

# **TRANSFER PRICING DOCUMENTATION ON RELATED-PARTY LOAN TRANSACTIONS**

## **COMPLETE HANDS-ON GUIDANCE**

16 August 2019 (Friday), Pullman Hotel, Kuching

27 August 2019 (Tuesday), Hilton Petaling Jaya

10 October 2019 (Thursday), Mutiara Johor Bahru

Contemporaneous transfer pricing (TP) documentation is mandatory to be prepared in situations where related-party loan transactions exist, be it with Malaysian or overseas parties. The TP documentation has to be completed in line with Income Tax (Transfer Pricing) Rules 2012, Transfer Pricing Guidelines 2012 and Transfer Pricing Audit Framework 2013. This is a challenging task, more so with the recent amendment on earning stripping rules.

With the amendment of "control" in s.140A(5A) taking effect on 1 January 2019, a company with 20% holding and having loan transactions with related parties are now required to prepare TP documentation before submitting the Form C tax returns. Failing which the company would be charged for incorrect returns with a penalty of 45%.

This programme will guide you on the preparation of TP documentation in relation to related-party loan transactions: the TP methodologies to be used, comparable methods, essential loan agreements (format and contents), mode of payment, withholding tax risk, and applications of earning stripping rules.

### **OBJECTIVES**

This programme seeks to help you understand the:

- meaning and scope of related-party loan transactions
- applications of interest principle
- withholding tax: risk avoidance
- earning stripping rules
- preparation of TP documentation in compliance with the law

### **WHO SHOULD ATTEND**

- Chief Financial Officers
- Tax Directors & Consultants
- Finance Directors & Advisers
- Accountants & Auditors
- Company Secretaries
- Lawyers
- Business Entrepreneurs

### **METHODOLOGY**

PowerPoint presentations, practical applications on case studies, Q&A sessions.

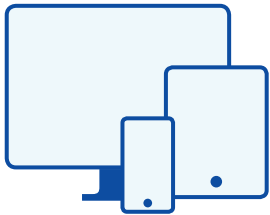
### **PROGRAMME OUTLINE**

- Related Parties
  - > Scope and coverage
- Controlled Transaction
  - > Extensiveness and application
- Parameter of Loans, Advances, Guarantee Fees, Financing Assistance
  - > The dividing lines
- Burden on Preparation of TP documentations
  - > Lender or borrower?
- Diversities and Complexities on the Meaning of Arm's Length
- Income Tax (Transfer Pricing) Rules 2012: an analysis\*
- Transfer Pricing Guidelines 2012 (updated)
  - > Awareness and comprehension\*
- Transfer Pricing Audit Framework 2013
  - > Noting points\*
- The TP Methodology\*
  - > Comparable uncontrolled price method
  - > Cost or cost plus method
  - > Margin of profit being reasonable
- Interest Element
  - > Computation, derivation and realisation
- Withholding Tax on Interest
  - > Risks exposure
- Withholding Tax Compliance
  - > Impacts of landmark Court of Appeal's decision in Ketua Pengarah HDN vs Teraju Sinar Sdn Bhd [2014] 4 MLJ 218
- Earning Stripping Rules
  - > Applications and implications
- Penalty on Incorrect Return on TP Documentation
  - > Application and calculation
- TP Documentation Preparation on Related-Party Loan Transaction
  - > Hands on guidance
  - > Step-by-step guide

*\*in relation to related-party loan transaction only*

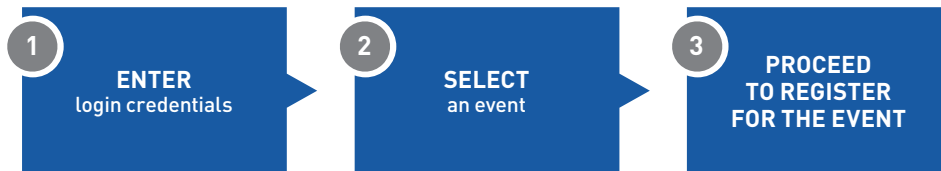


## REGISTRATION PROCESS

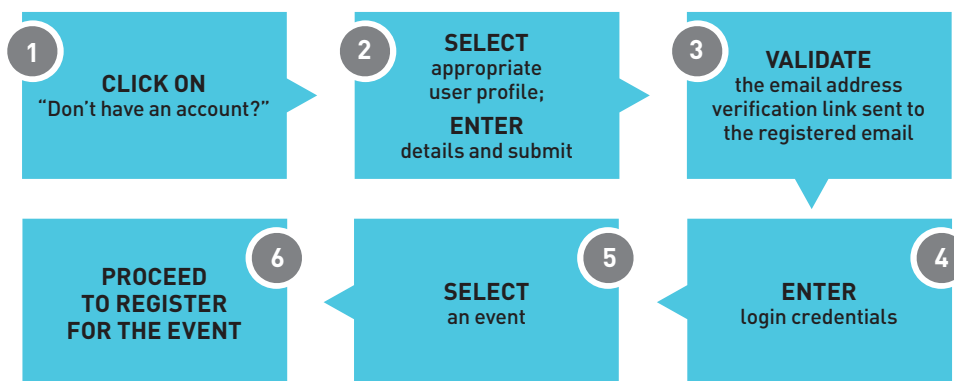


- To view more events and download full brochure, please visit:  
**[pd.mia.org.my](http://pd.mia.org.my)**
- Search and select the event
- Click 'Register' to experience the new system by continuing with the respective steps below:

### EXISTING USER



### NEW USER



For any assistance, please call (8.45am-5.30pm, Monday-Friday)  
**MIA Help Desk @ 603-2722 9000**

## TERMS & CONDITIONS

### PROGRAMME FEE

- Fee is payable to **MALAYSIAN INSTITUTE OF ACCOUNTANTS**
- Depending on the event, the fee includes course materials and/or lunch and/or tea breaks.
- Individual Registration:** Full payment shall be made at the point of online registration.
- Corporate Registration:** Full payment shall be made within thirty (30) days from the date of the Proforma Invoice or on the day of the event, whichever earlier.
- Admittance may be denied upon failure to make full payment as per the above requirement.

### CANCELLATION

Should the participant decide to cancel his/her enrolment, a cancellation policy shall be applied as follows:

a. Written cancellation received less than seven (7) days from the date of the event:

- A refund (less administrative charge of 20%) will be made.
- Unpaid registrations will also be liable for 20% administrative charges.

b. Written cancellation/no show on the day of the programme:

- No refund will be entertained.
- Unpaid registrations will also be liable for full payment of registration fee.

Substitutes for cancellation will be treated as a new registration and full payment shall be made as per the above requirement.

### PARTICIPANT'S CLASSIFICATION AND INFORMATION

Category: Corporate / Individual

- Please select the participant classification carefully as it determines the fee payable. No alteration will be allowed upon registration.
- The information on Corporate/Individual provided shall be deemed true and correct. No alteration will be allowed upon registration.

### VERIFICATION OF ATTENDANCE

- All participants are required to present photo identification (NRIC, driving licence or company's ID card) at the point of registration prior to signing the registration list when attending MIA CPE programme. Admittance may be denied upon failure to present photo identification.

### CERTIFICATE OF ATTENDANCE AND CPE HOURS

- Upon full attendance of the programme, participants will be issued an "e-certificate". For this purpose, it is **COMPULSORY** to fill in the email address clearly.
- For MIA members, the CPE hours will be credited into the Membership System within 2 weeks of the event.
- Participants will only be entitled to the CPE hours upon attending the entire duration of the programme. **CPE hours will not be accorded for partial attendance.**

### DATA PROTECTION

Personal Data is gathered in accordance with the Personal Data Protection Act 2010 (Act 709).

### DISCLAIMER

Malaysian Institute of Accountants (MIA) reserves the right to change the speaker(s), date(s) and to cancel the programme should circumstances beyond its control arise. MIA shall not be responsible for any costs, damages or losses incurred by the participant due to the changes and/or cancellation. MIA also reserves the right to make alternative arrangements without prior notice should it be necessary to do so. Upon registering, you are deemed to have read and accepted the terms and conditions herein.

## FACILITATOR

### DR. CHOONG KWAI FATT

PhD

Dr. Choong is a tax advocate in Malaysia. He practises law under the firm, Kwai Fatt & Associates, which specialises in income tax, sales and service tax (SST) appeals, and provides consultancy and support in income tax matters, particularly on transfer pricing, tax audit and investigation; and matters relating to trusts and wills. He was an associate professor with the University of Malaya for 19 years. Over the years, he has published a total of 104 books on Malaysian taxation, including 3 books on Sales and Service Tax (SST), 15 on Goods and Services Tax (GST), and 7 books on the Companies Act 2016. His research has been widely quoted in tax cases before the High Courts and by the Special Commissioners of Income Tax.

### PROGRAMME FEES

Member / Member Firm	RM 700
Non-member	RM 850

### PROGRAMME DETAILS & REGISTRATION

- 16 August 2019 (Friday), Pullman Hotel, Kuching

Contact : Teddy/Sandra  
Tel : 082 418 427  
Fax : 082 417 427  
Email : miakch@mia.org.my  
Address : Malaysian Institute of Accountants  
1st Floor, Ultimate Professional Centre  
16, Jalan Bukit Mata Kuching  
93100 Kuching

- 27 August 2019 (Tuesday), Hilton Petaling Jaya

Contact : Afiq  
Tel : 03 2722 9172  
Fax : 03 2722 9009  
Email : pd@mia.org.my  
Address : Malaysian Institute of Accountants  
Dewan Akauntan  
Unit 33-01, Level 33,  
Tower A, The Vertical  
Avenue 3, Bangsar South City  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

- 10 October 2019 (Thursday), Mutiara Johor Bahru

Contact : Farzana/Melissa  
Tel : 07 227 0369  
Fax : 07 222 0391  
Email : miajbu@mia.org.my  
Address : Malaysian Institute of Accountants  
5.03A, 5th Floor Menara TJB  
No. 9, Jalan Syed Mohd Mufti  
80000 Johor Bahru