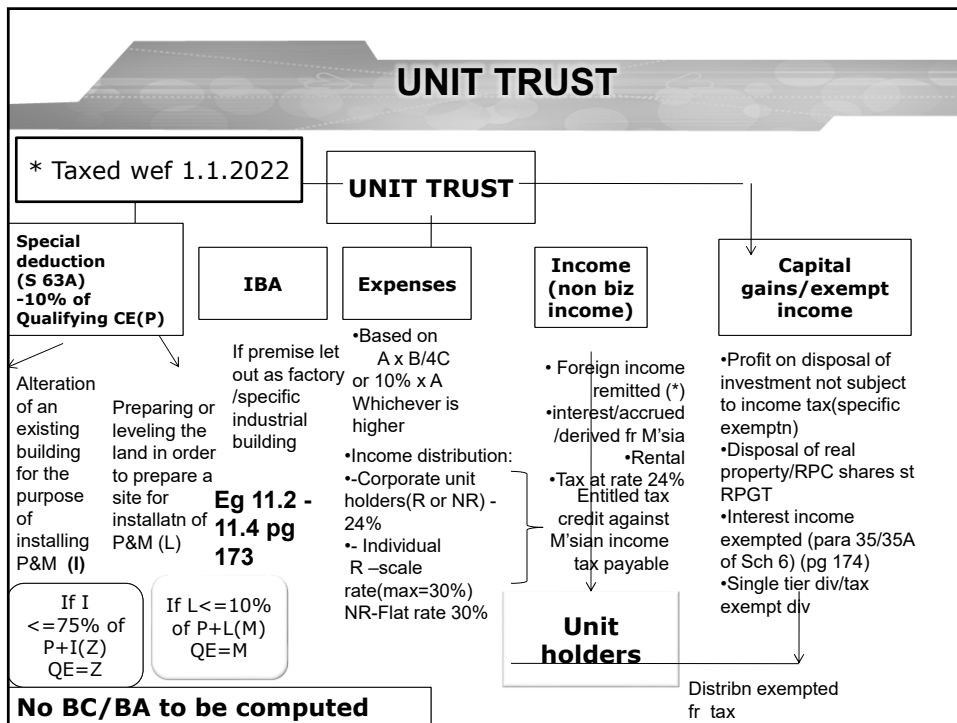


# Unit Trust / Property Trust

1



2

## Unit Trust- Format of tax computation

<b>Section 4 (c)</b>			
<b>Interest income</b>			xx
Less: Interest expenses			(xx)
Adjusted income			xx
<b>Section 4(d) Rental income</b>			
Gross income(current year)		xx	
Advance rental		₤	
		xx	
Less: Wholly & exclusively expenses			
- Rates & Assessment	X		
- Quit rent	X		
- Insurance premium	X		
- Repairs & maintenance	X		
- Agent's fees	X		
- Security charges	X		
- Management fees	x	(x)	
Adjusted income			xx
Less Special Deduction under S 63A			(xx)

3

## Unit Trust- Format of tax computation

<b>Dividend income(foreign &amp; remitted)</b>			xx
Less: Interest expenses			(xx)
Adjusted income			xx
<b>Aggregate income</b>			
Less:			
-Special Deduction for permitted expenses			(x)
-Tax exempt donation (limited to 10%)			(x)
-- Zakat perniagaan ( limited to 2.5% of AI)			
Total income/Chargeable income			₤
Income tax payable @24%		xx	
Less: Section 132/133 relief		(xx)	
Net income tax payable		xx	

Eg 2 -5 PR72014

Eg 11.5 – 11.7 pg 176,  
11.10,pg181

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## REAL ESTATE INVESTMENT TRUST(REIT)

- ❖ REIT, listed on Bursa Malaysia , is exempted from tax under section 61A of the ITA, provided  $\geq 90\%$  of the total income of REIT in that particular YA is distributed to the unit holders  $\leq 2$  months from the year end
- ❖ Listed REIT distributes income exempted under section 61A, needs to pre-deduct the following tax & distribute only the net amt to unit holders:

	Type of unit holder	%
(a)	Foreign institutional investor-pension fund, collective investment scheme or person approved by the Minister	10(*)
(b)	Non-resident company	24(*)
( c )	Others	10(*)
(d)	Resident company	-
*	Final tax	

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## REAL ESTATE INVESTMENT TRUST(REIT)

- ❖ **NOTE**
- ❖ where a REIT/PTF that is not listed on Bursa Malaysia makes any distribution of its total income to its unit holders, this distribution is not subject to withholding tax under section 109D of the ITA.

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## REAL ESTATE INVESTMENT TRUST(REIT)

### \*Final tax.

❖ **Tax deducted shall be paid to IRB within one month after distributing such income**

### ❖ **Non compliance**

- a) 10% penalty of the unpaid tax
- b) Both the tax deducted & the penalty are debts due to Government

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Refer Pg 202 for comparison

## Comparison:Unit trust & REIT

	REIT	Unit trust
1) Availability of business source i.e rental source	√	X
2) Utilisation of current year biz losses	X (permanent loss)	N/A
3) Utilisation of CA	√	X(unless tenant use it as certain IB)
4) Unabsorbed CA c/f	X (permanent loss)	N/A
5) Distribution >= 90% of total income to unit holder( If REIT listed under BURSA)	Total income xx Distn to unit holders(>=90%) (xx) CI Exempt	N/A
6) Deduction of overhead	Fully	Restricted

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# REIT

June 2022 Q1(g)

**(g) Real estate investment trust (REIT) distributions**

With regard to the REIT distributions to LB, explain the compliance requirements of the IQ REIT and the income tax treatment and compliance requirements of LB.

**(g) REIT distributions**

IQ REIT is an approved listed REIT. When it distributes to LB as a unit holder, it is governed by provisions [s. 109D, Income Tax Act 1967] to withhold tax as specified. However, the withholding provisions do not include a Malaysian resident company. As LB is a Malaysian resident company, it will receive distributions from IQ REIT without any tax withheld at source. LB in turn will be required to report the REIT distributions as one of its income sources in its annual tax return. The REIT distribution will be aggregated with other income to compute its chargeable income and be subject to tax at the rate of 24%.