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PM on lifting of levy on repatriated profits

KUALA LUMPUR, Fri. - Foreigners taking out their profits from equity investments after one year would not have to pay anything following the abolition of the exit levy on repatriated profits, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He said foreigners, who often claimed to be long-term investors, would have to keep their capital on the Kuala Lumpur Stock Exchange for a year.

"They always claim that they are long term investors. So as long as they are long term investors, they will keep their investment here for more than one year," he said when asked on the move as announced by Finance Minister Tun Daim Zainuddin in the 2001 Budget today.

The Government imposed the 10 per cent exit levy on profits derived from short-term portfolio investments to discourage large outflows of short-term capital.

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