of the properties

No exemption is available on a transfer of properties from an individual to a company. Based on the market values provided by you, Goalpost Sdn Bhd will become liable to stamp duty in the following amounts on the transfer of the properties:

Property	Market value RM	Stamp duty RM			Total RM
		1% of first RM100,000	2% of next RM400,000	3% on remainder	
Condominium 1	1,500,000	1,000	8,000	30,000	39,000
Condominium 2	900,000	1,000	8,000	12,000	21,000
Condominium 3	600,000	1,000	8,000	3,000	12,000
Freehold bungalow	1,800,000	1,000	8,000	39,000	48,000
Freehold warehouse	1,200,000	1,000	8,000	21,000	30,000
					<u>150,000</u>

(b) The appropriate amounts of share capital to be issued to yourselves

As the consideration for the transfer of the properties is to be wholly or partly in shares and each of you has contributed equally, it is obviously appropriate to issue shares to you in equal proportions. However, the total amount of share capital to be issued does have tax implications.

A company having an issued and paid up ordinary share capital of not more than RM2,500,000 at the beginning of its basis period is entitled to pay tax at the lower rate of 20% on the first RM500,000 of chargeable income. We understand that two shares have been issued already so the maximum amount that can now be issued to keep within this limit is RM2,499,998.

Also, refraining from exceeding RM2,500,000 of authorised capital, entitles a company to a deduction for incorporation expenses incurred.

(c) Whether Goalpost Sdn Bhd will be an investment holding company

Goalpost Sdn Bhd will be an investment holding company. The reason for this is that the company appears to satisfy both of the two relevant tests.

Firstly, the activities of the company will consist mainly in the holding of investments. It is obvious that the company will not be carrying on any active business.

Secondly, Goalpost Sdn Bhd will derive not less than 80% of its gross income from the holding of investments. For this purpose, income from the letting of property can be excluded if it is derived from properties where the company provides maintenance and support services. It is not excluded where the rents are, or would be, treated as business income under the 'special treatment' basis mentioned under Public Ruling No. 1/2004. The company will not be providing services and, for this purpose, all of its income will be regarded as derived from the holding of investments.

(d) The tax treatment of rental income received by the company

Business income treatment under the 'special treatment' basis is specifically prohibited when a company is an investment holding company. All the rental income of Goalpost Sdn Bhd will therefore fall to be dealt with under s.4(d) and not under s.4(a) [Inland Revenue Board Public Ruling 1/2004 Income from Letting of Real Property].

(e) The appropriate level of directors' fees to be paid by Goalpost Sdn Bhd

Even if the payment of directors' fees to yourselves can be justified, it will not be tax efficient. As an investment holding company, Goalpost Sdn Bhd can deduct a proportion of permitted expenses in arriving at total income. Directors' fees is one of the permitted expenses; however, only a partial deduction is allowed. This is based on a restrictive formula and the total deduction may never exceed 5% of the gross income of Goalpost Sdn Bhd consisting of dividends, interest and rent. Bearing in mind that the full amount of any directors' fees would be liable to tax as personal income, the payment of such fees is best avoided.

Conclusion

We have dealt with the specific questions you have raised but you will probably realise that there is more to be said in terms of related tax implications and advice on constructive tax saving measures. We would be happy to provide any further explanations and advice that you may need.

Yours faithfully

B Good

Director

3 (a) Under the OECD model treaty, the following places are especially included in the meaning of a permanent establishment:

- (i) a place of management;
- (ii) a branch;
- (iii) an office;
- (iv) a factory;
- (v) a workshop; and
- (vi) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

Note: TWO ONLY required

(b) Although the French company will have no premises of its own, it will be deemed to have a permanent establishment in Malaysia and will thus be liable to income tax on income derived from its supervisory activities in Malaysia.

The reason is that supervisory activities in connection with a construction, installation or assembly project are specifically deemed to constitute a permanent establishment. In general, Malaysia's tax treaties, including the one with France, state that such activities must be carried on for more than six months before there is deemed to be a permanent establishment. However, this does not help the French company, which will be involved in the project for more than six months.

(c) (i) Customers merely being given Harry Bright's telephone number and e-mail address and told that they may refer to him for details of and advice on books and publications available from Bright Publications Limited, will not in itself mean that Bright Publications Limited will be deemed to have a permanent establishment in Malaysia. Something more is needed. A mere sales assistance centre need not be a permanent establishment.

(ii) The keeping of a stock of books for supply to Malaysian customers at Harry Bright's residence in Malaysia also does not necessarily mean that Bright Publications Limited has a permanent establishment in Malaysia. It would, though, if Harry had the authority to and did regularly fill orders for books from Malaysian customers.

(iii) Appointing Harry Bright as a director of Bright Publications Limited might lead to there being a deemed permanent establishment of Bright Publications Limited in Malaysia. This would come about if Harry had the authority to conclude contracts in Malaysia in the name of Bright Publications Limited, other than for the purchase of goods, and habitually exercised such authority. By virtue of the fact that Harry jointly with his brother Willy controls Bright Publications Limited, it could be inferred that in his capacity as a director he had authority to act for the company, unless steps were taken to limit his authority.

Tutorial note:

The let-out where the person concerned is an independent agent has not been taken into account. In the circumstances given, Harry Bright cannot be said to be independent.

(d) A comprehensive double taxation agreement can help to resolve the following tax issues:

Elimination of double taxation

This is the primary purpose of a double taxation agreement. It is achieved through the use of the permanent establishment test as well as by the granting of exemptions for specific items of income, such as rents, interest and dividends, so that the same item is not taxed in both countries.

Mitigation of double taxation

Where it is not possible to prevent double taxation, the tax credit provisions will often help by specifying the amount of bilateral credit to be given for tax borne in the overseas country. In the case of Malaysia, this is usually greater than the unilateral credit given under the Income Tax Act 1967.

Tax residence

Due to the fact that independent countries make different rules to determine the tax residence of individuals and enterprises, situations can arise in which an individual or enterprise can be resident in two countries at the same time. A comprehensive double taxation agreement contains rules to determine the single residence status of the person concerned.

Withholding tax

Many of Malaysia's withholding taxes apply to payments made to non-residents. Double taxation agreements often modify the application of withholding tax by specifying the application of a different rate or by giving a complete exemption.

Transfer pricing

Although Malaysia now has its own transfer pricing guidelines, many double taxation agreements contain specific rules designed to avoid conflict over transfer pricing issues and to avoid double taxation. These take precedence over the Malaysian guidelines.

Note: TWO ONLY required

4 (a) Cheapshop Sdn Bhd – s.108 account

	RM	RM
Balance from year of assessment 2007		25,000
Instalment of tax for the year of assessment 2007, paid 10 April 2007		10,000
Balance of tax for the year of assessment 2007, paid on submission of Form C – latest 31 October 2007		15,000
Instalments of tax for the year of assessment 2008, May to December 2007, 8 x RM9,600		76,800
		<hr/> 126,800
Dividend paid 15 December 2007 RM73,000 regrossed at 26% – $100/74 \times \text{RM}73,000 = \text{RM}98,649$. Tax deemed deducted at 26%	25,649	
Dividend paid 15 March 2008 – tax deducted $26/74 \times \text{RM}185,000$	<hr/> 65,000	<hr/> 90,649
Balance available		<hr/> 36,151
Balance required to frank a gross dividend of RM200,000 at 26%		52,000

Therefore, the balance is insufficient.

(b) Ying Fatt Sdn Bhd

(i) Section 110 dividend tax credit

A tax credit is available in respect of the cash element of the ordinary dividend received from ABC Berhad because the paying company was entitled to deduct tax. This is not impaired by having held the shares for less than 90 days at the time of the dividend payment due to the fact that the shares are in a company listed on Bursa Malaysia [Finance Act 2007, s.51(2)(c)].

There is no entitlement to tax credit for the single tier dividend from XYZ Berhad because the paying company is not entitled to deduct tax from a single tier dividend. Consequently, the dividend is exempt from tax in the hands of the shareholder [Income Tax Act 1967, Schedule 6, paragraph 12B].

A pioneer exempt dividend has never conferred the right to a tax credit.

(ii) Deduction for interest expense

The gross equivalent of the cash element of the dividend from ABC Berhad, because it is paid with tax deducted, is gross income of the taxpayer. A deduction for interest expense can be had under s.33 of the Income Tax Act 1967 because the money borrowed was laid out on assets used to produce the gross income.

Where the paying company is not entitled to deduct tax, as in the case of the single tier dividend from XYZ Berhad, any expense, such as interest, is disregarded [Income Tax Act 1967, Schedule 6, paragraph 12B].

A pioneer exempt dividend does not form part of the gross income of the shareholder so there can be no deduction for any expenses.

(iii) Deduction for the business loss

For dividends such as the cash element of the dividend received from ABC Berhad paid under deduction of tax to a company during the transitional period starting 1 January 2008, the statutory income is deemed to be the total income or part of the total income. Thus there can be no deduction for a business loss under s.44 of the Income Tax Act 1967 [Finance Act 2007, s.53].

In the case of the single tier dividend received from XYZ Berhad and the pioneer exempt dividend there is no gross income against which a deduction could be claimed.

5 Jayapalan

(a) (i) 1 July 2006 acquisition

As a director of Rising Star Berhad, Jayapalan is treated as an employee and is taxable on any perquisite arising from his employment. The amount taxable is the excess of the market value of the shares at the time when they were received over the amount paid for them. It is deemed to arise at the time when the shares were received, i.e. 1 July 2006.

When the shares of a company are not listed the market value is calculated based on the company's net assets at the time. This will give the following result:

	RM
Net assets	2,300,000
Less intangible assets:	
Patents and trade marks	(250,000)
Goodwill	<u>(150,000)</u>
	<u>1,900,000</u>
Market value per share RM1,900,00 ÷ 1,000,000	1.90
Gain 15,000 shares at RM1.90 – RM1.00	13,500

(ii) 20 November 2008 acquisition

As a director of Rising Star Berhad, Jayapalan is treated as an employee and is taxable on any gain arising from an employee share option scheme.

The amount taxable is the lower of the market value at the time when the option was first exercisable or at the time when it was exercised, less the amount paid for the shares. This gives the following result:

	RM
Market value per share at 31 July 2007 being less than the market value on 20 November 2008	1.85
Amount paid per share	1.50
Gain	0.35
Amount taxable 20,000 x 0.35	7,000

The gain is deemed to arise on 20 November 2008.

- (b) Jayapalan can qualify for an exemption. This will not be the exemption on the grounds of ill-health as he is said to be healthy. However, he is eligible for an exemption of RM6,000 for each completed year of service with the same employer or with companies in the same group. The period of employment with Morning Star Sdn Bhd is eligible because the company is more than 50% owned by Rising Star Berhad.

Thus the exemption will be based on a period of 11 years to give an exemption of RM66,000 (11 x RM6,000).

The amount chargeable to tax for the year of assessment 2008 will be RM134,000.

	Marks
1 Rockhard Sdn Bhd	
(a) Incentives available	
Pioneer status	1
Investment tax allowance as an alternative to pioneer status	1
	<hr/> 2
(b) Features of the tax incentives in promoted areas and a comparison	
Pioneer status exemption from income tax of 100%	1
Only 70% for pioneer companies located outside the promoted areas	1
Investment tax allowance at the rate of 100 % of qualifying capital expenditure	1
Only 60% for companies located outside the promoted areas	1
May use investment tax allowance to exempt up to 100% of statutory income	1
Only 70% for companies located outside the promoted areas	1
Entitled to another round of incentives, initially for five years	1
Present incentive period has already run for three years	1
Can also qualify for incentives only applicable to companies located in the promoted areas	1
	<hr/> 9
(c) Factors that would influence the choice of incentive	
Gestation period	1
Level and timing of capital expenditure	1
Level of income relative to capital expenditure	1
Profitability	1
Pioneer status appears to be the best alternative	1
	<hr/> 5
(d) Actual results/computations	
Computations in appendix/summary in report	
Adjusted income	0.5
Capital allowances (ex working)	0.5
Less 70%	1.0
Deemed total income – description	1.0
Bank deposit interest	1.0
Approved donation – restricted to 7% of aggregate income	1.0
Deemed total income (pioneer) – position	0.5
Total income and chargeable income	1.0
Exempt account: 70% of statutory income	1.0
Less pioneer loss (RM500,000) brought forward	1.5
Amount entering into exempt account – description	1.0
Capital allowances working:	
Initial allowance – 20%	0.5
Annual allowances – 14% (3 x 1/2)	1.5
	<hr/> 12.0
(e) Comparison of actual and potential results	
Reason for difference	0.5
Chargeable income (4 x 1/2)	2.0
Exempt account (3 x 1/2)	1.5
	<hr/> 4.0
(f) Presentation marks	
Concluding part of the report (f)	1
Appropriateness of the format of the report	1
Effectiveness with which the information is communicated, including the proper use of the appendix	1
	<hr/> 3
Total	<hr/> 35

	Marks
2 Winger brothers letter	
(a) Stamp duty on the transfer of the properties	
No exemption available	1·5
Calculation of duty payable ($5 \times \frac{1}{2}$)	2·5
	<hr/> 4·0
(b) The appropriate amount of share capital to be issued	
Split between brothers not relevant, but equal proportions appropriate	1
Effects of total amount issued:	
re small company rate	3
re deduction of incorporation expenses	2
	<hr/> 6
(c) Whether an investment holding company	
Goalpost will be an investment holding company	1
Reasons: activity test	2
quantum test	4
	<hr/> 7
(d) Tax treatment of rental income	
Special treatment not applicable	1
Conclude s.4(d) applies	1
	<hr/> 2
(e) The appropriate level of directors' fees to be paid	
Payment of directors' fees not tax efficient	1
Reasons: company	2
directors	1
	<hr/> 4
(f) Presentation marks	
Appropriateness of the format of the letter	1
Effectiveness with which the information is communicated	1
	<hr/> 2
Total	<hr/> 25

		Marks
3	<p>(a) Any TWO places especially included in the meaning of permanent establishment – 1 mark each Maximum</p>	<u>2</u>
	<p>(b) French company deemed to have permanent establishment in Malaysia. Liable to income tax on income derived from its supervisory activities in Malaysia. Supervisory activities in connection with a construction, installation or assembly project is a specifically mentioned location. Such activities must be carried on for more than six months. The French company will be involved in the project for more than six months.</p>	<u>1</u> <u>1</u> <u>1</u> <u>1</u> <u>1</u> <u>5</u>
	<p>(c) (i) Giving out Harry's telephone number and e-mail address does not of itself give rise to a permanent establishment in Malaysia. Something more is needed. A mere sales assistance centre need not be a permanent establishment.</p>	1.0 0.5 <u>0.5</u> <u>2.0</u>
	<p>(ii) Keeping of a stock of books at Harry's residence in Malaysia does not necessarily mean there is a permanent establishment. It would if Harry had the authority to and did regularly fill orders for books from Malaysian customers.</p>	1 <u>1</u> <u>2</u>
	<p>(iii) Appointing Harry Bright as a director might lead to a deemed permanent establishment in Malaysia. If Harry had the authority to conclude contracts in Malaysia in the name of the company, other than for the purchase of goods, and habitually exercised such authority. As Harry jointly with his brother Willy controls the company, it could be inferred that in his capacity as a director he had authority to act for it, unless steps were taken to limit his authority.</p>	1 1 1 1 <u>1</u> <u>5</u>
	<p>(d) ANY TWO of the following issues:</p> <p>Elimination of double taxation This is the primary purpose of a double taxation agreement. Achieved through the use of the permanent establishment test and specific exemptions.</p> <p>Mitigation of double taxation Credit provisions specify bilateral credit for tax borne in the overseas country. In Malaysia, this is usually greater than the unilateral credit.</p> <p>Tax residence Individuals and enterprises can be resident in two countries at the same time. A double taxation agreement contains rules to determine the tax residence status.</p> <p>Withholding tax Malaysia's withholding taxes mostly apply to payments made to non-residents. Agreements may specify different rates or complete exemption.</p> <p>Transfer pricing Double taxation agreements contain specific rules designed to avoid conflict and avoid double taxation. These take precedence over the Malaysian guidelines.</p>	Maximum 2 x 2 marks <u>4</u>
Total		<u>20</u>

		Marks
4 (a) Cheapshop Sdn Bhd – s.108 account		
	Balance from year of assessment 2007	1.0
	Instalment of tax for the year of assessment 2007	1.0
	Balance of tax for the year of assessment 2007 – latest 31 October 2007	1.5
	Instalments of tax for the year of assessment 2008 May – December 2007	1.5
	Dividend paid 15 December 2007 RM73,000 – tax deemed deducted at 26%	2.0
	Dividend paid 15 March 2008 – tax deducted	1.0
	Balance required to frank a gross dividend of RM200,000 at 26%	1.0
	The balance is insufficient	1.0
		<u>10.0</u>
(b) Ying Fatt Sdn Bhd		
(i) Section 110 dividend tax credit		
	A tax credit is available in respect of the cash element of the ordinary dividend because the paying company was entitled to deduct tax.	1.0
	Not impaired by having held the shares for less than 90 days as they are listed.	1.0
	No tax credit for the single tier dividend as company is not entitled to deduct tax.	1.0
	An exempt dividend has never conferred the right to a tax credit.	1.0
		<u>4.0</u>
(ii) Deduction for interest expense		
	The gross equivalent of the cash element of the dividend is income of the taxpayer.	0.5
	A deduction for interest expense can be had.	1.0
	Where the paying company is not entitled to deduct tax any expense is disregarded.	1.0
	An exempt dividend does not form part of the gross income of the shareholder.	0.5
		<u>3.0</u>
(iii) Deduction for the business loss		
	For dividends paid under deduction of tax to a company statutory income is deemed to be total income.	1
	No deduction for a business loss under s.44.	1
	For the single tier dividend and the exempt dividend there is no gross income.	1
		<u>3</u>
Total		<u>20</u>

5 Jayapalan		Marks
(a) (i)	A director is treated as an employee and taxable on any perquisite arising from his employment. 1·0 The amount taxable is the excess of the market value of the shares at the time when they were received over the amount paid for them. 1·0 It is deemed to arise at the time when the shares were received, i.e. 1 July 2006. 1·0 When the shares of a company are not listed the market value is calculated based on the company's net assets at the time. 1·0 Calculation: Net assets 1·0 Patents and trademarks 1·0 Goodwill 1·0 Market value per share 1·0 Gain on 15,000 shares RM13,500 1·0	<u>9·0</u>
(ii)	A director is treated as an employee and is taxable on any gain arising from an employee share option scheme. 1·0 The amount taxable is the lower of the market value at the time when the option was first exercisable or at the time when it was exercised, less the amount paid for the shares. 1·0 Market value per share at 31 July 2007 applies, being less than the market value on 20 November 2008 1·0 Amount paid per share 0·5 Amount taxable RM7,000 0·5 The gain is deemed to arise on 20 November 2008. 1·0	<u>5·0</u>
(b)	Can qualify for an exemption. 0·5 This will not be the exemption on the grounds of ill-health as he is said to be healthy. 1·0 Can qualify for an exemption of RM6,000 for each completed year of service 1·0 With the same employer or with companies in the same group. 1·0 The period of employment with Morning Star Sdn Bhd is eligible because the company is more than 50% owned by Rising Star Berhad. 1·0 The exemption will be based on a period of 11 years, i.e. RM66,000. 1·0 The amount chargeable to tax for the year of assessment 2008 will be RM134,000. 0·5	<u>6·0</u>
Total		<u>20</u>