

Excerpt of S154(1)(c), S132, S132A and S132B of the Income Tax Act 1967 (Laws of Malaysia ACT 53)

Power to make rules

154. (1) The Minister may make rules—

(c) implementing or facilitating the operation of an arrangement having effect under section 132, 132A or 132B;

Double taxation arrangements

132. (1) If the Minister by statutory order declares that—

(a) arrangements specified in the order have been made by the Government with the government of any territory outside Malaysia with a view of affording relief from double taxation in relation to tax under this Act or other taxes of every kind under any written law and any foreign tax of that territory; and

(b) it is expedient that those arrangements should have effect,

then, so long as the order remains in force, those arrangements shall have effect in relation to tax under this Act or other taxes of every kind under any written law notwithstanding anything in any written law.

(2) Where any arrangements have effect by virtue of this section, section 138 shall not prevent the disclosure to a duly authorized servant or agent of the government with which the arrangements have been made of such information as is required to be disclosed under the arrangements.

(3) The appropriate provisions of Schedule 7 shall apply where, under any arrangements having effect under this section in relation to a territory outside Malaysia, foreign tax payable under the laws of that territory is to be allowed as a credit against tax payable under this Act.

(4) Any arrangements to which effect is given under this section may include—

(a) provision for relief from tax with respect to any person of any particular class;

(b) provision as to income which is not itself subject to double taxation;

(c) provision for exempting from tax any person or any person of any particular class or for exempting from tax (wholly or in part) the income of any person or any person of any particular class; and

(d) in addition to provisions for relief from double taxation, other provisions relating to tax under this Act or other taxes of every kind under any written law or to foreign tax of the territory to which the arrangements relate,

and any such arrangements containing any such provision may with respect to that provision be made to have effect for periods before the passing of this Act or before the making of the arrangements, and the foregoing subsections shall be construed accordingly.

(5) Where—

(a) any bilateral relief (within the meaning of Schedule 7) falls to be given to a person for a year of assessment in consequence of an order made under this section; and

(b) that year terminated prior to the date of that order,

any unilateral relief (within the meaning of that Schedule) falling to be given to that person for that year by virtue of section 133 shall not be given after that date; and, if any such unilateral relief has been given to him for that year, the amount of any such bilateral relief shall be reduced by the amount of that unilateral relief which has been so given.

(6) Any order made under this section shall be laid before the Dewan Rakyat.

Tax information exchange arrangements

132A. (1) If the Minister by statutory order declares that—

(a) arrangements specified in the order have been made by the Government with the government of any territory outside Malaysia with a view to the exchange of information foreseeably relevant to the administration or assessment or collection or enforcement of the taxes under this Act or other taxes of every kind under any written law and any foreign tax of that territory; and

(b) it is expedient that those arrangements should have effect, then, so long as the order remains in force, notwithstanding anything in any written law, those arrangements shall have effect in relation to tax under this Act or other taxes of every kind under any written law.

(2) No arrangement under this section can be made if the order in respect of an arrangement under section 132 is in force.

(3) Where any arrangements have effect by virtue of this section, section 138 shall not prevent the disclosure to a duly authorized servant or agent of the government with which the arrangements have been made of such information as is required to be disclosed under the arrangements.

(4) Any order made under this section shall be laid before the Dewan Rakyat.

Mutual administrative assistance arrangement

132B. (1) Notwithstanding section 132 or 132A, if the Minister by statutory order declares that —

(a) arrangements specified in the order have been made by the Government with the government of any territory outside Malaysia with a view to the mutual administrative assistance in tax matters which includes simultaneous tax examinations, automatic exchange of information or tax administrations abroad; and

(b) it is expedient that those arrangements should have effect,

then, so long as the order remains in force, notwithstanding anything in any written law, those arrangements shall have effect in relation to tax under this Act or other taxes of every kind under written law.

(2) Any order made under this section shall be laid before the Dewan Rakyat.