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#### Individual remittances now tax exempt

IN a move to encourage inflow of funds, the Cabinet has decided to extend tax exemption to the remittance of earnings from abroad by individuals.

Prior to this, tax exemption on overseas earnings applies only to companies operating in the country as stipulated under the Income Tax Act 1967.

With the decision, companies and individuals will enjoy tax exemption from now until December 31 this year.

Announcing this yesterday, Deputy Prime Minister Datuk Seri Anwar Ibrahim said individuals need only submit their applications to the Tax Analysis Division of the Finance Ministry to qualify for the exemption.

They no longer need to declare to the Inland Revenue Board (IRB) their remitted overseas earnings, he added.

The Government hopes that Malaysians residing abroad will respond positively by remitting more money home.

Anwar, who is also Finance Minister, said this will help spur the economy's recovery.

"It will also boost confidence among foreign investors. We therefore urge these people to capitalise on the benefit provided by the Government," he added.

The move followed calls for an amnesty in income tax declarations and Bank Negara queries as part of efforts to encourage Malaysians to bring back their funds deposited overseas.

In another development, Anwar reiterated that the Government will not approve a corporate restructuring of Malaysian Airline System Bhd (MAS) if the exercise is conducted at the expense of minority shareholders.

"We do not oppose restructuring as a policy," he said, but the interests of the small shareholders must be protected.

Anwar was asked to clarify the Government's stand on MAS with regards to the freeze on corporate restructuring announced last year. Last month, Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government, which has a golden share in the national carrier, will not stop the company from undertaking a restructuring exercise.

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