

**FINAL EXAMINATION****BACHELOR OF CORPORATE ADMINISTRATION (HONOURS)****COURSE : TAXATION II****COURSE CODE : TAX304****DURATION : 3 HOURS****INSTRUCTIONS TO CANDIDATES:**

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. Appendix
4. Do not bring any material into the examination hall. The use of a calculators is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO. : _____
ID. NO. : _____
LECTURER : _____
SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 7 printed pages including front page

QUESTION 1

- a. Global Nexus Sdn. Bhd. (GNSB) is a Malaysian resident company. During the year ended 31 December 2025, GNSB entered into several transactions with non-resident entities. Discuss whether the following transactions are subject to withholding tax under Malaysian tax legislation. Where relevant, state: Whether withholding tax applies, the applicable rate, the relevant section of the Income Tax Act 1967 and the amount of withholding tax (if applicable).
- i. GNSB paid RM60,000 to a company in Singapore for providing technical consultancy services remotely.
 - ii. GNSB paid RM40,000 to a company in Japan for the use of patented technology in Malaysia.
 - iii. Interest of RM25,000 was paid to a bank in United Kingdom.
 - iv. GNSB paid RM18,000 to a non-resident entertainer from Korea who performed in Malaysia.
 - v. GNSB paid RM70,000 to a company in Australia for installation and maintenance services, performed partly in Malaysia.
 - vi. GNSB paid RM30,000 to a company in Germany for cloud-based digital services (no presence in Malaysia).
 - vii. Contract payment of RM22,000 was made to a contractor from Thailand for technical services performed in Malaysia.
 - viii. GNSB paid RM15,000 to a consultant from Indonesia for training services conducted online.

(15 marks)

- b. EduGlobal Sdn. Bhd. (EGSB) is a Malaysian resident company engaged in the business of organising international academic and professional conferences for profit. The company earns income from registration fees, sponsorships, exhibition booths, and event management services. In 2025, EGSB organised a large-scale international event known as the Global Innovation and Technology Summit (GITS 2025), held on 10 June 2025 in Kuala Lumpur. The event was attended by international speakers, multinational companies, and academic institutions, and was conducted as part of EGSB's core business operations. To support the event, EGSB engaged several foreign service providers and incurred a total estimated project cost of RM1,000,000.

On 20 June 2025, EGSB made the following payments to non-resident parties for services rendered in connection with events/activities conducted in Malaysia. The payments were received by the respective parties on 28 June 2025.

Purpose	Payment (RM)
Payment for rental of conference equipment (projector and audio system) from TechNova Inc. (USA)	500,000
Honorarium paid to keynote speaker from United Kingdom for presentation at conference in Malaysia	300,000
Registration system support fee paid to Global Events Ltd (Japan) for handling participant registration	200,000

Required:

Explain whether each of the payments made by EduGlobal Sdn. Bhd is subject to withholding tax, providing reasons and the relevant section of the Income Tax Act 1967 (if applicable), and calculate the amount of withholding tax payable for each payment.

(15 marks)

(Total: 30 marks)

QUESTION 2

- a. Spice Route Café Sdn Bhd is a restaurant company specialising in Middle Eastern cuisine such as kebab, grilled lamb, shawarma, and Arabic desserts. The company operates 11 outlets in Johor and Negeri Sembilan. The business commenced operations on 1 April 2025 and as at 31 December 2025, total sales from food and beverages amounted to RM1.72 million.

Required:

- i. Explain whether Spice Route Café Sdn Bhd is required to register for service tax under the Service Tax Act 2018.
(2 marks)
- ii. Explain the taxable period and submission requirement of SST-02 return for Spice Route Café Sdn Bhd.
(2 marks)
- iii. State **FOUR (4)** responsibilities of a registered service tax person under the Service Tax Act 2018.
(4 marks)
- iv. Explain the meaning of “designated area” under the Sales Tax Act 2018 and state **TWO (2)** examples of designated areas in Malaysia.
(2 marks)

- b. Mega Mega Structure Consulting Sdn Bhd, a registered service tax person under the Service Tax Act 2018, provides engineering consultancy services in Malaysia. The company engaged Geo Prime Solutions Sdn Bhd, which is also a registered service tax person under Group G, to provide environmental consultancy services in Kuantan.

The consultancy fee charged amounted to RM65,000. Upon completion of the services, Geo Prime Solutions Sdn Bhd also invoiced the following additional charges:

- Accommodation expenses RM5,000
- Administrative expenses RM7,000
- Site inspection documentation RM4,500

Required:

- i. Explain whether the consultancy services and each of the out-of-pocket expenses are subject to service tax.
(3 marks)
- ii. Prepare invoice to Mega Structure Consulting Sdn Bhd and compute the service tax payable.
(3 marks)

- c. Explain for each of the following independent transactions whether the transaction is subject to Sales Tax Act 2018 and provide reasons for your answer. Compute the sales tax payable using the normal sales tax rate of 10%.

Note: Each of the following transactions should be assessed independently:

- i. Warisan Tekstil Sdn Bhd manufactures handmade songket fabrics in Terengganu. On 15 January 2025, the company supplied songket fabrics worth RM25,000 to Istana Negara for an official royal ceremony.
- ii. Global Harvest Bhd imported frozen seafood products from Vietnam costing RM1.8 million on 10 February 2025. Subsequently, part of the products amounting to RM2.2 million were sold to Langkawi while the remaining stock amounting to RM2.5 million was sold in Kuala Lumpur.
- iii. Northern Manufacturing Bhd imported taxable electronic equipment from Germany at a purchase price of RM520,000 on 30 March 2025. The company also incurred freight charges of RM8,500 and insurance expenses of RM16,500. Import duty was imposed at 15% of the total cost of imported goods.

(20 marks)

(Total: 40 marks)

QUESTION 3

Lestari Vista Holdings Sdn Bhd was incorporated on 1 April 2020 by Tan Sri Rahman and his daughter, Nadia, with an issued share capital of 1,800,000 ordinary shares at RM1.00 each. On 15 August 2020, Nadia married Faris. Faris, who is the husband of Nadia, subsequently became a minority shareholder in the company after subscribing to 200,000 ordinary shares. Meanwhile Tan Sri Rahman and Nadia are the majority shareholder holding 800,000 ordinary shares respectively.

On 10 June 2018, Tan Sri Rahman purchased a semi-detached house known as "Villa Harmoni" located in Shah Alam for RM1,850,000. Legal fees and stamp duty incurred amounted to RM32,000. On 15 February 2019, he spent RM180,000 to renovate the kitchen and landscape area of the property. In December 2019, he received insurance compensation amounting to RM25,000 for flood damage affecting part of the property.

On 15 August 2020, Tan Sri Rahman transferred Villa Harmoni to Nadia as a wedding gift when the market value was RM2,700,000.

On 12 May 2023, Nadia sold 250,000 ordinary shares in Lestari Vista Holdings Sdn Bhd (acquired during incorporation) to her younger brother Danish for RM1,400,000.

On 1 September 2023, Nadia transferred Villa Harmoni to Lestari Vista Holdings Sdn Bhd in exchange for 700,000 ordinary shares valued at RM1.50 each and cash consideration of RM300,000.

Lestari Vista Holdings Sdn Bhd became a Real Property Company (RPC) on 1 January 2024 following the acquisition of several investment properties, with the defined value of its shares at RM2.40 per share on that date.

On 30 June 2025, Nadia disposed of all her remaining shares in Lestari Vista Holdings Sdn Bhd to Gemilang Tropika Berhad at RM2.80 per share.

On 10 February 2026, Faris disposed of his 200,000 shares in the company to his sister Farah at RM2.40 per share.

Required:

Compute the real property gains tax payable (if any) on the following disposals of shares and real property:

- i. The transferred of Villa Harmoni by Tan Sri Rahman to Nadia on 15 August 2020.

(3 marks)

- ii. The disposal of shares by Nadia on 12 May 2023 and transfer of Villa Harmoni to Lestari Vista Holdings Sdn Bhd on 1 September 2023.

(8 marks)

iii. The disposal of shares by Nadia to Gemilang Tropika Berhad on 30 June 2025.
(12 marks)

iv. The disposal of shares by Faris to Farah on 10 February 2026.
(7 marks)

(ALL answers must be rounded up to TWO decimal places).

**** Note:** *Show all the relevant computations and give reasons for your answers.*

(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

APPENDIX 1

1. RPGT rates were imposed:

Part I of Sch 5 applies to the following persons:

- (a) Malaysian citizen individual;
- (b) Permanent resident in Malaysia;
- (c) Estate of deceased person (executor) who is Malaysian citizen or permanent resident;
- (d) Limited liability partnership;
- (e) Partnership.

CATEGORY OF DISPOSAL	RPGT rate (%)
Disposal within 3 years	30%
Disposal in the 4 th years	20%
Disposal in the 5 th years	15%
Disposal in the 6 th years and thereafter	0%

Part II of Sch 5 applies to the following persons:

- (a) Company incorporated in Malaysia;
- (b) Trustee of a trust.

CATEGORY OF DISPOSAL	RPGT rate (%)
Disposal within 3 years	30%
Disposal in the 4 th years	20%
Disposal in the 5 th years	15%
Disposal in the 6 th years and thereafter	10%

Part III of Sch 5 applies to the following persons:

- (a) Non-Malaysian citizen individual;
- (b) Non-Permanent resident individual;
- (c) Executor of the estate of a deceased person who is non-Malaysian citizen or non-permanent resident;
- (d) Company not incorporated in Malaysia (foreign company).

CATEGORY OF DISPOSAL	RPGT rate (%)
Disposal within 5 years	30%
Disposal in the 6 th years and thereafter	10%