

Labuan IBFC - Tax Regime

(Understanding the Taxation on Labuan IBFC Businesses and Compliance with Malaysian and International Tax Rules)

PROGRAMME DESCRIPTION

The Labuan Business Activity Tax Act 1990 (LBATA) governs the taxation on Labuan business activities undertaken by Labuan Entities in Labuan IBFC. The LBATA is a supplementary tax statute under the principal i.e. the Income Tax Act 1967 (ITA).

In addition to the LBATA and ITA, the entities operating are also subject to other direct and indirect taxes, as follows:

- Real Property Gains Tax Act 1976
- Stamp Act 1949
- Service Tax Act 2018

It is also important to understand the operations of international tax conventions and global tax rules as adopted by Malaysia and other countries, among others:

- Double Tax Agreements
- Automatic Exchange of Information (AEOI)
- OECD - Common Reporting Standards (CRS)
- US Foreign Accounts Tax Compliance Act (FATCA)

This programme will provide an understanding of the taxation on Labuan business undertaken by Labuan entities within Labuan IBFC. Participants will gain an understanding of the principles of taxation and compliance in Malaysia as well as international tax rules that has an impact on Labuan IBFC. They will also be made aware of the practical aspects of taxation in Labuan IBFC so that Labuan entities are able to discharge their responsibilities and adhere to matters related to tax compliance.

PROGRAMME OUTLINE

Labuan IBFC

- Legislations and regulations
- Scope of charge and tax system
- Record keeping and assessability
- Compliance and administrative provisions
- Substance requirements
- Transfer pricing and anti-tax avoidance
- Tax incentives

Income Tax Act 1967

- General understanding of key areas relevant to Labuan IBFC
- Tax implications of ITA on Labuan IBFC
- Labuan IBFC and compliance with ITA
- Withholding taxes in Malaysia
- Exemptions

Real Property Gains Tax

- Scope of chargeability
- Chargeable persons
- Computation of chargeable gain/loss
- Payment of tax
- Exemptions

Stamp Duty

- General rules on stamp duty
- Scope of charge
- Stamping of instruments
- Exemptions

Service Tax

- Basis of charge
- Taxable persons and taxable services
- Principles of Principal Customs Area (PCA) and Designated Area (DA)
- Designated Areas and Labuan island
- Summary of service tax requirements

Double Tax Agreements (DTA)

- Objectives
- DTA relief
- Residence
- Non-Resident and withholding tax
- Anti-avoidance

OECD - Common Reporting Standards (CRS) US Foreign Accounts Tax Compliance Act (FATCA)

- Compliance with reporting requirements

LEARNING OBJECTIVES

Upon completion of the programme, participants will be able to:

- Gain a better understanding of the Malaysian Tax System; both direct and indirect taxation
- Recognise the tax implications, compliance and disclosure requirements in relation to business undertaken by Labuan Entities in Labuan IBFC as permitted under various laws in Labuan IBFC
- Gain an understanding and compliance of International tax rules including tax standards and practices as promulgated by international organisations such as OECD

LEARNING LEVEL

Intermediate

WHO SHOULD ATTEND

Trust Officers or designated Trust Officers of Labuan Trust Companies and staff of Labuan IBFC industry

TRAINING METHODOLOGY

Combination of lectures and examples to ensure that participants derive the maximum learning benefits

ABOUT THE TRAINER

Abdul Salam Chandran

Abdul Salam Chandran has more than 40 years of working experience, with 11 years spent at Labuan Financial Services Authority (Labuan FSA). During his tenure, he was heading the Tax Policy Unit of the Market Development Department in the Labuan FSA. His functions include developing and ensuring a conducive business environment for the conduct of business activities in Labuan IBFC, namely effective and efficient tax policies and regulations. He has been with Labuan FSA since 1999. Prior to Labuan FSA, he served at various divisions and departments of the Inland Revenue Board of Malaysia, formerly known as Inland Revenue Department of Malaysia since 1977. He is an Associate Member of the Chartered Tax Institute of Malaysia.

PROGRAMME DETAILS

Duration : 1 Day
Date : 19 September 2019
18 November 2019
Time : 9:00 am - 5:00 pm
Venue : LFSA, Financial Park Complex,
Labuan

PROGRAMME FEE

**MYR
800***

The cost of the programme includes refreshments, as well as programme materials for one participant.

**Subject to 6% Service Tax*

ABOUT US

The ASIAN BANKING SCHOOL (ABS) is dedicated to developing talent and is the largest specialised provider of quality banking training programmes in the ASEAN region.

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