

**DELOITTE TAX CHALLENGE 2009
INDIVIDUAL CATEGORY – STAGE 2**

1. Please step into the shoes of Malaysia's Minister of Finance. As Finance Minister, you know that despite the unfavourable global economy, the domestic scene could be more buoyant if there were greater confidence. Please deliver a 5-minute speech in English to the nation to foster more confidence to invest and buy as well as to sell at suitable prices such that the domestic economy would become more vibrant.

(20 marks)

Instruction:

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

2. Please contribute to Malaysia by writing a private citizen's letter to the Minister of Finance recommending to him changes which should be made in Budget 2010 to be announced on 23 October 2009. Your letter should address the following areas, and you should also provide reasons for your suggestions and the current tax situation in the areas concerned :-
 - a. Personal income tax rates.
 - b. Deductions in respect of business expenditure on corporate secretarial fees and tax agents fees relating to corporate tax returns.
 - c. Incentives to promote the employment of fresh graduates.

The Minister will be more likely to adopt your proposals if they are presented convincingly.

(40 marks)

3. Nigel Muringathery, an expatriate from India is to be assigned to Malaysia from 1 September 2009 for 2 years to commence an employment here pursuant to his employment contract with Pharma Incorporated of USA. Malaysia will be his employment base and his duties will cover the whole of Asia Pacific. He will perform his Asia Pacific duties in Malaysia for 30% of the year and for the balance of the time, he will be in various countries outside Malaysia. Please write to Pharma advising on how Nigel Muringathery's employment income will be taxed in Malaysia and basic residence considerations pertinent to his arrival date. Please also advise Pharma on any possibility of him being tax exempt in Malaysia and the countries he visits overseas in the performance of his duties.

(40 marks)

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