



UNDANG-UNDANG MALAYSIA

Akta 337

AKTA KEWANGAN 1987

Beta bersetuju


.....
Yang di-Pertuan Agong

.17..hb Disember 1987

UNDANG-UNDANG MALAYSIA
Akta 337
AKTA KEWANGAN 1987

SUSUNAN SEKSYEN

BAB I
PERMULAAN

Seksyen

1. Tajuk ringkas.
2. Pindaan Akta-Akta.

BAB II
PINDAAN-PINDAAN KEPADA AKTA
CUKAI PENDAPATAN 1967

3. Mula berkuat kuasanya pindaan-pindaan kepada Akta Cukai Pendapatan 1967.
4. Pindaan seksyen 2.
5. Penggantian seksyen 3A.
6. Pindaan seksyen 5.
7. Pindaan seksyen 7.
8. Pindaan seksyen 45.
9. Pindaan seksyen 60.
10. Pindaan seksyen 81.
11. Pindaan seksyen 83.
12. Pindaan seksyen 107.
13. Seksyen baru 107B.
14. Pindaan seksyen 108.
15. Pindaan seksyen 127.
16. Pindaan Jadual 1.

[Susunan Seksyen]

4

AKTA 337

**BAB III
PINDAAN-PINDAAN KEPADA AKTA
CUKAI KEUNTUNGAN
HARTA TANAH 1976**

Seksyen

17. Mula berkuat kuasanya pindaan-pindaan kepada Akta Cukai Keuntungan Harta Tanah 1976.
18. Pindaan seksyen 2.
19. Pindaan Jadual 2.

**BAB IV
PINDAAN KEPADA AKTA CUKAI
PEMINDAHAN SYER (SYARIKAT
BERASASKAN TANAH) 1984**

20. Mula berkuat kuasanya pindaan kepada Akta Cukai Pemindahan Syer (Syarikat Berasaskan Tanah) 1984.
21. Pindaan seksyen 4A.

**BAB V
PINDAAN KEPADA AKTA PETROLEUM
(CUKAI PENDAPATAN) 1967**

22. Mula berkuat kuasanya pindaan kepada Akta Petroleum (Cukai Pendapatan) 1967.
23. Pindaan seksyen 2.

**BAB VI
PINDAAN-PINDAAN KEPADA AKTA
CUKAI JUALAN 1972**

24. Mula berkuat kuasanya pindaan-pindaan kepada Akta Cukai Jualan 1972.
25. Pindaan seksyen 13.
26. Pindaan seksyen 14.

UNDANG-UNDANG MALAYSIA

Akta 337

AKTA KEWANGAN 1987

Suatu Akta untuk meminda Akta Cukai Pendapatan 1967, Akta Cukai Keuntungan Harta Tanah 1976, Akta Cukai Pemindahan Syer (Syarikat Berasaskan Tanah) 1984, Akta Petroleum (Cukai Pendapatan) 1967 dan Akta Cukai Jualan 1972.

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MAKA INILAH DIPERBUAT UNDANGUNDANG oleh Duli Yang Maha Mulia Seri Paduka Baginda Yang dipertuan Agong dengan nasihat dan persetujuan Dewan Negara dan Dewan Rakyat yang bersidang dalam Parlimen, dan dengan kuasa daripadanya, seperti berikut:

BAB I

PERMULAAN

1. Akta ini bolehlah dinamakan Akta Kewangan 1987. Tajuk ringkas.

2. Akta Cukai Pendapatan 1967, Akta Cukai Keuntungan Harta Tanah 1976, Akta Cukai Pemindahan Syer (Syarikat Berasaskan Tanah) 1984, Akta Petroleum (Cukai Pendapatan) 1967 dan Akta Cukai Jualan 1972 adalah dipinda mengikut cara yang masing-masingnya dinyatakan dalam Bab II, III, IV, V dan VI. Pindaan Akta-akta. Akta 53. Akta 169. Akta 310. Akta 45/67. Akta 64.

BAB II

PINDAAN-PINDAAN KEPADA AKTA
CUKAI PENDAPATAN 1967

3. (1) Kecuali bagi seksyen 10 dan 13, Bab ini hendaklah berkuat kuasa bagi tahun taksiran 1988 dan tahun-tahun taksiran yang berikutnya. Mula berkuatkuasanya pindaan-pindaan kepada Akta Cukai Pendapatan 1967.

(2) Seksyen 10 hendaklah disifatkan telah mula berkuat kuasa pada 24hb Oktober 1986.

[Bab II, S. 3-7]

6

AKTA 337

(3) Seksyen 13 hendaklah mula berkuat kuasa pada 1hb Januari 1989.

Pindaan
seksyen 2.
Akta 53.

4. Seksyen 2 Akta Cukai Pendapatan 1967, yang dalam Bab ini disebut "Akta ibu", adalah dipinda dengan menggantikan takrif bagi "Malaysia" dalam subseksyen (1) dengan yang berikut:

"Malaysia" means the territories of the Federation of Malaysia, the territorial waters of Malaysia and the sea-bed and subsoil of the territorial waters, and includes any area extending beyond the limits of the territorial waters of Malaysia, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Malaysia as an area over which Malaysia has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;".

Penggantian
seksyen 3A.

5. Akta ibu adalah dipinda dengan menggantikan seksyen 3A dengan yang berikut:

"Charge of
excess
profit tax.

3A. Subject to and in accordance with this Act, in addition to the income tax chargeable, there shall be charged for each year of assessment in respect of the income of any person other than a company accruing in or derived from Malaysia or received in Malaysia from outside Malaysia a tax to be known as excess profit tax upon his chargeable income which exceeds three hundred thousand ringgit:

Provided that this section shall not apply to the income of a person under section 4A. "

Pindaan
seksyen 5.

6. Seksyen 5 Akta ibu adalah dipinda dengan memotong subseksyen (3) dan (4).

Pindaan
seksyen 7.

7. Seksyen 7 Akta ibu adalah dipinda dengan menggantikan perkataan-perkataan "that period forms part of a period of more than one hundred and eightytwo consecutive days" dalam perenggan (b) subseksyen

(1) dengan perkataan-perkataan "that period is linked by or to another period of one hundred and eighty-two or more consecutive days".

8. Seksyen 45 Akta ibu adalah dipinda—

Pindaan
seksyen 45.

- (a) dengan menggantikan perkataan-perkataan "or any subsequent date (as may be permitted by the Director General) in the year of assessment" dalam subseksyen (4) dengan perkataan-perkataan "in the year of assessment or any subsequent date (as may be permitted by the Director General)"; dan
- (b) dengan menggantikan perkataan-perkataan "section 3A (b)" dalam subseksyen (6) dengan perkataan-perkataan "section 3A".

9. Seksyen 60 Akta ibu adalah dipinda—

- (a) dengan memotong perkataan "and" di hujung subperenggan (ii) perenggan (b) subseksyen (3);
- (b) dengan menggantikan noktah di hujung subperenggan (iii) perenggan (b) subseksyen (3) dengan koma bertitik dan memasukkan selepas sahaja koma bertitik itu perkataan "and";
- (c) dengan memasukkan selepas sahaja subperenggan (iii) perenggan (b) subseksyen (3) subperenggan baru (iv) yang berikut:

Pindaan
seksyen 60.

"(iv) an amount equivalent to two per cent of the balance of revenue account as at the last day of the basis period for that year of assessment, but not exceeding the total commissions paid in that period in connection with that business;

Provided that no deduction under this subparagraph shall be made for any year of assessment for which a

deduction is made in respect of commissions paid in connection with that business pursuant to subparagraph (iii).";

- (d) dengan memotong perkataan "and" di hujung subperenggan (ii) perenggan (b) subseksyen (4);
- (e) dengan menggantikan noktah di hujung subperenggan (iii) perenggan (b) subseksyen (4) dengan koma bertitik dan memasukkan selepas sahaja koma bertitik itu perkataan "and";
- (f) dengan memasukkan selepas sahaja subperenggan (iii) perenggan (b) subseksyen (4) subperenggan baru (iv) yang berikut:

"(iv) an amount equivalent to two per cent of the balance of revenue account as at the last day of the basis period for that year of assessment, but not exceeding the total commissions paid in that period in connection with that business:
Provided that no deduction under this subparagraph shall be made for any year of assessment for which a deduction is made in respect of commissions paid in connection with that business pursuant to subparagraph (iii)."

dan
- (g) dengan memasukkan selepas sahaja takrif bagi "off-shore insurance policies" dalam sub seksyen (11) takrif baru bagi "revenue account" yang berikut:

10. Seksyen 82 Akta ibu adalah dipinda dengan menggantikan perkataan-perkataan "paragraph 15 of Schedule 5" dalam subseksyen (5) dengan perkataan-perkataan "section 153 (3)".

Pindaan seksyen 82.

11. Seksyen 83 Akta ibu adalah dipinda—

- (a) dengan menggantikan perkataan "thirty" dalam subseksyen (5) dengan perkataan "ninety"; dan
- (b) dengan menggantikan noktah di hujung subseksyen (5) dengan koma dan memasukkan selepas sahaja koma itu perkataan-perkataan "and if at any time the Director General directs him to pay the full amount or a portion of those moneys towards payment of the tax payable by the employee, he shall pay as directed."

Pindaan seksyen 83.

12. Seksyen 107 Akta ibu adalah dipinda dengan menggantikan perkataan-perkataan "which by reason of his failure cannot be recovered" dalam subseksyen (4) dengan perkataan "due".

Pindaan seksyen 107.

13. Akta ibu adalah dipinda dengan memasukkan selepas sahaja seksyen 107A seksyen baru 1078 yang berikut:

Seksyen baru 107B.

“Payment by instalments.

107B. (1) Subject to this section, every person chargeable to tax for a year of assessment, other than an individual to whom section 107 applies, shall make payment by instalments on account of tax which is or may be payable by that person for that year of assessment, at such times and in such amounts as the Director General may direct, whether or not the tax has been assessed.

may take into consideration the tax assessed, if any, in respect of the person for the year of assessment preceding that year of assessment:

Provided that the Director General may, upon an application made by the person not later than the fifteenth day of April in that year of assessment, vary the amount to be paid by installments on account of tax and the number of installments.

(3) Where any installment amount due and payable on the date specified by the Director General pursuant to subsection (1) or (2) has not been paid within thirty days of the due date, the amount unpaid shall, without any further notice being served, be increased by a sum equal to ten per cent of the amount unpaid, and that sum shall be recoverable as if it were tax due and payable under this Act:

Provided that, where the amount unpaid is subsequently paid, the Director General may treat it as having been paid on its due date.

(4) In any case to which the proviso to subsection (2) applies, where the tax payable under an assessment for that year of assessment exceeds the total of the installments payable and the difference is more than thirty per cent of the tax payable under the assessment, then, without any further notice being served, the amount of the difference which exceeds thirty per cent of the tax payable under the assessment shall be increased by a sum equal to ten per cent of that amount of the difference, and that sum shall be recoverable as if it were tax due and payable under this Act.

(5) Nothing in this section shall prevent the collection of any tax from a person to whom

this section applies in accordance with section 103 or the payment of that tax being enforced in accordance with section 106:

Provided that in any such case for the purposes of section 103 the Director General shall determine the period with in which that tax shall be payable."

14. Seksyen 108 Akta ibu adalah dipinda dengan memotong subseksyen (12). Pindaan seksyen 108.

15. Seksyen 127 Akta ibu adalah dipinda dengan menggantikan subseksyen (1) dengan yang berikut: Pindaan seksyen 127.

"(1) Not with standing any other provision of this Act, any income specified in Part 1 of Schedule 6 shall, subject to this section, be exempt from tax."

16. Jadual 1 kepada Akta ibu adalah dipinda dengan menggantikan Bahagian III dengan yang berikut: Pindaan Jadual 1.

PART III

Excess profit tax shall be charged for each year of assessment at the rate of .. 5 per cent".

BAB III

PINDAAN-PINDAAN KEPADA AKTA CUKAI KEUNTUNGAN HARTA TANAH 1976

17. (1) Seksyen 18 (a) hendaklah disifatkan telah mula berkuat kuasa pada 24hb Oktober 1986. Mula berkuatkuasanya pindaannya kepada Akta

(2) Seksyen 18 (b) dan (c) dan seksyen 19 hendaklah mula berkuat kuasa pada 23hb Oktober 1987. Cukai Keuntungan Harta Tanah 1976.

18. Seksyen 2 Akta Cukai Keuntungan Harta Tanah 1976, yang dalam Bab ini disebut Akta ibu", adalah dipinda— Pindaan seksyen 2.

(a) dengan menggantikan perkataan-perkataan "perenggan 15 Jadual 5 kepada" dalam takrif bagi "akauntan" dalam subseksyen (1) dengan perkataan-perkataan "seksyen 153 (3)";

- (b) dengan memasukkan selepas sahaja perkataan "termasuklah" dalam takrif bagi "memperoleh" dalam subseksyen (1) dan selepas sahaja perkataan "ertinya" dalam takrif bagi "melupakan" dalam subseksyen itu perkataan-perkataan ", tertakluk kepada subseksyen (4),"; dan
- (c) dengan memasukkan selepas sahaja subseksyen (3) subseksyen baru (4) yang berikut:

"(4) Jika mana-mana tanah yang dipegang oleh dua orang atau lebih sebagai tuan punya bersama di pecah milik supaya meletak hak pada tiap-tiap seorang daripada mereka, di bawah hak milik berasingan, sebahagian tanah itu yang luasnya berkadar sehampir mungkin dengan bahagian tak pecahnya dalam keseluruhan tanah itu, pecah milik tanah itu tidak boleh dianggap bagi maksud-maksud Akta ini sebagai melibatkan perolehan atau pelupusan apaapa bahagian atau kepentingan dalam tanah itu oleh mana-mana orang demikian."

Pindaan
Jadual 2.

19. Jadual 2 kepada Akta ibu adalah dipinda—

- (a) dengan menggantikan perenggan 12 dengan yang berikut:

"Pemberian. 12. Jika sesuatu aset dilupuskan dengan cara pemberian, pelupusan itu hendaklah disifatkan sebagai pelupusan mengikut nilai pasaran aset itu:

Dengan syarat bahawa, jika pemberinya dan penerimanya adalah suami dan isteri, ibu bapa dan anak, atau datuk atau nenek dan cucu, dan pemberian itu dibuat dalam masa lima tahun selepas tarikh pemerolehan aset itu oleh

pemberinya, pemberi itu hendaklah disifatkan telah tidak menerima apa-apa keuntungan dan tidak menanggung apa-apa kerugian atas pelupusan itu dan penerimanya hendaklah disifatkan sebagai telah memperoleh aset itu pada suatu harga perolehan yang sama dengan harga perolehan yang dibayar oleh pemberi itu di campur dengan belanja yang dibenarkan yang ditanggung oleh pemberi itu.";

- (b) dengan memasukkan selepas sahaja sub perenggan (2) perenggan 15B sub perenggan baru (3) yang berikut:

"(3) Jika tanah yang terletak hak pada seseorang akibat sesuatu pecah milik yang tersebut dalam seksyen 2 (4) dilupuskan, pelupusnya hendaklah disifatkan sebagai telah memperolehnya pada tarikh perolehan bahagian tak pecahnya dalam tanah itu sebagai seorang tuan punya bersama."; dan

- (c) dengan memasukkan selepas sahaja sub perenggan (7) perenggan 19 sub perenggan baru (8) yang berikut:

"(8) Jika tanah yang terletak hak pada seseorang akibat sesuatu pecah milik yang tersebut dalam seksyen 2 (4) dilupuskan, pelupusnya hendaklah disifatkan sebagai telah memperolehnya dengan harga perolehan yang dibayar olehnya bagi pemerolehan bahagian tak pecahnya dalam tanah itu sebagai seorang tuan punya bersama atau, jika bahagian tak pecahnya dalam tanah itu telah diperoleh olehnya sebelum 1hb Januari 1970, dengan nilai pasarnya pada 1hb Januari 1970 di campur dengan belanja yang dibenarkan yang ditanggung olehnya mulai dari 1hb Januari

1970 ditolak jumlah wang dari jenis yang tersebut dalam perenggan 4 (1) (a), (b) atau (c) yang diterima oleh atau terlucut hak, mengikut mana yang berkenaan, kepadanya dari lhb Januari 1970."

BAB IV
PINDAAN KEPADA AKTA CUKAI
PEMINDAHAN SYER (SYARIKAT
BERASASKAN TANAH) 1984

Mula berkuatkuasanya pindaan kepada Akta cukai Pemindahan Syer (Syarikat Berasaskan Tanah) 1984.

Pindaan seksyen 4A.
Akta 310.

20 . Bab ini hendaklah mula berkuat kuasa pada 23hb Oktober 1987.

21. Seksyen 4A Akta Cukai Pemindahan Syer (Syarikat Berasaskan Tanah) 1984 adalah dipinda dengan memasukkan selepas sahaja subseksyen (2) subseksyen baru (3) yang berikut:

"(3) Ketua Pengarah boleh menarik balik apa-apa kelulusan bagi sesuatu pindah milikan atau pelupusan yang diberi di bawah subseksyen (1) dalam masa tiga tahun selepas memberinya jika—

(a) ternyata kepadanya bahawa pindah milikan atau pelupusan itu telah dibuat kesemuanya atau sebahagiannya bagi sesuatu maksud selain daripada maksud yang tersebut dalam subseksyen itu; atau

(b) dalam hal sesuatu kelulusan yang diberi di bawah perenggan (a) subseksyen (1), aset itu dipindah milikkan kemudiannya supaya keempunyaan aset itu tidak lagi berada pada kumpulan itu."

BAB V
PINDAAN KEPADA AKTA PETROLEUM
(CUKAI PENDAPATAN) 1967

22. Bab ini hendaklah berkuat kuasa bagi tahun taksiran 1988 dan tahun-tahun taksiran yang berikutnya.

Mula berkuatkuasanya pindaan kepada Akta Petroleum (Cukai Pendapatan 1967).

23. Seksyen 2 Akta Petroleum (Cukai Pendapatan) 1967 adalah dipinda dengan menggantikan takrif bagi "Malaysia" dengan yang berikut:

Pindaan seksyen 2. *Akta 45/67.*

"Malaysia" means the territories of the Federation of Malaysia, the territorial waters of Malaysia and the sea-bed and subsoil of the territorial waters, and includes any area extending beyond the limits of the territorial waters of Malaysia, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Malaysia as an area over which Malaysia has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;'

BAB VI
PINDAAN-PINDAAN KEPADA AKTA
CUKAI JUALAN 1972

24. Bab ini hendaklah mula berkuat kuasa pada 24hb Oktober 1987.

Mula berkuatkuasanya pindaan-pindaan kepada Akta Cukai Jualan 1972.

25. Seksyen 13 Akta Cukai Jualan 1972 adalah dipinda—

Pindaan Seksyen 13. *Akta 64.*

(a) dengan memotong perkataan-perkataan "(2) atau" dalam subseksyen (1) dan (5); dan

(b) dengan memotong subseksyen (2).

[Bab VI, S. 26]

16

AKTA 337

Pindaan
seksyen 14.

26. Seksyen 14 Akta Cukai Jualan 1972 adalah dipinda dengan memotong proviso.



LAWS OF MALAYSIA

Act 337

FINANCE ACT 1987

LAWS OF MALAYSIA

Act 337

FINANCE ACT 1987

ARRANGEMENT OF SECTIONS

**CHAPTER I
PRELIMINARY**

Section

1. Short title.
2. Amendments of Acts.

**CHAPTER II
AMENDMENTS TO THE INCOME TAX
ACT 1967**

3. Commencement of amendments to the Income Tax Act 1967.
4. Amendment of section 2.
5. Substitution of section 3A.
6. Amendment of section 5.
7. Amendment of section 7.
8. Amendment of section 45.
9. Amendment of section 60.
10. Amendment of section 82.
11. Amendment of section 83.
12. Amendment of section 107.
13. New section 107B.
14. Amendment of section 108.
15. Amendment of section 127.
16. Amendment of Schedule 1.

**CHAPTER III
AMENDMENTS TO THE REAL
PROPERTY GAINS TAX ACT 1976**

17. Commencement of amendments to the Real
- 18.
19. Property Gains Tax Act 1976.

[Arrangement of Sections]

4

ACT 337

Section

18. Amendment of section 2.
19. Amendment of Schedule 2.

CHAPTER IV

**AMENDMENT TO THE SHARE (LAND
BASED COMPANY) TRANSFER TAX ACT 1984**

20. Commencement of amendment to the Share (Land Based Company) Transfer Tax Act 1984.
21. Amendment of section 4A.

CHAPTER V

**AMENDMENT TO THE PETROLEUM (INCOME
TAX) ACT 1967**

22. Commencement of amendment to the Petroleum (Income Tax) Act 1967.
23. Amendment of section 2.

CHAPTER VI

AMENDMENTS TO THE SALES TAX ACT 1972

24. Commencement of amendments to the Sales Tax Act 1972.
25. Amendment of section 13.
26. Amendment of section 14.

LAWS OF MALAYSIA

Act 337

FINANCE ACT 1987

An Act to amend the Income Tax Act 1967, the Real Property Gains Tax Act 1976, the Share (Land Based Company) Transfer Tax Act 1984, the Petroleum (Income Tax) Act 1967 and the Sales Tax Act 1972.

[]

BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

**CHAPTER I
PRELIMINARY**

1. This Act may be cited as the Finance Act 1987. Short title.

2. The Income Tax Act 1967, the Real Property Gains Tax Act 1976, the Share (Land Based Company) Transfer Tax Act 1984, the Petroleum (Income Tax) Act 1967 and the Sales Tax Act 1972 are amended in the manner specified in Chapters II, III, IV, V and VI respectively. Amendments of Acts.
Act 53.
Act 169.
Act 310.
Act 45/67.
Act 64.

**CHAPTER II
AMENDMENTS TO THE INCOME TAX ACT
1967**

3. (1) Except for sections 10 and 13, this Chapter shall have effect for the year of assessment 1988 and subsequent years of assessment. Commencement of amendments to the Income Tax Act 1967.

(2) Section 10 shall be deemed to have come into force on the 24th October 1986.

(3) Section 13 shall come into force on the 1st January 1989.

Amendment
of section 2.
Act 53.

4. Section 2 of the Income Tax Act 1967, which in this Chapter is referred to as "the principal Act", is amended by substituting for the definition of "Malaysia" in subsection (1) the following:

"Malaysia" means the territories of the Federation of Malaysia, the territorial waters of Malaysia and the sea-bed and subsoil of the territorial waters, and includes any area extending beyond the limits of the territorial waters of Malaysia, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Malaysia as an area over which Malaysia has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;'

Substitu-
tion of
Section 3A.

5. The principal Act is amended by substituting for section 3A the following:

"Charge of
excess
profit tax.

3A. Subject to and in accordance with this Act, in addition to the income tax chargeable, there shall be charged for each year of assessment in respect of the income of any person other than a company accruing in or derived from Malaysia or received in Malaysia from outside Malaysia a tax to be known as excess profit tax upon his chargeable income which exceeds three hundred thousand ringgit:

Provided that this section shall not apply to the income of a person under section 4A."

Amendment
of section 5.

6. Section 5 of the principal Act is amended by deleting subsections (3) and (4).

Amendment
of section 7.

7. Section 7 of the principal Act is amended by substituting for the words "that period forms part of a period of more than one hundred and eighty-two

consecutive days" in paragraph (b) of subsection (1) the words "that period is linked by or to another period of one hundred and eighty-two or more consecutive days".

8. Section 45 of the principal Act is amended—

Amendment
of section 45.

- (a) by substituting for the words "or any subsequent date (as may be permitted by the Director General) in the year of assessment" in subsection (4) the words "in the year of assessment or any subsequent date (as may be permitted by the Director General)"; and
- (b) by substituting for the words "section 3A" in subsection (6) the words "section 3A (b)".

9. Section 60 of the principal Act is amended—

Amendment
of section 60.

- (a) by deleting the word "and" at the end of subparagraph (ii) of paragraph (b) of subsection (3);
- (b) by substituting for the full stop at the end of subparagraph (iii) of paragraph (b) of subsection (3) a semicolon and inserting immediately thereafter the word "and";
- (c) by inserting immediately after subparagraph (iii) of paragraph (b) of subsection (3) the following new subparagraph (iv):
 - "(iv) an amount equivalent to two per cent of the balance of revenue account as at the last day of the basis period for that year of assessment, but not exceeding the total commissions paid in that period in connection with that business:
Provided that no deduction under this subparagraph shall be made for any year of assessment for which a deduction is made in respect of commissions paid in connection with that business pursuant to subparagraph (iii).";

(d) by deleting the word "and" at the end of subparagraph (ii) of paragraph (b) of subsection (4);

(e) by substituting for the full stop at the end of subparagraph (iii) of paragraph (b) of subsection (4) a semicolon and inserting immediately thereafter the word "and";

(f) by inserting immediately after subparagraph (iii) of paragraph (b) of subsection (4) the following new subparagraph (iv):

"(iv) an amount equivalent to two per cent of the balance of revenue account as at the last day of the basis period for that year of assessment, but not exceeding the total commissions paid in that period in connection with that business:

Provided that no deduction under this subparagraph shall be made for any year of assessment for which a deduction is made in respect of commissions paid in connection with that business pursuant to subparagraph (iii)."; and

(g) by inserting immediately after the definition of "off-shore insurance policies" in subsection (11) the following new definition of "revenue account":

"revenue account" means the revenue account lodged in respect of life business under paragraph 1 (2) (a) of the Fourth Schedule to the Insurance Act 1963.;

Act 89.

Amendment
of section 82.

10. Section 82 of the principal Act is amended by substituting for the words "paragraph 15 of Schedule 5" in subsection (5) the words "section 153 (3)".

11. Section 83 of the principal Act is amended— Amendment
of section 83.

- (a) by substituting for the word "thirty" in subsection (5) the word "ninety"; and
- (b) by substituting for the full stop at the end of subsection (5) a comma and inserting immediately thereafter the words "and if at any time the Director General directs him to pay the full amount or a portion of those moneys towards payment of the tax payable by the employee, he shall pay as directed."

12. Section 107 of the principal Act is amended by substituting for the words "which by reason of his failure cannot be recovered" in subsection (4) the word "due". Amendment
of section 107.

13. The principal Act is amended by inserting immediately after section 107A the following new section 107B: New section
107B.

“Payment by install-
ments. 107B. (1) Subject to this section, every person chargeable to tax for a year of assessment, other than an individual to whom section 107 applies, shall make payment by installment on account of tax which is or may be payable by that person for that year of assessment, at such times and in such amounts as the Director General may direct, whether or not the tax has been assessed.

(2) In determining the amount to be paid under subsection (1), the Director General may take into consideration the tax assessed, if any, in respect of the person for the year of assessment preceding that year of assessment:

Provided that the Director General may, upon an application made by the person not later than the fifteenth day of April in that year of assessment, vary the amount to be paid by installments on account of tax and the number of installments.

(3) Where any installment amount due and payable on the date specified by the Director General pursuant to subsection (1) or (2) has not been paid within thirty days of the due date, the amount unpaid shall, without any further notice being served, be increased by a sum equal to ten per cent of the amount unpaid, and that sum shall be recoverable as if it were tax due and payable under this Act:

Provided that, where the amount unpaid is subsequently paid, the Director General may treat it as having been paid on its due date.

(4) In any case to which the proviso to subsection (2) applies, where the tax payable under an assessment for that year of assessment exceeds the total of the installment payable and the difference is more than thirty per cent of the tax payable under the assessment, then, without any further notice being served, the amount of the difference which exceeds thirty per cent of the tax payable under the assessment shall be increased by a sum equal to ten per cent of that amount of the difference, and that sum shall be recoverable as if it were tax due and payable under this Act.

(5) Nothing in this section shall prevent the collection of any tax from a person to whom this section applies in accordance with section 103 or the payment of that tax being enforced in accordance with section 106:

Provided that in any such case for the purposes of section 103 the Director General shall determine the period within which that tax shall be payable."

15. Section 127 of the principal Act is amended by substituting for subsection (1) the following: Amendment of section 127.

"(1) Notwithstanding any other provision of this Act, any income specified in Part 1 of Schedule 6 shall, subject to this section, be exempt from tax."

16. Schedule 1 to the principal Act is amended by substituting for Part III the following: Amendment of Schedule 1.

"PART III

Excess profit tax shall be charged for each year of assessment at the rate of5 per cent".

CHAPTER III
AMENDMENTS TO THE REAL PROPERTY
GAINS TAX ACT 1976

17. (1) Section 18 (a) shall be deemed to have come into force on the 24th October 1986. Commencement of amendments to the Real Property Gains Tax Act 1976.

(2) Section 18 (b) and (c) and section 19 shall come into force on the 23rd October 1987.

18. Section 2 of the Real Property Gains Tax Act 1976, which in this Chapter is referred to as "the principal Act", is amended— Amendment of section 2.

(a) by substituting for the words "paragraph 15 of Schedule 5 to" in the definition of "accountant" in subsection (1) the words "section 153 (3) of";

(b) by inserting immediately after the word "includes" in the definition of "acquire" in subsection (1) and immediately after the word "means" in the definition of "dispose" in that subsection the words ", subject to subsection (4),"; and

- (c) by inserting immediately after subsection (3) the following new subsection (4):

"(4) Where any land which is held by two or more persons as co-proprietors is partitioned so as to vest in each of them, under a separate title, a portion of the land of an area proportionate as nearly as may be to his undivided share in the whole, the partition of the land shall not be regarded for the purposes of this Act as involving the acquisition or disposal of any part of or interest in the land by any such person."

Amendment
of Schedule 2.

19. Schedule 2 to the principal Act is amended—

- (a) by substituting for paragraph 12 the following:

12. Where an asset is disposed of by way of a gift, the disposal shall be deemed to be a disposal at the market value of the asset:

Provided that, where the donor and recipient are husband and wife, parent and child or grandparent and grandchild, and the gift is made within five years after the date of acquisition of the asset by the donor, the donor shall be deemed to have received no gain and suffered no loss on the disposal and the recipient shall be deemed to have acquired the asset at an acquisition price equal to the acquisition price paid by the donor plus the permitted expenses incurred by the donor.";

- (b) by inserting immediately after subparagraph (2) of paragraph 15B the following new subparagraph (3):

"(3) Where land vested in a person as a result of a partition mentioned in section 2 (4) is disposed of, the disposer shall be deemed to have acquired it on the date of acquisition of his undivided share in the land as a co-proprietor."; and

- (c) by inserting immediately after subparagraph (7) of paragraph 19 the following new subparagraph (8):

"(8) Where land vested in a person as a result of a partition mentioned in section 2 (4) is disposed of, the disposer shall be deemed to have acquired it at the acquisition price paid by him for the acquisition of his undivided share in the land as a co proprietor or, if his undivided share in the land was acquired by him prior to 1st January 1970, at the market value thereof as at 1st January 1970 plus the permitted expenses incurred by him as from 1st January 1970 less the sum of the kind referred to in paragraph 4 (1) (a), (b) or (c) received by or forfeited as the case may be to him as from 1st January 1970."

CHAPTER IV
AMENDMENT TO THE SHARE (LAND
BASED COMPANY) TRANSFER TAX
ACT 1984

20. This Chapter shall come into force on the 23rd October 1987.

Commencement of amendments to the Share (Land Based Company) Transfer Tax Act 1984.

21. Section 4A of the Share (Land Based Company) Transfer Tax Act 1984 is amended by inserting immediately after subsection (2) the following new subsection (3):

Amendment of section 4A. Act 310.

"(3) The Director General may withdraw any approval for a transfer or disposal given under subsection (1) within three years after giving it if—

- (a) it appears to him that the transfer or disposal was made wholly or partly for some purpose other than the purpose mentioned in that subsection; or

[Cap. IV-VI, S. 21-25]
14 ACT 337

(b) in the case of an approval under paragraph (a) of subsection (1), the asset is subsequently transferred so that the ownership of the asset no longer remains with the group."

CHAPTER V
AMENDMENT TO THE PETROLEUM
(INCOME TAX) ACT 1967

Commencement of amendments to the Petroleum (Income Tax) Act 1967.

Amendment of section 2.
Act 45/67.

22. This Chapter shall have effect for the year of assessment 1988 and subsequent years of assessment.

23. Section 2 of the Petroleum (Income Tax) Act 1967 is amended by substituting for the definition of "Malaysia" the following:

"Malaysia" means the territories of the Federation of Malaysia, the territorial waters of Malaysia and the sea-bed and subsoil of the territorial waters, and includes any area extending beyond the limits of the territorial waters of Malaysia, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Malaysia as an area over which Malaysia has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;".

CHAPTER VI
AMENDMENTS TO THE SALES TAX ACT
1972

Commencement of amendments to the Sales Tax Act 1972.

Amendment of section 13.
Act 64.

24. This Chapter shall come into force on the 24th October 1987.

25. Section 13 of the Sales Tax Act 1972 is amended—

(a) by deleting the words "(2) or" in subsections (1) and (5); and

(b) by deleting subsection (2).

FINANCE

26. Section 14 of the Sales Tax Act 1972 is amended by deleting the proviso.

Amendment of
section 14.