

HILLS & CHERYL

Corporate Advisory Sdn. Bhd.

ACCOUNTS. ADVISORY. COSECs. RESEARCH. SST. TAX
“The next BIG decision.”

15 & 15A, Hala Bendahara 1
31650, Ipoh, Perak, Malaysia.

Tel/ Fax : + 605 - 241 1566
Email : accounts@cwca.com.my
Website : www.cwca.com.my

Part A : CLBG / Sdn. Bhd. / Berhad Accounting & Expenses Checklist

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|---|--------------------------|
| 1. Sales Records; | ☐ |
| 2. Purchase & Supplier/ Vendor Invoices; | ☐ |
| 3. Stock List @ last day of financial year; | ☐ |
| 4. Utilities Bill, Telephone & Internet Charges;
(Under business name – 100% allowable, Home office – 2/3 allowable) | ☐ |
| 5. Postage, Courier Charges, Printing and Stationery; | ☐ |
| 6. Petrol Receipts, Parking & Toll and Travelling; | ☐ |
| 7. Vehicle's & Office's Up-keeping, Repair & Maintenance (including Repainting); | ☐ |
| 8. Rental Receipt (with a copy of LHDN stamp duty paid tenancy agreement); | ☐ |
| 9. Purchases of machines, furniture, office equipment and motor vehicle; | ☐ |
| 10. Quit Rent, Assessment Receipts, Permit Fees, Corporate Membership Fees and Business License; | ☐ |
| 11. Loan Agreement, Bank Loan Statement & Hire Purchase Agreement; | ☐ |
| 12. Payroll Record, Salary Voucher, Sales commissions, EPF, SOCSO, and EIS; | ☐ |
| 13. Professional Fees (Accountant, Attorney, Auditor & COSEC Fees) and Legal Fees; | ☐ |
| 14. Business Insurance, Lease Rental on Plant and Machinery; | ☐ |
| 15. Entertainment;
(Staff – 100% allowable, Suppliers & Existing Customers – 50% allowable) | ☐ |

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16. Advertising, Promotional Gift of Trading Product, Samples & Gift with Company Logo; ☐
17. Staff Training and Specific Trade Debt Written Off (*subject to meeting conditions*); ☐
18. Bank Statements (*12 months for the financial year & 1 month after financial year ended*); ☐
19. Cheque Butts; ☐
20. First 3 Sales & Purchase invoices after financial year ended; ☐
21. SST Form (*if any*), Tax Payment Slip & LHDN's Approved Charitable Contributions. ☐

Part B : Allowable specific expenses

1. Providing equipment for the disabled employee (*OKU*); ☐
2. Publication in National Language (*approved by Language and Library Board*); ☐
3. Providing of library facilities accessible to public and Donation to public libraries; ☐
4. Contribution to a charity or community project on education, health, housing, infrastructure or communication technology (*approved by Minister*); ☐
5. Providing and maintenance of a child care centre for the benefit of employees; ☐
6. Establishing and managing a musical or cultural group (*approved by Minister*); ☐
7. Sponsoring any art or cultural event.
(*approved by Ministry of Tourism, Arts and Culture Malaysia*) ☐

Part C : Double tax deductions

1. Childcare allowance.

Companies providing childcare allowance to employees with children aged 12 and below or paid directly to qualifying childcare centers can enjoy a double tax deduction for such expenses.

The expenses amount is up to RM 3,000.00 per year effective YA 2024 (RM 2,400.00 in YA 2023).

Separately, the same amount of childcare allowance received by the employee is also exempted from tax.

2. Employment of senior citizens, ex-convicts, parolees, supervised persons and ex-drug dependents.

Companies can enjoy double tax deduction on remuneration paid to full-time employees who are (*this incentive is available to employers from YA 2019 to YA 2025*).
:

- a) Senior citizen aged 60 years and above;
- b) Ex-convict;
- c) Parolee;
- d) Supervised person; or
- e) Ex-drug dependents.

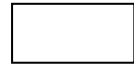
The benefit is subject to the following:

- a) The remuneration does not exceed RM 4,000.00 per month;
- b) The employer and employee are not the same person;
- c) The employer is not a relative of the employee.

3. Halal certification, quality systems and standards certification.

Companies can claim double deduction for expenses incurred in obtaining halal certification, quality systems and standards certification issued by an approved certification body e.g. SIRIM, JAKIM etc.

4. Structured internship programme.

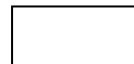


Companies providing structured internship programme (SIP) to students to gain practical work experience in a specific field of their study can enjoy double deduction on the expenditure incurred. The requirements are:

- a) Monthly internship allowance not less than RM 600.00 for Master's Degree, Bachelor's Degree and Professional Certificate or equivalent (*Category A*).
- b) Monthly internship allowance not less than RM 500.00 for diploma / Malaysian Skills Certificate Level 1 to Level 5 or equivalent (*Category B*).
- c) Provide a minimum internship period of 10 weeks.
- d) Provide an internship framework that include practical experience and emphasizes the development of specific knowledge or skills for students and approved by TalentCorp.
- e) Registered with Companies Commission of Malaysia (*SSM*) or recognized entities.

Additionally, the Company can also apply a deduction of up to RM 5,000.00 per year on expenditure incurred for the provision of training, meal, travelling, accommodation, digital and communication costs (*Extended from YA 2026 to YA 2030*).

5. Employers implementing Flexible Work Arrangements (*FWA*).



Employers implementing *FWA* given double tax deduction on eligible expenses capped at RM 500,000.00 from 01st July 2020 until 31st December 2022.

A 50% further deduction be given to employers that incurred expenses for capacity building & software acquisition to implement *FWA*.

Expenses eligible for further deduction is capped at RM 500,000.00, subject to one-off claim and to be verified by TalentCorp.

(Effective for application received by TalentCorp – 01st January 2025 until 31st December 2027)

6. Employment of disabled employees.



Companies can claim double deduction on remuneration paid to employees (Registered Orang Kurang Upaya- OKU) who are disabled.

7. Sponsorship of scholarship to students.



Companies can claim double deduction for provision of scholarships to qualifying Malaysian students to pursue the following:

- a) Certificate in technical and vocational certificate;
- b) Bachelor's degree;
- c) Master's degree; or
- d) Doctor of philosophy.

The scholarship agreement between the company and the employee must be executed between 01st January 2022 to 31st December 2025.

The other conditions include that the student does not have the means to support himself/herself, and that the household income of the student should not exceed RM 10,000.00 per month.

Apart from tuition fees, the sponsor is also eligible to claim expenses on the student's educational aids and reasonable living expenses incurred by the sponsor for the student throughout the period of study.

Part D : Disallowable expenses

1. Expenses That Are Not Incurred

- a) Provision of expenses and general provision of bad debt
- b) Depreciation and loss on disposal capital assets
- c) Un-realised foreign exchange loss

2. Capital Expenditure

- a) Pre- Commencement Expenses;
- b) Incidental costs, acquiring, improving or altering capital assets;

2. Capital Expenditure (Cont'd)

- c) Protecting, preserving or defending the title of capital assets;
- d) Renovation or construction cost of premises (*including first painting*);
- e) Application and registration expense;
- f) Income tax, penalties and cost of tax appeals;
- g) Legal fees for bank loan or premises acquisition;
- h) Entrance fees to club;
- i) Registration of trademark;
- j) Fees for designing company logo.

3. Prohibited Expenses

- a) Expenses not wholly and exclusively incurred in the production of income;
- b) Private or capital expenditure;
- c) Lease rentals for passenger cars > RM 50,000.00 (*if used in condition or cost of new cars > RM 150,000.00*) per car;
- d) Lease rentals for passenger cars > RM 100,000.00 (*if new in condition and with cost < RM 150,000.00*) per car;
- e) Employer's contributions to unapproved pension, provident or saving schemes;

3. Prohibited Expenses (Cont'd)

- f) Employer's contributions to approved schemes in excess of 19% of employee's remuneration;
- g) Non-approved donations;
- h) Employee's leave passages (*Local > 3 times, Overseas > 1 time or > RM 3,000.00*);
- i) Interest, royalty, contract payment, technical fee and rental of movable property.
(*Payment made to non-resident while withholding tax was not paid*)

Remarks:

- 1. The amount of double deductions or types of double deductions are subject to change or to be updated from time to time which is based on yearly presented Malaysia's National Budget.
- 2. The checklist is suitable for general referencing only and do connect with us if you need any further assistance.
- 3. All related evidencing and supporting documents are to be kept for 7 years from the year of assessment.

Please do not hesitate to call us @ 05-2411 566 or whatsapp @ 017 -229 0886 to H.O.D. of Accounts Department if you need any further clarifications.