



Deloitte Tax Challenge 2011

Individual Category – Stage 2

1. There are two certainties in life of which one is taxation. Tax plays a vital role in any country and the economy. Please deliver a 5-minute speech in English to the students of your university, convincing them on what taxation can do for the nation – the people, the government and the economy.

Please note that a maximum of 20 marks will be awarded for your 5-minute speech.

(20 marks)

Instruction:

For Q2 & Q3, please answer each question on a fresh page, with your name on each page.

2. The Income Tax Act (ITA) levies taxes on the **chargeable income** of an individual from all sources. To arrive at the chargeable income the ITA has in its provisions detailed the steps to be taken and to be strictly followed. Anyone who is a student of taxation studies or who is engaged in the career has to know this fundamental methodology.

You are required to trace the various steps that an individual has to take to arrive at the chargeable income commencing from the gross income stage. In doing so you have to indicate at each stage what expenses, allowances, deductions etc that can be claimed. You have to take into account the stage where current business loss and business loss carried forward and rental loss from the lease of a property are set off.

(50 marks)



3. The Malaysian government has targeted the country to become a high income economy by 2020 or earlier. To ensure the successful achievement of this target there has to be structural changes in terms of skills, manpower, types of industries to be promoted (high-tech instead of low level production), Research & Development etc. tax incentives had been one of the methods used to encourage this growth and development.

You have been asked to give your views with respect to incentives that are currently available and those that can be introduced to developed highly skilled manpower to cater to the needs of both the services and the manufacturing sector.

(30 marks)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/my/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 170,000 professionals are committed to becoming the standard of excellence.

About Deloitte Malaysia

In Malaysia, services are provided by Deloitte KassimChan Tax Services Sdn Bhd and its affiliates.

Deloitte Southeast Asia Ltd—a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Guam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam—was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising over 230 partners and 5,300 professionals in 22 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

© 2011 Deloitte KassimChan Tax Services Sdn. Bhd.